



President
Mr. Roger Carroll
Town of Loomis

Vice President
Mr. Steve Baker
City of Yreka

Secretary
Ms. Brooke Woodcox
City of Rio Dell

Treasurer
Ms. Linda Romaine
Town of Fort Jones

**SMALL CITIES ORGANIZED RISK EFFORT
BOARD OF DIRECTORS
MEETING**

Date: Friday, April 1, 2016
Time: 10:00 AM
Location: Gaia Hotel & Spa
4125 Riverside Place
Anderson, CA

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously Mailed**

PAGE **A. CALL TO ORDER**

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.

Pg. 5 **E. CONSENT CALENDAR**

A 1

All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request an item to be considered separately. If not, the Board will take action to accept and file the items below.

Pg. 6 **1. Board of Directors Meeting Draft Minutes – January 29, 2016**

A 1

Pg. 14 **2. US Bank Custodial Account Statement – January – February 2016**

Pg. 33 **3. SCORE Checking Account Transaction List – January – February 2016**

Pg. 34 **4. Investment Statements from Chandler Asset Management – January – February 2016**

Pg. 42 **5. Target Solutions Monthly Utilization Report – January – February 2016**

F. ADMINISTRATIVE REPORTS

1. President’s Report

I 4

Roger Carroll will address the Board on items pertaining to SCORE.

2. Alliant Update

I 4

Alliant will update the Board on matters pertinent to SCORE.

3. CJPRMA Update

I 4

Roger Carroll will provide the Board with an update on CJPRMA matters of relevance to SCORE. Minutes of the last meeting can be found at <http://www.cjprma.org/>

The Small Cities Organized Risk Effort or SCORE, is an association of municipalities joined to protect member resources by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

- 4. **ERMA Update** I 4
John Duckett will update the Board on ERMA matters pertinent to SCORE. Minutes of the last meeting can be found at www.ermajpa.org/
- 5. **LAWCX Update** I 4
Steve Baker will update the Board on LAWCX matters pertinent to SCORE. Minutes of the last meeting can be found at <http://lawcx.org/>

G. FINANCIAL

- Pg. 44 1. **Chandler Asset Management – Investment Manager’s Report** A 2
Marty Cassell will be providing the Board of Directors with a presentation of SCORE’s investment portfolio as well as an overview of the current investment climate and recommended changes for the FY 2016/17.
- Pg. 45 2. **Investment Policy Review and Approval** A 1
Annually the Board reviews and amends and/or approves the SCORE Investment Policy.
- 3. **Gilbert & Associates Service Agreements** A 1
 - Pg. 53 a. **FY 2015/16**
The Board will be presented with revisions to the FY 2015/16 Gilbert Agreement including required changes.
 - Pg. 59 b. **FY 2016/17**
The Board will review and could approve an amendment for accounting services for FY 2016/17.
- 4. **Quarterly Financials for Period Ending December 31, 2015** A 3
Board members will review the December 31, 2015 Quarterly Financials report presented by Gilbert & Associates, Inc. and may take action to Accept and File.

Lunch Break

H. JPA BUSINESS

- 1. **Risk Control Issues**
 - Pg. 82 a. **Suggested Risk Management Services for FY 2016/17** A 1
DKF Solutions will present suggested risk management services for FY 2016/17 for the Board of Directors to review and consider.

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Pg. 86	b. Loss Control Grant Fund Program <i>The Board of Directors will receive status of funds used in FY 2015/16 and will consider the FY 2016/17 allocations.</i>	A 1
	2. Actuarial Studies	
Pg. 92	a. Liability - Actuarial Review <i>Mike Harrington from Bickmore will present the Liability actuarial study to the Board for review and acceptance.</i>	A 1
Pg. 97	b. Workers' Compensation - Actuarial Review <i>Mike Harrington from Bickmore will present the Workers' Compensation actuarial study to the Board for review and acceptance.</i>	A 1
	3. FY 2016/17 Funding Rates <i>The Board will use the information provided by the Program Administrators and Actuary to establish the funding rates used in the FY 2016/17 Budget deposit calculations.</i>	A 1
Pg. 102	a. Liability Program	
Pg. 103	b. Workers' Compensation Program	
Pg. 104	4. FY 2016/17 SCORE Preliminary Budget <i>Staff will provide the Board with a modified Preliminary Budget format that will lead to recommended revisions of the Master Plan Documents and the Board will be asked provide staff with direction as necessary.</i>	I 1
	5. Master Plan Document Revisions	A 4
Pg. 110	a. Liability <i>The Board will be presented with recommended revisions to the Master Plan Documents and may review and accept the changes.</i>	
Pg. 113	b. Workers' Compensation <i>The Board will be presented with recommended revisions to the Master Plan Documents and may review and accept the changes.</i>	
Pg. 116	6. SCORE Training Day <i>The Board of Directors will receive information about training topics for the October 13-14 training meeting.</i>	A 1
Pg. 117	7. Identity Fraud Quote <i>A quote for Identity Theft coverage will be presented to the Board for consideration.</i>	A 1

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Pg.124 **8. City of Yreka – Request Funds** A 1
The Board will be asked to review and may approve a request from the City of Yreka for use of training funds for a training room.

Pg.126 **I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**
****REQUESTING AUTHORITY**

- 1. Liability** A 4
 - a. Larsen v. Isleton
- 2. Workers’ Compensation**
 - a. SCWA-343480 v. Crescent City**
 - b. SCWA-530470 v. Crescent City**
 - c. SCWA-231393 & SCWA-75498 v. Susanville**
 - d. SCWA-554038 v. Montague**

J. REPORT FROM CLOSED SESSION

Pg.127 **K. INFORMATION ITEMS** I 1

- Pg.128 1. FY 2016/17 Resource Contact Guide
- Pg.136 2. Glossary of Terms
- Pg.145 3. Certificate Request Form
- Pg.146 4. SCORE Travel Reimbursement Form

L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES I 4

M. CLOSING COMMENTS

N. ADJOURNMENT

UPCOMING MEETING
Board of Directors Meeting – June 24, 2016, Anderson, CA

IMPORTANT NOTICES AND DISCLAIMERS:

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715.

The Agenda packet will be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

Access to some buildings and offices may require routine provisions of identification to building security. However, SCORE does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

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CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board and, if there is any item requiring clarification or amendment, such item should be pulled from the agenda for separate discussion. The Board should adopt the Consent Calendar excluding those items removed.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Board of Directors. *Items requested to be removed for Consent will be placed back on the agenda in an order determined by the President.*

FISCAL IMPACT: None.

BACKGROUND: Items of importance, that may not require discussion, are included on the Consent Calendar for adoption.

ATTACHMENT:

1. Board of Directors Meeting *Draft* Minutes – January 29, 2016
2. US Bank Custodial Account Statement – January – February 2016
3. SCORE Checking Account Transaction List – January – February 2016
4. Investment Statements from Chandler Asset Management – January – February 2016
5. Target Solutions Annual Utilization Report – January – February 2016



**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
January 29, 2016**

Member Cities Present:

John Busch, City of Biggs
Laurie Van Groningen, City of Colfax
Randy Johnsen, City of Dunsmuir
Sarah Griggs, City of Etna
Linda Romaine, Town of Fort Jones
Jim Goodwin, City of Live Oak
Robert Jankovitz, City of Isleton
Roger Carroll, Town of Loomis
Crickett Strock, Town of Loomis
Kathy LeBlanc, City of Loyalton

Shelly Grey, City of Montague
Robert Meacher, City of Portola
Brooke Woodcox, City of Rio Dell
John Duckett, City of Shasta Lake
Laura Redwine, City of Shasta Lake
Jared Hancock, City of Susanville
Jenny Coelho, City of Tulelake
Diana Howard, City of Weed
Steve Baker, City of Yreka

Member Cities Absent:

Muriel Howarth Terrell, City of Mt. Shasta

Consultants & Guests

Michael Simmons, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Dorienne Zumwalt, York Risk Services
Cameron Dewey, York Risk Services

Kevin Wong, Gilbert Associates, Inc.
Howell Southmayd, Keenan Associates
Sidney DiDomenico, CSAC EIA
Naomi Whatley, GSRMA

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 10:00 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. The only city absent from this meeting was the City of Mt. Shasta.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Kathy LeBlanc

SECOND: Steve Baker

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

Sidney DiDomenico from CSAC EIA and Naomi Whatley from GSRMA addressed the Board regarding the CSAC EIA Employee Benefits Health program. Howell Southmayd from Keenan Associates also presented information about an Employee Benefits program to the Board. The Board was asked if they would like to receive a 30 minute presentation from either program and it was noted that each city has a unique structure and if a member is interested they were encouraged to reach out to either presenter for additional information.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – October 29-30, 2015
2. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments –December 31, 2015
 - a. Treasurer’s Report
3. US Bank Custodial Account Statement – November – December 2015
4. SCORE Checking Register as of December 31, 2015
5. Investment Statements from Chandler Asset Management – October – December 2015
6. Target Solutions Administrative Summary – October – December 2015

A motion was made to approve the Consent Calendar as presented.

MOTION: John Busch

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. Alliant Update

Marcus Beverly provided an update and indicated that this year we will be conducting an audit for both the General Liability and Workers’ Compensation programs and we will be preparing an RFP to be sent out after the next meeting. He also mentioned that we will be doing a sit down claim review with York as well. Lastly members were reminded about the Property Renewal for the FY 16/17 and asked members to review the pre-renewal information that was sent out to them recently.

F2. President’s Report

Mr. Roger Carroll had no issues to report for SCORE.

F3. CJPRMA Update

Mr. Roger Carroll mentioned that CJPRMA presented the actuarial report and noted that portion of our costs will go up in the next fiscal year. CJPRMA discussed the requirements of Board members and re-enforced the rule that you either have to be an employee of the organization or an official of the organization. Marcus Beverly indicated that we are getting a refund of \$37,310 and typically we use these refunds to reduce the amount of the excess coverage premium.



F4. ERMA Update

John Duckett provided the Board of Directors with some highlights from the last ERMA meeting which took place on November 2, 2015. He indicated that ERMA is recruiting additional cities and presented the draft audited financial statement for review. John also mentioned that ERMA created a Training Ad Hoc Committee who is currently looking at freeing up \$5,000 per member to use for updating Policies & Procedures manuals, and noted a final decision will be made regarding approval of these funds at the February ERMA Board meeting and he will report back at the SCORE April 1, 2016 meeting. John also reminded members to keep current with all required training (AB 1825 Sexual Harassment and 1234 Ethics). Marcus Beverly indicated that we have many sources of training available and reminded members that if there is a training that a member city needs we can find a way to make it happen.

F5. LAWCX Update

Steve Baker provided the Board of Directors with an update of the last LAWCX meeting and noted they are discussing a strategic plan to deal with how things will evolve in the future. He also indicated that next year we will see the increase in our rate but noted it will be below five percent.

F6. YORK Update

Cameron Dewey provided the Board of Directors with an update regarding the Liability Claims Examiner Craig Nunn and noted that he will be helping with fieldwork on some files but Cameron will still be working on claims. Cameron also provided members with his new phone number and business cards.

G. FINANCIAL - Dividend and Assessment Analysis

Marcus Beverly presented an analysis to the Board to help determine what amount of dividends each member would receive if there was any money coming out of the Shared Layer. The percentage of the money coming out of the Shared Layer would be what we use to determine how much each member would receive but noted that the funds would be returned to the Banking Layer. Kevin Wong from Gilbert Associates indicated that dividend releases are at the Board's discretion to what degree any dividend would be issued if at all. Kevin also provided draft calculations of the pool's financial position as respects any dividends or assessments that may be declared, per SCORE's Dividend and Assessment Plan (DAP).

A motion was made to approve distribution amounts as follows: \$200,000 from the Workers' Compensation Banking Layer, \$300,000 from the Liability Shared Layer and \$350,000 from the Liability Banking Layer.

MOTION: Jared Hancock

SECOND: Linda Romaine

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H1. Ad Hoc Committee Items

H1a. Meeting Notes

Marcus Beverly indicated that the meeting notes for the Ad Hoc committee were prepared and presented to the Board for review and he provided a summary of the meeting itself. He noted that the



Ad Hoc committee has made a recommendation to hold off on moving members in or out of the Mini-Cities' pool. It was also mentioned that there is some inequity of the administrative expenses being paid by the Mini-Cities pool and a suggestion was made to increase the administrative expense of the Mini-Cities members up to 50% to help address the issue. Marcus also noted that the Ad Hoc Committee recommended no changes to the voting rights of members.

H1b. Mini-Cities - Definition of a Member

Marcus Beverly indicated that there is no criteria for who is a member of the Mini-Cities pool and the Program Administrators have focused on Payroll to help better define who should be a part of the Mini-Cities Pool. He noted that there are members who would move out of the Mini-Cities members if the Board chose to use the threshold approach to defining a member. Marcus did note that the Ad Hoc has recommended to not move any members in or out of the Mini-Cities pool at this time. A question was asked regarding the City of Dunsmuir and if they wanted to apply to be part of the Mini-Cities would they be allowed entrance into the Mini-Cities pool. Mike Simmons noted that we did not want to create inequity with the choices we are making but the Mini-Cities pool should have the ability to underwrite new members into their mini risk shared group. Jared Hancock indicated that he was on the Ad Hoc Committee and he is not in agreement with the Ad Hoc Committee's recommendation as he noted that all three items are very closely tied together. He went on to mention that the formula for assessing Administrative Expenses is based upon a percentage of payroll and so there is already a fairness factor built in. He did note that he would support the increase of the Administrative Expenses for the Mini-Cities members—specifically to charge the Mini-Cities members an Administrative Expenses equivalent to 2-3 members rather than just one member as it is now.

Mike Simmons noted that instead of having a payroll number to define a Mini-Cities member it was suggested that an underwriting standard should be developed in the future and should be used to help define a Mini-Cities member. While that is being developed it was suggested that the Board address the inequity of Administrative Expenses for the next fiscal year.

***NOTE: At this time the Board of Directors asked to review Items H1c. Administrative Expense Allocation and H1d. Mini-Cities Voting Rights prior to making a motion.**

H1c. Administrative Expense Allocation

Marcus Beverly indicated that when we left the Board of Directors meeting in October the Program Administrators noted the current allocation of Administrative Expenses is calculated as 50% fixed expense and 50% of the remaining Administrative Expenses are allocated based upon payroll. As there was discussion of potentially moving members out of the Mini-Cities pool the Board provided the Program Administrators with parameters to ensure any moving Mini-Cities members would see no more than a 25% increase in Administrative Expenses and there should be no increase in administrative expenses for the larger members. It was noted the parameters that were provided at the last Board meeting the Program Administrators recommended keeping the current 50% fixed expense/50% based upon payroll administrative allocation and applying a cap instead.

A question about how the premiums are calculated for regular members was posed and Marcus Beverly provided a brief explanation of the formula for the Workers' Compensation program. He indicated that we obtain payroll from the members and using four years of payroll and loss history (with individual claims being capped at \$50,000) we calculate an average relative loss rate and Experience Modification (EX Mod).



Once this calculation is completed the payroll of each member is multiplied by a rate provided by the actuary and then multiplied by the EX Mod.

After a discussion of the item it was noted that this was a small step to correct a larger issue and it was suggested that no action be taken until all of the issues are corrected.

***NOTE:** *The Board of Directors voted on Items H1b. and H1c. in the same motion.*

A motion was made to take no action until these issues have been completely studied - the Ad Hoc committee and Program Administrators will continue to research the equity of the Administrative Expenses.

MOTION: Laurie Van Groningen **SECOND:** Jared Hancock **MOTION CARRIED**

AYES: LeBlanc, Duckett, Woodcox, Busch, Griggs, Goodwin, Jankovitz, Meacher, Coelho, Grey

NAYS: Howard, Baker, Carroll, Johnsen, Romaine

ABSENT: Howarth-Terrell

H1d. Mini-Cities Voting Rights

Marcus Beverly noted that there was no recommendation made regarding the voting rights of the Mini-Cities members. It was mentioned that there are members that do not participate in the Workers' Compensation program but it was also noted that every member is afforded a vote on all issues.

No motion was made on this item.

H2. Company Nurse Services

Marcus Beverly presented information about Company Nurse which is available to all members with the exception of City of Colfax, City of Dunsmuir and the City of Etna who have not provided the necessary information in order to be enrolled. When an injury occurs at work the supervisor is to call Company Nurse Hotline at which time the injured worker provides basic information about the injury to a nurse. The nurse will triage the injury and send the injured worker to an approved clinic—if necessary—and will also report the claim to York. Marcus noted that the information obtained is consistent and Company Nurse will also provide the initial report to the clinic. Marcus also mentioned that Wallet Cards are available and if members require them to reach out to the Program Administrators for updated copies.

H3. FY 2016/17 Meeting Dates and Locations

Michelle Minnick presented the members with the proposed SCORE Board meeting dates for the FY 2016/17 and it was asked if the August meeting could be a Teleconference. Members also indicated that the dates for the Long Range Planning two-day meeting fall on the same day as the League of California Cities meetings and it was suggested that the dates for the SCORE Long Range Planning two-day meeting be changed to October 13-14, 2016.



A motion was made to accept the dates provided with the following changes-the August Board of Directors meeting will be a Teleconference and the dates for the Long Range Planning two-day meeting will be October 13-14, 2016.

MOTION: Linda Romaine

SECOND: Kathy LeBlanc

**MOTION CARRIED
UNANIMOUSLY**

H4. 2016/17 Insurance Market Update and Renewal Marketing Plan

Marcus Beverly indicated that in terms of the Market themselves we are not anticipating any change and we are planning to stay with LAWCX and CJPRMA and the Property to remain the same. The Property program is anticipated to be relatively flat this year. The Crime program with Aliant and the Program Administrators are looking at limits above the current \$1 million. For members that are not in the Crime program the Program Administrators recommend passing a resolution which allows you to cover all employees from the city rather than having an individual bond.

Marcus Beverly noted that it is early to give the Board a hard number for increases but noted that the trends are supporting an increase in Workers' Compensation and offered a potential increase of 10-12%. For the Liability program he provided a potential of 5-10% increase as CJPRMA's rates are going up. For the Property program members were reminded that if the total insured values are going up then members will see an increase in the premium.

This was an information item.

H5. SCORE Service Provider Survey Results

The Board of Directors received an update regarding the SCORE Service Provider completed through Survey Monkey. The results were generally positive and were provided to the members including the anonymous responses. Overall the Program Administrators can improve on making the Agenda Minutes sufficient to understand with timely relevant information. It was mentioned that the website got mixed responses – it was noted that the website is updated regularly and the Program Administrators are trying to drive more traffic to the website and members are asked to provide feedback as to how to improve it. Kevin Wong from Gilbert Associates was very appreciative of the feedback provided by members and mentioned that Gilbert is striving to improve as well. A suggestion was made for future surveys to have the responses go directly to the Board President to ensure candid responses from members.

A motion was made to accept and file the responses and to conduct an annual survey of all service providers.

MOTION: Steve Baker

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

H6. 2016/17 Service Calendar

Michelle Minnick presented the 2016/17 Service Calendar to the Board of Directors and noted that the calendar will now include deadlines for submission of items that will be requested throughout the year. A



comment was made regarding the dates we request information. Members were encouraged to provide any feedback or suggestions regarding items that are included in the Service Calendar.

A motion was made to accept the Service Calendar as presented.

MOTION: Steve Baker

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95

At 12:45 P.M, pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Workers' Compensation

- a. Inman v City of Susanville*

MOTION: John Duckett

SECOND: Randy Johnsen

Motion Carried Unanimously

J. REPORT FROM CLOSED SESSION

The Board returned from closed session at 12:51 PM. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff and the Claims Administrator.

K. INFORMATION ITEMS

K1. 2016 PARMA Conference – February 23 – 26, 2016 in Anaheim, CA

This was provided as an information item only.

K2. Glossary of Terms

This was provided as an information item only.

K3. Certificate Request Form

This was provided as an information item only.

K4. SCORE Travel Reimbursement Form

This was provided as an information item only.

L. TOWN HALL OPEN DISCUSSION ON MEMBER ISSUES

Roger Carroll indicated there is an ADA parking spot with faded paint and the sign is missing and asked the Board if they were aware of a rule or law which indicates the need for assigned ADA parking spaces. It was



noted that cities and towns are required to have ADA parking spaces on the street or members could open themselves up to a lawsuit. It was also mentioned that this happened in Red Bluff and is still an active case.

M. CLOSING COMMENTS

Members indicated that they receive emails from CSAC EIA, DKF and Target Solutions regarding upcoming training sessions and it was requested that the Program Administrators create a list of upcoming training that members can provide to city staff. Steve Baker noted that this will be the last meeting that Randy Johnsen from Dunsmuir will attend as the city is appointing a new City Manager and thanked him for his time serving on the SCORE Board.

N. AJOURNMENT

The meeting was adjourned at 12:59 PM

NEXT MEETING DATE: April 1, 2016 in Anderson, CA

Respectfully Submitted,

Brooke Woodcox, Secretary

Date

DRAFT



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
January 1, 2016 to January 31, 2016

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SMALL CITIES ORGANIZED RISK EFFORT
2180 HARVARD STREET, SUITE 460
SACRAMENTO, CA 95815-3329

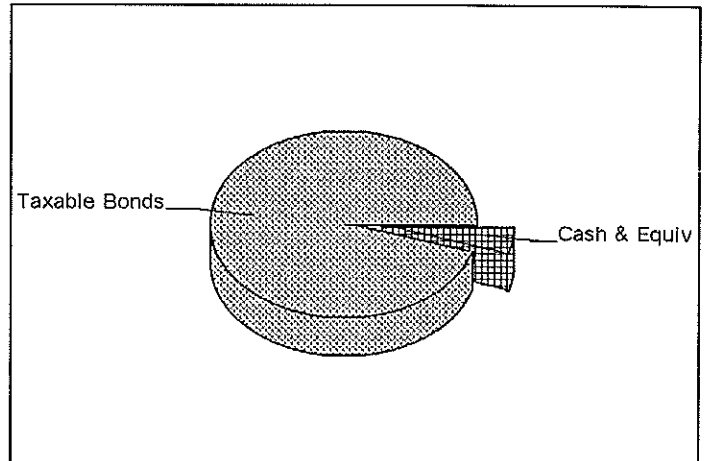
QUESTIONS?

If you have any questions regarding
your account or this statement, please
call your Relationship Manager:

Christopher Stewart
CN-OH-W5IT
6225 Lusk Boulevard
San Diego, CA
92121
Phone 513-632-4194
E-mail christopher.stewart3@usbank.com

ASSET SUMMARY AS OF 01/31/16

	<u>Market Value</u>	<u>% of Total</u>	<u>Est Annual Income</u>
Taxable Bonds	\$10,656,395.47	97.2	\$160,000.41
Cash & Equivalents	\$312,050.88	2.8	\$875.54
Total Market Value	\$10,968,446.35	100.0	\$160,875.95



ASSET DETAIL

<u>Shares/Par</u>	<u>Security Description</u>	<u>CUSIP</u>	<u>Market Value/Price</u>	<u>Cost Basis</u>	<u>Yield At Market</u>	<u>Est Annual Inc</u>
Taxable Bonds						
105,000.000	Google Inc 2.125 05/19/2016	38259PAC6	\$105,510.30 100.486	\$107,568.30	2.11	\$2,231.25
200,000.000	F H L M C M T N 2.500 05/27/2016	3137EACT4	201,262.00 100.631	172,971.46	2.48	5,000.00
200,000.000	Federal Home Loan Bks 2.125 06/10/2016	313373SZ6	201,200.00 100.600	209,390.00	2.11	4,250.00
300,000.000	F H L M C M T N 2.000 08/25/2016	3137EACW7	302,397.00 100.799	312,151.20	1.98	6,000.00
75,000.000	U S Treasury Note 1.000 09/30/2016	912828RJ1	75,213.75 100.285	74,809.82	1.00	750.00
65,000.000	F N M A Deb 1.375 11/15/2016	3135G0ES8	65,365.95 100.563	65,514.15	1.37	893.75
250,000.000	Federal Home Loan Bks 1.625 12/09/2016	313371PV2	252,072.50 100.829	256,575.00	1.61	4,062.50



ASSET DETAIL (continued)

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
Taxable Bonds						
175,000.000	F N M A M T N 1.250 01/30/2017	3135G0GY3	175,978.25 100.559	174,983.73	1.24	2,187.50
200,000.000	F H L M C M T N 1.000 03/08/2017	3137EADC0	200,548.00 100.274	196,430.40	1.00	2,000.00
150,000.000	Exxon Mobil Corporation 0.921 03/15/2017	30231GAA0	149,721.00 99.814	150,000.00	0.92	1,381.50
150,000.000	US Bancorp Medium Term Note 1.650 05/15/2017	91159HHD5	150,948.00 100.632	152,167.50	1.64	2,475.00
105,000.000	Berkshire Hathaway Fin 1.600 05/15/2017	084664BS9	105,853.65 100.813	29,976.90	1.59	1,680.00
200,000.000	Federal Home Loan Bks 1.000 06/09/2017	313379FW4	200,626.00 100.313	199,758.00	1.00	2,000.00
16,647.080	John Deere Owner Trust A B S Ser 2013 B CI A3 0.870 08/15/2017	477879AC4	16,633.26 99.917	16,644.82	0.87	144.83
300,000.000	U S Treasury Note 0.625 08/31/2017	912828TM2	299,355.00 99.785	186,870.74	0.63	1,875.00
160,000.000	Federal Farm Credit Bks 0.830 09/21/2017	3133EAY28	160,116.80 100.073	160,000.00	0.83	1,328.00
105,000.000	F N M A Deb 1.000 09/27/2017	3135G0ZL0	105,336.00 100.320	104,625.15	1.00	1,050.00
200,000.000	U S Treasury Note 0.625 11/30/2017	912828UA6	199,406.00 99.703	199,242.86	0.63	1,250.00
140,000.000	Chevron Corp 1.104 12/05/2017	166764AA8	138,962.60 99.259	40,000.00	1.11	1,545.60
120,000.000	General Electric CO 5.250 12/06/2017	369604BC6	128,688.00 107.240	136,032.00	4.90	6,300.00
135,000.000	Intel Corp 1.350 12/15/2017	458140AL4	135,600.75 100.445	134,711.10	1.34	1,822.50
70,682.910	Toyota Auto Receivables Owner Trust A B S Ser 2014 A CI A3 0.670 12/15/2017	89231MAC9	70,584.66 99.861	70,669.85	0.67	473.58
150,000.000	F N M A Deb 0.875 12/20/2017	3135G0RT2	150,159.00 100.106	149,523.00	0.87	1,312.50
125,000.000	John Deere Capital Corp Medium Term Note 1.350 01/16/2018	24422EST7	125,027.50 100.022	124,937.50	1.35	1,687.50
65,000.000	Toyota Auto Receivables Owner Tr A B S Ser 15 C CI A2A 0.930 02/15/2018	89231TAB6	64,960.35 99.939	64,994.77	0.93	604.50
300,000.000	F H L M C Deb 0.875 03/07/2018	3137EADP1	299,910.00 99.970	225,281.25	0.88	2,625.00
215,000.000	Federal Home Loan Bks 1.375 03/09/2018	313378A43	217,031.75 100.945	213,970.15	1.36	2,956.25
81,673.350	Honda Auto Receivables Owner Trust A B S Ser 2014 2 CI A3 0.770 03/19/2018	43814GAC4	81,567.99 99.871	81,663.53	0.69	566.00
108,304.170	John Deere Owner Trust C M O Ser 2014 A CI A3 0.920 04/16/2018	47787VAC5	108,205.61 99.909	108,286.83	0.92	996.40





This statement is for the period from
January 1, 2016 to January 31, 2016

ASSET DETAIL (continued)

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
Taxable Bonds						
135,000.000	Apple Inc 1.000 05/03/2018	037833AJ9	134,327.70 99.502	109,594.10	1.00	1,350.00
250,000.000	F N M A Deb 0.875 05/21/2018	3135G0WJ8	249,667.50 99.867	245,652.50	0.88	2,187.50
150,000.000	Federal Home Loan Bks 1.250 06/08/2018	313379DT3	150,909.00 100.606	150,552.00	1.24	1,875.00
50,000.000	U S Treasury Note 1.375 07/31/2018	912828VQ0	50,601.50 101.203	50,021.65	1.36	687.50
250,000.000	U S Treasury Note 1.500 08/31/2018	912828RE2	253,817.50 101.527	247,725.45	1.48	3,750.00
200,000.000	Federal Home Loan Bks 2.000 09/14/2018	313375K48	205,156.00 102.578	204,446.00	1.95	4,000.00
400,000.000	F N M A Deb 1.625 11/27/2018	3135G0YT4	406,944.00 101.736	400,556.00	1.60	6,500.00
135,000.000	Wells Fargo Company Medium Term Note 2.150 01/15/2019	94974BFQ8	136,132.65 100.839	135,160.65	2.13	2,902.50
350,000.000	U S Treasury Note 1.500 01/31/2019	912828B33	355,169.50 101.477	350,803.91	1.48	5,250.00
100,000.000	Toyota Auto Receivables Owner Trust A B S Ser 2015 A CI A3 1.440 02/15/2019	89236WAC2	100,097.00 100.097	99,984.88	1.44	1,440.00
125,000.000	Honda Auto Receivables Owner Trust A B S Ser 2015 2 CI A3 1.040 02/21/2019	43813NAC0	124,850.00 99.880	124,980.81	1.04	1,300.00
225,000.000	U S Treasury Note 1.500 02/28/2019	912828C24	228,278.25 101.457	224,490.99	1.48	3,375.00
135,000.000	Cisco Systems Inc 2.125 03/01/2019	17275RAR3	137,513.70 101.862	135,315.90	2.09	2,868.75
150,000.000	Eli Lilly CO 1.950 03/15/2019	532457BF4	152,364.00 101.576	149,341.50	1.92	2,925.00
150,000.000	F H L M C M T N 1.750 05/30/2019	3137EADG1	152,790.00 101.860	150,455.70	1.72	2,625.00
175,000.000	U S Treasury Note 1.500 05/31/2019	912828WL0	177,467.50 101.410	172,977.15	1.48	2,625.00
200,000.000	U S Treasury Note 1.625 07/31/2019	912828WW6	203,562.00 101.781	199,586.61	1.60	3,250.00
135,000.000	American Honda Finance Medium Term Note 2.250 08/15/2019	02665WAH4	137,115.45 101.567	136,318.95	2.21	3,037.50
135,000.000	Bank Of NY Mellon Medium Term Note 2.300 09/11/2019	06406HCW7	136,694.25 101.255	135,334.80	2.27	3,105.00
250,000.000	F N M A 1.750 09/12/2019	3135G0ZG1	254,752.50 101.901	249,452.50	1.72	4,375.00
135,000.000	Hsbc Usa Inc 2.375 11/13/2019	40428HPN6	134,950.05 99.963	135,329.40	2.38	3,206.25
250,000.000	U S Treasury Note 1.500 11/30/2019	912828G61	253,047.50 101.219	252,325.06	1.48	3,750.00
135,000.000	Jpmorgan Chase CO 2.250 01/23/2020	46625HKA7	133,893.00 99.180	134,410.05	2.27	3,037.50

ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORTThis statement is for the period from
January 1, 2016 to January 31, 2016**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
Taxable Bonds						
150,000.000	U S Treasury Note 1.250 01/31/2020	912828H52	150,240.00 100.180	147,846.21	1.25	1,875.00
150,000.000	U S Treasury Note 1.375 04/30/2020	912828K58	150,780.00 100.520	148,729.02	1.37	2,062.50
110,000.000	Pepsico Inc 1.850 04/30/2020	713448CS5	110,511.50 100.465	109,937.30	1.84	2,035.00
100,000.000	Qualcomm Inc 2.250 05/20/2020	747525AD5	100,280.00 100.280	99,276.00	2.24	2,250.00
250,000.000	U S Treasury Note 1.500 05/31/2020	912828XE5	252,597.50 101.039	247,973.49	1.48	3,750.00
225,000.000	Federal Home Loan Bks 1.750 06/12/2020	313383HU8	228,955.50 101.758	227,929.50	1.72	3,937.50
225,000.000	F N M A Deb 1.500 06/22/2020	3135G0D75	226,163.25 100.517	223,287.75	1.49	3,375.00
125,000.000	U S Treasury Note 1.625 07/31/2020	912828XM7	126,860.00 101.488	125,635.18	1.60	2,031.25
350,000.000	U S Treasury Note 1.375 10/31/2020	912828L99	350,955.50 100.273	345,124.22	1.37	4,812.50
200,000.000	F N M A 1.500 11/30/2020	3135G0F73	200,710.00 100.355	196,460.00	1.49	3,000.00
	Total Taxable Bonds		\$10,656,395.47	\$10,186,765.24		\$160,000.41
Cash & Equivalents						
220,000.000	Bank Of Tokyo Mitsubis C P 02/25/2016	06538BBR3	219,940.60 99.973	219,714.00	0.40	869.92
92,110.280	First American Government Obligation Fund Cl Y	31846V203	92,110.28 1.000	92,110.28	0.01	5.62
	Income Cash		\$392,256.04	\$392,256.04		\$0.00
	Principal Cash		- \$392,256.04	- \$392,256.04		\$0.00
	Total Cash & Equivalents		\$312,050.88	\$311,824.28		\$875.54
	Total Investments		\$10,968,446.35	\$10,498,589.52		\$160,875.95

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.





ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
January 1, 2016 to January 31, 2016

CASH SUMMARY

	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Total</u>
Beginning Cash Balance	\$387,985.93	- \$387,985.93	\$0.00
Receipts			
Interest	4,270.11	0.00	4,270.11
Sales/Maturities	0.00	25,612.45	25,612.45
Cash Equivalent Sales	0.00	1,196.17	1,196.17
Total Cash Receipts	\$4,270.11	\$26,808.62	\$31,078.73
Disbursements			
Trust & Investment Fees	0.00	- 104.17	- 104.17
Miscellaneous Disbursements	0.00	- 1,092.00	- 1,092.00
Cash Equivalent Purchases	0.00	- 29,882.56	- 29,882.56
Total Cash Disbursements	\$0.00	- \$31,078.73	- \$31,078.73
Ending Cash Balance	\$392,256.04	- \$392,256.04	\$0.00



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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
January 1, 2016 to January 31, 2016

TRANSACTION DETAIL

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
01/01/16	Beginning Cash Balance	\$387,985.93	- \$387,985.93	\$0.00
01/04/16	Interest Earned On First Amer Govt Oblig Fund Cl Y Interest From 12/1/15 To 12/31/15	0.58		0.58
01/07/16	Cash Disbursement Paid To Chandler Asset Management, Inc. Investment Counsel Fee Mgmt Fee For Pe 12/31/15		- 1,092.00	- 1,091.42
01/15/16	Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 19,129.47 Pv Due 1/15/16	13.87		- 1,077.55
01/15/16	Paid Down 2,482.39 Par Value Of John Deere Owner 0.870% 8/15/17 Trade Date 1/15/16		2,482.39	1,404.84
01/15/16	Interest Earned On Toyota Auto 0.670% 12/15/17 \$0.00056/Pv On 77,486.34 Pv Due 1/15/16	43.26		1,448.10
01/15/16	Paid Down 6,803.43 Par Value Of Toyota Auto 0.670% 12/15/17 Trade Date 1/15/16		6,803.43	8,251.53
01/15/16	Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 118,220.07 Pv Due 1/15/16	90.64		8,342.17
01/15/16	Paid Down 9,915.9 Par Value Of John Deere Owner 0.920% 4/16/18 Trade Date 1/15/16		9,915.90	18,258.07
01/15/16	Interest Earned On Toyota Auto 0.930% 2/15/18 \$0.00077/Pv On 65,000.00 Pv Due 1/15/16	49.83		18,307.90
01/15/16	Interest Earned On Toyota Auto 1.440% 2/15/19 \$0.00093/Pv On 100,000.00 Pv Due 1/15/16	93.33		18,401.23
01/15/16	Interest Earned On Wells Fargo Com Mtn 2.150% 1/15/19 0.01075 USD/\$1 Pv On 135,000 Par Value Due 1/15/16	1,451.25		19,852.48
01/19/16	Interest Earned On Honda Auto 0.693% 3/19/18 \$0.00064/Pv On 88,084.08 Pv Due 1/18/16	56.52		19,909.00
01/19/16	Paid Down 6,410.73 Par Value Of Honda Auto 0.693% 3/19/18 Trade Date 1/18/16		6,410.73	26,319.73
01/19/16	Interest Earned On John Deere M T N 1.350% 1/16/18 0.00675 USD/\$1 Pv On 125,000 Par Value Due 1/16/16	843.75		27,163.48





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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
January 1, 2016 to January 31, 2016

TRANSACTION DETAIL (continued)

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
01/21/16	Interest Earned On Honda Auto 1.040% 2/21/19 \$0.00087/Pv On 125,000.00 Pv Due 1/21/16	108.33		27,271.81
01/25/16	Interest Earned On Jpmorgan Chase CO 2.250% 1/23/20 0.01125 USD/\$1 Pv On 135,000 Par Value Due 1/23/16	1,518.75		28,790.56
01/26/16	Trust Fees Collected Charged For Period 12/01/2015 Thru 12/31/2015		- 104.17	28,686.39
	Combined Purchases For The Period 1/ 1/16 - 1/31/16 Of First Amer Govt Oblig Fund Cl Y		- 29,882.56	- 1,196.17
	Combined Sales For The Period 1/ 1/16 - 1/31/16 Of First Amer Govt Oblig Fund Cl Y		1,196.17	0.00
01/31/16	Ending Cash Balance	\$392,256.04	- \$392,256.04	\$0.00



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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
January 1, 2016 to January 31, 2016

SALE/MATURITY SUMMARY

<u>Trade Date</u>	<u>Asset</u>	<u>Description</u>	<u>Cost Basis</u>	<u>Proceeds</u>	<u>Estimated Gain/Loss</u>
01/15/16	John Deere Owner 0.870% 8/15/17	Paid Down 2,482.39	- 2,482.05	2,482.39	0.34
01/15/16	Toyota Auto 0.670% 12/15/17	Paid Down 6,803.43	- 6,802.17	6,803.43	1.26
01/15/16	John Deere Owner 0.920% 4/16/18	Paid Down 9,915.9	- 9,914.31	9,915.90	1.59
01/18/16	Honda Auto 0.693% 3/19/18	Paid Down 6,410.73	- 6,409.96	6,410.73	0.77
Total Assets Disposed			- \$25,608.49	\$25,612.45	\$3.96
		- Cost Basis			
		- Proceeds			
		- Estimated Gain/Loss			

For information only. Not intended for tax purposes.

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Glossary

Accretion - The accumulation of the value of a discounted bond until maturity.

Adjusted Prior Market Realized Gain/Loss - The difference between the proceeds and the Prior Market Value of the transaction.

Adjusted Prior Market Unrealized Gain/Loss - The difference between the Market Value and the Adjusted Prior Market Value.

Adjusted Prior Market Value - A figure calculated using the beginning Market Value for the fiscal year, adjusted for all asset related transactions during the period, employing an average cost methodology.

Amortization - The decrease in value of a premium bond until maturity.

Asset - Anything owned that has commercial exchange value. Assets may consist of specific property or of claims against others, in contrast to obligations due to others (liabilities).

Bond Rating - A measurement of a bond's quality based upon the issuer's financial condition. Ratings are assigned by independent rating services, such as Moody's, or S&P, and reflect their opinion of the issuer's ability to meet the scheduled interest and principal repayments for the bond.

Cash - Cash activity that includes both income and principal cash categories.

Change in Unrealized Gain/Loss - Also reported as Gain/Loss in Period in the Asset Detail section. This figure shows the market appreciation (depreciation) for the current period.

Cost Basis (Book Value) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Book Value method maintains an average cost for each asset.

Cost Basis (Tax Basis) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Tax Basis uses client determined methods such as Last-In-First-Out (LIFO), First-In-First-Out (FIFO), Average, Minimum Gain, and Maximum Gain.

Ending Accrual - (Also reported as Accrued Income) Income earned but not yet received, or expenses incurred but not yet paid, as of the end of the reporting period.

Estimated Annual Income - The amount of income a particular asset is anticipated to earn over the next year. The shares multiplied by annual income rate.

Estimated Current Yield - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by taking the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

Ex-Dividend Date - (Also reported as Ex-Date) For stock trades, the person who owns the security on the ex-dividend date will earn the dividend, regardless of who currently owns the stock.

Income Cash - A category of cash comprised of ordinary earnings derived from investments, usually dividends and interest.

Market Value - The price per unit multiplied by the number of units.

Maturity Date - The date on which an obligation or note matures.

Payable Date - The date on which a dividend, mutual fund distribution, or interest on a bond will be made.

Principal Cash - A category of cash comprised of cash, deposits, cash withdrawals and the cash flows generated from purchases or sales of investments.

Realized Gain/Loss Calculation - The Proceeds less the Cost Basis of a transaction.

Settlement Date - The date on which a trade settles and cash or securities are credited or debited to the account.

Trade Date - The date a trade is legally entered into.

Unrealized Gain/Loss - The difference between the Market Value and Cost Basis at the end of the current period.

Yield on/at Market - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

The terms defined in this glossary are only for use when reviewing your account statement. Please contact your Relationship Manager with any questions.



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
February 1, 2016 to February 29, 2016

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SMALL CITIES ORGANIZED RISK EFFORT
2180 HARVARD STREET, SUITE 460
SACRAMENTO, CA 95815-3329

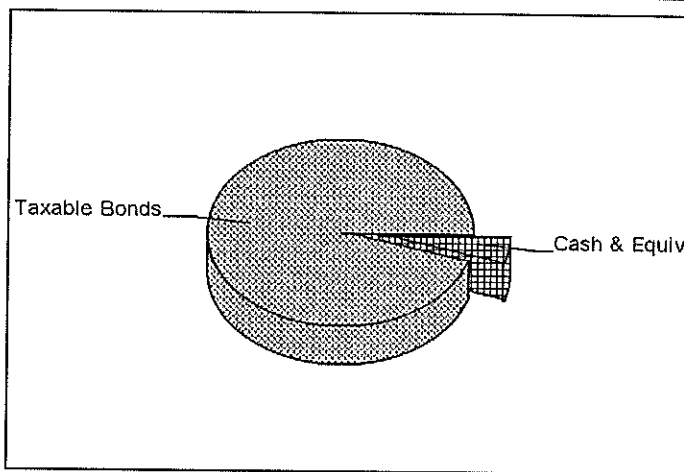
QUESTIONS?

If you have any questions regarding
your account or this statement, please
call your Relationship Manager:

Christopher Lee Stewart
CN-OH-W5IT
6225 Lusk Boulevard
San Diego, CA
92121
Phone 513-632-4194
E-mail christopher.stewart3@usbank.com

ASSET SUMMARY AS OF 02/29/16

	<u>Market Value</u>	<u>% of Total</u>	<u>Est Annual Income</u>
Taxable Bonds	\$10,671,348.00	97.1	\$160,449.60
Cash & Equivalents	\$321,154.27	2.9	\$1,567.60
Total Market Value	\$10,992,502.27	100.0	\$162,017.20



ASSET DETAIL

<u>Shares/ Par</u>	<u>Security Description</u>	<u>CUSIP</u>	<u>Market Value/ Price</u>	<u>Cost Basis</u>	<u>Yield At Market</u>	<u>Est Annual Inc</u>
Taxable Bonds						
105,000.000	Google Inc 2.125 05/19/2016	38259PAC6	\$105,342.30 100.326	\$107,568.30	2.12	\$2,231.25
150,000.000	F H L M C M T N 2.500 05/27/2016	3137EACT4	150,741.00 100.494	129,728.59	2.49	3,750.00
200,000.000	Federal Home Loan Bks 2.125 06/10/2016	313373SZ6	200,916.00 100.458	209,390.00	2.11	4,250.00
300,000.000	F H L M C M T N 2.000 08/25/2016	3137EACW7	302,133.00 100.711	312,151.20	1.99	6,000.00
75,000.000	U S Treasury Note 1.000 09/30/2016	912828RJ1	75,193.50 100.258	74,809.82	1.00	750.00
65,000.000	F N M A Deb 1.375 11/15/2016	3135G0ES8	65,309.40 100.476	65,514.15	1.37	893.75
250,000.000	Federal Home Loan Bks 1.625 12/09/2016	313371PV2	251,757.50 100.703	256,575.00	1.61	4,062.50

ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORTThis statement is for the period from
February 1, 2016 to February 29, 2016**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
Taxable Bonds						
175,000.000	F N M A M T N 1.250 01/30/2017	3135G0GY3	175,938.00 100.536	174,983.73	1.24	2,187.50
200,000.000	F H L M C M T N 1.000 03/08/2017	3137EADC0	200,516.00 100.258	196,430.40	1.00	2,000.00
150,000.000	Exxon Mobil Corporation 0.921 03/15/2017	30231GAA0	150,147.00 100.098	150,000.00	0.92	1,381.50
150,000.000	US Bancorp Medium Term Note 1.650 05/15/2017	91159HHD5	150,904.50 100.603	152,167.50	1.64	2,475.00
105,000.000	Berkshire Hathaway Fin 1.600 05/15/2017	084664BS9	105,816.90 100.778	29,976.90	1.59	1,680.00
200,000.000	Federal Home Loan Bks 1.000 06/09/2017	313379FW4	200,484.00 100.242	199,758.00	1.00	2,000.00
13,427.250	John Deere Owner Trust A B S Ser 2013 B Cl A3 0.870 08/15/2017	477879AC4	13,422.55 99.965	13,425.43	0.87	116.82
200,000.000	U S Treasury Note 0.625 08/31/2017	912828TM2	199,562.00 99.781	124,580.49	0.63	1,250.00
160,000.000	Federal Farm Credit Bks 0.830 09/21/2017	3133EAY28	159,905.60 99.941	160,000.00	0.83	1,328.00
105,000.000	F N M A Deb 1.000 09/27/2017	3135G0ZL0	105,279.30 100.266	104,625.15	1.00	1,050.00
200,000.000	U S Treasury Note 0.625 11/30/2017	912828UA6	199,414.00 99.707	199,242.86	0.63	1,250.00
140,000.000	Chevron Corp 1.104 12/05/2017	166764AA8	138,881.40 99.201	40,000.00	1.11	1,545.60
120,000.000	General Electric CO 5.250 12/06/2017	369604BC6	128,518.80 107.099	136,032.00	4.90	6,300.00
135,000.000	Intel Corp 1.350 12/15/2017	458140AL4	135,831.60 100.616	134,711.10	1.34	1,822.50
64,477.500	Toyota Auto Receivables Owner Trust A B S Ser 2014 A Cl A3 0.670 12/15/2017	89231MAC9	64,409.80 99.895	64,465.59	0.67	432.00
150,000.000	F N M A Deb 0.875 12/20/2017	3135G0RT2	150,075.00 100.050	149,523.00	0.88	1,312.50
125,000.000	John Deere Capital Corp Medium Term Note 1.350 01/16/2018	24422EST7	124,762.50 99.810	124,937.50	1.35	1,687.50
65,000.000	Toyota Auto Receivables Owner Tr A B S Ser 15 C Cl A2A 0.930 02/15/2018	89231TAB6	64,973.35 99.959	64,994.77	0.93	604.50
300,000.000	F H L M C Deb 0.875 03/07/2018	3137EADP1	299,883.00 99.961	225,281.25	0.88	2,625.00
215,000.000	Federal Home Loan Bks 1.375 03/09/2018	313378A43	217,005.95 100.933	213,970.15	1.36	2,956.25
76,444.130	Honda Auto Receivables Owner Trust A B S Ser 2014 2 Cl A3 0.770 03/19/2018	43814GAC4	76,331.76 99.853	76,434.94	0.69	529.76
95,942.230	John Deere Owner Trust C M O Ser 2014 A Cl A3 0.920 04/16/2018	47787VAC5	95,826.14 99.879	95,926.87	0.92	882.67





ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
February 1, 2016 to February 29, 2016

ASSET DETAIL (continued)

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
Taxable Bonds						
135,000.000	Apple Inc 1.000 05/03/2018	037833AJ9	134,644.95 99.737	109,594.10	1.00	1,350.00
250,000.000	F N M A Deb 0.875 05/21/2018	3135G0WJ8	249,780.00 99.912	245,652.50	0.88	2,187.50
150,000.000	Federal Home Loan Bks 1.250 06/08/2018	313379DT3	150,970.50 100.647	150,552.00	1.24	1,875.00
50,000.000	U S Treasury Note 1.375 07/31/2018	912828VQ0	50,660.00 101.320	50,021.65	1.36	687.50
250,000.000	U S Treasury Note 1.500 08/31/2018	912828RE2	254,112.50 101.645	247,725.45	1.48	3,750.00
200,000.000	Federal Home Loan Bks 2.000 09/14/2018	313375K48	205,182.00 102.591	204,446.00	1.95	4,000.00
400,000.000	F N M A Deb 1.825 11/27/2018	3135G0YT4	406,908.00 101.727	400,556.00	1.60	6,500.00
135,000.000	Wells Fargo Company Medium Term Note 2.150 01/15/2019	94974BFQ8	136,109.70 100.822	135,160.65	2.13	2,902.50
350,000.000	U S Treasury Note 1.500 01/31/2019	912828B33	355,866.00 101.676	350,803.91	1.47	5,250.00
100,000.000	Toyota Auto Receivables Owner Trust A B S Ser 2015 A CI A3 1.440 02/15/2019	89236WAC2	100,039.00 100.039	99,984.88	1.44	1,440.00
125,000.000	Honda Auto Receivables Owner Trust A B S Ser 2015 2 CI A3 1.040 02/21/2019	43813NAC0	124,842.50 99.874	124,980.81	1.04	1,300.00
225,000.000	U S Treasury Note 1.500 02/28/2019	912828C24	228,780.00 101.680	224,490.99	1.47	3,375.00
135,000.000	Cisco Systems Inc 2.125 03/01/2019	17275RAR3	137,670.30 101.978	135,315.90	2.08	2,868.75
150,000.000	Eli Lilly CO 1.950 03/15/2019	532457BF4	152,802.00 101.868	149,341.50	1.91	2,925.00
150,000.000	F H L M C M T N 1.750 05/30/2019	3137EADG1	152,994.00 101.996	150,455.70	1.72	2,625.00
175,000.000	U S Treasury Note 1.500 05/31/2019	912828WL0	177,898.00 101.656	172,977.15	1.48	2,625.00
200,000.000	U S Treasury Note 1.625 07/31/2019	912828WW6	204,102.00 102.051	199,586.61	1.59	3,250.00
135,000.000	American Honda Finance Medium Term Note 2.250 08/15/2019	02665WAH4	136,973.70 101.462	136,318.95	2.22	3,037.50
135,000.000	Bank Of NY Mellon Medium Term Note 2.300 09/11/2019	06406HCW7	136,395.90 101.034	135,334.80	2.28	3,105.00
250,000.000	F N M A 1.750 09/12/2019	3135G0ZG1	255,332.50 102.133	249,452.50	1.71	4,375.00
135,000.000	Hsbc Usa Inc 2.375 11/13/2019	40428HPN6	133,566.30 98.938	135,329.40	2.40	3,206.25
250,000.000	U S Treasury Note 1.500 11/30/2019	912828G61	253,760.00 101.504	252,325.06	1.48	3,750.00
135,000.000	Jpmorgan Chase CO 2.250 01/23/2020	46625HKA7	134,600.40 99.704	134,410.05	2.26	3,037.50

ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORTThis statement is for the period from
February 1, 2016 to February 29, 2016**ASSET DETAIL (continued)**

Shares/ Par	Security Description	CUSIP	Market Value/ Price	Cost Basis	Yield At Market	Est Annual Inc
Taxable Bonds						
150,000.000	U S Treasury Note 1.250 01/31/2020	912828H52	150,721.50 100.481	147,846.21	1.24	1,875.00
150,000.000	U S Treasury Note 1.375 04/30/2020	912828K58	151,266.00 100.844	148,729.02	1.36	2,062.50
110,000.000	Pepsico Inc 1.850 04/30/2020	713448CS5	110,291.50 100.265	109,937.30	1.84	2,035.00
100,000.000	Qualcomm Inc 2.250 05/20/2020	747525AD5	101,034.00 101.034	99,276.00	2.23	2,250.00
250,000.000	U S Treasury Note 1.500 05/31/2020	912828XE5	253,330.00 101.332	247,973.49	1.48	3,750.00
225,000.000	Federal Home Loan Bks 1.750 06/12/2020	313383HU8	229,284.00 101.904	227,929.50	1.72	3,937.50
225,000.000	F N M A Deb 1.500 06/22/2020	3135G0D75	227,027.25 100.901	223,287.75	1.49	3,375.00
125,000.000	U S Treasury Note 1.625 07/31/2020	912828XM7	127,275.00 101.820	125,635.18	1.60	2,031.25
350,000.000	U S Treasury Note 1.375 10/31/2020	912828L99	352,380.00 100.680	345,124.22	1.37	4,812.50
200,000.000	F N M A 1.500 11/30/2020	3135G0F73	200,894.00 100.447	196,460.00	1.49	3,000.00
185,000.000	Federal Home Loan Bks 1.375 02/18/2021	3130A7CV5	184,572.65 99.769	184,252.60	1.38	2,543.75
	Total Taxable Bonds		\$10,671,348.00	\$10,238,472.52		\$160,449.60
Cash & Equivalents						
220,000.000	Bank Of Tokyo Mitsubis C P 06/24/2016	06538BFQ1	219,522.60 99.783	219,490.94	0.71	1,561.40
101,631.670	First American Government Obligation Fund CI Y	31846V203	101,631.67 1.000	101,631.67	0.01	6.20
	Income Cash		\$409,923.48	\$409,923.48		\$0.00
	Principal Cash		- \$409,923.48	- \$409,923.48		\$0.00
	Total Cash & Equivalents		\$321,154.27	\$321,122.61		\$1,567.60
	Total Investments		\$10,992,502.27	\$10,559,595.13		\$162,017.20

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.





ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
February 1, 2016 to February 29, 2016

CASH SUMMARY

	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Total</u>
Beginning Cash Balance	\$392,256.04	- \$392,256.04	\$0.00
Receipts			
Interest	17,667.44	0.00	17,667.44
Sales/Maturities	0.00	396,797.66	396,797.66
Cash Equivalent Sales	0.00	304,737.67	304,737.67
Total Cash Receipts	\$17,667.44	\$701,535.33	\$719,202.77
Disbursements			
Trust & Investment Fees	0.00	- 104.17	- 104.17
Miscellaneous Disbursements	0.00	- 1,096.00	- 1,096.00
Purchases	0.00	- 403,743.54	- 403,743.54
Cash Equivalent Purchases	0.00	- 314,259.06	- 314,259.06
Total Cash Disbursements	\$0.00	- \$719,202.77	- \$719,202.77
Ending Cash Balance	\$409,923.48	- \$409,923.48	\$0.00



ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
February 1, 2016 to February 29, 2016

TRANSACTION DETAIL

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
02/01/16	Beginning Cash Balance	\$392,256.04	- \$392,256.04	\$0.00
02/01/16	Interest Earned On F N M A M T N 1.250% 1/30/17 0.00625 USD/\$1 Pv On 175,000 Par Value Due 1/30/16	1,093.75		1,093.75
02/01/16	Interest Earned On U S Treasury Nt 1.250% 1/31/20 0.00625 USD/\$1 Pv On 150,000 Par Value Due 1/31/16	937.50		2,031.25
02/01/16	Interest Earned On U S Treasury Nt 1.375% 7/31/18 0.006875 USD/\$1 Pv On 50,000 Par Value Due 1/31/16	343.75		2,375.00
02/01/16	Interest Earned On U S Treasury Nt 1.500% 1/31/19 0.0075 USD/\$1 Pv On 350,000 Par Value Due 1/31/16	2,625.00		5,000.00
02/01/16	Interest Earned On U S Treasury Nt 1.625% 7/31/19 0.008125 USD/\$1 Pv On 200,000 Par Value Due 1/31/16	1,625.00		6,625.00
02/01/16	Interest Earned On U S Treasury Nt 1.625% 7/31/20 0.008125 USD/\$1 Pv On 125,000 Par Value Due 1/31/16	1,015.63		7,640.63
02/01/16	Interest Earned On First Amer Govt Oblig Fund Cl Y Interest From 1/1/16 To 1/31/16	0.40		7,641.03
02/05/16	Cash Disbursement Paid To Chandler Asset Management Investment Counsel Fee Mgmt Fee For Pe 1/31/16		- 1,096.00	6,545.03
02/16/16	Interest Earned On John Deere Owner 0.870% 8/15/17 \$0.00073/Pv On 16,647.08 Pv Due 2/15/16	12.07		6,557.10
02/16/16	Paid Down 3,219.83 Par Value Of John Deere Owner 0.870% 8/15/17 Trade Date 2/15/16		3,219.83	9,776.93
02/16/16	Interest Earned On John Deere Owner 0.920% 4/16/18 \$0.00077/Pv On 108,304.17 Pv Due 2/15/16	83.03		9,859.96
02/16/16	Paid Down 12,361.94 Par Value Of John Deere Owner 0.920% 4/16/18 Trade Date 2/15/16		12,361.94	22,221.90
02/16/16	Interest Earned On Toyota Auto 0.670% 12/15/17 \$0.00056/Pv On 70,682.91 Pv Due 2/15/16	39.46		22,261.36
02/16/16	Paid Down 6,205.41 Par Value Of Toyota Auto 0.670% 12/15/17 Trade Date 2/15/16		6,205.41	28,466.77





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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
February 1, 2016 to February 29, 2016

TRANSACTION DETAIL (continued)

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
02/16/16	Interest Earned On Toyota Auto 0.930% 2/15/18 \$0.00077/Pv On 65,000.00 Pv Due 2/15/16	49.83		28,516.60
02/16/16	Interest Earned On Toyota Auto 1.440% 2/15/19 \$0.00093/Pv On 100,000.00 Pv Due 2/15/16	93.33		28,609.93
02/16/16	Interest Earned On American Honda Mtn 2.250% 8/15/19 0.01125 USD/\$1 Pv On 135,000 Par Value Due 2/15/16	1,518.75		30,128.68
02/18/16	Interest Earned On Honda Auto 0.693% 3/19/18 \$0.00064/Pv On 81,673.35 Pv Due 2/18/16	52.41		30,181.09
02/18/16	Paid Down 5,229.22 Par Value Of Honda Auto 0.693% 3/19/18 Trade Date 2/18/16		5,229.22	35,410.31
02/18/16	Purchased 185,000 Par Value Of F H L B Deb 1.375% 2/18/21 Trade Date 2/17/16 Purchased Through Deutsche Bank Securities, Inc. 185,000 Par Value At 99.596 %		- 184,252.60	- 148,842.29
02/18/16	Sold 100,000 Par Value Of U S Treasury Nt 0.625% 8/31/17 Trade Date 2/17/16 Sold Through Bmo Capital Markets Corp. 100,000 Par Value At 99.808259 %		99,808.26	- 49,034.03
02/18/16	Received Accrued Interest On Sale Of U S Treasury Nt 0.625% 8/31/17 Income Credit 293.61 USD	293.61		- 48,740.42
02/22/16	Interest Earned On Honda Auto 1.040% 2/21/19 \$0.00087/Pv On 125,000.00 Pv Due 2/21/16	108.33		- 48,632.09
02/24/16	Sold 50,000 Par Value Of F H L M C M T N 2.500% 5/27/16 Trade Date 2/23/16 Sold Through Citigroup Global Markets Inc. 50,000 Par Value At 100.518 %		50,259.00	1,626.91
02/24/16	Received Accrued Interest On Sale Of F H L M C M T N 2.500% 5/27/16 Income Credit 302.09 USD	302.09		1,929.00
02/25/16	Matured 220,000 Par Value Of Bank Of Tokyo Mitsubis C P 2/25/16 Trade Date 2/25/16 220,000 Par Value At 100 %		219,714.00	221,643.00
02/25/16	Interest Earned On Bank Of Tokyo Mitsubis C P 2/25/16 220,000 Par Value At 100 %	286.00		221,929.00
02/25/16	Trust Fees Collected Charged For Period 01/01/2016 Thru 01/31/2016		- 104.17	221,824.83



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ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from
February 1, 2016 to February 29, 2016

TRANSACTION DETAIL (continued)

<u>Date Posted</u>	<u>Description</u>	<u>Income Cash</u>	<u>Principal Cash</u>	<u>Balance</u>
02/25/16	Interest Earned On F H L M C M T N 2.000% 8/25/16 0.01 USD/\$1 Pv On 300,000 Par Value Due 2/25/16	3,000.00		224,824.83
02/26/16	Purchased 220,000 Par Value Of Bank Of Tokyo Mitsubis C P 6/24/16 Trade Date 2/25/16 Purchased Through Bank Of New York (The)/Ipa 220,000 Par Value At 99.76861 %		- 219,490.94	5,333.89
02/29/16	Interest Earned On U S Treasury Nt 0.625% 8/31/17 0.003125 USD/\$1 Pv On 200,000 Par Value Due 2/29/16	625.00		5,958.89
02/29/16	Interest Earned On U S Treasury Nt 1.500% 2/28/19 0.0075 USD/\$1 Pv On 225,000 Par Value Due 2/29/16	1,687.50		7,646.39
02/29/16	Interest Earned On U S Treasury Nt 1.500% 8/31/18 0.0075 USD/\$1 Pv On 250,000 Par Value Due 2/29/16	1,875.00		9,521.39
	Combined Purchases For The Period 2/ 1/16 - 2/29/16 Of First Amer Govt Oblig Fund Cl Y		- 314,259.06	- 304,737.67
	Combined Sales For The Period 2/ 1/16 - 2/29/16 Of First Amer Govt Oblig Fund Cl Y		304,737.67	0.00
02/29/16	Ending Cash Balance	\$409,923.48	- \$409,923.48	\$0.00





ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

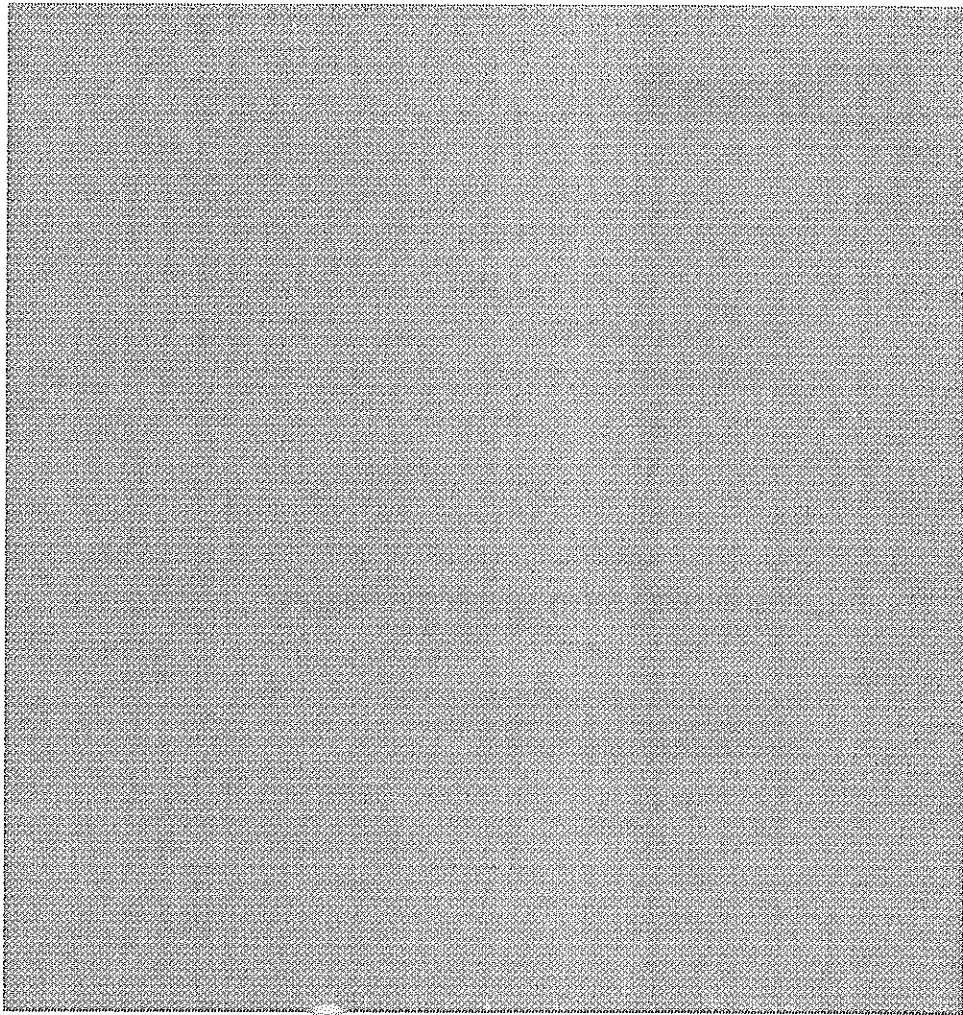
This statement is for the period from
February 1, 2016 to February 29, 2016

SALE/MATURITY SUMMARY

<u>Trade Date</u>	<u>Asset</u>	<u>Description</u>	<u>Cost Basis</u>	<u>Proceeds</u>	<u>Estimated Gain/Loss</u>
02/15/16	John Deere Owner 0.870% 8/15/17	Paid Down 3,219.83	- 3,219.39	3,219.83	0.44
02/15/16	John Deere Owner 0.920% 4/16/18	Paid Down 12,361.94	- 12,359.96	12,361.94	1.98
02/15/16	Toyota Auto 0.670% 12/15/17	Paid Down 6,205.41	- 6,204.26	6,205.41	1.15
02/17/16	U S Treasury Nt 0.625% 8/31/17	Sold 100,000	- 62,290.25	99,808.26	37,518.01
02/18/16	Honda Auto 0.693% 3/19/18	Paid Down 5,229.22	- 5,228.59	5,229.22	0.63
02/23/16	F H L M C M T N 2.500% 5/27/16	Sold 50,000	- 43,242.87	50,259.00	7,016.13
02/25/16	Bank Of Tokyo Mitsubis C P 2/25/16	Matured 220,000	- 219,714.00	219,714.00	0.00
Total Assets Disposed			- \$352,259.32	\$396,797.66	\$44,538.34
		- Cost Basis			
		- Proceeds			
		- Estimated Gain/Loss			

For information only. Not intended for tax purposes.

World Class Service Delivered by World Class Professionals-Guaranteed!



Glossary

Accretion - The accumulation of the value of a discounted bond until maturity.

Adjusted Prior Market Realized Gain/Loss - The difference between the proceeds and the Prior Market Value of the transaction.

Adjusted Prior Market Unrealized Gain/Loss - The difference between the Market Value and the Adjusted Prior Market Value.

Adjusted Prior Market Value - A figure calculated using the beginning Market Value for the fiscal year, adjusted for all asset related transactions during the period, employing an average cost methodology.

Amortization - The decrease in value of a premium bond until maturity.

Asset - Anything owned that has commercial exchange value. Assets may consist of specific property or of claims against others, in contrast to obligations due to others (liabilities).

Bond Rating - A measurement of a bond's quality based upon the issuer's financial condition. Ratings are assigned by independent rating services, such as Moody's, or S&P, and reflect their opinion of the issuer's ability to meet the scheduled interest and principal repayments for the bond.

Cash - Cash activity that includes both income and principal cash categories.

Change in Unrealized Gain/Loss - Also reported as Gain/Loss in Period in the Asset Detail section. This figure shows the market appreciation (depreciation) for the current period.

Cost Basis (Book Value) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Book Value method maintains an average cost for each asset.

Cost Basis (Tax Basis) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Tax Basis uses client determined methods such as Last-In-First-Out (LIFO), First-In-First-Out (FIFO), Average, Minimum Gain, and Maximum Gain.

Ending Accrual - (Also reported as Accrued Income) Income earned but not yet received, or expenses incurred but not yet paid, as of the end of the reporting period.

Estimated Annual Income - The amount of income a particular asset is anticipated to earn over the next year. The shares multiplied by annual income rate.

Estimated Current Yield - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by taking the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

Ex-Dividend Date - (Also reported as Ex-Date) For stock trades, the person who owns the security on the ex-dividend date will earn the dividend, regardless of who currently owns the stock.

Income Cash - A category of cash comprised of ordinary earnings derived from investments, usually dividends and interest.

Market Value - The price per unit multiplied by the number of units.

Maturity Date - The date on which an obligation or note matures.

Payable Date - The date on which a dividend, mutual fund distribution, or interest on a bond will be made.

Principal Cash - A category of cash comprised of cash, deposits, cash withdrawals and the cash flows generated from purchases or sales of investments.

Realized Gain/Loss Calculation - The Proceeds less the Cost Basis of a transaction.

Settlement Date - The date on which a trade settles and cash or securities are credited or debited to the account.

Trade Date - The date a trade is legally entered into.

Unrealized Gain/Loss - The difference between the Market Value and Cost Basis at the end of the current period.

Yield on/at Market - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by the annual dividend payments divided by the stock's current share price.

For bonds, yield is calculated by the coupon rate divided by the bond's market price.

The terms defined in this glossary are only for use when reviewing your account statement. Please contact your Relationship Manager with any questions.

Small Cities Organized Risk Effort
General Checking Account Register
 January 1, 2016 - February 29, 2016

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance	
0100 - CASH IN BANK								496,138.48	
0100-010 Scott Valley Bank								496,138.48	
Transfer	01/05/2016			Funds Transfer	0106-010 Trust - Liab_SVB		3,128.87	493,009.61	
Transfer	01/05/2016			Funds Transfer	0106-020 Trust - WC - SVB		16,407.47	476,602.14	
Deposit	01/14/2016			Deposit	Accounts Receivable	183,665.00		660,267.14	
Transfer	01/19/2016			Funds Transfer	0106-010 Trust - Liab_SVB		13,158.79	647,108.35	
Transfer	01/19/2016			Funds Transfer	0106-020 Trust - WC - SVB		22,883.63	624,224.72	
Deposit	01/21/2016			Deposit	Accounts Receivable	32,790.50		657,015.22	
Check	01/28/2016	2682	Gaia Hotel	VOID: Board Meeting & Planning	0605 - B of D Activities	0.00		657,015.22	
Transfer	01/28/2016			Funds Transfer	0106-020 Trust - WC - SVB		23,585.00	633,430.22	
Deposit	01/31/2016			Interest	SVB	35.91		633,466.13	
Transfer	02/01/2016			Funds Transfer	0106-020 Trust - WC - SVB		13,950.95	619,515.18	
Deposit	02/03/2016			Deposit	Accounts Receivable	92,739.00		712,254.18	
Deposit	02/04/2016			Deposit	Accounts Receivable	133,687.59		845,941.77	
Check	02/05/2016	2683	York Insurance Services Group, Inc-CA	Claims Mgmt January/February 2016	0710 - Claims Management		33,001.60	812,940.17	
Check	02/05/2016	2684	DKF Soutlions Group, LLC	Invoices 12334, 12304 (Jan), 12336 (Feb)	0675 - Safety Service		21,666.66	791,273.51	
Check	02/05/2016	2685	Gaia Hotel	BEO# 352958	0605 - B of D Activities		1,303.78	789,969.73	
Check	02/05/2016	2686	Montague	Mileage Reimb 1/29/16 Meeting	0605 - B of D Activities		111.88	789,857.85	
Check	02/05/2016	2687	Lexipol LLC	Inv# 15482	0615 - Dues and Subscriptions		1,000.00	788,857.85	
Transfer	02/22/2016			Funds Transfer	0106-020 Trust - WC - SVB		36,541.50	752,316.35	
Transfer	02/22/2016			Funds Transfer	0106-010 Trust - Liab_SVB		9,682.58	742,633.77	
Check	02/22/2016	2693	Gilbert Associates, Inc.	29330 ENG	0505 - Accounting		8,500.00	734,133.77	
Check	02/24/2016	2688	York Insurance Services Group, Inc-CA	Claims Mgmt March 2014 Inv # 500010301	0830 -Claims Service - Vouchers		8,125.00	726,008.77	
Check	02/24/2016	2689	York Insurance Services Group, Inc-CA	Claims Mgmt Fee - August 2015 Inv # 500013077	0830 -Claims Service - Vouchers		8,125.00	717,883.77	
Check	02/24/2016	2690	York Insurance Services Group, Inc-CA	WC Claims Mgmt Fee - March 2014 Inv # 500010300	0710 - Claims Management		8,375.80	709,507.97	
Check	02/24/2016	2691	DKF Soutlions Group, LLC	Inv # 12239 - November 2015	0675 - Safety Service		5,333.33	704,174.64	
Check	02/24/2016	2692	John Busch	Board Meeting Mileage - 1/29/16	0605 - B of D Activities		95.58	704,079.06	
Deposit	02/24/2016			Deposit	Accounts Receivable	49,953.00		754,032.06	
Deposit	02/29/2016			Interest	SVB	44.30		754,076.36	
Total 0100-010 Scott Valley Bank							<u>492,915.30</u>	<u>234,977.42</u>	<u>754,076.36</u>
Total 0100 - CASH IN BANK							<u>492,915.30</u>	<u>234,977.42</u>	<u>754,076.36</u>
TOTAL							<u>492,915.30</u>	<u>234,977.42</u>	<u>754,076.36</u>

Monthly Account Statement

Small Cities Organized Risk Effort

January 1, 2016 through January 31, 2016

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Jeffrey Stark
(503) 464-3106

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

Average Duration	2.37
Average Coupon	1.47 %
Average Purchase YTM	1.38 %
Average Market YTM	1.07 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.53 yrs
Average Life	2.45 yrs

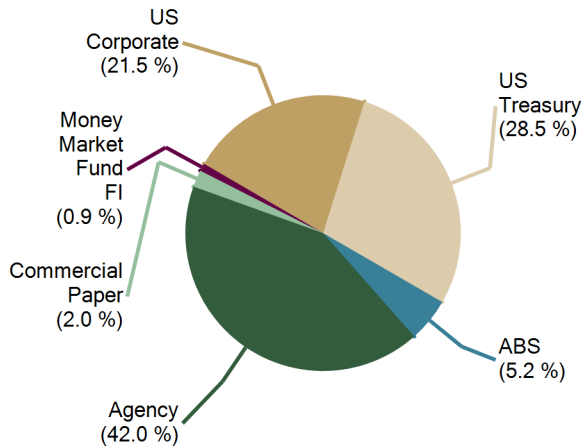
ACCOUNT SUMMARY

	Beg. Values as of 12/31/15	End Values as of 1/31/16
Market Value	10,877,371	10,975,858
Accrued Interest	33,231	34,773
Total Market Value	10,910,603	11,010,631
Income Earned	12,539	12,628
Cont/WD		-1,196
Par	10,881,344	10,892,058
Book Value	10,882,143	10,892,033
Cost Value	10,914,892	10,925,610

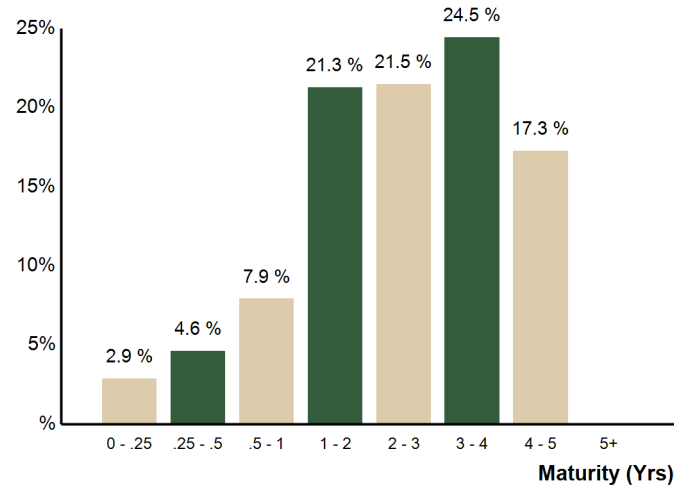
TOP ISSUERS

Issuer	% Portfolio
Government of United States	28.5 %
Federal National Mortgage Assoc	16.7 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	10.6 %
Toyota ABS	2.1 %
Bank of Tokyo-Mit UFJ	2.0 %
Honda ABS	1.9 %
Federal Farm Credit Bank	1.5 %
Total	76.5 %

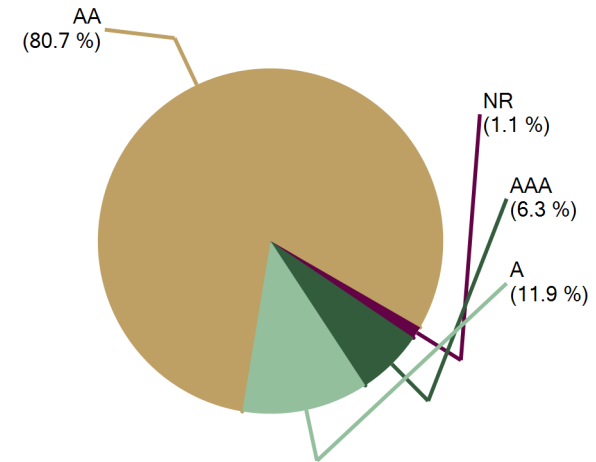
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2016	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.93 %	0.59 %	0.93 %	1.10 %	1.13 %	1.51 %	N/A	3.43 %	39.29 %
BAML 1-5 Yr US Treasury/Agency Index	1.06 %	0.62 %	1.06 %	1.05 %	1.08 %	1.39 %	N/A	3.20 %	36.24 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	1.01 %	0.59 %	1.01 %	1.06 %	1.17 %	1.54 %	N/A	3.24 %	36.86 %



**Small Cities Organized Risk Effort
Joint Powers Authority
January 31, 2016**

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



Reconciliation Summary

As of 1/31/2016

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$10,882,142.54
Acquisition	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$37,523.19
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$37,523.19
Dispositions	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$1,196.17
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$25,612.45
Total Dispositions	\$26,808.62
Amortization/Accretion	
+/- Net Accretion	(\$824.04)
	(\$824.04)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$10,892,033.07

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$63,423.89
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$11,910.16
Dividend Received	\$0.58
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$25,612.45
Total Acquisitions	\$37,523.19
Disposition	
Withdrawals	\$1,196.17
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$1,196.17
Ending Book Value	\$99,750.91

Monthly Account Statement

Small Cities Organized Risk Effort

February 1, 2016 through February 29, 2016

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

US Bank
Jeffrey Stark
(503) 464-3106

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS

Average Duration	2.37
Average Coupon	1.48 %
Average Purchase YTM	1.40 %
Average Market YTM	1.06 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.53 yrs
Average Life	2.44 yrs

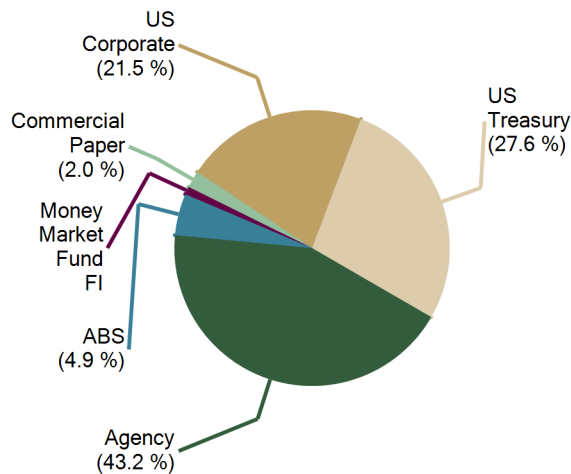
ACCOUNT SUMMARY

	Beg. Values as of 1/31/16	End Values as of 2/29/16
Market Value	10,975,858	10,992,468
Accrued Interest	34,773	38,014
Total Market Value	11,010,631	11,030,481
Income Earned	12,628	12,505
Cont/WD		-1,200
Par	10,892,058	10,901,923
Book Value	10,892,033	10,900,166
Cost Value	10,925,610	10,933,014

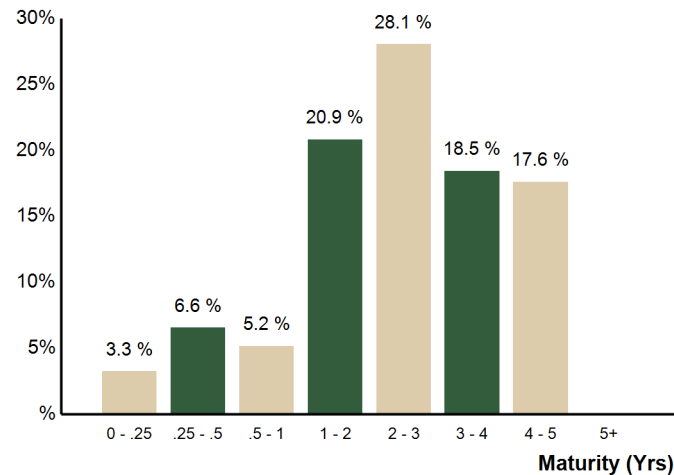
TOP ISSUERS

Issuer	% Portfolio
Government of United States	27.6 %
Federal National Mortgage Assoc	16.7 %
Federal Home Loan Bank	14.9 %
Federal Home Loan Mortgage Corp	10.1 %
Toyota ABS	2.1 %
Bank of Tokyo-Mit UFJ	2.0 %
Honda ABS	1.8 %
Federal Farm Credit Bank	1.5 %
Total	76.6 %

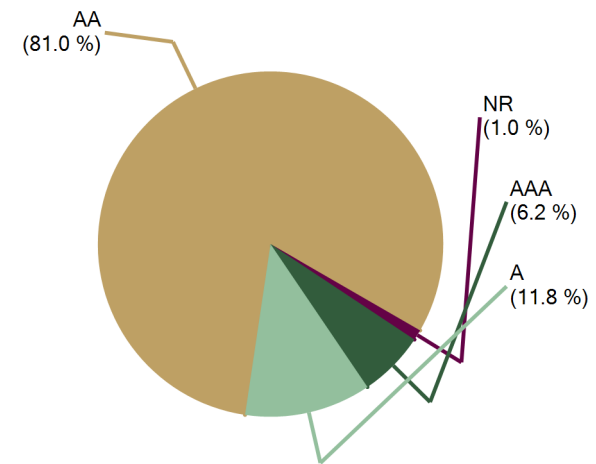
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/29/2016	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.19 %	1.00 %	1.12 %	1.67 %	1.13 %	1.57 %	N/A	3.42 %	39.56 %
BAML 1-5 Yr US Treasury/Agency Index	0.24 %	1.16 %	1.31 %	1.79 %	1.08 %	1.49 %	N/A	3.19 %	36.57 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.22 %	1.06 %	1.23 %	1.75 %	1.16 %	1.62 %	N/A	3.24 %	37.17 %



**Small Cities Organized Risk Effort
Joint Powers Authority
February 29, 2016**

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Authority's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



Reconciliation Summary

As of 2/29/2016

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$10,892,033.07
Acquisition	
+ Security Purchases	\$403,743.54
+ Money Market Fund Purchases	\$306,722.60
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$710,466.14
Dispositions	
- Security Sales	\$150,067.26
- Money Market Fund Sales	\$303,641.67
- MMF Withdrawals	\$1,200.17
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$219,714.00
- Calls	\$0.00
- Principal Paydowns	\$27,016.40
Total Dispositions	\$701,639.50
Amortization/Accretion	
+/- Net Accretion	(\$762.01)
	(\$762.01)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$68.51
	\$68.51
Ending Book Value	\$10,900,166.21

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$99,750.91
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$150,067.26
Accrued Interest Received	\$595.70
Interest Received	\$9,144.71
Dividend Received	\$0.40
Principal on Maturities	\$219,714.00
Interest on Maturities	\$286.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$27,016.40
Total Acquisitions	\$406,824.47
Disposition	
Withdrawals	\$1,200.17
Security Purchase	\$403,743.54
Accrued Interest Paid	\$0.00
Total Dispositions	\$404,943.71
Ending Book Value	\$101,631.67



Administrative Summary - January

Assignments

Completions (January 1-31)

Users with completions:	0	0%
Total completions:	0	

Overdue Assignments (as of January 31)

Users with assignment(s) that are overdue:	0	0%
Total overdue assignments:	0	

No Assignments (as of January 31)

Users with no assignments:	8	100%
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Users

Log-ins (January 1-31)

Users who have logged in:	0	0%
---------------------------	---	----

Credentials

Users with credentials expiring next month (February):	0	0%
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If you would prefer not to receive this email in the future, please contact TargetSolutions' Client Services Department at 800.840.8048 or support@TargetSolutions.com.

For additional help or questions please contact us at:
10805 Rancho Bernardo Road, Suite 200
San Diego, CA 92127-5703



Administrative Summary - February

Assignments

Completions (February 1-29)

Users with completions:	0	0%
Total completions:	0	

Overdue Assignments (as of February 29)

Users with assignment(s) that are overdue:	0	0%
Total overdue assignments:	0	

No Assignments (as of February 29)

Users with no assignments:	8	100%
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Users

Log-ins (February 1-29)

Users who have logged in:	1	13%
---------------------------	---	-----

Credentials

Users with credentials expiring next month (March):	0	0%
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San Diego, CA 92127-5703



INVESTMENT MANAGER'S REPORT

ACTION ITEM

ISSUE: Mr. Marty Cassell, CFA, of Chandler Asset Management will be in attendance to provide the Board with a presentation of SCORE's investment portfolio with Chandler Asset Management as well as to provide an overview of how the current economic climate will impact future investment returns.

RECOMMENDATION: Accept and file the Investment Report.

FISCAL IMPACT: None.

BACKGROUND: Chandler Asset Management has been serving as SCORE's investment manager since 2006. Annually, Ted Piorkowski or an Associate attends the March Board of Directors meeting and provides a report on how the JPA's investment portfolio is performing.

ATTACHMENTS: Investment Report Period Ending February 29, 2016 (HANDOUT)



INVESTMENT POLICY REVIEW AND APPROVAL

ACTION ITEM

ISSUE: The Board of Directors annually reviews and approves any recommended changes to the Investment Policy, or they reaffirm the Policy with no changes. This year minor changes are recommended to the schedule of Included Investments, including an increase in the maximum amount in LAIF (from \$50 to \$65 million) and an increase in the maximum percentage in Money Market Funds (from 15% to 20%).

RECOMMENDATION: Review and approve the recommended changes.

FISCAL IMPACT: None

BACKGROUND: Every year, staff requests an Investment Policy review from the Investment Manager as well as the JPA Financial Accounting Services provider in order to determine if any changes should be made to the Investment Policy. The Investment Policy must be reviewed and approved annually, even if there are no changes.

ATTACHMENTS: Chandler Investment Policy Redline Version

**SMALL CITIES ORGANIZED RISK EFFORT
JOINT POWERS AUTHORITY (SCORE)**

Reviewed March ~~2015~~2016

INVESTMENT POLICY

ADOPTED 3-27-15

I. POLICY STATEMENT

The Policy of the Small Cities Organized Risk Effort Joint Powers Authority (the "Authority") shall be to invest all funds under the Authority's control in a manner that complies with all laws of the State of California; all applicable Government Code Sections including but not limited to Government Code Section 53601, and the policies of the Authority.

II. SCOPE OF POLICY

This policy sets forth guidance for all funds and investment activities under the direction and control of the Authority.

III. AUTHORITY

The Board of Directors hereby delegates its authority to invest funds of the Authority for a one-year period to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the Board of Directors may renew the delegation of authority each year. The authorized officer may delegate the day-to-day placement of investments to an investment advisor, via written agreement with the Authority. The investment advisor shall make all investment decisions and transactions in strict accordance with state law and this investment policy. The authorized officer shall establish a system of written internal controls to regulate the Authority's investment activities, including the activities of any subordinate officials acting on behalf of the Authority.

The delegated investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. OBJECTIVES

- A. Safety: The primary objective of this policy is to protect, preserve, and maintain cash and investments of the Authority. Preservation of capital is the primary objective of the Authority. Every investment transaction shall strive to avoid capital losses arising from securities default and/or broker/dealer default.
- B. Liquidity: An adequate percentage of the portfolio will be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. The liquidity requirements will be determined from time to time from projected cash flow reports. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized.
- C. Yield: Within the constraints of safety and liquidity, the highest and best yield will be sought. The maximization of return will not transcend the objective of capital preservation.
- D. Market-Average Rate of Return: The Authority's portfolio shall be structured to achieve a market-average rate of return through various economic cycles. The benchmark for "market-average rate" shall be the rate of return of a market-based index which has the same type of sector and

maturity requirements as the Authority's portfolio. This benchmark shall be determined by the Board.

- E. Diversification: The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.
- F. Prudence: Those persons authorized to make investment decisions on behalf of the Authority will be considered trustees and subject to the prudent investor standard that states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (California Government Code 53600.3)
- G. Public Trust: All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall investment return.

V. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with the Government Code.

The reports shall include the following information for each individual investment:

- Type of investment instrument (i.e., Treasury Bill, medium-term note)
- Issuer name (i.e., General Electric Credit Corp.)
- Yield to maturity at cost
- Purchase date (trade and settlement date)
- Maturity date
- Purchase price
- Par value
- Coupon rate
- Credit rating of each security
- Amortized cost
- Current market value for securities with maturity greater than 12 months
- Overall portfolio yield based on cost
- List of investment transactions

VI. INVESTMENT INSTRUMENTS AND MATURITIES

A. Included Investments:

Type	Minimum Credit Rating	Maximum Maturity**	Maximum Portfolio Percentage *	Maximum Individual Holding*
1. U.S. Treasury	N/A	5 years	100%	100%
2. Government Agency	N/A	5 years	100%	100%
3. State and Municipal Obligations ***	A	5 years	20%	5%
4. Supranationals	AA	5 Years	30%	10%
5. Negotiable Certificates of Deposit	A-1 or AA	5 years	30%	5%
6. Bankers Acceptances	A-1	180 days	30%	5%
7. Commercial Paper	A-1	270 days	25%	5%
8. Local Agency Investment Fund (LAIF)	N/A	N/A	N/A	\$50-65 million
9. Repurchase Agreements	N/A	1 year	25%	5%
10. Medium Term Notes	A-	5 year	30%	5%
11. Money Market Fund	AAA	N/A	15-20%	5% N/A
12. Mortgage & Asset Backed Securities	AAA	5 years	20%	5%

Commented [WG1]: Adding for consistency

Commented [WG2]: Changing to "A" rating to match below text and California Govt Code

Commented [WG3]: LAIF program limit has been raised to \$65 million as of 2016

Commented [WG4]: Adding for consistency

Commented [WG6]: No maximum for each individual MMMF per California Govt Code

Commented [WG5]: Changing to 20% maximum portfolio percentage to match below text and California Govt Code

* Excluding U.S. Government, agency securities, supranationals and LAIF no more than 5% of the portfolio may be invested in any one institution. The maximum percentages/amounts are determined at time of purchase. Amount refers to par value.

**Maximum term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval (Government Code §3601)

***No investments are allowed in financial instruments of SCORE cities.

B. Prohibited Investments: The following investments or investment practices are not permitted under this Statement of Investment Policy:

1. Purchase or sale of securities on margin
2. Reverse Repurchase Agreements
3. Financial Futures and financial options

Any security type or structure not specifically approved by this policy is hereby specifically prohibited.

C. The following sections define in detail the parameters of each approved investment type.

1. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S.

Treasuries.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

There are no limits on the dollar amount or percentage that the Authority may invest in U.S. Agency obligations.

3. Supranationals provided that they are unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated "AA" or higher by a nationally recognized statistical rating organization. Purchases of Supranationals must not exceed 30% of the Authority's portfolio and no individual issuer shall exceed 10% of the Authority's portfolio. The maturity will not exceed 5 years.

4. Obligations issued by the State of California, any local agency within the state, or authority of any of the other 49 states which are rated "A" by at least one Nationally Recognized Statistical Rating Organization (NRSRO). Purchases of Municipal securities may not exceed 5 years in maturity or 20% of the Authority's portfolio.

5. Negotiable certificates of deposit or deposit notes with a remaining term to maturity of five years or less, issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "A" or better by at least one NRSRO.

Purchases of negotiable certificates of deposit may not exceed 30% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer.

6. Banker's Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by at least one NRSRO.

Purchases of Banker's Acceptances may not exceed 180 days maturity or 30% of the Authority's investment portfolio. No more than 5% of the Authority's investment portfolio may be invested in the Banker's Acceptances of any one commercial bank.

7. Commercial Paper rated in the highest short-term rating category, as provided by at least one NRSRO. The issuing corporation must be organized and operating within the United States, having total assets in excess of \$500 million, and having an "A" or higher rating for its long-term debt, if any, as provided by at least one NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity and may not exceed 25% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer. Purchases shall not exceed 10% of the outstanding paper of the issuing corporation.

8. Repurchase Agreements are subject to the following collateral restrictions: Only U.S. Treasury securities or Federal Agency securities, as described in VI. C. 1 and 2 will be acceptable collateral. All securities underlying repurchase agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be reviewed on a regular basis and adjusted no less than weekly. Market value of underlying collateral must be reviewed regularly or each time there is a substitution of collateral.

The Authority may enter into repurchase agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York. The Authority will have specific written agreements with each firm with which it enters into repurchase agreements. Reverse repurchase agreements are not allowed.

Purchases or repurchase agreements may not exceed one year in maturity, ~~and may not exceed 25% of the Authority's investment portfolio, and no~~ No more than 5% may be invested in any one issuer.

Commented [WG7]: Added maximum % portfolio language to match the above table

9. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less issued only by corporations operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. shall be permitted. Medium-term corporate notes shall be rated in a rating category of "A-" or its equivalent or better by at least one NRSROs.

Purchases or medium term corporate notes may not exceed five years in maturity or 30% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer.

10. Local Agency Investment Fund (L.A.I.F.) - There are no limits on the dollar amount or percentage that the Authority may invest in LAIF, subject to ~~\$50-65~~ million deposit limit imposed by LAIF.

Commented [WG8]: LAIF program limit increased to \$65 million as of 2016

Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased.

11. Money market Mutual Fund provided that:

Such funds are registered with the Securities and Exchange Commission and receive the highest ranking by not less than two NRSROs; and have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government code Section 53601 (a through j) and with assets under management in excess of \$500 million; and have no more than 20% of the investment portfolio may be held in Money Market Mutual Funds, ~~and no more than 10% per Fund.~~

Commented [WG9]: No longer necessary

12. Mortgage Pass-Through Securities and Asset-Backed Securities provided that:
Such securities shall have a maximum stated final maturity of five years; and shall be rate AAA at least one NRSRO; ~~and issuers must be rated A or higher by at least one NRSRO;~~ and purchase of securities authorized by this subdivision may not exceed 20% of the portfolio.

Commented [WG10]: Added to clarify issue rating versus issuer rating, also to match California Govt Code

VII. INTERNAL CONTROLS

The system of internal control shall be established and maintained in written form, in a separate document. The controls are designed to prevent losses of public funds arising from fraud, error, misrepresentations of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority. The most important controls are: control of collusion; separation of duties; separation of transaction authority from accounting and bookkeeping; custodial safekeeping; delegation of authority; limitations regarding securities losses and remedial action; written confirmation of telephone transactions; minimizing the number of authorized investment officials; documentation of transactions and strategies; and annual review of controls by the Treasurer.

VIII. TRANSFER OF FUNDS

The Treasurer shall have authority to transfer to and from the investment accounts in the ordinary course of operations and shall notify the President prior to any transfer of funds in excess of \$1,000,000.

IX. BANKS AND SECURITIES DEALERS

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider the credit worthiness of institutions. To be eligible to receive local agency deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Authority funds are deposited or invested. A commercial rating or bank watch may be used to accomplish this objective.

X. INVESTMENT RISKS

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority shall mitigate credit risk by adopting the following strategies:

1. The diversification requirements included in Section VI are designed to mitigate credit risk in the portfolio;
2. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities, or Supranational securities;
3. The Authority may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the Authority's risk preferences; and
4. If securities owned by the Authority are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the Authority's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - a. If a security is downgraded two grades below the level required by the Authority, the security shall be sold immediately
 - b. If a security is downgraded one grade below the level required by this policy, the Authority's Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the loss in value, the economic outlook for the issuer, and other relevant factors.
 - c. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Authority's Board.

Commented [WG11]: Added for consistency with above table

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The Authority recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The Authority shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cashflow purposes. The authority further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The Authority, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

1. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy:
2. The Authority shall maintain a minimum of three months of budgeted operating expenditures in short term investments; and
3. The duration of the portfolio typically will be equal to the duration of an index of US Treasury and Federal Agency Securities with maturities which meet the Authority's needs for cash flow and level of risk tolerance (the Benchmark Index) plus or minus 10%.

XI. SAFEKEEPING AND CUSTODY

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account except the collateral for time deposits in banks and savings and loans institutions. Collateral for time deposits of thrifts is held by the Federal Home Loan Bank or an approved Agent of Depository. Collateral for time deposits in banks shall be handled as required by the California Government Code.

XII. REVIEW OF INVESTMENT POLICY

The Board of Directors will review the objectives and the performance of the portfolio and changes to the Investment Policy.

XIII. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.



**GILBERT & ASSOCIATES SERVICE AGREEMENT
REVISION FOR REMAINDER OF FY 2015/16**

ACTION ITEM

ISSUE: Gilbert & Associates has requested an amendment to their current agreement for accounting services in order to comply with recent changes recommended by the American Institute of Certified Public Accountants for engagements to prepare financial statements for periods on or after December 15, 2016.

The additions to the current contract language are found under the first two headings of the new Agreement: Our Responsibilities under Professional Standards, and Management Responsibilities.

Each section lists the parties' respective obligations in producing quarterly financial statements, including management's responsibility to ensure compliance to applicable laws and regulations, to provide requested documentation, and to prevent and detect fraud.

RECOMMENDATION: Approve amendment of current services agreement to include required language for the remainder of FY 2015/16.

FISCAL IMPACT: None.

BACKGROUND: Gilbert's contract was first approved in 2011. The initial term is for three years (FY 2011/12 to FY 2013/14) with **two** one-year options. Last year the Board approved an amendment to extend the contract for the **first** of these one-year options.

ATTACHMENTS: Gilbert Contract Revision for remainder of FY 2015/16



March 9, 2016

Marcus Beverly, Administrator
Small Cities Organized Risk Effort
c/o Alliant Insurance Services
2180 Harvard Street, Suite 460
Sacramento, California 95815

Dear Marcus,

Recently, the American Institute of Certified Public Accountants issued a pronouncement relating to the type of services that we provide to the Small Cities Organized Risk Effort (SCORE). This pronouncement takes effect for engagements to prepare financial statements for periods ending on or after December 15, 2015 (i.e. for SCORE, the December 31, 2015 quarterly financial statements). In accordance with the requirements of that pronouncement, we are revising our engagement letters (or contracts) for all of our accounting services clients so that the language is consistent with this new standard. Since our current contract extends through June 30, 2016, that term is reflected in the attached engagement letter and the rate is still the same, \$4,250 monthly.

In addition, I have enclosed a second engagement letter that extends from July 1, 2016 through June 30, 2017 for the Board to consider. The 2016-2017 engagement letter includes an increase of the monthly charge to \$4,400 per month, which will now be billed on a quarterly basis.

If you or any of the SCORE Board members have questions, please let me or Tracey know. We appreciate the opportunity to serve SCORE and look forward to continuing to work with you in this capacity.

Sincerely,

GILBERT ASSOCIATES, INC.
CPAs and Advisors

Kevin S. Wong, CPA
Shareholder

March 9, 2016

To the Board of Directors
Small Cities Organized Risk Effort
c/o Alliant Insurance Services
2180 Harvard Street, Suite 460
Sacramento, California 95815

Thank you for the opportunity to serve Small Cities Organized Risk Effort (SCORE). This agreement is intended to document the expectations of service from our firm by clearly identifying the particular services to be provided and their frequency. This agreement will cover our services from January 1, 2016 through June 30, 2016, subject to mutual agreement and 30 days notice.

Our Responsibilities under Professional Standards

Included among the services we will provide to SCORE, you have requested that we prepare the financial statements of SCORE on a quarterly basis, which comprise the statement of net position and the related statement of changes in net position.

The objective of our engagement is to prepare financial statements (except the statement of cash flows) in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our financial statement preparation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the financial statements (except for the statement of cash flows) in accordance with accounting principles generally accepted in the United States of America.

Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS:

- 1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The prevention and detection of fraud.
- 3) To ensure that the entity complies with the laws and regulations applicable to its activities.
- 4) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- 5) To provide us with—
 - Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
 - Additional information that may be requested for the purpose of the preparation of the financial statements, and
 - Unrestricted access to persons within SCORE with whom we determine it necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

Scope of work

The following list describes the services that we expect to provide. Please review the information below and make any changes necessary.

1. Prepare all bank reconciliations;
2. Process payables:
 - a. Receive and record all invoices;
 - b. Obtain approval when necessary; and
 - c. Prepare and issue checks per SCORE policy.
3. Process receivables:
 - a. Create and record invoices;
 - b. Record payments as processed by Treasurer; and
 - c. Generate and report Aged Receivables prior to each Board meeting.
4. Maintain check registers of all applicable accounts and submit to Board quarterly;
5. Maintain general ledger - prepare and enter quarterly adjusting entries;
6. Assist with cash management by requesting Operating Account funding as needed.
7. Facilitate the annual financial audit:
 - a. Prepare audit schedules; and
 - b. Coordinate audit fieldwork.
8. Prepare quarterly and annual financial reports and attend Board of Directors' meetings to discuss them;
 - a. Quarterly balance sheets and income statements
 - b. Quarterly budget to actual financial reporting
 - c. Quarterly reporting combining Banking Layer financial statements

- d. Quarterly reporting Combining Liability and Workers' Comp Program financial statements
- e. Quarterly claims reconciliation among the Claims TPA reports, actuary reports and the general ledger
9. Review quarterly financial reports with the Treasurer and Program Administrators.
10. Assist Program Administrators with budget preparation;
11. Assist auditor in preparing fiscal year-end financial statements and provide information to the Program Administrators to prepare MD&A.
12. Prepare and file the financial data on State Controllers Report.
13. Calculate the liability and workers' compensation retrospective adjustment based on June 30th information including allocating interest income among the liability and workers' compensation programs and between the banking layers and shared risk layers, as well as among program years within each program and among the members participating in each program year and submit to SCORE no later than December 31st annually.
14. Provide services and other related duties reasonably related to Scope of Service herein provided, 1) as requested by an authorized representative, and 2) with written notice of addition compensation necessary for task completion.
15. Maintain a suitable backup and recovery system for data and develop and implement processes for the protection of electronic data including a written policy with respect to:
 - a. Disaster recovery
 - b. Physical and electronic data security
 - c. Electronic data retention

Fees and Other Relevant Information

Our fees will be billed monthly at \$4,250 per month for the six months ending June 30, 2016. Our standard hourly rates for work outside of the Scope of Services specified above are as follows, as of the beginning of this agreement, January 1, 2016:

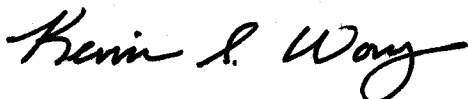
Kevin S. Wong, CPA	\$260/hour
Tracey R. Smith-Reed	\$130/hour

Our standard hourly rates may change on an annual basis. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

GILBERT ASSOCIATES, INC.
CPAs and Advisors



Kevin S. Wong, CPA
Shareholder

Board of Directors
Small Cities Organized Risk Effort
March 9, 2016
Page 4 of 4

Accepted by: _____

Date: _____



**GILBERT & ASSOCIATES SERVICE AGREEMENT
FOR FY 2016/17**

ACTION ITEM

ISSUE: The current contract with Gilbert & Associates for accounting services contains an option to extend the agreement for FY 2016/17, subject to negotiation. Gilbert has offered to extend the agreement with a 3.5% increase in fees, from \$51,000 to \$52,800.

RECOMMENDATION: Approve amendment of current services agreement to extend to FY 2016/17.

FISCAL IMPACT: Annual budget of \$52,800.

BACKGROUND: Gilbert's contract was first approved in 2011. The initial term is for three years (FY 2011/12 to FY 2013/14) with **two** one-year options. Last year the Board approved an amendment to extend the contract for the **first** of these one-year options. For the FY 2015/16 year the cost of accounting services was \$51,000 which was billed in monthly installments.

ATTACHMENTS: Gilbert Service Agreement for FY 2016/17

March 9, 2016

To the Board of Directors
Small Cities Organized Risk Effort
c/o Alliant Insurance Services
2180 Harvard Street, Suite 460
Sacramento, California 95815

Thank you for the opportunity to serve Small Cities Organized Risk Effort (SCORE). This agreement is intended to document the expectations of service from our firm by clearly identifying the particular services to be provided and their frequency. This agreement will cover our services from July 1, 2016 through June 30, 2017, subject to mutual agreement and 30 days notice.

Our Responsibilities under Professional Standards

Included among the services we will provide to SCORE, you have requested that we prepare the financial statements of SCORE on a quarterly basis, which comprise the statement of net position and the related statement of changes in net position.

The objective of our engagement is to prepare financial statements (except the statement of cash flows) in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our financial statement preparation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the financial statements (except for the statement of cash flows) in accordance with accounting principles generally accepted in the United States of America.

Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS:

- 1) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The prevention and detection of fraud.
- 3) To ensure that the entity complies with the laws and regulations applicable to its activities.
- 4) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- 5) To provide us with—
 - Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
 - Additional information that may be requested for the purpose of the preparation of the financial statements, and
 - Unrestricted access to persons within SCORE with whom we determine it necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

Scope of work

The following list describes the services that we expect to provide. Please review the information below and make any changes necessary.

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 - a. Create and record invoices;
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 - c. Generate and report Aged Receivables prior to each Board meeting.
4. Maintain check registers of all applicable accounts and submit to Board quarterly;
5. Maintain general ledger - prepare and enter quarterly adjusting entries;
6. Assist with cash management by requesting Operating Account funding as needed.
7. Facilitate the annual financial audit:
 - a. Prepare audit schedules; and
 - b. Coordinate audit fieldwork.
8. Prepare quarterly and annual financial reports and attend Board of Directors' meetings to discuss them;
 - a. Quarterly balance sheets and income statements
 - b. Quarterly budget to actual financial reporting
 - c. Quarterly reporting combining Banking Layer financial statements

- d. Quarterly reporting Combining Liability and Workers' Comp Program financial statements.
 - e. Quarterly claims reconciliation among the Claims TPA reports, actuary reports and the general ledger
9. Review quarterly financial reports with the Treasurer and Program Administrators.
 10. Assist Program Administrators with budget preparation;
 11. Assist auditor in preparing fiscal year-end financial statements and provide information to the Program Administrators to prepare MD&A.
 12. Prepare and file the financial data on State Controllers Report.
 13. Calculate the liability and workers' compensation retrospective adjustment based on June 30th information including allocating interest income among the liability and workers' compensation programs and between the banking layers and shared risk layers, as well as among program years within each program and among the members participating in each program year and submit to SCORE no later than December 31st annually.
 14. Provide services and other related duties reasonably related to Scope of Service herein provided, 1) as requested by an authorized representative, and 2) with written notice of addition compensation necessary for task completion.
 15. Maintain a suitable backup and recovery system for data and develop and implement processes for the protection of electronic data including a written policy with respect to:
 - a. Disaster recovery
 - b. Physical and electronic data security
 - c. Electronic data retention

Fees and Other Relevant Information

Our fees will be billed quarterly at \$13,200 per quarter. Our standard hourly rates for work outside of the Scope of Services specified above are as follows, as of the beginning of this agreement, July 1, 2016:

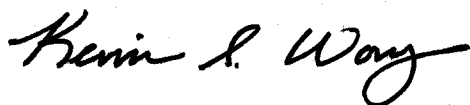
Kevin S. Wong, CPA	\$260/hour
Tracey R. Smith-Reed	\$130/hour

Our standard hourly rates may change on an annual basis. Our invoices for these fees will be rendered quarterly and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

GILBERT ASSOCIATES, INC.
CPAs and Advisors



Kevin S. Wong, CPA
Shareholder

Board of Directors
Small Cities Organized Risk Effort
March 9, 2016
Page 4 of 4

Accepted by: _____

Date: _____



QUARTERLY FINANCIALS FOR QE DECEMBER 31, 2015

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of SCORE. Gilbert Associates will present SCORE's Financials for Quarter ending December 31, 2015 to the Board of Directors for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Unknown.

BACKGROUND: Each quarter the Board of Directors reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENT(S): Quarterly Financial Reports as of 12/31/15 (*HANDOUT*)

Small Cities Organized Risk Effort
Statement of Net Position
As of December 31, 2015 and December 31, 2014

	<u>Dec 31, '15</u>	<u>Dec 31, '14</u>
ASSETS		
Current Assets		
Checking/Savings		
Scott Valley Bank - General	\$ 496,138.48	\$ 397,534.94
Scott Valley Bank Claims Accounts		
Scott Valley Bank - Liability	36,873.57	139,247.03
Scott Valley Bank - Workers' Comp	143,601.15	22,285.95
LAIF		
LAIF	403,027.05	601,615.75
Total Checking/Savings	<u>1,079,640.25</u>	<u>1,160,683.67</u>
Other Current Assets		
Chandler - Investment Account		
Chandler - Investments	10,631,753.72	10,286,995.77
Chandler - Unrealized Gain (Loss)	(37,520.40)	(3,998.63)
US Bank	283,137.89	491,358.18
Total Chandler - Investment Account	<u>10,877,371.21</u>	<u>10,774,355.32</u>
Interest Receivable	33,604.46	33,962.03
Member Accounts Receivable	646,366.20	499,977.84
Claim Recovery Receivable	127,723.53	66,470.88
Prepaid Expenses	541,957.13	473,627.31
Total Other Current Assets	<u>12,227,022.53</u>	<u>11,848,393.38</u>
Total Current Assets	<u>13,306,662.78</u>	<u>13,009,077.05</u>
TOTAL ASSETS	<u>\$ 13,306,662.78</u>	<u>\$ 13,009,077.05</u>

Small Cities Organized Risk Effort
Statement of Net Position
As of December 31, 2015 and December 31, 2014

	<u>Dec 31, '15</u>	<u>Dec 31, '14</u>
LIABILITIES		
Current Liabilities		
Claims Reserves - Current		
Claims Reserves - W/C	761,326.61	212,135.39
Claims Reserves - Liability	179,129.96	939,206.71
Total Claims Payable - Current	<u>940,456.57</u>	<u>1,151,342.10</u>
Accounts Payable	9,583.33	100,100.34
Unearned Revenue	699,736.23	732,275.50
Dividend Payable to Members	359,550.00	479,177.00
Total Current Liabilities	<u>2,009,326.13</u>	<u>2,462,894.94</u>
Long Term Liabilities		
Claims Reserves - Non-Current		
Claims Reserves - W/C	1,135,250.00	2,213,557.00
Claims Reserves - Liability	350,966.00	269,981.00
Total Claims Payable - Non-Current	<u>1,486,216.00</u>	<u>2,483,538.00</u>
IBNR		
IBNR Reserves - W/C	1,581,576.00	1,728,865.00
IBNR Reserves - Liability	556,523.00	912,844.00
Total IBNR	<u>2,138,099.00</u>	<u>2,641,709.00</u>
ULAE		
ULAE - W/C	182,509.00	217,625.00
ULAE - Liability	84,944.00	100,767.00
Total ULAE	<u>267,453.00</u>	<u>318,392.00</u>
Total Long Term Liabilities	<u>3,891,768.00</u>	<u>5,443,639.00</u>
Total Liabilities	<u>5,901,094.13</u>	<u>7,906,533.94</u>
NET POSITION		
Net Position - Workers' Compensation		
Board Designated - W/C	1,250,000.00	1,250,000.00
Workers' Compensation Banking Layer	1,212,164.13	933,798.50
Net Position - Liability		
Board Designated - Liability	2,500,000.00	2,500,000.00
Liability Banking Layer	582,118.10	397,190.10
Undesignated Net Position	672,546.99	75,927.04
Net Revenues Over (Under) Expenditures	1,188,739.43	(54,372.53)
Total Net Position	<u>\$ 7,405,568.65</u>	<u>\$ 5,102,543.11</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Year to Date Ended December 31, 2015 and December 31, 2014

	<u>Oct '15 - Dec '15</u>	<u>Jul '15 - Dec '15</u>	<u>Jul '14 - Dec '14</u>
Ordinary Revenue			
Revenue			
Member Contributions	\$ 858,566.00	\$ 1,704,542.25	\$ 1,548,896.50
Member Assessment/Refunds	-	-	-
Bank/LAIF Interest	545.73	1,036.71	1,093.07
Managed Portfolio	40,170.36	79,674.83	77,881.84
Miscellaneous Income	-	-	93,718.00
Total Operating Revenue	<u>899,282.09</u>	<u>1,785,253.79</u>	<u>1,721,589.41</u>
Operating Expenses			
General and Administrative Expenses			
Bank Service Charges	-	-	20.00
B of D Activities	12,071.05	12,121.21	11,831.38
Conference	16.00	907.05	960.31
Dues & Subscriptions	-	600.00	450.00
Insurance	-	575.00	575.00
Safety Services	15,999.99	31,999.98	20,050.00
Safety Training	6,271.71	24,537.62	18,493.54
User Funding Assessment (WC)	18,543.23	18,543.23	31,813.15
Total Administration	<u>52,901.98</u>	<u>89,284.09</u>	<u>84,193.38</u>
Consulting Services			
Accounting Services	12,750.00	25,500.00	25,500.00
Actuarial Study	-	-	3,000.00
Administration Costs	58,260.75	116,521.50	112,905.50
Audit - Financial	2,030.00	20,300.00	20,300.00
Claims Services			
Claims Management -WC	25,126.60	50,254.00	50,253.20
Claims Management - Liability	24,375.00	48,750.00	48,750.00
TPA - Annual Fees	7,250.00	14,500.00	16,142.15
Total Claims Services	<u>56,751.60</u>	<u>113,504.00</u>	<u>115,145.35</u>
Investment Fees	3,594.51	7,178.02	7,089.12
Legal	-	-	3,290.26
Total Consulting Services	<u>133,386.86</u>	<u>283,003.52</u>	<u>287,230.23</u>
Total General and Administrative Expenses	<u>186,288.84</u>	<u>372,287.61</u>	<u>371,423.61</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Position
For the Quarter and Year to Date Ended December 31, 2015 and December 31, 2014

	<u>Oct '15 - Dec '15</u>	<u>Jul '15 - Dec '15</u>	<u>Jul '14 - Dec '14</u>
Insurance Expenses			
Insurance Premiums	194,164.49	388,184.98	345,223.30
Total Insurance Expenses	<u>194,164.49</u>	<u>388,184.98</u>	<u>345,223.30</u>
Claims Expenses			
Claims Payments			
Claim Payments - WC	226,537.94	308,242.26	390,965.93
Claim Payments - Liability	74,163.35	83,899.76	682,132.65
Total Claim Payments	<u>300,701.29</u>	<u>392,142.02</u>	<u>1,073,098.58</u>
Changes in Claims Liabilities			
Change in Reserves	253,228.70	(784,293.43)	(91,240.90)
Total Claims Expenses	<u>553,929.99</u>	<u>(392,151.41)</u>	<u>981,857.68</u>
Grant Fund Program	26,927.95	26,927.95	48,573.30
Dividends	-	146,631.00	-
Total Expenses	<u>961,311.27</u>	<u>541,880.13</u>	<u>1,747,077.89</u>
Net Operating Revenue	(62,029.18)	1,243,373.66	(25,488.48)
Other Revenue (Expense)			
Investment Gain/Loss	(84,692.83)	(54,634.23)	(28,884.05)
Net Revenue Over (Under) Expenses	<u>\$ (146,722.01)</u>	<u>\$ 1,188,739.43</u>	<u>\$ (54,372.53)</u>
Net Position, Beginning		<u>\$ 6,216,829.22</u>	<u>\$ 5,156,915.64</u>
Net Position Ending		<u>\$ 7,405,568.65</u>	<u>\$ 5,102,543.11</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended December 31, 2015

	<u>Jul '15 - Dec '15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Revenue				
Revenue				
Member Contributions	\$ 1,704,542.25	\$ 3,322,913.00	\$ (1,618,370.75)	51.3%
Bank/LAIF Interest	1,036.71	-	1,036.71	100.0%
Managed Portfolio	79,674.83	-	79,674.83	100.0%
Total Operating Revenue	<u>1,785,253.79</u>	<u>3,322,913.00</u>	<u>(1,537,659.21)</u>	<u>53.7%</u>
Operating Expenses				
Bank Service Charges	-	500.00	(500.00)	0.0%
B of D Activities	12,121.21	25,000.00	(12,878.79)	48.5%
Conference	907.05	19,000.00	(18,092.95)	4.8%
Contingency Reserve		25,000.00	(25,000.00)	0.0%
Dues & Subscriptions	600.00	1,000.00	(400.00)	60.0%
Insurance	575.00	500.00	75.00	115.0%
Miscellaneous Expenses		1,000.00	(1,000.00)	0.0%
Safety Services	31,999.98	96,000.00	(64,000.02)	33.3%
Safety Training	24,537.62	45,000.00	(20,462.38)	54.5%
User Funding Assessment (WC)	18,543.23	23,760.00	(5,216.77)	78.0%
Total Administration	<u>89,284.09</u>	<u>236,760.00</u>	<u>(147,475.91)</u>	<u>37.7%</u>
Consulting Services				
Accounting Services	25,500.00	51,000.00	(25,500.00)	50.0%
Actuarial Study	-	10,000.00	(10,000.00)	0.0%
Administration Costs	116,521.50	233,043.00	(116,521.50)	50.0%
Audit Services				
Claims Audit	-	10,000.00	(10,000.00)	0.0%
Audit - Financial	20,300.00	20,300.00	-	100.0%
Total Audit Services	<u>20,300.00</u>	<u>30,300.00</u>	<u>(10,000.00)</u>	<u>67.0%</u>
Bookkeeping Services	-	1,000.00	-	0.0%
Claims Services				
Claims Management -WC	50,254.00	100,510.00	(50,256.00)	50.0%
Claims Management - Liability	48,750.00	97,500.00	(48,750.00)	50.0%
TPA - Annual Fees	14,500.00	26,000.00	(11,500.00)	55.8%
Total Claims Services	<u>113,504.00</u>	<u>224,010.00</u>	<u>(110,506.00)</u>	<u>50.7%</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended December 31, 2015

	<u>Jul '15 - Dec '15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Revenue				
Revenue				
Member Contributions	\$ 1,704,542.25	\$ 3,322,913.00	\$ (1,618,370.75)	51.3%
Bank/LAIF Interest	1,036.71	-	1,036.71	100.0%
Managed Portfolio	79,674.83	-	79,674.83	100.0%
Total Operating Revenue	<u>1,785,253.79</u>	<u>3,322,913.00</u>	<u>(1,537,659.21)</u>	<u>53.7%</u>
Operating Expenses				
Bank Service Charges	-	500.00	(500.00)	0.0%
B of D Activities	12,121.21	25,000.00	(12,878.79)	48.5%
Conference	907.05	19,000.00	(18,092.95)	4.8%
Contingency Reserve		25,000.00	(25,000.00)	0.0%
Dues & Subscriptions	600.00	1,000.00	(400.00)	60.0%
Insurance	575.00	500.00	75.00	115.0%
Miscellaneous Expenses		1,000.00	(1,000.00)	0.0%
Safety Services	31,999.98	96,000.00	(64,000.02)	33.3%
Safety Training	24,537.62	45,000.00	(20,462.38)	54.5%
User Funding Assessment (WC)	18,543.23	23,760.00	(5,216.77)	78.0%
Total Administration	<u>89,284.09</u>	<u>236,760.00</u>	<u>(147,475.91)</u>	<u>37.7%</u>
Consulting Services				
Accounting Services	25,500.00	51,000.00	(25,500.00)	50.0%
Actuarial Study	-	10,000.00	(10,000.00)	0.0%
Administration Costs	116,521.50	233,043.00	(116,521.50)	50.0%
Audit Services				
Claims Audit	-	10,000.00	(10,000.00)	0.0%
Audit - Financial	20,300.00	20,300.00	-	100.0%
Total Audit Services	<u>20,300.00</u>	<u>30,300.00</u>	<u>(10,000.00)</u>	<u>67.0%</u>
Bookkeeping Services	-	1,000.00	-	0.0%
Claims Services				
Claims Management -WC	50,254.00	100,510.00	(50,256.00)	50.0%
Claims Management - Liability	48,750.00	97,500.00	(48,750.00)	50.0%
TPA - Annual Fees	14,500.00	26,000.00	(11,500.00)	55.8%
Total Claims Services	<u>113,504.00</u>	<u>224,010.00</u>	<u>(110,506.00)</u>	<u>50.7%</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended December 31, 2015

	<u>Jul '15 - Dec '15</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Investment Fees	7,178.02	14,100.00	(6,921.98)	50.9%
Legal	-	7,000.00	(7,000.00)	0.0%
Total Consulting Services	<u>283,003.52</u>	<u>570,453.00</u>	<u>(286,449.48)</u>	<u>49.6%</u>
Total General and Administrative Expense	<u>372,287.61</u>	<u>807,213.00</u>	<u>(433,925.39)</u>	<u>46.1%</u>
Insurance Expenses				
Insurance Premiums	388,184.98	730,141.00	(341,956.02)	53.2%
Total Insurance Expenses	<u>388,184.98</u>	<u>730,141.00</u>	<u>(341,956.02)</u>	<u>53.2%</u>
Claims Expenses				
Claims Payments				
Claim Payments - WC	308,242.26	956,795.00	(648,552.74)	32.2%
Claim Payments - Liability	83,899.76	768,846.00	(684,946.24)	10.9%
Total Claim Payments	<u>392,142.02</u>	<u>1,725,641.00</u>	<u>(1,333,498.98)</u>	<u>22.7%</u>
Changes in Claims Liabilities				
Change in Reserves	(784,293.43)	-	(784,293.43)	100.0%
Total Claims Expenses	<u>(392,151.41)</u>	<u>1,725,641.00</u>	<u>(2,117,792.41)</u>	<u>-22.7%</u>
Grant Fund Program	26,927.95	-	26,927.95	100.0%
Dividends	146,631.00	-	146,631.00	100.0%
Total Expenses	<u>541,880.13</u>	<u>3,262,995.00</u>	<u>(2,720,114.87)</u>	<u>16.6%</u>
Net Operating Revenue	1,243,373.66	59,918.00	1,182,455.66	
Other Revenue (Expense)				
Investment Gain/Loss	(54,634.23)	-	(54,634.23)	100.0%
Net Revenue Over (Under) Expenses	<u><u>\$ 1,188,739.43</u></u>	<u><u>\$ 59,918.00</u></u>	<u><u>\$ 1,127,821.43</u></u>	

SMALL CITIES ORGANIZED RISK EFFORT
COMBINING STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2015

ASSETS	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Other Programs</u>	<u>Total</u>
Current Assets				
Cash & Equivalents	912,325	167,315	-	1,079,640
Accrued Interest	16,285	17,319	-	33,604
Investments Maturing Within One Year	804,944	995,020	-	1,799,964
Contributions Receivable	475,601	157,992	12,773	646,366
Other Receivable	-	127,724	-	127,724
Prepaid Assets	149,230	174,495	218,232	541,957
Total Current Assets	<u>2,358,385</u>	<u>1,639,865</u>	<u>231,005</u>	<u>4,229,255</u>
Noncurrent Assets				
Investments	4,059,416	5,017,991	-	9,077,407
Total Noncurrent Assets	<u>4,059,416</u>	<u>5,017,991</u>	<u>-</u>	<u>9,077,407</u>
Total Assets	6,417,801	6,657,856	231,005	13,306,662
LIABILITIES				
Current Liabilities				
Accounts Payable	4,791	4,792	-	9,583
Dividend Payable	176,482	183,068	-	359,550
Deferred Revenue	492,907	-	206,829	699,736
Unpaid Claims and Claim Adjustment Expense Current Portion	179,130	761,327	-	940,457
Total Current Liabilities	<u>853,310</u>	<u>949,187</u>	<u>206,829</u>	<u>2,009,326</u>
Noncurrent Liabilities				
Unpaid Claims and Claims Adjustments	992,433	2,899,335	-	3,891,768
Total Noncurrent Liabilities	<u>992,433</u>	<u>2,899,335</u>	<u>-</u>	<u>3,891,768</u>
Total Liabilities	<u>1,845,743</u>	<u>3,848,522</u>	<u>206,829</u>	<u>5,901,094</u>
NET POSITION	<u>4,572,058</u>	<u>2,809,334</u>	<u>24,176</u>	<u>7,405,568</u>

SMALL CITIES ORGANIZED RISK EFFORT
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR TO DATE ENDED DECEMBER 31, 2015

REVENUES:	Liability	Workers' Compensation	EPLI, EAP, & Property (Other Programs)	Total
Contributions	651,289	836,197	217,056	1,704,542
Total Revenues	<u>651,289</u>	<u>836,197</u>	<u>217,056</u>	<u>1,704,542</u>
 EXPENSES:				
Operating				
Claims Expense	(528,364)	136,213	-	(392,151)
Excess Insurance	44,280	127,459	216,446	388,185
Program Administration	85,468	31,053	-	116,521
Claims Administration	57,750	55,754	-	113,504
Retro Dividends	-	-	146,631	146,631
General and Administrative	78,331	90,859	-	169,190
Total operating expenses	<u>(262,535)</u>	<u>441,338</u>	<u>363,077</u>	<u>541,880</u>
Operating Income (Loss)	913,824	394,859	(146,021)	1,162,662
 Nonoperating Income (Loss)				
Investment income	12,550	13,527	-	26,077
Net Income (Loss)	926,374	408,386	(146,021)	1,188,739
 Beginning Net Position				
	<u>3,645,684</u>	<u>2,400,948</u>	<u>170,197</u>	<u>6,216,829</u>
Ending Net Position	<u>4,572,058</u>	<u>2,809,334</u>	<u>24,176</u>	<u>7,405,568</u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Biggs</u>	<u>Colfax</u>	<u>Crescent City</u>	<u>Dorris</u>	<u>Dunsmuir</u>	<u>Etna</u>
Member Contributions						
Banking Layer Liability Contributions	\$ 2,947.50	\$ 3,251.50	\$ -	\$ -	\$ 5,972.00	\$ 2,447.00
Banking Layer Member Assessments	-	-	-	-	-	-
Total Member Contributions	<u>2,947.50</u>	<u>3,251.50</u>	<u>-</u>	<u>-</u>	<u>5,972.00</u>	<u>2,447.00</u>
Total Contributions	<u>2,947.50</u>	<u>3,251.50</u>	<u>-</u>	<u>-</u>	<u>5,972.00</u>	<u>2,447.00</u>
Claims Cost						
Banking Layer Incurred Expense						
Liability Claim Incurred Expenses	-	(14,999.00)	-	-	-	-
Total Claims Cost	<u>-</u>	<u>(14,999.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Contributions over Expenses	<u>2,947.50</u>	<u>18,250.50</u>	<u>-</u>	<u>-</u>	<u>5,972.00</u>	<u>2,447.00</u>
Beginning Banking Layer Equity: July 1, 2015	<u>13,237.12</u>	<u>3,000.00</u>	<u>25,174.00</u>	<u>14,903.00</u>	<u>(65,353.06)</u>	<u>7,562.00</u>
Ending Banking Layer Equity: December 31, 2015	<u>\$ 16,184.62</u>	<u>\$ 21,250.50</u>	<u>\$ 25,174.00</u>	<u>\$ 14,903.00</u>	<u>\$ (59,381.06)</u>	<u>\$ 10,009.00</u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Fort Jones</u>	<u>Ione</u>	<u>Isleton</u>	<u>Live Oak</u>	<u>Loomis</u>	<u>Loyalton</u>
Member Contributions						
Banking Layer Liability Contributions	\$ 2,150.00	\$ -	\$ 2,431.00	\$ 7,384.50	\$ 5,559.00	\$ 1,070.00
Banking Layer Member Assessments	-	-	-	-	-	-
Total Member Contributions	<u>2,150.00</u>	<u>-</u>	<u>2,431.00</u>	<u>7,384.50</u>	<u>5,559.00</u>	<u>1,070.00</u>
Total Contributions	<u>2,150.00</u>	<u>-</u>	<u>2,431.00</u>	<u>7,384.50</u>	<u>5,559.00</u>	<u>1,070.00</u>
Claims Cost						
Banking Layer Incurred Expense						
Liability Claim Incurred Expenses	-	-	-	-	(54,520.02)	(1.00)
Total Claims Cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,520.02)</u>	<u>(1.00)</u>
Net Contributions over Expenses	<u>2,150.00</u>	<u>-</u>	<u>2,431.00</u>	<u>7,384.50</u>	<u>60,079.02</u>	<u>1,071.00</u>
Beginning Banking Layer Equity: July 1, 2015	19,195.00	36,923.00	(50,289.93)	59,986.88	(91,717.46)	16,597.00
Ending Banking Layer Equity: December 31, 2015	<u>\$ 21,345.00</u>	<u>\$ 36,923.00</u>	<u>\$ (47,858.93)</u>	<u>\$ 67,371.38</u>	<u>\$ (31,638.44)</u>	<u>\$ 17,668.00</u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Montague</u>	<u>Mt. Shasta</u>	<u>Portola</u>	<u>Rio Dell</u>	<u>Shasta Lake</u>	<u>Susanville</u>
Member Contributions						
Banking Layer Liability Contributions	\$ 2,284.00	\$ 17,293.00	\$ 4,397.00	\$ 6,719.00	\$ 17,059.00	\$ 21,128.00
Banking Layer Member Assessments	-	-	-	-	-	-
Total Member Contributions	<u>2,284.00</u>	<u>17,293.00</u>	<u>4,397.00</u>	<u>6,719.00</u>	<u>17,059.00</u>	<u>21,128.00</u>
Total Contributions	<u>2,284.00</u>	<u>17,293.00</u>	<u>4,397.00</u>	<u>6,719.00</u>	<u>17,059.00</u>	<u>21,128.00</u>
Claims Cost						
Banking Layer Incurred Expense						
Liability Claim Incurred Expenses	<u>7,639.92</u>	<u>59,891.69</u>	<u>2,703.89</u>	<u>(5,250.25)</u>	<u>22,500.00</u>	<u>20,258.27</u>
Total Claims Cost	<u>7,639.92</u>	<u>59,891.69</u>	<u>2,703.89</u>	<u>(5,250.25)</u>	<u>22,500.00</u>	<u>20,258.27</u>
Net Contributions over Expenses	<u>(5,355.92)</u>	<u>(42,598.69)</u>	<u>1,693.11</u>	<u>11,969.25</u>	<u>(5,441.00)</u>	<u>869.73</u>
Beginning Banking Layer Equity: July 1, 2015	<u>14,507.25</u>	<u>(22,794.98)</u>	<u>60,570.04</u>	<u>38,112.13</u>	<u>127,993.72</u>	<u>107,939.69</u>
Ending Banking Layer Equity: December 31, 2015	<u>\$ 9,151.33</u>	<u>\$ (65,393.67)</u>	<u>\$ 62,263.15</u>	<u>\$ 50,081.38</u>	<u>\$ 122,552.72</u>	<u>\$ 108,809.42</u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Liability Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Tulelake</u>	<u>Weed</u>	<u>Williams</u>	<u>Yreka</u>	<u>Total Liability Banking Layer</u>
Member Contributions					
Banking Layer Liability Contributions	\$ 2,477.50	\$ 18,899.50	\$ -	\$ 22,666.50	\$ 146,136.00
Banking Layer Member Assessments	-	-	-	-	-
Total Member Contributions	<u>2,477.50</u>	<u>18,899.50</u>	<u>-</u>	<u>22,666.50</u>	<u>146,136.00</u>
Total Contributions	<u>2,477.50</u>	<u>18,899.50</u>	<u>-</u>	<u>22,666.50</u>	<u>146,136.00</u>
Claims Cost					
Banking Layer Incurred Expense					
Liability Claim Incurred Expenses	9.00	(5,914.00)	-	27,644.85	59,963.35
Total Claims Cost	<u>9.00</u>	<u>(5,914.00)</u>	<u>-</u>	<u>27,644.85</u>	<u>59,963.35</u>
Net Contributions over Expenses	<u><u>2,468.50</u></u>	<u><u>24,813.50</u></u>	<u><u>-</u></u>	<u><u>(4,978.35)</u></u>	<u><u>86,172.65</u></u>
Beginning Banking Layer Equity: July 1, 2015	18,628.00	7,503.54	20,461.00	133,807.51	495,945.45
Ending Banking Layer Equity: December 31, 2015	<u><u>\$ 21,096.50</u></u>	<u><u>\$ 32,317.04</u></u>	<u><u>\$ 20,461.00</u></u>	<u><u>\$ 128,829.16</u></u>	<u><u>\$ 582,118.10</u></u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Biggs</u>	<u>Colfax</u>	<u>Crescent City</u>	<u>Dorris</u>	<u>Dunsmuir</u>	<u>Etna</u>
Member Contributions						
Banking Layer Work Comp Contributions	\$ 3,434.50	\$ 3,986.50	\$ -	\$ -	\$ 4,546.00	\$ 3,102.00
Banking Layer Member Assessment	-	-	-	-	-	-
Total Member Contributions	<u>3,434.50</u>	<u>3,986.50</u>	<u>-</u>	<u>-</u>	<u>4,546.00</u>	<u>3,102.00</u>
Total Contributions	<u>3,434.50</u>	<u>3,986.50</u>	<u>-</u>	<u>-</u>	<u>4,546.00</u>	<u>3,102.00</u>
Claims Cost						
Banking Layer Incurred Expense						
Work Comp Incurred Expenses	-	(5,628.74)	(4,070.27)	-	9.50	-
Total Claims Cost	<u>-</u>	<u>(5,628.74)</u>	<u>(4,070.27)</u>	<u>-</u>	<u>9.50</u>	<u>-</u>
Net Contributions over Expenses	<u><u>3,434.50</u></u>	<u><u>9,615.24</u></u>	<u><u>4,070.27</u></u>	<u><u>-</u></u>	<u><u>4,536.50</u></u>	<u><u>3,102.00</u></u>
Beginning Banking Layer Equity: July 1, 2015	<u>22,595.00</u>	<u>38,711.23</u>	<u>(9,231.42)</u>	<u>5,577.21</u>	<u>35,892.96</u>	<u>17,890.00</u>
Ending Banking Layer Equity: December 31, 2015	<u><u>\$ 26,029.50</u></u>	<u><u>\$ 48,326.47</u></u>	<u><u>\$ (5,161.15)</u></u>	<u><u>\$ 5,577.21</u></u>	<u><u>\$ 40,429.46</u></u>	<u><u>\$ 20,992.00</u></u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Fort Jones</u>	<u>Ione</u>	<u>Live Oak</u>	<u>Loomis</u>	<u>Loyalton</u>	<u>Montague</u>
Member Contributions						
Banking Layer Work Comp Contributions	\$ 2,703.50	\$ -	\$ 8,731.50	\$ 6,331.50	\$ 1,215.00	\$ 2,796.50
Banking Layer Member Assessment	-	-	-	-	-	-
Total Member Contributions	<u>2,703.50</u>	<u>-</u>	<u>8,731.50</u>	<u>6,331.50</u>	<u>1,215.00</u>	<u>2,796.50</u>
Total Contributions	<u>2,703.50</u>	<u>-</u>	<u>8,731.50</u>	<u>6,331.50</u>	<u>1,215.00</u>	<u>2,796.50</u>
Claims Cost						
Banking Layer Incurred Expense						
Work Comp Incurred Expenses	<u>2,760.00</u>	<u>-</u>	<u>27.46</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Claims Cost	<u>2,760.00</u>	<u>-</u>	<u>27.46</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Contributions over Expenses	<u><u>(56.50)</u></u>	<u><u>-</u></u>	<u><u>8,704.04</u></u>	<u><u>6,331.50</u></u>	<u><u>1,215.00</u></u>	<u><u>2,796.50</u></u>
Beginning Banking Layer Equity: July 1, 2015	<u>(14,203.17)</u>	<u>17,334.67</u>	<u>107,142.85</u>	<u>40,068.00</u>	<u>7,331.00</u>	<u>(23,505.50)</u>
Ending Banking Layer Equity: December 31, 2015	<u><u>\$ (14,259.67)</u></u>	<u><u>\$ 17,334.67</u></u>	<u><u>\$ 115,846.89</u></u>	<u><u>\$ 46,399.50</u></u>	<u><u>\$ 8,546.00</u></u>	<u><u>\$ (20,709.00)</u></u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Mt. Shasta</u>	<u>Portola</u>	<u>Rio Dell</u>	<u>Shasta Lake</u>	<u>Susanville</u>	<u>Tulelake</u>
Member Contributions						
Banking Layer Work Comp Contributions	\$ 23,773.00	\$ 5,541.50	\$ 8,628.50	\$ 17,798.00	\$ 32,530.50	\$ 2,784.00
Banking Layer Member Assessment	-	-	-	-	-	-
Total Member Contributions	<u>23,773.00</u>	<u>5,541.50</u>	<u>8,628.50</u>	<u>17,798.00</u>	<u>32,530.50</u>	<u>2,784.00</u>
Total Contributions	<u>23,773.00</u>	<u>5,541.50</u>	<u>8,628.50</u>	<u>17,798.00</u>	<u>32,530.50</u>	<u>2,784.00</u>
Claims Cost						
Banking Layer Incurred Expense						
Work Comp Incurred Expenses	<u>8,782.00</u>	<u>10,540.07</u>	<u>1,726.32</u>	<u>5,834.66</u>	<u>28,371.99</u>	<u>-</u>
Total Claims Cost	<u>8,782.00</u>	<u>10,540.07</u>	<u>1,726.32</u>	<u>5,834.66</u>	<u>28,371.99</u>	<u>-</u>
Net Contributions over Expenses	<u><u>14,991.00</u></u>	<u><u>(4,998.57)</u></u>	<u><u>6,902.18</u></u>	<u><u>11,963.34</u></u>	<u><u>4,158.51</u></u>	<u><u>2,784.00</u></u>
Beginning Banking Layer Equity: July 1, 2015	<u>(46,177.00)</u>	<u>17,687.02</u>	<u>22,980.29</u>	<u>249,382.00</u>	<u>244,813.99</u>	<u>-</u>
Ending Banking Layer Equity: December 31, 2015	<u><u>\$ (31,186.00)</u></u>	<u><u>\$ 12,688.45</u></u>	<u><u>\$ 29,882.47</u></u>	<u><u>\$ 261,345.34</u></u>	<u><u>\$ 248,972.50</u></u>	<u><u>\$ 2,784.00</u></u>

**Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation Banking Layer Equity by Member
July 2015 through December 2015**

	<u>Weed</u>	<u>Williams</u>	<u>Yreka</u>	<u>Total Work Comp Banking Layer</u>
Member Contributions				
Banking Layer Work Comp Contributions	\$ 16,091.00	\$ -	\$ 26,803.00	\$ 170,796.50
Banking Layer Member Assessment	-	-	-	-
Total Member Contributions	<u>16,091.00</u>	<u>-</u>	<u>26,803.00</u>	<u>170,796.50</u>
Total Contributions	<u>16,091.00</u>	<u>-</u>	<u>26,803.00</u>	<u>170,796.50</u>
Claims Cost				
Banking Layer Incurred Expense				
Work Comp Incurred Expenses	-	-	29,195.94	77,548.93
Total Claims Cost	<u>-</u>	<u>-</u>	<u>29,195.94</u>	<u>77,548.93</u>
Net Contributions over Expenses	<u><u>16,091.00</u></u>	<u><u>-</u></u>	<u><u>(2,392.94)</u></u>	<u><u>93,247.57</u></u>
Beginning Banking Layer Equity: July 1, 2015	<u>81,760.11</u>	<u>53,759.00</u>	<u>249,108.32</u>	<u>1,118,916.56</u>
Ending Banking Layer Equity: December 31, 2015	<u><u>\$ 97,851.11</u></u>	<u><u>\$ 53,759.00</u></u>	<u><u>\$ 246,715.38</u></u>	<u><u>\$ 1,212,164.13</u></u>



**Small Cities Organized Risk Effort
Board of Directors Meeting
April 1, 2016**

Agenda Item H.1.a.

SUGGESTED RISK MANAGEMENT SERVICES FOR FY 2016/17

ACTION ITEM

ISSUE: The risk management services provided under the current contract with DKF Solutions will be completed prior to the end of this Program Year. DKF will present their recommendations and proposal for continued risk management services, based on their continuing interactions with members, including on-site meetings and evaluation of their risk exposures.

DKF has offered a proposal for a three-year term, with two optional years. The Scope of Services is similar to the current scope, but with three regional training workshops v. the current two and development of two CalOSHA-required policies v. the current three. The sewer risk management services have also been revised from the current benchmarking study to updating Sewer Overflow and Backup Response Plans in years two and five. The new proposal also adds Loss Analysis, a Risk Control Survey, and a Quarterly Risk Control Pulse to remind members of services, check on progress, and offer assistance.

RECOMMENDATION: Approve continued services based on Board review and direction.

FISCAL IMPACT: T.B.D.; the current contract is for \$95,000. The recommended services for the first year, total \$100,000; a 5.3% increase. Years two, three and four are priced at \$105,000 each. And the second optional year (five) would then increase again to \$110,000.

BACKGROUND: SCORE initially contracted with DKF Solutions (and David Patzer) in FY 2013/14 for risk management services related to sanitary sewer management and waste water treatment plant operations. The services provided by DKF were expanded in FY 2014/15 under a new contract to continue sewer risk management services and provide additional services, including on-site risk assessments and training.

At the January Board meeting members also approved a set of Best Practices and a Risk Management Scorecard to be used to conduct the risk assessments, provide an overview of member exposures, and track the progress of members in addressing their exposures. Most of the on-site reviews will be completed by the time of the meeting, and DKF has been asked to provide suggestions for continuing to provide services in FY 2016/17.

ATTACHMENT(S): DKF suggested Risk Control Services and Budget for FY 2016/17 – FY 2018/19, with two optional years.



**~ Proposal From DKF Solutions Group, LLC For Services To ~
~ Small Cities Organized Risk Effort (SCORE) ~
Proposal No. 031816-01**

This PROPOSAL is made on March 18, 2016 by and between DKF Solutions Group, LLC and the SCORE (hereafter referred to as SCORE). This PROPOSAL is valid until 12am, June 30, 2016.

SCOPE: SCORE has requested a proposal for risk control consulting services as described on Attachment 1.

TERM: The term of the Contract shall be three years commencing after execution by SCORE. SCORE shall have the sole option to extend this Contract term for up to two additional one-year periods for a maximum total Contract term of five years.

CONTRACT FEE: Attachment 1 includes yearly fees for services described. Additional expenses/fees/costs will not be incurred without prior written approval from the SCORE Program Administrators.

SUBCONTRACTORS: DKF Solutions Group routinely subcontracts with subject matter experts in order to provide the highest quality policy and procedure development and training services. DKF Solutions Group reserves the right to subcontract subject matter experts in instances where SCORE and its members will be best served by subcontracting a particular service.

SCORE RESPONSIBILITIES:

1. Each member will provide staff time to work with DKF SOLUTIONS GROUP to gather technical information and photos necessary to complete SCOPE. The staff provided by the CITY will have the technical knowledge, expertise, and/or written materials necessary for DKF SOLUTIONS GROUP to make technically correct evaluations.
2. All meetings or other work involving DKF SOLUTIONS GROUP, City, and City-provided vendors will be scheduled at mutually agreeable dates and times.

COMPENSATION:

1. SCORE will be billed monthly in 12 equal monthly payments each fiscal year.
2. DKF Solutions Group, LLC reserves the right to collect reimbursable expenses. Reimbursable expenses include, but are not limited to, administrative costs such as training handouts, postage and certificates of insurance.

AVAILABILITY: DKF Solutions Group is available on or after July 1, 2016 to provide the services described in SCOPE.

TERMS: DKF Solutions Group shall retain all copyright, patent, trade secret and other intellectual property rights in all Content/products created pursuant to the services contracted-for and rendered under the Agreement. Subject to its receipt of all compensation due under the Agreement, DKF Solutions Group grants City a nonexclusive, nontransferable license, authorizing City to use the WORK for its own purposes once payment in full is received.

STANDARD OF CARE/WARRANTY: DKF SOLUTIONS GROUP will perform the work under this Agreement as an independent contractor and in accordance with generally accepted professional practices. DKF SOLUTIONS GROUP will utilize reasonable care and skill consistent with and equal to that customarily possessed by environmental, health and safety consulting professionals in the community.

The parties to this agreement recognize the complex, subjective, and performance based nature of many environmental, occupational safety and health laws and regulations and the administrative interpretations

thereof. In performance of the work, DKF SOLUTIONS GROUP must rely upon information derived from secondary sources and personal interviews. Except as specifically required in the scope of work, DKF SOLUTIONS GROUP will make no independent investigation as to the accuracy or completeness of the information derived from the secondary sources and personal interviews, and will assume that such information is accurate and complete.

All recommendations, findings, and conclusions will be based upon information and circumstances as they existed at the time of preparation (e.g. Federal, state, and local laws; political climate; and other matters that DKF Solutions Group, LLC deemed relevant). A change in any fact or circumstance may adversely affect the recommendations, findings, and conclusions expressed in the WORK. Accordingly, except as set forth in the first paragraph of this section, DKF SOLUTIONS GROUP makes no other representation, warranty or guarantee, express or implied.

ACCEPTANCE: To accept this proposal from DKF Solutions Group, LLC, for services described in SCOPE under the terms and conditions described herein, please sign below and return.

Name and Title of SCORE Representative

Date

Attachment 1: Proposed Annual Risk Control Services for SCORE
Fiscal Years 16/17-18/19 with 2 One Year Optional Extensions

Item	Risk Control Service	16/17	17/18	18/19	19/20	20/21
1	Minimum of one site visit annually to each member to: <ul style="list-style-type: none"> • Risk Control Work Plan/Score Card update • 30-60minute awareness level training on a CalOSHA topic appropriate to the member • Safety inspection of targeted member facilities • Update CalOSHA-required policies developed in prior year(s) • Update My Safety Officer information 	✓	✓	✓	✓	✓
2	Develop 2 CalOSHA-required policies for each member based on need.	✓	✓	✓	✓	✓
3	Provide companion interactive computer based training modules customized to the CalOSHA-required policies developed in #2, above.	✓	✓	✓	✓	✓
4	My Safety Officer services: <ul style="list-style-type: none"> • Determination of CalOSHA requirements for each Member. • Employee training records management and record keeping • Monthly communication with each Member describing training requirements, other CalOSHA action items, training records management and available training resources to meet monthly training requirements. • Access to My Safety Officer training resources: <ul style="list-style-type: none"> ○ Video lending library ○ Online training modules • Access to the My Safety Officer suite of online services • Monthly webinars and access to past recorded webinars • Subscription to DKF's monthly DID YOU KNOW e-publication 	✓	✓	✓	✓	✓
5	Risk Control Hotline services via phone and email	✓	✓	✓	✓	✓
6	Quarterly Risk Control Pulse: <ul style="list-style-type: none"> • Remind member of the risk control services available • Check on the status of the Risk Control Work Plan • Offer resources and other assistance on Risk Control Work Plan items and other items of concern to the member 	✓	✓	✓	✓	✓
7	Maintain a library of risk control resources, including sample policies/procedures, for member use.	✓	✓	✓	✓	✓
8	Risk Control Survey: update of existing data and new exposures		✓			✓
9	Workers' Compensation and General Liability Loss Analysis to guide development of new programs, training materials and resources.	✓			✓	
10	Sewer Overflow and Backup Response Plan update.		✓			✓
11	Fall/Winter/Spring Regional Training Workshops at 2 locations on topics targeting member losses/needs.	✓	✓	✓	✓	✓
12	Special risk control projects as directed by the Board to target new/emerging exposures and/or loss trends indicted from the Loss Analysis (NOTE: Supplemental risk control project budgets to be determined by the SCORE Board).	✓	✓	✓	✓	✓
Budget/Year		\$100k	\$105k	\$105k	\$105k	\$110k
Monthly Invoice from DKF Solutions Group, LLC to SCORE		\$8,333	\$8,750	\$8,750	\$8,750	\$9,166



LOSS CONTROL GRANT FUND PROGRAM

ACTION ITEM

ISSUE: SCORE's *Loss Control Grant Fund Program* provides member funding on an annual basis for risk management related products and services. The Board must approve funding for the *Loss Control Grant Fund Program* to continue in FY 2016/17.

RECOMMENDATION: Continue the program based on Board review and recommended budget.

FISCAL IMPACT: TBD. A total of \$100,000 has previously been annually allocated; \$50,000 from each Program's Shared Layer reserves.

BACKGROUND: At the January 24, 2014 Board of Directors Meeting, SCORE implemented a *Loss Control Grant Fund Program* funding it with \$100,000; \$50,000 out of each of the Liability and Workers' Compensation programs. The funding has been provided from the Pool's net position, before the distribution of any dividends.

Members of each Program were allocated an amount directly related to their percentage contribution into that Program, subject to a minimum of \$1,000 per Program for each participating Member. The funds are available for use on a combined basis. Projects can also span over multiple years although the disbursement of monies will be limited to the member's annual allocation in any given year, and the continuation of the Loss Control Grant Program by the Board of Directors. *The deadline for submitting reimbursement requests is June 15 of every Fiscal Year.*

ATTACHMENTS:

1. Loss Control Grant Fund Policy and Procedure Document
2. Loss Control Grant Fund Member Utilization
3. Proposed Allocation for FY 2016/17



ADMINISTRATIVE POLICY AND PROCEDURE

SUBJECT: LOSS CONTROL GRANT FUNDS

Policy Statement:

This policy is effective when adopted by the Board of Directors and expires June 30, 2015, unless renewed on an annual basis by the Board of Directors. It shall be the policy of the Small Cities Organized Risk Effort to establish a “Loss Control Grant Fund” to reimburse members for costs of activities undertaken to:

- Bring member facilities into compliance with Americans with Disabilities Act (ADA) standards,
- Purchase equipment that promotes employee or premises safety,
- Purchase equipment, materials, training and professional services that facilitate OSHA or other regulatory compliance,
- Address other top frequency and/or severity risk management issues as needed.

Within the Loss Control Services (previously Safety Services) annual budget, a line item will contain the total amount of funds available for Loss Control Grants.

1. Funding will be secured from the Liability and Workers’ Compensation program’s equity. As such, members of the Liability Program will share the annual allocation for that program, and members of the Workers’ Compensation Program will share the allocation for that program. The Authority will adopt the amount of funds available for this budgeted line item on an annual basis.
2. Allocation of funds will be based on percentage of contributions annually made by members to each program, with a minimum of \$1,000 per program for each member.
3. The funds will be available for use on a combined basis.
4. Projects can span multiple years as long as approved in advance and funds continue to be available.
5. A Member may make up to three (3) requests per year, and each request needs to be comprehensive - - specifically stating how funds will be used to the benefit of the Member to achieve a reduction in losses.
6. Any unused funds will ultimately be rolled back into available equity for the Program where the fund allocation originated from. The deadline for submitting a request for reimbursement shall be **June 15th** of each fiscal year.
7. In addition, the Program Administrator shall monitor the use of grant funds throughout the year and present a usage summary to the Board of Directors on a quarterly basis.

Funding that is converted to this program shall be secured from surplus available equity, prior to declaration and distribution of dividends. (*Unused funds ultimately return to Members' Equity in each of the programs*).

Procedure:

A Member Agency may apply for Loss Control Grant Funds by following these procedures:

1. A Member will write a request to the Program Administrators for the use of grant funds involving an expenditure. The Request will:
 - a. Include a justification of the funds, and
 - b. How these funds will lead to the reduction of frequency or severity or will mitigate liability risks of the Member Agency.
 - c. State the specific amount needed and not just request their full allocation.
2. The Program Administrator will determine if the funding request is within the member's fund allocation for the program year and facilitates the return of money to another good purpose – that of reducing future claims. If the requested amount is determined to fall within the member's grant fund allocation, the administrator and Board President (or the Executive Committee if requested or if the President has a conflict) will review each request and, if found to be appropriate and consistent with the purpose of the Grant Program, will approve the request and funds will be disbursed to the member agency. ***If funds requested exceed a member's allocation, continue to #3 below, otherwise move on to #4.***
3. In the event that the requested amount exceeds the member's total or remaining allocated grant funds, the Administrator will contact the Member to advise them that their request exceeds their allocation and ask if they:
 - a) Wish to submit a revised request; or
 - b) Request that SCORE consider payment over multiple years as outlined in the Policy Item #4 above.
4. Once approved, the Member Agency will become eligible for reimbursement by SCORE upon submitting the supplier or service provider invoice to the Program Administrator.
5. The Program Administrator will submit the reimbursement request and appropriate documentation to SCORE's accountant and/or treasurer.
6. SCORE's accountant and/or Treasurer will reimburse the Member up to the maximum allowable amount and debit the reimbursement expense from the Grant Program Budget within the Loss Control Services Budget.

- a) If a request exceeds the grant funds available to a member, only the amount available for reimbursement will be paid.
7. If any request is denied, the member may submit a new or amended request, or appeal the denial to the Board of Directors, which will make the final determination on whether the request should be granted. The Board decision shall be final.
8. After the funds are put to use, the Member should provide a brief verbal report to the Board (as agenda item) confirming this and relaying any information that may be helpful to the Board, so that it can monitor the Grant Program and consider the merits of future additions of funds.

The Loss Control Grant Fund Program will begin as a standalone program, with no matching contribution required from the requesting Member. Its composition may change, at the Board's discretion, to include a requirement for the requesting Member to co-finance or share the cost of the good or service being reimbursed.

Adopted on: January 24, 2014
Effective Date: January 24, 2014

SCORE Loss Control Grant Fund Member Utilization FY 2015/16

Member Entity	TOTAL Grant Fund Allocation	Amount requested during FY 15-16	Remaining amount available	Notes
Biggs *	\$2,305.95			
Colfax *	\$2,484.40			
Dunsmuir	\$3,808.15			
Etna *	\$2,179.00			
Fort Jones *	\$2,098.56			
Isleton	\$1,117.27			
Live Oak	\$5,625.37			
Loomis *	\$3,735.95	\$3,533.28	\$202.67	*Request made 3/18/2016 by Roger Carroll (Ergonomic Chairs)
Loyalton *	\$2,000.00			
Montague *	\$2,131.39			
Mt. Shasta	\$11,319.90			
Portola *	\$3,238.97	\$405.95	\$2,833.02	*Request made 10/21/2015 by Staci Conn (ADA League Field)
Rio Dell *	\$4,746.35			
Shasta Lake	\$11,300.72			
Susanville	\$15,633.69			
Tulelake*	\$2,242.46			
Weed	\$9,884.81			
Yreka	\$14,159.91	\$14,159.91	\$0.00	*Request made 1/12/2016 by Debbie Ramirez (Jack, Headset, Roll-up door)
Total:	\$100,012.87			

SCORE Loss Control Grand Fund Program Allocation for FY 2016/17

Member Entity	Liability Program Contribution	Liability Program Percentage of Total Contribution	Worker's Compensation Contribution	Workers' Comp Percentage of Total Contribution	Liability Grant Fund Allocation	Work Comp Grant Fund Allocation	TOTAL Grant Fund Allocation
Biggs *	\$32,330	2.55%	\$34,858	2.10%	\$1,276	\$1,050	\$2,326
Colfax *	\$35,900	2.83%	\$39,382	2.37%	\$1,417	\$1,187	\$2,603
Dunsmuir	\$43,471	3.43%	\$58,802	3.54%	\$1,715	\$1,772	\$3,487
Etna *	\$31,498	2.49%	\$34,173	2.06%	\$1,243	\$1,000	\$2,243
Fort Jones *	\$28,418	2.24%	\$29,678	1.79%	\$1,121	\$1,000	\$2,121
Isleton	\$24,780	1.96%		0.00%	\$1,000		\$1,000
Live Oak	\$74,428	5.87%	\$108,121	6.52%	\$2,937	\$3,258	\$6,195
Loomis *	\$53,277	4.20%	\$59,949	3.61%	\$2,102	\$1,806	\$3,909
Loyalton *	\$19,732	1.56%	\$17,741	1.07%	\$1,000	\$1,000	\$2,000
Montague *	\$29,583	2.33%	\$30,988	1.87%	\$1,167	\$1,000	\$2,167
Mt. Shasta	\$117,070	9.24%	\$179,191	10.80%	\$4,619	\$5,399	\$10,018
Portola *	\$49,520	3.91%	\$58,683	3.54%	\$1,954	\$1,768	\$3,722
Rio Dell *	\$61,153	4.83%	\$76,769	4.63%	\$2,413	\$2,313	\$4,726
Shasta Lake	\$176,871	13.96%	\$235,631	14.20%	\$6,979	\$7,100	\$14,079
Susanville	\$190,540	15.04%	\$295,136	17.79%	\$7,518	\$8,893	\$16,411
Tulelake *	\$30,511	2.41%	\$32,635	1.97%	\$1,204	\$1,000	\$2,204
Weed	\$108,508	8.56%	\$136,359	8.22%	\$4,281	\$4,109	\$8,390
Yreka	\$159,581	12.59%	\$231,342	13.94%	\$6,297	\$6,970	\$13,267
Total:	\$1,267,171	100.00%	\$1,659,438	100.00%	\$50,244	\$50,625	\$100,868

* Mini-Cities

Liability Allocation	\$50,000
Workers' Compensation Allocation	\$50,000

These cells were not meeting the minimum of \$1,000 per member from each program.



LIABILITY - ACTUARIAL REVIEW

ACTION ITEM

ISSUE: Mike Harrington of Bickmore will present the *draft* Liability Program annual actuarial review, based on 12/31/15 loss data. The review estimates the ultimate cost of claims and expenses for the Banking and Shared Risk layers for the 2016/17 Program Year. This review also estimates the outstanding liabilities for the banking and shared risk layers as of 6/30/16. *The liability losses have developed favorably in both banking and pooling layers, resulting in a decrease in reserves and flat rates for both layers.*

Rates at the recommended 70% Confidence Level (CL), discounted at 1.5%, are as follows:

- **Combined rates remain unchanged, at \$3.62 last year and this year.**

Outstanding Liabilities (reserves) at the Expected Confidence Level, discounted at 1.5%, are:

- **Combined reserves have decreased \$332,000 from \$1,467,000 last year to \$1,135,000 this year.**

RECOMMENDATION: Accept and request a final report after review at meeting.

FISCAL IMPACT: Flat funding rates and improved Net Position

BACKGROUND: SCORE has Actuarial Studies done annually for accreditation and budget purposes. The studies determine funding for the upcoming fiscal year and outstanding liabilities as of June 30.

ATTACHMENTS: Draft Actuarial Review of the Self-Insured Liability Program Summary

Monday, March 7, 2016

Mr. Marcus Beverly
Pool Administrator
Small Cities Organized Risk Effort
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Beverly:

As you requested, we have completed our review of the Small Cities Organized Risk Effort's (SCORE) self-insured liability program. Assuming an SIR of \$500,000 per occurrence and a 1.5% return on investment income, we estimate the ultimate cost of claims and expenses for claims incurred during the 2016-17 program year to be \$243,000 for the banking layer and \$366,000 for the pooling layer for a total of \$609,000. For claims incurred during the 2016-17 program year, assuming a 1.0% return on investments per year, we estimate the ultimate cost of claims and expenses to be \$245,000 for the banking layer and \$370,000 for the pooling layer for a total of \$615,000. These amounts include allocated loss adjustment expenses (ALAE), and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE). The discount for investment income is calculated based on the likely payout pattern of SCORE's claims. For budgeting purposes, the expected cost of 2016-17 claims assuming a 1.5% return on investment translates to rates of \$1.18, \$1.78 and \$2.97 per \$100 payroll for the banking layer, pooling layer and in total respectively. For the 2016-17 claims, assuming a 1.0% return on investments per year, the expected cost translates to rates of \$1.19, \$1.80 and \$3.00 per \$100 payroll for the banking layer, pooling layer and in total respectively.

In addition, we estimate the program's liability for outstanding claims including ALAE and discounted at 1.5% for anticipated investment income as of June 30, 2016 to be \$218,000 for the banking layer and \$917,000 for the pooling layer for a total of \$1,135,000. As of June 30, 2016, assuming a 1.0% return on investments per year, we estimate the program's liability for outstanding claims to be \$219,000 for the banking layer and \$926,000 for the pooling layer for a total of \$1,145,000, again including ALAE and discounted for anticipated investment income.

The \$917,000 estimate is the minimum liability to be booked by SCORE at June 30, 2016 for its liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

DRAFT

Our conclusions regarding SCORE’s liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2016 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and ALAE
at June 30, 2016
1.5% Discount Rate
Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$221,000					
Investment Income Offset	(3,000)					
Discounted Loss and ALAE	\$218,000	\$264,000	\$285,000	\$311,000	\$342,000	\$385,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$943,000					
Investment Income Offset	(26,000)					
Discounted Loss and ALAE	\$917,000	\$1,064,000	\$1,137,000	\$1,222,000	\$1,330,000	\$1,473,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,164,000					
Investment Income Offset	(29,000)					
Discounted Loss and ALAE	\$1,135,000	\$1,328,000	\$1,422,000	\$1,533,000	\$1,672,000	\$1,858,000

DRAFT

Our conclusions regarding SCORE’s liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2016 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and ALAE
at June 30, 2016
1.0% Discount Rate
Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$221,000					
Investment Income Offset	(\$2,000)					
Discounted Loss and ALAE	\$219,000	\$265,000	\$286,000	\$312,000	\$344,000	\$386,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$943,000					
Investment Income Offset	(17,000)					
Discounted Loss and ALAE	\$926,000	\$1,075,000	\$1,149,000	\$1,235,000	\$1,343,000	\$1,488,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,164,000					
Investment Income Offset	(19,000)					
Discounted Loss and ALAE	\$1,145,000	\$1,340,000	\$1,435,000	\$1,547,000	\$1,687,000	\$1,874,000

GASB #10 does not address an actual asset requirement for the program, but only speaks to the liability to be recorded on SCORE’s financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a risk margin for contingencies. Generally, the amount should be sufficient to fund assets to the 75% to 85% confidence level for primary programs. We consider funding assets to the 70% confidence level to be marginally acceptable and funding assets to the 90% confidence level to be conservative.

DRAFT

The table below shows our funding recommendations for the Small Cities Organized Risk Effort for the 2016-17 fiscal year, assuming the current SIR of \$500,000.

Small Cities Organized Risk Effort (SIR = \$500,000)
Self-Insured Liability Program

Loss and ALAE Funding Guidelines for 2016-17

1.5% Discount Rate

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$247,000					
Investment Income Offset	(4,000)					
Discounted Loss and ALAE	\$243,000	\$296,000	\$323,000	\$355,000	\$395,000	\$448,000
Rate per \$100 of 2016-17 Payroll	\$1.18	\$1.44	\$1.57	\$1.73	\$1.92	\$2.18

Shared Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$380,000					
Investment Income Offset	(14,000)					
Discounted Loss and ALAE	\$366,000	\$447,000	\$495,000	\$553,000	\$626,000	\$725,000
Rate per \$100 of 2016-17 Payroll	\$1.78	\$2.18	\$2.41	\$2.69	\$3.05	\$3.53

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$627,000					
Investment Income Offset	(18,000)					
Discounted Loss and ALAE	\$609,000	\$743,000	\$818,000	\$908,000	\$1,021,000	\$1,173,000
Rate per \$100 of 2016-17 Payroll	\$2.97	\$3.62	\$3.98	\$4.42	\$4.97	\$5.71

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2016. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.



WORKERS' COMPENSATION - ACTUARIAL REVIEW

ACTION ITEM

ISSUE: Mike Harrington of Bickmore will present the *draft* Workers' Compensation Program annual actuarial review, based on 12/31/15 loss data. The review estimates the ultimate cost of claims and expenses for the banking and shared risk layers for the FY 2016/17 program year. This review also estimates the outstanding liabilities for the banking and shared risk layers as of 6/30/16. *This year workers' compensation losses have developed favorably in both banking and pooling layers, resulting in a decrease in reserves and rates for both layers.*

Rates at the recommended 70% Confidence Level (CL), discounted at 1.5%, are as follows:

- **Combined Rates have decreased 6%, from \$5.40 to \$5.09**

Outstanding Liabilities (reserves) at the Expected Confidence Level, discounted at 1.5%, are:

- **Combined reserves have decreased \$470,000, from \$3,681,000 last year to \$3,211,000 this year.**

RECOMMENDATION: Accept and request a final report after review at meeting.

FISCAL IMPACT: Reduction in recommended funding rate of 6.0% and improved Net Position.

BACKGROUND: SCORE has Actuarial Studies done annually for accreditation and budget purposes. The studies determine funding for the upcoming fiscal year and outstanding liabilities as of June 30.

ATTACHMENTS: Draft Actuarial Review of the Self-Insured Workers' Compensation Program, Summary

DRAFT



Monday, March 7, 2016

Mr. Marcus Beverly
Pool Administrator
Small Cities Organized Risk Effort
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Workers' Compensation Program

Dear Mr. Beverly:

As you requested, we have completed our review of the Small Cities Organized Risk Effort's self-insured workers' compensation program. Assuming an SIR of \$250,000 per occurrence and a 1.5% return on investment per year, we estimate the ultimate cost of claims and expenses for claims incurred during the 2016-17 program year to be \$263,000 for the banking layer and \$603,000 for the pooling layer, for a total of \$866,000. For claims incurred during the 2016-17 program year, assuming a 1.0% return on investments per year, we estimate the ultimate cost of claims and expenses to be \$264,000 for the banking layer and \$624,000 for the pooling layer, for a total of \$888,000. This amount includes allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE). The discount for investment income is calculated based on the likely payout pattern of SCORE's claims. For budgeting purposes, the expected cost of 2016-17 claims assuming a 1.5% return on investment per year translates to a rate of \$1.29, \$2.97 and \$4.26 per \$100 payroll for the banking layer, pooling layer, and in total respectively. For the 2016-17 claims, assuming a 1.0% return on investments per year, the expected cost translates to rates of \$1.30, \$3.07 and \$4.37 per \$100 payroll for the banking layer, pooling layer, and in total respectively.

In addition, we estimate the program's liability for outstanding claims including ALAE and discounted at 1.5% for anticipated investment income as of June 30, 2016 to be \$288,000 for the banking layer and \$2,923,000 for the pooling layer, for a total of \$3,211,000. As of June 30, 2016, assuming a 1.0% return on investments per year, we estimate the program's liability for outstanding claims to be \$290,000 for the banking layer and \$3,021,000 for the pooling layer, for a total of \$3,311,000, again including ALAE and discounted for anticipated investment income.

The \$2,923,000 estimate is the minimum liability to be booked by SCORE at June 30, 2015 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

DRAFT

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2016 are summarized in the table below.

Small Cities Organized Risk Effort

Self-Insured Workers' Compensation Program

Estimated Liability for Unpaid Loss and ALAE

at June 30, 2016

1.5% Discount Rate

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$295,000					
Investment Income Offset	(7,000)					
Discounted Loss and ALAE	\$288,000	\$322,000	\$337,000	\$355,000	\$377,000	\$406,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,236,000					
Investment Income Offset	(313,000)					
Discounted Loss and ALAE	\$2,923,000	\$3,252,000	\$3,391,000	\$3,556,000	\$3,759,000	\$4,025,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,531,000					
Investment Income Offset	(320,000)					
Discounted Loss and ALAE	\$3,211,000	\$3,574,000	\$3,728,000	\$3,911,000	\$4,136,000	\$4,431,000

DRAFT

Our conclusions regarding SCORE's liability for unpaid loss and allocated loss adjustment expenses (ALAE) at June 30, 2016 are summarized in the table below.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and ALAE
at June 30, 2016
1.0% Discount Rate
Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$295,000					
Investment Income Offset	(5,000)					
Discounted Loss and ALAE	\$290,000	\$325,000	\$340,000	\$357,000	\$379,000	\$408,000

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,236,000					
Investment Income Offset	(215,000)					
Discounted Loss and ALAE	\$3,021,000	\$3,360,000	\$3,504,000	\$3,676,000	\$3,886,000	\$4,161,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,531,000					
Investment Income Offset	(220,000)					
Discounted Loss and ALAE	\$3,311,000	\$3,685,000	\$3,844,000	\$4,033,000	\$4,265,000	\$4,569,000

GASB #10 does not address an actual asset requirement for the program, but only speaks to the liability to be recorded on SCORE's financial statements. Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a risk margin for contingencies. Generally, the amount should be sufficient to fund assets to the 75% to 85% confidence level for primary programs. We consider funding assets to the 70% confidence level to be marginally acceptable and funding assets to the 90% confidence level to be conservative.

DRAFT

The table below shows our funding recommendations for the Small Cities Organized Risk Effort for the 2016-17 fiscal year, assuming the current SIR of \$250,000.

Small Cities Organized Risk Effort (SIR = \$250,000)
Self-Insured Workers' Compensation Program
Loss and ALAE Funding Guidelines for 2016-17
1.5% Discount Rate
Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$267,000					
Investment Income Offset	(4,000)					
Discounted Loss and ALAE	\$263,000	\$317,000	\$345,000	\$377,000	\$418,000	\$473,000
Rate per \$100 of 2016-17 Payroll	\$1.29	\$1.56	\$1.70	\$1.86	\$2.06	\$2.33

Pooling Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$669,000					
Investment Income Offset	(66,000)					
Discounted Loss and ALAE	\$603,000	\$718,000	\$769,000	\$831,000	\$906,000	\$1,009,000
Rate per \$100 of 2016-17 Payroll	\$2.97	\$3.53	\$3.78	\$4.09	\$4.46	\$4.97

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$936,000					
Investment Income Offset	(70,000)					
Discounted Loss and ALAE	\$866,000	\$1,035,000	\$1,114,000	\$1,208,000	\$1,324,000	\$1,482,000
Rate per \$100 of 2016-17 Payroll	\$4.26	\$5.09	\$5.48	\$5.95	\$6.52	\$7.29

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2016. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.



**Small Cities Organized Risk Effort
Board of Directors Meeting
April 1, 2016**

Agenda Item H.3.a.

FY 2016/17 LIABILITY PROGRAM FUNDING RATES

ACTION ITEM

ISSUE: The Board annually reviews the actuary's funding projections for the upcoming fiscal year and approves the rates to be used for member premiums. The selected rates at the 70% Confidence Level (CL) are \$1.44 (per \$100 of payroll) for the Banking Layer and \$2.18 for the Shared Layer, for a combined rate of \$3.62 (per \$100 of payroll) - the same rate as the current year.

RECOMMENDATION: Approve the rates at the 70% Confidence Level as set by the actuary.

FISCAL IMPACT: No change in combined rate of \$3.62 per \$100 of payroll.

BACKGROUND: The Board annually reviews the actuary's rates for projected losses and determines an appropriate funding level. The Board has maintained funding at a 70% Confidence Level but has considered capping rate increases in the past, using Net Position within SCORE's target funding benchmarks to smooth out the typical increases and decreases in rates.

At the October 2012 Long Range Planning meeting, the Board decided to implement a 3% rate increase cap for the following 3 years. For 2013/14 the recommended funding for the liability program was within the 3% cap set by the Board. For 2014/15 the recommended rates exceeded the 3% funding cap by a total of \$40,280, and that amount was funded from the program's net position. For FY 2016/17 the rates fell slightly so the cap was not needed. *For FY 2016/17 rates remain flat so there is no need for a cap.*

The Program Administrators will continue to annually evaluate the need and ability to cap annual increases in funding.

ATTACHMENTS: None.



FY 2016/17 WORKERS' COMPENSATION PROGRAM FUNDING RATES

ACTION ITEM

ISSUE: The Board annually reviews the actuary's funding projections for the upcoming fiscal year and approves the rates to be used for member premiums. The selected rates at the 70% Confidence Level (CL) are \$1.56 per \$100 of payroll for the Banking Layer and \$3.53 for the Shared Layer, for a combined rate of \$5.09 per \$100 of payroll, a 6% decrease from the \$5.50 rate used for the current year.

RECOMMENDATION: Approve the rates at the 70% Confidence Level as set by the actuary.

FISCAL IMPACT: Decrease in rate of 6% from FY 2015/16.

BACKGROUND: The Board annually reviews the actuary's rates for projected losses and determines an appropriate funding level. The Board has maintained funding at a 70% Confidence Level but has considered capping rate increases in the past, using Net Position within SCORE's target funding benchmarks to smooth out the typical increases and decreases in rates.

The SCORE Board previously established a goal of capping the Workers' Compensation Program loss funding rates at no more than 3% per year for the FY 2013/14, FY 2014/15, and FY 2015/16 program years. In the first year the rate was capped at 3%, but in the second year the program's financial position would not support a cap and it was not used. For FY 2015/16 the rates fell slightly so the cap was not needed. *For FY 2016/17 rates have decreased again so the need for a cap has not arisen.*

The Program Administrators will continue to annually evaluate the need and ability to cap annual increases in funding.

ATTACHMENTS: None.



FY 2016/17 SCORE PRELIMINARY BUDGET

INFORMATION ITEM

ISSUE: The Program Administrators will present the FY 2016/17 Preliminary Budget Calculations which will allow members to obtain an estimated deposit Premium due for the FY 2016/17 Fiscal Year.

RECOMMENDATION: Review and provide direction for completion of final budget.

FISCAL IMPACT: T.B.D.

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate, to calculate premium and expenses for SCORE Board members. The budget also recognizes the calculation of experience modification factors as adopted by the program's *Master Plan Documents*.

Although the costs are not finalized, it has become the practice in the past for SCORE to review a Preliminary Program Budget at the March Board meeting. This practice was adopted to allow the members to have an indication of costs for their individual budgets. It has also allowed the SCORE members to give direction as to where they would like to expend the funds in the following year.

ATTACHMENTS:

1. Preliminary FY 2016/17 SCORE Program Budget – Administrative Funding
2. Preliminary FY 2016/17 SCORE Program Budget – General Liability Funding
3. Preliminary FY 2016/17 SCORE Program Budget – Workers' Compensation Funding
4. Program Budget Calculations (Presentation with handout)

SCORE General Administration Budget
FY 2016/17 DRAFT

		Category	Work Comp	Liability	EPLI	Property	Total FY 16-17	Prior Year FY 15-16	% Change
Expenses									
	710	Program Administration	\$ 63,669	\$ 184,938			\$ 248,607	\$ 242,543	2.5%
	720	Claims Administration (Unallocated Claims Expense)	\$ 100,510	\$ 97,500			\$ 198,010	\$198,010	0.0%
		Claims Administration (ULAE) Per Member Annual Fee	\$ 8,000	\$ 18,000			\$ 26,000	\$26,000	0.0%
		Other Expenses					\$ -		
	505	Treasury Services (provided by Fort Jones)	\$ 500	\$ 500			\$ 1,000	\$1,000	0.0%
	505	Accounting Services	\$ 25,500	\$ 25,500			\$ 51,000	\$51,000	0.0%
		Investment Management Fees	\$ 6,500	\$ 6,500			\$ 13,000	\$13,000	0.0%
		Custodial Account Bank Fees	\$ 550	\$ 550			\$ 1,100	\$1,100	0.0%
		Checking Account Bank Fees	\$ 250	\$ 250			\$ 500	\$500	0.0%
	699	CA DIR OSIP Self Insurance Assesment	\$ 24,948	\$ -			\$ 24,948	\$23,760	5.0%
	506	Financial Audit	\$ 10,150	\$ 10,150			\$ 20,300	\$20,300	0.0%
	507	Actuarial Review and Studies	\$ 5,000	\$ 5,000			\$ 10,000	\$10,000	0.0%
	675	Loss Control Services	\$ 50,000	\$ 50,000			\$ 100,000	\$95,000	5.3%
		Lexipol Law Enforcement Policy Manual	\$ 5,000	\$ 15,000			\$ 20,000	\$20,000	0.0%
	675	Target Solutions	\$ 12,500	\$ 12,500			\$ 25,000	\$25,000	0.0%
	610	Member Conference Reimbursements	\$ 9,500	\$ 9,500			\$ 19,000	\$19,000	0.0%
	670	CAJPA Accreditation (2017)	\$ -	\$ -			\$ -	\$0	
		Property Appraisals (every 6 Years)	\$ -	\$ -			\$ -	\$0	
	506	Claims Audit	\$ 10,000	\$ -			\$ 10,000	\$10,000	0.0%
	625	Employee Dishonesty Insurance/Bonds	\$ 250	\$ 250			\$ 500	\$500	0.0%
	640	Board Meeting Expenses	\$ 2,500	\$ 2,500			\$ 5,000	\$5,000	0.0%
		Company Nurse	\$ 500	\$ 500			\$ 1,000	\$1,000	0.0%
	615	Association Memberships - CAJPA and PARMA	\$ 500	\$ 500			\$ 1,000	\$1,000	0.0%
		Website	\$ -	\$ -			\$ -	\$0	
		Rating Plan Database	\$ -	\$ -			\$ -	\$0	
		LRP and Training Day Meeting Expenses	\$ 10,000	\$ 10,000			\$ 20,000	\$20,000	0.0%
		Miscellaneous Expenses	\$ 500	\$ 500			\$ 1,000	\$1,000	0.0%
		Legal Expenses	\$ 2,000	\$ 5,000			\$ 7,000	\$7,000	0.0%
	690	Contingent Reserve	\$ 12,500	\$ 12,500			\$ 25,000	\$25,000	0.0%
		Total Administration Expenses	\$ 361,327	\$ 467,638			\$ 828,965	\$816,713	1.5%

SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year 2016-17

SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year 2016-17

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Formula/Allocation	CY 2015 x 3% Inflation Factor (CYPa)	(CYPa/\$100) x Rate	(CYPa/\$100) x Rate	Member RLR x member Cred+(1- member Cred)	Shared Layer x Ex Mod	Shared Layer x EX Mod/ (Tot. Weighted ExMod)	Premium x (Member CYPa/Total Pool CYPa)	Refund x (Member CYPa/Total Pool CYPa)	(CYPa/100) x Rate	(Total Admin/2)/ Number of Members	(Total Admin/2)/ (Member CYPa/Total Pool CYPa)	(K) + (L)	(C) + (G) + (H) - (I) + (J) + (M)				Member CYPa/Total CYPa
MEMBER ENTITY	CY 2015 with Inflation Factor (CYPa)	BANKING LAYER at 70% CL \$0 to \$25K	SHARED LAYER at 70% CL \$25,001 to \$500K	EX MOD	UNADJUSTED SHARED LAYER	ADJUSTED SHARED LAYER*	EXCESS LAYER \$500K TO \$40M CJPRMA PREMIUM	CJPRMA REFUND	CSAC/CPIEA Pollution Coverage	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed FY 16-17 Admin Total	Proposed FY 16-17 TOTAL FINAL DEPOSIT	FY 15-16 TOTAL DEPOSIT	\$ Change Overall	% Change Overall	% Payroll
Rate/Amount	1.03	\$1.44	\$2.18	Calc	Calc	Calc	\$127,592	\$37,310	\$0.03960703	\$240,000	\$240,000	\$480,000					
Biggs	\$391,965	\$5,644	\$8,545	0.93	\$7,989	\$8,380	\$2,431	\$711	\$155	\$13,333	\$4,573	\$17,907	\$33,807	\$33,516	\$291	0.87%	1.91%
Colfax	\$458,398	\$6,601	\$9,993	0.96	\$9,570	\$10,039	\$2,843	\$831	\$182	\$13,333	\$5,348	\$18,682	\$37,515	\$36,036	\$1,479	4.11%	2.23%
Dunsmuir	\$501,535	\$7,222	\$10,933	1.47	\$16,037	\$16,823	\$3,111	\$910	\$199	\$13,333	\$5,852	\$19,185	\$45,630	\$51,532	(\$5,902)	-11.45%	2.44%
Etna	\$382,228	\$5,504	\$8,333	0.91	\$7,594	\$7,966	\$2,371	\$693	N/A	\$13,333	\$4,460	\$17,793	\$32,941	\$30,258	\$2,683	8.87%	1.86%
Fort Jones	\$316,012	\$4,551	\$6,889	0.92	\$6,358	\$6,670	\$1,960	\$573	\$125	\$13,333	\$3,687	\$17,020	\$29,753	\$28,193	\$1,560	5.53%	1.54%
Isleton	\$216,217	\$3,114	\$4,714	1.24	\$5,863	\$6,150	\$1,341	\$392	N/A	\$13,333	\$2,523	\$15,856	\$26,069	\$28,674	(\$2,605)	-9.08%	1.05%
Live Oak	\$1,319,431	\$19,000	\$28,764	0.77	\$22,143	\$23,227	\$8,184	\$2,393	\$523	\$13,333	\$15,395	\$28,728	\$77,269	\$69,667	\$7,602	10.91%	6.41%
Loomis	\$760,704	\$10,954	\$16,583	1.08	\$17,952	\$18,832	\$4,719	\$1,380	\$301	\$13,333	\$8,876	\$22,209	\$55,635	\$51,847	\$3,788	7.31%	3.70%
Loyalton	\$140,726	\$2,026	\$3,068	0.96	\$2,958	\$3,103	\$873	\$255	\$56	\$13,333	\$1,642	\$14,975	\$20,778	\$20,092	\$686	3.41%	0.68%
Montague	\$335,336	\$4,829	\$7,310	0.95	\$6,949	\$7,289	\$2,080	\$608	\$133	\$13,333	\$3,913	\$17,246	\$30,968	\$29,036	\$1,932	6.66%	1.63%
Mt. Shasta	\$1,817,047	\$26,165	\$39,612	1.28	\$50,571	\$53,049	\$11,271	\$3,296	\$720	\$13,333	\$21,201	\$34,534	\$122,443	\$126,964	(\$4,521)	-3.56%	8.83%
Portola	\$742,971	\$10,699	\$16,197	0.90	\$14,625	\$15,341	\$4,609	\$1,348	\$294	\$13,333	\$8,669	\$22,002	\$51,597	\$44,587	\$7,010	15.72%	3.61%
Rio Dell	\$1,007,403	\$14,507	\$21,961	0.83	\$18,279	\$19,175	\$6,249	\$1,827	\$399	\$13,333	\$11,754	\$25,087	\$63,589	\$61,804	\$1,785	2.89%	4.90%
Shasta Lake	\$3,534,954	\$50,903	\$77,062	0.76	\$58,394	\$61,254	\$21,927	\$6,412	\$1,400	\$13,333	\$41,245	\$54,578	\$183,651	\$150,204	\$33,447	22.27%	17.19%
Susanville	\$3,784,518	\$54,497	\$82,502	0.78	\$64,707	\$67,877	\$23,475	\$6,865	\$1,499	\$13,333	\$44,157	\$57,490	\$197,974	\$175,452	\$22,522	12.84%	18.40%
Tulelake	\$359,828	\$5,182	\$7,844	0.93	\$7,277	\$7,633	\$2,232	\$653	N/A	\$13,333	\$4,198	\$17,532	\$31,926	\$31,886	\$40	0.12%	1.75%
Weed	\$1,588,057	\$22,868	\$34,620	1.41	\$48,938	\$51,336	\$9,851	\$2,880	\$629	\$13,333	\$18,529	\$31,862	\$113,665	\$134,235	(\$20,570)	-15.32%	7.72%
Yreka	\$2,912,181	\$41,935	\$63,486	0.97	\$61,270	\$64,271	\$18,064	\$5,282	N/A	\$13,333	\$33,979	\$47,312	\$166,300	\$173,722	(\$7,422)	-4.27%	14.16%
Grand Total	\$20,569,511	\$296,201	\$448,415	1.00	\$427,475	\$448,415	\$127,592	\$37,310	\$6,614	\$240,000	\$240,000	\$480,000	\$1,321,512	\$1,277,705	\$43,807	3.43%	100.00%

Verification of Total \$20,569,500 \$296,000 \$448,000 **0.9533 =Weighted Ex Mod** Unadjusted Shared Layer total/actuary premium total = \$427,475/\$448,415 = 0.9533
 *Unadjusted Shared Layer is Divided by Weighted Ex Mod to balance to the actuary's total funding amount

**SMALL CITIES ORGANIZED RISK EFFORT
Liability Experience Modification Calculation
Fiscal Year 2016-17**

Losses as of 12/31/15 Capped at \$50,000

MEMBER ENTITY	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Total Losses FYE 2011-15
Biggs			\$0	\$11,247		\$11,247
Colfax	\$13,076	\$1,366	\$0		\$10,001	\$24,443
Dunsmuir	\$58,244	\$38,980	\$6,668	\$50,119	\$84,000	\$238,011
Etna		\$1,017		\$0		\$1,017
Fort Jones						
Isleton	\$93	\$135,670	\$2,558			\$138,321
Live Oak	\$1,344	\$250	\$8,727	\$1,175	\$1,155	\$12,652
Loomis	\$10,006	\$4,099	\$18,877	\$496	\$63,929	\$97,407
Loyalton		\$0	\$0	\$0		\$0
Montague	\$1,669	\$2,022	\$0	\$5,093	\$1,834	\$10,617
Mt. Shasta	\$71,748	\$57,353	\$19,914	\$64,086	\$61,890	\$274,990
Portola	\$603	\$1,012	\$22,163		\$8	\$23,786
Rio Dell	\$880	\$1,822	\$15,147	\$0	\$8	\$17,856
Shasta Lake	\$39,392	\$22,682	\$9,434	\$17,920	\$56,072	\$145,500
Susanville	\$7,239	\$61,039	\$21,602	\$37,749	\$55,008	\$182,637
Tulelake		\$5,091			\$0	\$5,091
Weed	\$63,339	\$123,235	\$50,000	\$39,183	\$64,935	\$340,691
Yreka	\$5,620	\$211,462	\$1,186		\$30,324	\$248,592
Grand Total	\$273,252	\$667,101	\$176,276	\$227,067	\$429,162	\$1,772,859

DE-9 Payroll

Total Payroll FYE 2011-15
\$2,018,072
\$2,212,912
\$2,627,659
\$1,631,663
\$1,137,751
\$1,381,996
\$6,360,203
\$3,593,068
\$792,015
\$1,491,431
\$8,174,538
\$3,207,039
\$4,857,649
\$16,080,111
\$17,692,144
\$1,684,273
\$7,821,459
\$14,887,671
\$97,651,655

**SMALL CITIES ORGANIZED RISK EFFORT
Liability Experience Modification Calculation
Fiscal Year 2016-17**

	P	Q	R	S	T
FORMULA	(Total Member losses/Total Member Payroll) x 100	Member LR/ Total Pool LR	CY 2015 Payroll x Inflation Factor rate	CYPa/(CYPa+largest member payroll)	Member RLR x member Cred+(1-Member Cred)
Rate/Amount	Loss Rate Per \$100 (LR)	Relative Loss Rate (RLR)	CY 2015 with Inflation Factor (CYPa)	Credibility Factor (Cred)	Ex Mod
			1.03		
	\$0.56	0.31	\$391,965	9.39%	0.93
	\$1.10	0.61	\$458,398	10.80%	0.96
	\$9.06	4.99	\$501,535	11.70%	1.47
	\$0.06	0.03	\$382,228	9.17%	0.91
	\$0.00	0.00	\$316,012	7.71%	0.92
	\$10.01	5.51	\$216,217	5.40%	1.24
	\$0.20	0.11	\$1,319,431	25.85%	0.77
	\$2.71	1.49	\$760,704	16.74%	1.08
	\$0.00	0.00	\$140,726	3.59%	0.96
	\$0.71	0.39	\$335,336	8.14%	0.95
	\$3.36	1.85	\$1,817,047	32.44%	1.28
	\$0.74	0.41	\$742,971	16.41%	0.90
	\$0.37	0.20	\$1,007,403	21.02%	0.83
	\$0.90	0.50	\$3,534,954	48.30%	0.76
	\$1.03	0.57	\$3,784,518	50.00%	0.78
	\$0.30	0.17	\$359,828	8.68%	0.93
	\$4.36	2.40	\$1,588,057	29.56%	1.41
	\$1.67	0.92	\$2,912,181	43.49%	0.97
	\$1.82	1.00	\$20,569,511		1.00

SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
Fiscal Year 2016-17

SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
Fiscal Year 2016-17

A	B	C	D	E	F	G	H	J	K	L	N	P	Q	R	S	T	U
Formula/Allocation	CY 2015 x 3% Inflation Factor (CYPa)	(CYPa/\$100) x Rate	(CYPa/\$100) x Rate	Member RLR x Member Cred+(1-Member Cred)	Shared Layer x Ex Mod	Shared Layer x EX Mod/ (Tot. Weighted ExMod)	Premium x (Member CYPa/Total Pool CYPa)	Assessment x (Member CYPa/Total Pool CYPa)	(Total Admin/2)/ Number of Members	(Total Admin/2)/ (Member CYPa/Total Pool CYPa)	(K) + (L)	(C) + (G) + (H) + (J) + (N)				Member CYPa/Total CYPa	MC Member CYPa/Total MC CYPa
MEMBER ENTITY	CY 2015 with Inflation Factor (CYPa)	BANKING LAYER at 70% CL \$0 to \$25K	SHARED LAYER at 70% CL \$25K to	EX MOD	UNADJUSTED SHARED LAYER	ADJUSTED SHARED LAYER*	EXCESS LAYER \$250K TO STATUTORY	LAWCX ASSESMENT	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed Admin Total FY 16-17	Proposed FY 16-17 TOTAL DEPOSIT	Prior Year FY 15-16 DEPOSIT	\$ Change Overall	% Change Overall	% Payroll	% Total MC Payroll
Rate/Amount	1.03	\$1.56	\$3.534	Calc	Calc	Calc	\$246,511	\$15,902	\$185,000	\$185,000	\$370,000						
Dunsmuir	\$501,483	\$7,823	\$17,722	1.00	\$17,798	\$17,695	\$6,074	\$456	\$23,125	\$4,558	\$27,683	\$59,731	\$62,262	(\$2,531)	-4.1%	2.5%	
Isleton (non-participant)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Live Oak	\$1,319,431	\$20,583	\$46,629	0.79	\$36,899	\$36,685	\$15,980	\$1,016	\$23,125	\$11,993	\$35,118	\$109,383	\$100,672	\$8,711	8.7%	6.5%	
Mt. Shasta	\$1,817,046	\$28,346	\$64,214	1.38	\$88,758	\$88,245	\$22,007	\$1,396	\$23,125	\$16,516	\$39,641	\$179,636	\$220,406	(\$40,770)	-18.5%	8.9%	
Shasta Lake	\$3,534,954	\$55,145	\$124,925	0.66	\$82,049	\$81,574	\$42,814	\$2,637	\$23,125	\$32,131	\$55,256	\$237,426	\$188,423	\$49,003	26.0%	17.4%	
Susanville	\$3,784,517	\$59,038	\$133,745	0.99	\$132,035	\$131,271	\$45,837	\$2,880	\$23,125	\$34,399	\$57,524	\$296,551	\$304,257	(\$7,706)	-2.5%	18.6%	
Weed	\$1,588,058	\$24,774	\$56,122	0.98	\$54,966	\$54,648	\$19,234	\$1,356	\$23,125	\$14,435	\$37,560	\$137,570	\$160,973	(\$23,403)	-14.5%	7.8%	
Yreka	\$2,912,180	\$45,430	\$102,916	0.98	\$100,549	\$99,968	\$35,271	\$2,464	\$23,125	\$26,470	\$49,595	\$232,728	\$255,617	(\$22,889)	-9.0%	14.3%	
Subtotal Members	\$15,457,669	\$241,140	\$546,274	0.94	\$513,053	\$510,086	\$187,218	\$14,076	\$161,875	\$140,502	\$302,377	\$1,254,896	\$1,292,610	(\$37,714)	-2.9%	75.9%	
Biggs	\$391,965	\$6,115	\$13,852	1.22	\$16,847	\$16,749	\$4,747	\$313	\$2,313	\$3,563	\$5,875	\$33,800	\$32,187	\$1,613	5.0%	1.9%	8.0%
Colfax	\$458,398	\$7,151	\$16,200	1.22	\$19,702	\$19,588	\$5,552	\$364	\$2,313	\$4,167	\$6,479	\$39,134	\$37,361	\$1,773	4.7%	2.3%	9.4%
Etna	\$382,228	\$5,963	\$13,508	1.22	\$16,428	\$16,333	\$4,629	\$283	\$2,313	\$3,474	\$5,787	\$32,995	\$29,070	\$3,925	13.5%	1.9%	7.8%
Fort Jones	\$316,012	\$4,930	\$11,168	1.22	\$13,582	\$13,504	\$3,827	\$247	\$2,313	\$2,872	\$5,185	\$27,693	\$25,336	\$2,357	9.3%	1.6%	6.5%
Loomis	\$760,704	\$11,867	\$26,883	1.22	\$32,696	\$32,506	\$9,213	\$578	\$2,313	\$6,914	\$9,227	\$63,391	\$59,339	\$4,052	6.8%	3.7%	15.5%
Loyalton	\$140,726	\$2,195	\$4,973	1.22	\$6,049	\$6,014	\$1,704	\$111	\$2,313	\$1,279	\$3,592	\$13,616	\$11,389	\$2,227	19.6%	0.7%	2.9%
Montague	\$335,336	\$5,231	\$11,851	1.22	\$14,413	\$14,330	\$4,061	\$255	\$2,313	\$3,048	\$5,361	\$29,238	\$26,209	\$3,029	11.6%	1.6%	6.8%
Portola	\$742,971	\$11,590	\$26,257	1.22	\$31,933	\$31,749	\$8,999	\$505	\$2,313	\$6,753	\$9,066	\$61,909	\$51,935	\$9,974	19.2%	3.7%	15.2%
Rio Dell	\$1,007,403	\$15,715	\$35,602	1.22	\$43,299	\$43,048	\$12,201	\$787	\$2,313	\$9,157	\$11,469	\$83,221	\$80,866	\$2,355	2.9%	4.9%	20.6%
Tulelake	\$359,828	\$5,613	\$12,716	1.22	\$15,466	\$15,376	\$4,358	\$254	\$2,313	\$3,271	\$5,583	\$31,185	\$26,093	\$5,092	19.5%	1.8%	7.4%
Subtotal Mini Cities	\$4,895,573	\$76,371	\$173,010	1.22	\$210,415	\$209,198	\$59,293	\$1,826	\$23,125	\$44,498	\$67,623	\$414,312	\$379,785	\$34,527	9.1%	24.1%	100.0%
Grand Total	\$20,353,242	\$317,511	\$719,284	1.00	\$723,468	\$719,284	\$246,511	\$15,902	\$185,000	\$185,000	\$370,000	\$1,669,207	\$1,672,395	(\$3,188)	-0.2%	100.0%	

Verification of Total \$20,353,300 \$318,000 \$719,000 **1.00582 = Weighted Ex Mod** Unadjusted Shared Layer total/actuary premium total = \$723,468/\$719,284 = 1.00582
 *Unadjusted Shared Layer is Divided by Weighted Ex Mod to balance to the actuary's total funding amount
 Estimated assessment for 16/17

SMALL CITIES ORGANIZED RISK EFFORT

Workers' Compensation Experience Modification Calculation
Fiscal Year 2016-17

Incurring Losses, less 4850 SC, Capped at \$50,000 as of 12/31/15

MEMBER ENTITY	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Total Losses FYE 2011-15
Dunsmuir			\$2,526	\$47,328	\$49,854
Isleton (non-participant)	N/A	N/A	N/A	N/A	N/A
Live Oak		\$565	\$556	\$829	\$1,949
Mt. Shasta	\$67,810	\$72,677	\$113,507	\$102,129	\$356,123
Shasta Lake	\$2,669		\$50,000		\$52,669
Susanville	\$50,270	\$144,399	\$65,568	\$49,068	\$309,305
Weed	\$53,010	\$73,278	\$2,835	\$894	\$130,018
Yreka	\$151,309	\$56,636	\$14,421	\$25,481	\$247,847
Subtotal Members	\$325,069	\$347,555	\$249,413	\$225,728	\$1,147,765
Biggs				\$573	\$573
Colfax	\$984			\$259	\$1,243
Etna					
Fort Jones		\$50,000	\$490		\$50,490
Loomis					
Loyalton					
Montague	\$109,855	\$1,773		\$50,000	\$161,627
Portola	\$64,770	\$52,029	\$3,353		\$120,153
Rio Dell		\$279	\$1,730	\$47,858	\$49,867
Tulelake	\$89,263	\$111,303			\$200,566
Subtotal Mini Cities	\$264,871	\$215,384	\$5,574	\$98,690	\$584,519
Grand Total	\$589,940	\$562,939	\$254,987	\$324,418	\$1,732,283

DE-9 Payroll

Total Payroll FYE 2011-15
\$2,111,873
N/A
\$5,046,517
\$6,541,513
\$12,859,810
\$14,117,898
\$6,289,612
\$11,702,658
\$58,669,881
\$1,587,052
\$1,776,255
\$1,339,979
\$970,410
\$2,847,971
\$586,094
\$1,219,470
\$2,592,825
\$3,852,297
\$1,307,194
\$18,079,547
\$76,749,428

FORMULA

Rate/Amount

SMALL CITIES ORGANIZED RISK EFFORT

Workers' Compensation Experience Modification Calculation
Fiscal Year 2016-17

N	O	P	Q	R	S
Total Member losses/Total Member Payroll	Member LR/Total Pool LR	CY 2015 Payroll x Inflation Factor rate	CYPa/(CYPa+ largest member payroll)	Member RLR x member Cred+(1-member Cred)	Member RLR x member Cred+(1-member Cred)
Loss Rate Per \$100 (LR)	Relative Loss Rate Per \$100 (RLR)	CY 2015 with Inflation Factor (CYPa)	Credibility Factor (Cred)	Experience MOD (XM)	Individual Experience Mod
		1.03			
\$2.36	\$1.05	\$501,483.11	0.09	1.00	1.00
N/A	N/A	N/A	N/A	N/A	N/A
\$0.04	\$0.02	\$1,319,430.53	0.21	0.79	0.79
\$5.44	\$2.41	\$1,817,046.33	0.27	1.38	1.38
\$0.41	\$0.18	\$3,534,953.66	0.42	0.66	0.66
\$2.19	\$0.97	\$3,784,517.41	0.44	0.99	0.99
\$2.07	\$0.92	\$1,588,057.54	0.24	0.98	0.98
\$2.12	\$0.94	\$2,912,180.44	0.37	0.98	0.98
\$1.96	\$0.87	\$15,457,669.02	0.76	0.90	0.90
\$0.04	\$0.02	\$391,965.28	0.07	1.22	0.93
\$0.07	\$0.03	\$458,398.06	0.09	1.22	0.92
\$0.00	\$0.00	\$382,228.29	0.07	1.22	0.93
\$5.20	\$2.31	\$316,012.06	0.06	1.22	1.08
\$0.00	\$0.00	\$760,704.37	0.13	1.22	0.87
\$0.00	\$0.00	\$140,726.26	0.03	1.22	0.97
\$13.25	\$5.87	\$335,336.28	0.06	1.22	1.31
\$4.63	\$2.05	\$742,971.19	0.13	1.22	1.14
\$1.29	\$0.57	\$1,007,403.02	0.17	1.22	0.93
\$15.34	\$6.80	\$359,828.06	0.07	1.22	1.40
\$3.23	\$1.43	\$4,895,572.88	0.50	1.22	1.22
\$2.26	\$1.00	\$20,353,241.90	0.81	1.00	1.00



**Small Cities Organized Risk Effort
Board of Directors Meeting
April 1, 2016**

Agenda Item H.5.a.

LIABILITY – MASTER PLAN DOCUMENT REVISION

ACTION ITEM

ISSUE: SCORE's Liability Master Plan Documents serve as the Bylaws for the Liability Program and include a section (Article III) that describes how the annual funding is calculated. The Program Administrators recommend revisions to Article III to more accurately define "projected payroll", correct an error in how the Credibility Factor is calculated, and change the order in which the elements of the deposit formula are calculated.

RECOMMENDATION: Approve changes per the attached.

FISCAL IMPACT: None.

BACKGROUND: SCORE has used calendar year payroll for the most recent year plus an inflation factor of 3% to calculate projected payroll. The suggested revisions define projected payroll in the *Master Plan Documents*. The Program Administrators also recognized an error in how the calculation of the Credibility Factor is described. The formula references the use of the Relative Loss Rate instead of the Credibility Factor and is corrected in the attached revisions.

The Program Administrators have also recommended a change in how the deposit is calculated by first multiplying the payroll times the rate, then the Experience Modification Factor, instead of multiplying the payroll times the Ex Mod, then the rate. The recommended approach illustrates the change in a member's funding due to the Ex Mod, rather than the current approach that does not illustrate the change.

ATTACHMENTS: Article III of the Liability Master Plan Documents, with tracked changes

ARTICLE III – PREMIUMS, RATES, AND POOL ASSESSMENTS

1. DEPOSIT PREMIUM CALCULATIONS

- A. The annual "deposit premium" for each "Participating Member" shall be calculated utilizing:
- 1) a deposit for the "Banking Layer" using an actuarially determined loss rate at a 70 percent confidence level,
 - 2) a deposit for the "Shared Risk Layer" using an actuarially determined loss rate at a 70 percent confidence level,
 - 3) a charge for excess coverage and
 - 4) A charge for the "Administrative Expenses" of the Liability Program as adopted by the Board of Directors.
 - 5) Any discounting of the deposit premium shall use an interest rate no higher than the prevailing rate at the time of the premium calculation.
 - 6) The above-mentioned deposits may be determined at a confidence level greater or less than 70 percent only by a two-thirds vote of the Directors.
- B. The deposit for the "Banking Layer" shall be determined by multiplying the "Participating Member's" projected payroll for the "Program Year" defined as the most recent calendar year payroll plus a 3% inflation factor, by the rate determined by the actuary.
- C. The deposit for the "Shared Risk Layer" shall be determined by multiplying the "Participating Member's" projected payroll for the "Program Year" times the rate determined by the actuary times by an experience modification factor times the rate determined by the actuary.
- 1) The Experience Modification Factor for the member shall be determined by:
 - i. Dividing the member's losses for the five (5) complete fiscal years immediately preceding the year prior to the one for which the deposit is being calculated not to exceed \$50,000 any one occurrence by the payroll for the same period. This calculates the member's Loss Rate.
 - ii. Then dividing the member's loss rate by the loss rate for SCORE as a whole during the same period using the total losses and payroll for all the members, calculating a Relative Loss Rate for the member.
 - iii. This Relative Loss Rate will be multiplied by a Credibility Factor to which one minus the Relative Loss RateCredibility Factor will be added. This sum will be the Experience Modification Factor.

- iv. A Credibility Factor will be calculated by dividing the member's projected payroll by the member's projected payroll plus a constant (i.e. member's projected payroll / (member's projected payroll + constant)). The constant will be one times the largest member's projected payroll.
- D. The cost of excess coverage shall be charged to each "Participating Member" in the same proportion as the projected payroll is to the total payroll.
- E. The "Administrative Expenses" charged to each "Participating Member" is calculated by:
 - 1) Multiplying fifty (50) percent of the "Administrative Expenses" by a factor derived by dividing the "Participating Member's" projected payroll for the "Program Year" by the total projected payroll of all "Participating Members"; plus
 - 2) A share of the remaining "Administrative Expenses" that is equal among all the members.
- F. Notwithstanding the super-majority vote under 1.A. of this Article, the Board of Directors may impose a minimum and/or a maximum deposit. Should that be the case, the portion of the deposit premium that is for the banking layer shall be adjusted accordingly.



WORKERS' COMPENSATION – MASTER PLAN DOCUMENT REVISION

ACTION ITEM

ISSUE: SCORE's Workers' Compensation Master Plan Documents serve as the Bylaws for the WC Program and include a section (Article III) that describes how the annual funding is calculated. The Program Administrators recommend revisions to Article III to more accurately define "projected payroll", correct an error in how the Credibility Factor is calculated, and change the order in which the elements of the deposit formula are calculated.

RECOMMENDATION: Approve changes per the attached.

FISCAL IMPACT: None.

BACKGROUND: SCORE has used calendar year payroll for the most recent year plus an inflation factor of 3% to calculate projected payroll. The suggested revisions define projected payroll in the Master Plan Documents. The Program Administrators also recognized an error in how the calculation of the Credibility Factor is described. The formula references the use of the Relative Loss Rate instead of the Credibility Factor and is corrected in the attached revisions.

The Program Administrators have also recommended a change in how the deposit is calculated by first multiplying the payroll times the rate, then the Experience Modification Factor, instead of multiplying the payroll times the Ex Mod, then the rate. The recommended approach illustrates the change in a member's funding due to the Ex Mod, rather than the current approach that does not illustrate the change.

ATTACHMENTS: Article III of the Workers' Compensation Master Plan Documents, with tracked changes

ARTICLE III – PREMIUMS, RATES AND POOL ASSESSMENTS

1. MINI-CITIES POOL

A "Mini-Cities" pool shall constitute those "Participating Members" who have elected, in writing, to participate in it and for which the Board of Directors has agreed by a vote of two-thirds of the Directors. For purposes of this Article, such "Mini-Cities" pool shall be treated as if it were a single "Participating Member".

- A. "Deposit Premiums" for the "Mini-Cities" pool, as calculated in Section 2 below, shall be distributed to its members in the proportion the member's payroll is to the total payroll of all the members of the "Mini-Cities" pool.
- B. Dividends or Member Assessments for the "Mini-Cities" pool, as calculated under Section 3 below, shall be distributed to its members in the proportion the member's deposit premium for the appropriate "Program Year" was to the deposit premium for the "Mini-Cities" pool as a whole.
- C. The Board of Directors will establish rules for admission to the Mini-Cities Pool.

2. DEPOSIT PREMIUM CALCULATIONS

- A. The annual "deposit premium" for each "Participating Member" shall be calculated utilizing:
 - 1) a deposit for the "Banking Layer" using an actuarially determined loss rate at a 70 percent confidence level,
 - 2) a deposit for the "Shared Risk Layer" using an actuarially determined loss rate at a 70 percent confidence level,
 - 3) a charge for excess coverage and
 - 4) a charge for the "Administrative Expenses" of the Workers' Compensation Program as adopted by the Board of Directors.
 - 5) Any discounting of the deposit premium shall use an interest rate no higher than the prevailing rate at the time of the premium calculation.
 - 6) The above-mentioned deposits may be determined at a confidence level greater or less than 70 percent only by a two-thirds vote of the Directors.
- B. The deposit for the "Banking Layer" shall be determined by multiplying the "Participating Member's" projected payroll for the "Program Year", defined as the most recent calendar year payroll plus a 3% inflation factor, by the rate determined by the actuary.
- C. The deposit for the "Shared Risk Layer" shall be determined by multiplying the "Participating Member's" projected payroll for the "Program Year" by the rate determined

Small Cities Organized Risk Effort
Workers' Compensation Master Plan Document

~~by the actuary times an~~ experience modification factor ~~times the rate determined by the actuary.~~

- 1) The Experience Modification Factor for the member shall be determined by:
 - i. Dividing the member's losses for the four (4) complete fiscal years immediately preceding the year prior to the one for which the deposit is being calculated not to exceed \$50,000 any one occurrence by the payroll for the same period. This calculates the member's Loss Rate.
 - ii. Then dividing the member's loss rate by the loss rate for SCORE as a whole during the same period using the total losses and payroll for all the members, calculating a Relative Loss Rate for the member.
 - iii. This Relative Loss Rate will be multiplied by a Credibility Factor to which one minus the ~~Relative Loss Rate~~Credibility Factor will be added. This sum will be the Experience Modification Factor.
 - iv. A Credibility Factor will be calculated by dividing the member's projected payroll by the members' projected payroll plus a constant, i.e. member's projected payroll (member's projected payroll + constant). The constant will be one times the largest member's projected payroll.
- D. The cost of excess coverage shall be charged to each "Participating Member" in the same proportion as the projected payroll is to the total payroll.
- E. The "Administrative Expenses" charged to each "Participating Member" is calculated by:
 - 1) multiplying 50 percent of the "Administrative Expenses" by a factor derived by dividing the "Participating Member's" projected payroll for the Program Year by the total projected payroll of all "Participating Members"; plus
 - 2) A share of the remaining "Administrative Expenses" that is equal among all the members.
- F. Notwithstanding the super-majority vote under 2.A of this Article, the Board of Directors may impose a minimum and/or a maximum deposit. Should that be the case, the portion of the deposit premium that is for the banking layer shall be adjusted accordingly.



**Small Cities Organized Risk Effort
Board of Directors Meeting
April 1, 2016**

Agenda Item H.6.

SCORE TRAINING DAY

ACTION ITEM

ISSUE: The Program Administrators are requesting Board input regarding topics of interest for the annual Long Range Planning Meeting which will be held on October 13, 2016 followed by the Board of Directors Meeting on October 14, 2016.

The Program Administrators suggest a discussion of the rules for admission to the Mini-Cities Pool and a review of how the Workers' Compensation funding is allocated. Members are encouraged to provide additional planning and training topics. We typically have a representative from one or more of SCORE's service providers attend and provide training on a topic of interest.

RECOMMENDATION: Discuss and provide direction for Planning Day topics.

FISCAL IMPACT: Not to exceed \$20,000.

BACKGROUND: Every year, SCORE holds a Long Range Planning Meeting to provide Board members with an opportunity to discuss the coverage programs, risk management and loss control services available to members as well as any topics that Members may want to address. Presentations will also be provided by the Program Administrators and SCORE partners.

ATTACHMENTS: None



IDENTITY FRAUD QUOTE

ACTION ITEM

ISSUE: As the Program Administrator we are always looking to the future for potential risk exposures for SCORE members. Identity Fraud is an exposure for all SCORE employees and we would like to present information from Travelers regarding ID Fraud coverage.

RECOMMENDATION: The Program Administrator recommends approval of the 2016/17 ID Fraud Coverage with Travelers.

FISCAL IMPACT: Annual Premium \$2,697.

BACKGROUND: Previously the Board was asked about interest in obtaining a quote for Identity Fraud Coverage and members expressed interest. Members were asked to submit information to complete the application and all members—with the exception of City of Colfax, City of Etna, Town of Fort Jones, and the City of Live Oak—provided responses.

Not only can ID fraud resolution be a costly experience it can leave the affected employee vulnerable to significant out-of-pocket expenses to re-establish their credit and prove to financial institutions that fraud actually occurred. In an effort to provide the employees of SCORE member cities with a proactive tool to help combat Identity Theft we are presenting information regarding ID Fraud Coverage which would provide employees with tools to help them recover from ID Theft. The coverage would provide:

- Reimbursement for expenses associated with resolving a fraud event (travel, lost wages, Attorney fees)
- Online education resources to help prevent becoming a victim
- Dedicated identity fraud claim unit to help employees through the resolution process
- Fees charged for copies of medical records (related to medical identity fraud)
- Help with Document replacement (social security card, birth certificate, passport, etc.)
- Family Coverage (spouse, child under the age of 18)

ATTACHMENTS:

1. Travelers ID Fraud Expense Reimbursement Coverage Highlights
2. Travelers ID Fraud Expense Reimbursement Coverage Checklist
3. Travelers SCORE ID Fraud Quote



Identity Fraud Expense Reimbursement

COVERAGE HIGHLIGHTS

Identity fraud is the fastest-growing white-collar crime in America, impacting one in every 20 consumers.*

Why you need protection

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time in a variety of ways, ranging from a stolen wallet or home burglary to online theft of your personal information.

Recovering from identity fraud means more than just canceling credit cards. Not only can it be a complicated and stressful experience, but it can cost your employee or member of your organization hours of time and out-of-pocket expenses to re-establish their credit and clear their name. The hard reality is that victims must painstakingly prove, often to disbelieving creditors, that the debts are not their own. Purchasing identity fraud expense reimbursement coverage for your employees or members can be an affordable and compelling addition to your benefits suite.

Coverage highlights

Travelers Identity Fraud Expense Reimbursement coverage pays for expenses associated with resolving an identity fraud event and perhaps most importantly, gives people tools and information to reduce their risk of future additional fraud.

Each year, the number of identity fraud cases rises; most recently 12.6 million adults in the United States were victims. On average, it takes an individual more than 37 hours and \$535 in out-of-pocket expenses* to clean up the mess caused by an identity thief.

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim's identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

*Javelin Strategy & Research, February 2013 Report

Claim scenarios

Bogus charge accounts while on business travel

An executive was on business in Brazil when his identity was stolen and significant charges were made to his corporate card. In order to file an affidavit of loss with the local Brazilian authorities, he was required to provide a sworn statement in person. Total expenses for time off work, travel expenses, phone charges and the cost to replace the executive's passport were \$4,500.

Medical identity fraud

A woman from Illinois discovered a number of questionable billings on her medical insurance annual summary of benefits. Someone had stolen her and her children's identities to secure medical services in their names.

After struggling with the health care institution to release the personal medical information, she hired an attorney to help. The attorney was able to contest the services and clean up her medical history. It took more than six months to resolve the identity fraud and cost nearly \$6,000 in attorney's fees, lost wages and fees for copies of X-rays and other medical records.

Why Travelers?

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices nationwide, we possess national strength and local presence.
- Our dedicated underwriters, and claim professionals offer extensive industry and product knowledge.

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.



Available through the Travelers Wrap+[®], SelectOne+[®] and Executive Choice+[®] suite of products.

travelersbond.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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Identity Fraud Expense Reimbursement

COVERAGE CHECKLIST

Why your clients need our protection

Identity Fraud Expense Reimbursement is available through the Travelers Wrap+[®], SelectOne+SM and Executive Choice+SM suite of products and delivers a truly comprehensive coverage solution. The following checklist illustrates key coverages and features every insured should have as part of their insurance program to protect their employees or members should any become a victim of the rising crime of identity fraud.

Coverage	Travelers policy	Their policy
Lost wages – up to a maximum payment of \$1,000 per week for a maximum period of five weeks, as a result of absence from employment, including for wrongful incarceration	✓	
Attorney’s fees – with Travelers’ prior consent, including: <ul style="list-style-type: none"> • Removing criminal or civil judgments wrongly entered against the victim • Challenging information in a credit report • Defending suits brought incorrectly by merchants or their collection agencies • Pursuing the release of medical records solely for the purpose of investigating medical-related identity fraud • Contesting wrongfully incurred tax liability; or • Contesting the wrongful transfer of ownership of an insured person’s tangible property 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ 	
Fees for the re-application and re-issuance of government-issued personal identification documentation – including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and Social Security cards compromised as a result of identity fraud	✓	
Fees charged for copies of medical records – including X-rays, obtained solely for the purpose of investigating medical-related identity fraud	✓	
Dedicated identity fraud claim unit – experts who can provide guidance to insured victim to assist in the recovery of their identity and credit history	✓	
Reasonable costs for travel and accommodations incurred by the insured person – up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to: <ul style="list-style-type: none"> • Participate in the defense of lawsuits brought against the insured person by financial institutions, health care providers, merchants, other credit grantors or their collection agencies • Challenge the accuracy or completeness of any information in a consumer credit report • Participate in the criminal prosecution of the perpetrators of the identity fraud, or • File in-person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the identity fraud occurred, as required by local law 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	

Coverage	Travelers policy	Their policy
Family coverage – including residents of the insured person’s household, provided they are either a spouse, child under the age of 18 or parent	✓	
Daycare and eldercare expenses – incurred solely as a direct result of any identity fraud discovered during the policy period	✓	
Coverage for thefts committed by family members	✓	
Insureds choose their own attorney	✓	
Limit options – ranging from \$1,000 to \$25,000	✓	
Retention options – ranging from \$0 to \$250	✓	

Identity Fraud Resolution Service

In addition to expense reimbursement, Travelers also offers Identity Fraud Resolution Service through Identity Theft 911, which includes:

- Exclusive online education resources providing tips and information to help avoid becoming a victim
- 24/7 personal access to an expert fraud specialist
- Document replacement help (i.e., Social Security card, birth certificate, passport, etc.)

In the event of an actual identity fraud, services include:

- Step-by-step guidance through the resolution process, including unlimited assistance to restore a victim’s identity
- 3-in-1 credit reporting
- One year of free credit, cyber and fraud monitoring

Travelers knows ID Fraud.

To learn more, talk to your independent agent or visit travelersbond.com.

Available through the Travelers Wrap+®, SelectOne+SM and Executive Choice+SM suite of products.



travelersbond.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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February 8, 2016

Michelle Minnick
Alliant Insurance Services, Inc.
1792 Tribute Rd, Suite 450
Sacramento, CA 95815

RE: Small Cities Organized Risk Effort (SCORE)- A Joint Powers Authority – the Master Policy Holder
Identity Fraud Expense Reimbursement Master Policy
New Business QUOTATION
ID-1000SL ID Fraud Master Declaration

Dear Michelle,

On behalf of Travelers Excess and Surplus Lines Company we are pleased to offer this quotation for Identity Fraud Expense Reimbursement Insurance pursuant to the following terms and conditions:

Table with 3 columns: Limit of Liability (\$25,000), Retention (\$0), Annual Premium (includes Family Coverage and Resolution Services) (\$2,697)

ENDORSEMENTS: The titles and headings are for convenience only. Please refer to the policy and endorsements for a description of coverage:

- ID-1006 Ed. 04-01 Schedule of Membership Programs
any current full-time employee, part-time employee, or elected official of a scheduled city below that is a member of Small Cities Organized Risk Effort (SCORE)- A Joint Powers Authority:
1. Biggs
2. Dunsmuir
3. Isleton
4. Loomis
5. Loyaltan
6. Montague
7. Mt Shasta
8. Portola
9. Rio Dell
10. Shasta Lake
11. Susanville
12. Tulelake
13. Weed
14. Yreka

The following cities' employees and/or officials are NOT covered:

- A. Colfax
B. Etna
C. Ft Jones
D. Live Oak

(Coverage for the above cities' employees or officials can be considered with underwriting information and for additional premium.)

- ID-1013 Ed. 05-10 Family Coverage Endorsement
ID-1019 Ed. 05-10 Identity Fraud Resolution Services

- ID-1026 Ed. 05-10 Certificate of Insurance
- ILT-1069 Ed. 07-08 Service of Lawsuit Endorsement

COMMISSION: 15%

ASSUMPTIONS: Producer is licensed for Surplus Lines in the state of California

Master Policy Holder will provide indicated coverage as a customer/membership benefit at no additional expense to insured persons.

*The quote(s) contained in this document are valid for **30 days**. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on adverse change in the risk(s) to be insured prior to the effective date of the policy(ies) noted in this document.*

CONTINGENCIES: This quote is subject to the underwriter's receipt and satisfactory review of the following prior to the quotation expiration date set forth below:

N/A

Thank you for the opportunity to offer this insurance proposal. We look forward to discussing this opportunity with you further.

Sincerely,



Noel K. Posson

cc: Kelly Ziemann



**Small Cities Organized Risk Effort
Board of Directors Meeting
April 1, 2016**

Agenda Item H.8.

CITY OF YREKA – REQUEST FUNDS

ACTION ITEM

ISSUE: The City of Yreka is requesting \$2,000 to upgrade the audio visual media in the Yreka City Council Chambers which can then be used as a regional risk management training facility.

RECOMMENDATION: Program Administrators recommend approval of the requested \$2,000 for updating training room.

FISCAL IMPACT: Total amount requested \$2,000.

BACKGROUND: The City of Yreka does not have any remaining Loss Control Grant Funds as the have previously made a request and submitted invoices requesting reimbursement. The quoted total cost of the audio visual upgrade is \$9,606.94 of which the City of Yreka is requesting \$2,000 from SCORE to help create a state-of-the-art training room which can be used for regional training sessions for SCORE and its members.

The Program Administrators have reviewed the SCORE Budget to Actual and noted that we were under budget for the SCORE Long Range Planning two-day meeting. There is \$2,000 available in the budget which could be reallocated to help cover the amount being requested by the City of Yreka.

ATTACHMENTS: Yreka Council Agenda Memorandum dated March 17, 2016



**CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM**

To: Yreka City Council
Prepared by: Rhetta Hogan
Agenda title: Approval of Audio Visual (AV) improvements inside City Council Chambers
Meeting date: March 17, 2016

Discussion:

Proposal to upgrade audit visual media (install large screen monitors, cable and wireless media connections) for Yreka City Council Chamber building.

Background:

Business and technology have changed. The public, presentors, regional trainers and staff are seeking improved media access to present, facilitate and illustrate discussion. Staff, in consultation with ACME has designed a low cost, high quality solutions to facilitate current media technology to support audio visual presentations.

The proposal includes three large screen monitors that are both internet ready and networked for presentation display to the audience and City Council. The diagram map shows approximate placement of two screen on each side wall for the audience and TV/monitor at the bar facing the Council.

- No sequencing laspes: Design considerations include no delay in audio to the visual, nor display lapse between all three monitors for viewing.
- Ease of use: Another design goal is to allow any mobile device to easily direct connect to the AV system for presentation purposes.

Fiscal Impact:

The AV/TV system is comprised of \$4,364 is for 3 60” monitors and mounts. And an estimated \$2,000 or 20 hours for labor and electrical (in-house). Annually, the information technology equipment upgrades are budgeted. The 2015-16 budget for such technology upgrades and equipment replacement is \$25,000. The City IT capital budget generally includes new switches, routers, wiring, backup media, file server replacement, as well as desktop and mobile device replacement. Finance is recommending partial use of the equipment replacement budget for the Council chambers AV project account 10-050-0000-450-000.

SCORE is seeking a \$2,000 match component for the City’s Council chambers as a regional risk management training facility. It is expected that we will receive those funds in FY2015-2016.

Recommendation and Requested Action:

Approval of Audio Visual (AV) improvements inside City Council Chambers



**Small Cities Organized Risk Effort
Board of Directors Meeting
April 1, 2016**

Agenda Item I.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Board will hold a Closed Session to discuss the following claims for payment of a tort liability loss or a public liability loss:

**Request for Authority

1. Liability

- a. Larsen v. Isleton

2. Workers' Compensation

- a. SCWA-343480 v. Crescent City**
- b. SCWA-530470 v. Crescent City**
- c. SCWA-231393 & SCWA-75498 v. Susanville**
- d. SCWA-554038 v. Montague**

FISCAL IMPACT: Unknown.

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time, as the subject matter is confidential.

BACKGROUND: Confidential.

ATTACHMENTS: None.



INFORMATION ITEMS

ISSUE: The following items are being presented as information for SCORE members.

FY 2015/16 Resource Contact Guide: The Board of Directors is provided a copy of the updated Resource Contact Guide for easy reference in accessing member services and resources.

Glossary of Terms: A Glossary of terms has been created and added to the agenda packet per Member request. This will continue to be included in future Board agenda packets.

Certificate Request Form: A copy of the Certificate Request form has been included to highlight what information is needed in order to process a certificate request from a member.

SCORE Travel Reimbursement Form: This form should be used to request reimbursement for travel expenses related to attending a SCORE meeting.

RECOMMENDATION: None. This item is offered as information only.

BACKGROUND: None.

FISCAL IMPACT: None.

ATTACHMENT(S):

1. FY 2015/16 Resource Contact Guide
2. Glossary of Terms
3. Certificate Request Form
4. SCORE Travel Reimbursement Form

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

PROGRAM ADMINISTRATION
 Alliant Insurance Services, Inc.
 2180 Harvard Street STE 460
 Sacramento, CA 95815
 Main: (916) 643-2700 Fax: (916) 643-2750
www.Alliant.com

SUBJECT	MAIN CONTACT	PHONE	EMAIL
JPA MANAGEMENT ISSUES –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	<p style="text-align: center;">Marcus Beverly</p> <p style="text-align: center;">Michael Simmons</p> <p style="text-align: center;">Michelle Minnick</p> <p style="text-align: center;">Joan Crossley</p>	<p style="text-align: center;">(916) 643-2704 (916) 660-2725 (cell)</p> <p style="text-align: center;">(415) 403-1425 (925) 708-3374 (cell)</p> <p style="text-align: center;">(916) 643-2715</p> <p style="text-align: center;">(916) 643-2712</p>	<p style="text-align: center;">Marcus.Beverly@alliant.com</p> <p style="text-align: center;">MSimmons@alliant.com</p> <p style="text-align: center;">Michelle.Minnick@alliant.com</p> <p style="text-align: center;">JCrossley@alliant.com</p>
JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.	<p style="text-align: center;">Michelle Minnick</p> <p style="text-align: center;">Marcus Beverly</p> <p style="text-align: center;">Joan Crossley</p>		
COVERAGE / RISK MANAGEMENT ISSUES – <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	<p style="text-align: center;">Michelle Minnick</p> <p style="text-align: center;">Marcus Beverly</p> <p style="text-align: center;">Joan Crossley</p>		

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

CLAIMS ADMINISTRATION
 York Risk Services Group, Inc.
 P.O. Box 619079
 Roseville, CA 95661
 Main: (800) 922-5020 Fax: (866) 548-2637
www.yorkrsg.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIMS ADMINISTRATION – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p>Property Recovery Program This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: right;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: right;"><u>Subrogation</u></p>	<p>Cameron Dewey, Claims Manager</p> <p>Craig Nunn, SR. Claims Examiner</p> <p>Ariel Leonhard, SR. Claims Examiner</p> <p>Kristina Patterson, Unit Manager</p> <p>D’Ana Seivert, Subrogation Manager</p>	<p>(530) 243-3249 Cell: (530) 768-7345</p> <p>(530) 768-4801</p> <p>(916) 960-0974</p> <p>(916) 746-6302</p> <p>(916) 960-0980</p>	<p>Cameron.Dewey@yorkrsg.com</p> <p>craig.nunn@yorkrsg.com</p> <p>ariel.leonhard@yorkrsg.com</p> <p>kristina.patterson@yorkrsg.com</p> <p>D’Ana.Seivert@yorkrsg.com</p>
<p>ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues</p> <p>COMPUTER SERVICES, TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations</p>	<p>Dori Zumwalt, Sr. Account Manager</p>	<p>(916) 960-1017</p>	<p>dorienne.zumwalt@yorkrsg.com</p>

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

CLAIM REPORTING AND TRIAGE SERVICES

Company Nurse Injury Hotline

Main: (888) 817-9282

<https://companynurse.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIM REPORTING AND TRIAGE SERVICES –Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost</p> <ul style="list-style-type: none"> • Quick, easy, cost efficient way to immediately report workplace injuries • 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member) 	<p>Carl Herman, Enrollment Services Manager</p>	<p>(480) 374-2441</p>	<p>info@companynurse.com</p> <p>service@companynurse.com</p>

ACCOUNTING SERVICES

Gilbert Associates, Inc.

Main: (916) 646-6464 Fax: (916) 929-6836

www.gilbertcpa.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ACCOUNTING SERVICES – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates</p>	<p>Kevin Wong</p> <p>Tracey Smith-Reed</p>	<p>(916) 646-6464</p>	<p>kswong@gilbertcpa.com</p> <p>tsmithreed@gilbertcpa.com</p>

POLICE AND FIRE RISK MANAGEMENT SERVICES

Lexipol

Main: (949) 484-4444 Fax: (949) 484-4443

<http://www.lexipol.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>POLICE RISK MANAGEMENT SERVICES – Lexipol helps to review members' Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Reviewing and updating Police and Fire Risk Management Policies and Procedures 			

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

ERMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.ermajpa.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ERMA – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members</p> <p style="text-align: right;">Board Member - John Duckett</p> <p style="text-align: right;">Alternate - Roger Carroll</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Employee Reporting line • Attorney Hotline • Employment Practices Training 			<p style="text-align: right;">info@ermajpa.org</p> <p style="text-align: right;">jduckett@cityofshastalake.org</p> <p style="text-align: right;">rcarrol@loomis.ca.gov</p> <p style="text-align: right;">rkramer@bickmore.net</p> <p style="text-align: right;">gpreciado@bickmore.net</p>
	<p>Rob Kramer, President</p> <p>Gerry Preciado, Director of Litigation Management</p>	<p>(530) 275-7427</p> <p>(916) 652-1840</p> <p>(916) 244-1117</p> <p>(916) 244-1139</p>	

LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LAWCX – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p style="text-align: right;">Board Member – Steve Baker</p> <p style="text-align: right;">Alternate - John Duckett</p> <p>Online Risk Control Services</p> <ul style="list-style-type: none"> • Employees can access online training courses by registering online at www.lawcx.org. • Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available • Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines • Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms • Blog – Timely and informational reports from Risk Control Experts • Can you Risk It? Liability Exposures- real questions from actual members are answered 			<p style="text-align: right;">sbaker@ci.yreka.ca.us</p> <p style="text-align: right;">jduckett@cityofshastalake.org</p> <p style="text-align: right;">administrator@lawcx.org</p> <p style="text-align: right;">claims@lawcx.org</p>
	<p>Beth Lyons, ARM-P Executive Director</p> <p>Tammy Vitali, Claims Manager</p>	<p>(530) 841-2321</p> <p>(530) 275-7427</p> <p>(800) 541-4591 Ext. 8529</p> <p>(800) 541-4591 Ext. 1114</p>	

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CJPRMA – Provides Excess Liability coverage and additional training resources</p> <p style="text-align: right;">Board Member - Roger Carroll</p> <p style="text-align: right;">Alternate - John Duckett</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls. • Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices • Personal assistance available to review contracts and to help look at any risk related issues (Contact David J. Clovis General Manager or Craig Schweikhard) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year) • Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time. 	<p>Craig Schweikhard, Claim Administrator</p> <p>David J. Clovis, General Manager</p>	<p>(916) 652-1840</p> <p>(530) 275-7427</p> <p>(925) 290-1315</p> <p>(925) 290-1316</p>	<p>rcarrol@loomis.ca.gov</p> <p>jduckett@cityofshastalake.org</p> <p>craig@cjprma.org</p> <p>david@cjprma.org</p>

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

LOSS CONTROL SERVICES

DKF Solutions

Fax: (707) 647-7200

www.dkfsolutions.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LOSS CONTROL SERVICES – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p>Services available to all SCORE members Maintenance Training & Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training & Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: www.mysafetyofficer.com/employeetraining and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none"> • Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software • Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics • Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software • ***NOTE: Monthly news update with a different article each month at http://www.dkfsolutions.com/blog/ 	<p>David Patzer</p> <p>John Balestrini</p> <p>Katie Frassinelli</p>	<p>(707) 373-9709</p> <p>(916) 532-5802</p>	<p>dpatzer@dkfsolutions.com</p> <p>john@dkfsolutions.com</p> <p>Kfrassinelli@dkfsolutions.com</p>

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

EMPLOYEE ASSISTANCE PROGRAM
 ACI Specialty Benefits Corporation
 Main: (800) 932-0034 Fax: (858) 452-7819
www.acieap.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>EMPLOYEE ASSISTANCE PROGRAM - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website http://score.acieap.com</p> <ul style="list-style-type: none"> • Each city has 4 hours per year for On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch 'n Learn Seminars Per City per year • <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response • Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response • Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Wellness Resources The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness 	<p>Kathryn Mullis</p>	<p>(858) 736-0031</p>	<p>kmullis@acieap.com</p>

SCORE RESOURCE CONTACT GUIDE

FY 2015/16

TRAINING SERVICES Target Solutions Main: (800) 840-8048 Fax: (858) 487-8762 www.targetsolutions.com			
SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
TRAINING SERVICES – a Web-based Safety Training Platform Services Offered <ul style="list-style-type: none"> • OSHA Training Documentation • Online Video Library http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&customerid=19258&customerpath=score • Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans) • Training Records management (i.e. Diplomas, Certificates of Completion) • Continuing Education Courses for Fire and Safety Personnel 	Jennifer Jones , Account Manager	(858) 376-1632	jennifer.jones.@targetsolutions.com

GLOSSARY OF TERMS

Term	Definition
4850	Labor Code 4850
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
ACV (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party—the insurer. The other party the insured does not take part in the preparation of the contract)
ATD (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA’s excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would “drop down” and pay losses within the JPIA’s SIR, or pooled layer
AME (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers’ Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties
ACIP (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
APIP (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities
ADA (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669-4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
AIS (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance
AGRIP (Association of Governmental Risk Pools)	A national organization of JPA’s and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA
ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).

GLOSSARY OF TERMS

ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better
BOD/BD (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE's Liability Program
California State Association of Governments (CSAC)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
California State Association of Governments - Excess Insurance Authority (CSAC-EIA)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
CIC (Certified Insurance Counselor)	an insurance agent professional certification designation
Certified Industrial Hygienist (CIH)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them
Chartered Property Casualty Underwriter (CPCU)	CPCU is a professional designation in property-casualty insurance and risk management

GLOSSARY OF TERMS

Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
Compromise and Release (C&R)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	describe the responsibilities and the obligations of both the insured and the insurance company
Confidence Level (CL)	an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL
Contract	a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration
Contract of Utmost Good Faith	as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims
Certified Safety Professional (CSP)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
California State Association of Counties Excess Insurance Authority (CSAC-EIA)	SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action
Definitions	clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
Difference In Conditions	A specialized property insurance policy written to provide coverage for perils

GLOSSARY OF TERMS

(DIC)	not covered in a standard property policy or in the JPIA’s Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses
Directors and Officers (D&O)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
Date of Loss (DOL)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
Earthquake (EQ)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers’ Liability	Included as part of a worker’s compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits
Employment Practices Liability (EPL)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc
Endorsement	any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
Employment Risk Management Authority (ERMA)	ERMA provides employment practices Liability coverage to SCORE members desiring such coverage
Errors and Omissions Insurance (E&O)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	describe the losses for which the insured is not covered
Executive Committee (EC)	committee within that organization which has the authority to make decisions and ensures that these decisions are carried out
Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL)

GLOSSARY OF TERMS

Exposure	a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage)
Financial Accounting Standards Board (FASB)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission
Fidelity Bonds	Written as financial guarantees of employees' honesty. Personnel with money-handling responsibilities are considered exposures to loss
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds
Generally Accepted Accounting Principles (GAAP)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
Governmental Accounting Standards Board (GASB)	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties)
Hazard	anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard)
Health Insurance Portability and Accountability Act (HIPAA)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure
Incurred But Not Reported (IBNR)	It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
Injury Illness Prevention Program (IIPP)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
Insurance Requirements in Contracts (IRIC)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.
Insurance Services Office, Inc. (ISO)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers

GLOSSARY OF TERMS

Insuring agreements	state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages
Limit	The most that will be paid in a loss
Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning (LRP)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
Loss Adjustment Expense (LAE)	administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
Maximum Medical Improvement (MMI)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
Memorandum of Coverage (MOC)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new)
Morale Hazard	an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs)
Mutual interest company	the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

GLOSSARY OF TERMS

Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	a total contribution for losses less excess insurance costs
Non Vacant land	refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches)
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation
Occurrence	A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in
Peril	Cause of a loss
Permanent and Stationary (P&S)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
Permanent Disability (PD)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached
Personal Protective Equipment (PPE)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury
Physical Hazard	a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps)
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised
Principle of Indemnity	when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less
Property Insurance	This covers the member for damage to its own property, sometimes called first-party coverage
Public Agency Risk Managers Association (PARMA)	A statewide association for risk managers in the public sector. Educational and lobbying activities

GLOSSARY OF TERMS

Public Entity Property Insurance Program (PEPIP)	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association (PRIMA)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes
Pure Risk	involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal
Replacement Cost (RC)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	the chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
Risk and Insurance Management Society (RIMS)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
Self-Insured Retention (SIR)	the maximum amount of exposure to a single loss retained by SCORE

GLOSSARY OF TERMS

Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages
Temporary Disability Benefits (TD)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering
Third Party Administrator (TPA)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits
Total Insured Values (TIV)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss
Terrorism Risk Insurance Act (TRIA)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism.
Vacant land	refers to land that is unoccupied and unused, and/or has no structures on it
Vehicle Identification Number (VIN)	unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833



CERTIFICATE OF LIABILITY COVERAGE REQUEST FORM

DATE: _____

ALLIANT FAX: (916) 643-2750

ATTN: Michelle Minnick

ALLIANT PHONE: (916) 643-2715

FROM: _____

SENDER FAX: _____

CITY: _____

SENDER PHONE: _____

DEPT: _____

CERTIFICATE HOLDER (Person or Entity Requesting the Certificate from the City):

Name: _____

Address: _____

Attention: _____ Phone #: _____

Effective Date(s): _____

Please check the appropriate box:

Coverage Evidence Only:

Additional (Insured) Covered Party: (If this box is checked, please include a complete copy of the contract or agreement specifically requesting additional insured status.)

When does the Contract or Agreement end? _____

LIABILITY LIMITS REQUESTED:

Bodily Injury \$ _____

Physical Damage \$ _____

Combined Single Limit \$ _____

Location, date(s) and description of activities or lease:

Note: The executed contract or lease agreement **must** be included for an Additional Covered Party or Loss Payee request. If the equipment or vehicles are leased or purchased, please provide the year, make, model, serial number and value. The documentation should clearly indicate:

1. That the requested coverage is required
2. The amount of coverage required

Small Cities Organized Risk Effort

Travel Reimbursement Expense Form

Member Representative: _____
Entity: _____
Payee Address: _____

Meeting or Committee: _____
Date of Meeting: _____
Location of Meeting: _____
Total Mileage: _____

Payment Made to:

Signature _____ Date _____