



President
Mr. Wes Heathcock
Town of Loomis

Vice President
Mr. Todd Juhasz
City of Mt. Shasta

Secretary
Ms. Muriel Howarth
City of Mt. Shasta

Treasurer
Mr. Blake Michaelsen
City of Dunsmuir

SMALL CITIES ORGANIZED RISK EFFORT STRATEGIC PLANNING & TRAINING DAY

- | | |
|---|----------------|
| 1 | Attached |
| 2 | Hand Out |
| 3 | Separate Cover |
| 4 | Verbal |

Location: Gaia Hotel
4125 Riverside Place
Anderson, CA 96007

Date: Thursday, October 26, 2023

Time: Breakfast available at 7:30 am
Morning Training to begin at 7:30 am
Long Range Planning to begin at 8:00 am

PAGE

MORNING TRAINING

Time Certain

7:30 am –	SCORE Orientation for New Members	I 2
8:00 am	<i>The Program Administrators will provide an orientation for new members and answer member questions about SCORE programs and services.</i>	

TRAINING AND LONG-RANGE PLANNING

PAGE

	A. CALL TO ORDER – 8:00 am	
8:00 am	B. ROLL CALL	
	C. APPROVAL OF AGENDA AS POSTED	A 1
	D. PUBLIC COMMENTS	
	E. OPENING COMMENTS	
	1. President's Welcome	I 4
	<i>Wes Heathcock will address the Board on items pertaining to SCORE.</i>	
	F. PROGRAM COVERAGE REVIEW	
8:15 am –	1. Excess Liability Program Update	I 2
8:30 am	<i>The Board will receive an update on CJPRMA's financial status and MOC.</i>	
Pg. 4		
8:30 am –	2. Auto Coverage Options – AMVP v. APIP	I 2
9:00 am	<i>The Program Administrators will provide a summary of the auto and mobile equipment physical damage coverage under the Alliant Motor Vehicle Program (AMVP) as compared to the Alliant Property Insurance Program (APIP).</i>	
Pg. 9		
	G. FINANCIAL ITEMS	
9:00 am –	1. Target Funding Benchmarks	I 1
9:30 am	<i>Marcus Beverly will present an overview of SCORE's financial condition relative to the funding benchmarks established by the Board.</i>	
Pg. 10		

9:30 am – 9:50 am Pg. 35	2. Chandler Asset Management Financial Portfolio Review <i>The Board will receive a Financial Portfolio Review from Kara Hooks of Chandler Asset Management.</i>	A 2
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9:50 am – 10:15 am Pg. 86	3. SCORE Investment Policy <i>The Board will review the current investment policy including any recommended changes from Chandler Asset Management and approve or provide direction.</i>	A 1
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10:15 am – 10:30 am	BREAK	
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H. JPA BUSINESS & RISK MANAGEMENT

10:30 am – 11:00 am Pg. 103	1. Best Practices for Workers' Compensation <i>Intercare will provide training regarding the Workers' Compensation claims process and best practices for reducing claim frequency and severity.</i>	I 1
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11:00 am – 11:30 am Pg. 104	2. Subrogation & Liability Claim Management <i>The Board will receive information on subrogation services available through George Hills as well as their best practices for liability claim management.</i>	I 1
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11:30 pm – 1:00 pm Pg. 105	LUNCH PRESENTATION <i>Employment Law Risk Management</i>	I 4
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1:00 pm – 1:45 pm Pg. 106	3. Sewer Operations Risk Management & Response <i>DKF Solutions will provide an overview of best practices for sewer system risk management, including coordinating response to claims with George Hills.</i>	I 4
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1:45 pm – 2:15 pm Pg. 107	4. Underwriting Policy Review – Funding Formula <i>Members will review SCORE's Underwriting Policy and funding process to provide feedback regarding the Policy and process and act to reaffirm or revise.</i>	A 4
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2:15 pm – 2:30 pm	BREAK	
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2:30 pm – 3:00 pm Pg. 111	5. AAATraq Proposal – ADA Risk Control Program <i>The Board will be presented with a proposal for ADA Compliance update software for websites and may consider contracting for services.</i>	A 1
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3:00 pm – 3:30 pm Pg. 116	6. Strategic Planning Objectives Update <i>The latest revisions to SCORE's Strategic Planning Objectives will be reviewed for feedback and direction.</i>	I 2
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3:45 pm – 4:15 pm Pg. 119	7. Wrap-Up <i>Members will provide feedback and direction regarding the day's discussions and preview the items for tomorrow's agenda.</i>	I 1
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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

EXCESS LIABILITY PROGRAM UPDATE

INFORMATION ITEM

ISSUE: SCORE's excess liability coverage provider, the California Joint Powers Risk Management Authority (CJPRMA), is considering an assessment in order to shore up their Net Position deficit. At this point the estimated amount of SCORE's portion of the assessment is \$138,315. Members will likely be given an option to pay over time, though approval of any plan won't take place until CJPRMA's December meeting. The assessment is meant to cover deficits incurred from 2012/13 through 2016/17 and has been reduced by application of the Excess Loss Fund (ELF), extra funding of \$22.5M collected over a ten-year period beginning in 2008. These funds were set aside to apply to unusually large losses.

The expected assessment will not completely eliminate the deficit, though with the more conservative annual funding formula implemented over the last several years the need for further assessments may be eliminated. The CJPRMA Board will continue to review the group's financial condition and decide once the initial round of assessments is complete whether additional assessments are necessary.

As a result of the increased frequency of severe claims and resulting financial deficit in FY 22/23 CJPRMA began adding a surcharge to the funding of any member who has an experience rating above 100%. Attached is the review of the loss histories and impending surcharges for CJPRMA's FY 24/25 funding.

Note SCORE has the highest pure *loss ratio* of any member at 830% but is not subject to a surcharge due to the formula that excludes the highest incurred claim and caps losses at \$2.5M each, resulting in an *experience rating of only 2%*. However, given SCORE's total funding of just over \$1M another claim that exceeds \$1M in the CJPRMA layer will put SCORE's rating in the surcharge range. A member may reduce the surcharge by 50% by moving to the next higher SIR, so that will be a factor in evaluating SCORE's funding going forward. Maintaining the current SIR of \$750,000 and a strong Net Position will give SCORE the ability to move to \$1M and avoid half of any applicable surcharge if needed.

RECOMMENDATION: None – information only

FISCAL IMPACT: To be determined. Expect assessment of \$138,315 to pay over time.

BACKGROUND: The increased frequency of high-value claims, especially for police and dangerous traffic conditions, has greatly increased the cost and limited the capacity for excess liability insurance for public entities across the country and especially in California. The group's excess coverage provider, CJPRMA, took a higher Self-Insured Retention (SIR) beginning in FY 21/22, from \$5M to \$7.5M, due to market pressures. SCORE was forced to increase its SIR from \$500,000 to \$750,000 for FY 22/23 and will review pricing options for a \$1,000,000 SIR for FY 24/25.

ATTACHMENTS: CJPRMA Projected Assessments and Surcharges

Proposed ELF Applied Program Year Deficits by Member						Total	ELF Funds	Equity after Applying ELF
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017			
Alameda \$	(18,496) \$	(194,347) \$	(31,313) \$	(315,815) \$	(500,402) \$	(1,060,373) \$	704,705 \$	(355,668)
Chico \$	(20,865) \$	(124,733) \$	(17,785) \$	(166,707) \$	(314,459) \$	(644,549) \$	421,533 \$	(223,016)
CCCMRMIA								
CSJVRMA								
Fairfield \$	(27,060) \$	(178,605) \$	(27,998) \$	(292,273) \$	(538,073) \$	(1,064,009) \$	634,831 \$	(429,178)
Livermore \$	(18,805) \$	(148,448) \$	(28,209) \$	(280,117) \$	(524,402) \$	(999,981) \$	510,618 \$	(489,363)
LPFD							\$ 39,958	\$ 39,958
Fremont \$	(62,374) \$	(382,703) \$	(56,410) \$	(552,890) \$	(1,099,668) \$	(2,154,045) \$	1,207,648 \$	(946,397)
Lodi \$	(7,286) \$	(109,409) \$	(17,860) \$	(169,813) \$	(327,223) \$	(631,591) \$	383,133 \$	(248,458)
Manteca								
NCCSIF \$	(92,099) \$	(555,812) \$	(94,844) \$	(914,129) \$	(1,679,325) \$	(3,336,209) \$	2,010,025 \$	(1,326,184)
PERMA								
Petaluma \$	(15,902) \$	(104,069) \$	(16,459) \$	(164,851) \$	(291,015) \$	(592,296) \$	360,424 \$	(231,872)
Redding \$	(33,582) \$	(224,577) \$	(36,600) \$	(363,725) \$	(691,511) \$	(1,349,995) \$	761,529 \$	(588,466)
Pomona							\$ 89,969	\$ 89,969
REMIF \$	(66,671) \$	(382,850) \$	(60,672) \$	(590,256) \$	(1,035,865) \$	(2,136,314) \$	1,297,904 \$	(838,410)
Richmond \$	(736,775) \$	(752,826) \$	(154,493) \$	(624,883) \$	(916,553) \$	(3,185,530) \$	1,050,840 \$	(2,134,690)
Roseville \$	(80,685) \$	(358,569) \$	(58,185) \$	(598,284) \$	(1,111,157) \$	(2,206,880) \$	1,201,085 \$	(1,005,795)
San Leandro \$	(28,037) \$	(115,139) \$	(17,920) \$	(181,406) \$	(332,963) \$	(675,465) \$	396,899 \$	(278,566)
San Rafael \$	(13,787) \$	(129,531) \$	(20,878) \$	(211,003) \$	(396,573) \$	(771,772) \$	452,581 \$	(319,191)
Santa Rosa \$	(64,618) \$	(376,579) \$	(59,737) \$	(593,114) \$	(1,101,118) \$	(2,195,166) \$	1,253,786 \$	(941,380)
SCORE \$	(815) \$	(74,041) \$	(11,838) \$	(117,464) \$	(211,909) \$	(416,067) \$	277,752 \$	(138,315)
SBAJPIA								
Stockton \$	(33,569) \$	(321,452) \$	25,882 \$	(447,784) \$	(941,338) \$	(1,718,261) \$	1,504,127 \$	(214,134)
Sunnyvale \$	(43,794) \$	(336,793) \$	(53,929) \$	(543,775) \$	(1,038,209) \$	(2,016,500) \$	1,129,485 \$	(887,015)
Vallejo \$	(20,470) \$	(186,290) \$	(29,591) \$	(294,424) \$	(534,018) \$	(1,064,793) \$	659,462 \$	(405,331)
Vacaville \$	(26,666) \$	(195,146) \$	(30,994) \$	(305,640) \$	(571,175) \$	(1,129,621) \$	680,483 \$	(449,138)
YCPARMIA \$	(95,057) \$	(690,737) \$	(110,714) \$	(1,151,229) \$	(2,233,764) \$	(4,281,501) \$	2,441,777 \$	(1,839,724)
Total \$	(1,507,413) \$	(5,942,656) \$	(910,547) \$	(8,879,582) \$	(16,390,720) \$	(33,630,918) \$	19,470,554 \$	(14,160,364)

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

ITEM: 10	TITLE: APPROVAL OF ANNUAL REVIEW OF MEMBERS LOSS HISTORY AND SURCHARGES
MEETING: 08/17/2023	
GENERAL MANAGER: A.B.G .	

Recommended Actions

The general manager recommends the Board of Directors approve the Annual Review of Members Loss History and Surcharges for Program Year 2024/25.

Strategic Direction

Strategic Goal #1: “Be in a positive net position by June 30, 2025.”

Item Explanation

Board of Directors Policy B25 (Annual Review of Members Loss History) requires an annual review of member loss history that utilizes an eight-year period ending June 30 of the current year. The policy evaluates all members and compares total contributions for the eight-year window and total CJPRMA incurred losses. If a member has a loss ratio that exceeds 100%, the member will be subject to a surcharge in the following program year. Surcharges will be applied according to the table below.

Loss Ratio	Surcharge
101-120%	10%
121-140%	15%
141-160%	20%
161-180%	25%
181+%	30%

The single highest loss in the eight-year period is excluded from the calculation of the loss ratio, and A \$2.5 million cap is applied to all losses. The Member Loss Ratio report for 2015/16 – 2022/23 is attached (Exhibit 1).

Using the policy methodology, five members will be subject to surcharges in 2024/25.

Member	Loss Ratio with \$2.5M Cap	Surcharge
Alameda	200%	30%
NCCSIF	162%	25%
Richmond	172%	25%
San Leandro	326%	30%
Stockton	407%	30%

The policy contains the following language:

If a member is at the highest loss ratio tier (181+%) for consecutive years, the following shall apply:

- *Second year at highest tier: Surcharge increase from 30% to 35%.*
- *Third year at highest tier:*
 - *Surcharge increase from 35% to 40%.*
 - *Mandatory increase to next highest retention.*
 - *Notice of intent sent to member that removal will be suggested the next year if the member continues at the highest tier.*

This is the third year in a row that Stockton has been at the highest tier, so Stockton's surcharge in program year 2024/25 will be 40%. Also, Stockton's retention will increase from \$1,250,000 to \$1,500,000. Finally, the general manager will send a notice of intent to Stockton to inform them that their removal from the pool will be recommended next year if they continue at the highest tier.

The policy also contains this provision:

- *A member can choose to increase its SIR to the next highest retention and will only be responsible for 50% of the surcharge.*
- *A member can choose to increase its SIR two levels and avoid the surcharge completely.*

If any of the members subject to the surcharge choose to increase their SIR, they will be able to reduce their surcharge for program year 2024/25.

Staff recommends that the Board of Directors approve the review of member loss history and the surcharges for program year 2024/25.

Fiscal Impact

The estimated total cost of surcharges to the affected members is \$3.5 million - \$5 million. The low end of the estimate is based on all members other than Stockton increasing their retention one level to get a 50 percent reduction of the surcharge. Stockton is moving to a 40% surcharge and automatically moving to the next highest retention per the policy. The high end of the estimate is based on no members increasing retention. The real impact will be determined by the actual cost of contributions and reinsurance premium next program year.

The total surcharge for program year 2023/24 was \$2,870,653.44. The total surcharge for program year 2022/23 was \$1,580,401.

Exhibits

1. Member Loss History PY 15/16 – 22/23

Member Loss Ratios 8-Year Period PY 2015/16 - PY 2022/23

	Total Funding	Total Funding %	Total Losses	# of Losses	Experience Rating	Losses Capped at \$2.5mm	Experience Rating with \$2.5 Cap
Alameda	2,502,379	4%	11,698,198	3	467%	5,000,000	200%
Chico	1,321,649	2%	161,000	1	12%	-	0%
Fairfield	2,388,663	4%	1,689,753	6	71%	1,026,100	43%
Fremont	4,778,419	7%	10,331,010	3	216%	2,834,344	59%
LPFD	722,483	1%	-	1	0%	-	0%
Livermore	1,907,683	3%	4,306,800	4	226%	1,399,864	73%
Lodi	1,356,953	2%	-	0	0%	-	0%
NCCSIF	7,630,956	12%	33,236,026	10	436%	12,353,282	162%
Petaluma	1,402,727	2%	2,307,526	2	165%	711,000	51%
Redding	3,038,173	5%	2,830,815	7	93%	1,590,298	52%
Richmond	3,748,110	6%	7,483,610	12	200%	6,433,610	172%
Roseville	4,458,261	7%	1,528,102	4	34%	883,051	20%
San Leandro	1,433,940	2%	8,574,212	6	598%	4,674,770	326%
San Rafael	1,642,808	3%	1,166,370	3	71%	416,187	25%
Santa Rosa	4,476,595	7%	2,373,985	3	53%	362,487	8%
SCORE	1,001,255	2%	8,309,243	5	830%	298,243	30%
Stockton	5,066,390	8%	27,999,146	16	553%	20,631,766	407%
Sunnyvale	4,148,122	6%	243,000	3	6%	141,000	3%
Vacaville	2,474,519	4%	2,101,599	3	85%	796,599	32%
YCPARMIA	9,504,623	15%	14,783,144	6	156%	8,013,144	84%
Total	65,004,708	100%	141,123,540	98	217%	67,565,746	104%

AUTO COVERAGE OPTIONS AMVP v. APIP

INFORMATION ITEM

ISSUE: Members will receive an overview of the two main options for insuring loss from physical damage to their autos and equipment, the Alliant Motor Vehicle Program (AMVP) and the Alliant Property Insurance Program (APIP).

Each program offers options that, combined, provide a range of deductible and valuation options, including deductibles as low as \$1,000 and replacement cost for older vehicles.

RECOMMENDATION: Information - annually review your list of autos and equipment to adjust values as needed and confirm choices for Replacement Cost Value (RCV) and Actual Cash Value (ACV) valuations.

FISCAL IMPACT: None expected – information only.

BACKGROUND: Some SCORE members have been insuring their vehicles through the Alliant Motor Vehicle Program (AMVP), which is a standalone insured program designed specifically for vehicle coverage. It offers Replacement Cost coverage for vehicles 3 years old and newer, and Actual Cash Value coverage for older vehicles. Within the program, Members can select different retention options from \$1,000 to \$100,000.

SCORE members could also cover their vehicles through the Alliant Property Insurance Program (APIP), which is SCORE's property insurer. The APIP program can offer Replacement Cost (RC) or Actual Cash Value (ACV) coverage, depending on member reporting. If the values of 'cost new' are provided, members can have RC coverage for any age vehicle (i.e. 'new' for 'old'). If depreciated or purchase price is provided, members receive ACV.

ATTACHMENTS: AMVP v. APIP Coverage Options presentation - handout

TARGET FUNDING BENCHMARKS

INFORMATION ITEM

ISSUE: Marcus Beverly will present the annual review of SCORE’s financial condition as of 6/30/23 compared to the benchmarks used to guide Board decisions regarding funding, refunds, and assessments.

RECOMMENDATION: None.

FISCAL IMPACT: None expected – information only.

BACKGROUND: SCORE maintains a Target Funding Policy to guide the Board of Directors in making annual funding, dividend and assessment decisions for the Banking Layer and Shared Risk Layers, per the Master Plan Document for each Coverage Program. The Policy was last updated on 10/23/20 due to changes in the Dividend and Assessment Plan (DAP).

ATTACHMENTS: Target Benchmark Presentation



Small Cities Organized Risk Effort (SCORE)

Target Funding Benchmarks

PRESENTED BY:

MARCUS BEVERLY

ALLIANT INSURANCE SERVICES

OCTOBER 26, 2023



Outline

Funding Policy – Purpose & Definitions

Benchmarks – Key Risk Exposures

- Large Losses
- Reserving Errors
- Pricing Errors

Trends & Takeaways

Target Funding Policy - Purpose

Guidance for Board in development of annual funding, dividend and assessment decisions

Provide benchmarks to *measure and maintain* the pool's *financial stability*

Expose deteriorating experience and *react to minimize adverse impact* on the pool

Definitions

Net Deposit (ND) - total annual “premium” less excess insurance costs.

Self Insured Retention (SIR) - the maximum amount of exposure to a single loss retained by SCORE.

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 certainty the actuary has that losses will not exceed the dollar value used to attain the CL. An estimate at the 70% CL means that in 7 of 10 years the amount will be at least enough to pay all applicable claims.

Net Position (NP) (Equity, Surplus or Net Assets) - Total Assets less Expected Liabilities.

Expected Liabilities (EL) – Outstanding Reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense (LAE), discounted, at the “Expected” CL (approx. 55% CL).

Benchmarks Measure Exposure To:

Large Losses – Net Position (NP) to SIR

Reserving Errors – Expected Liabilities (EL) to NP

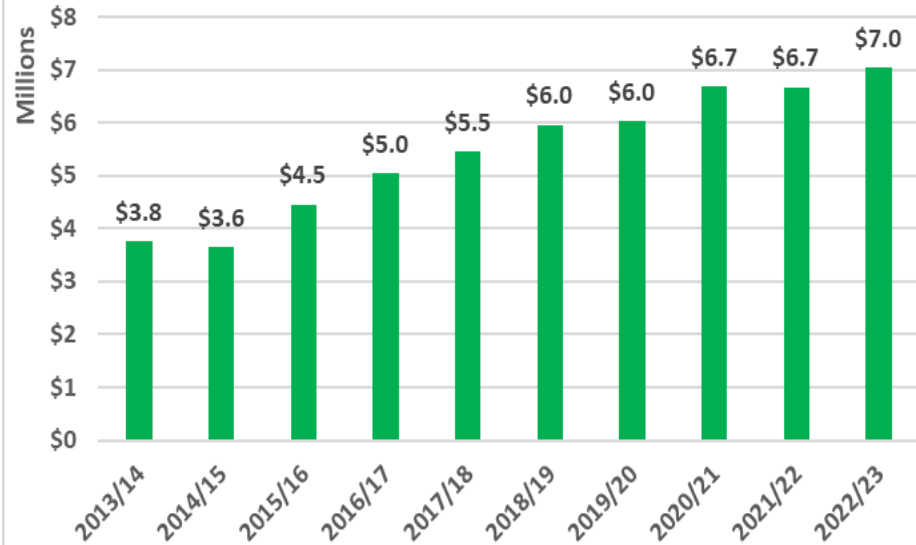
Pricing Errors – Net Deposits (ND) to NP

Also measure *yearly changes & trends* in

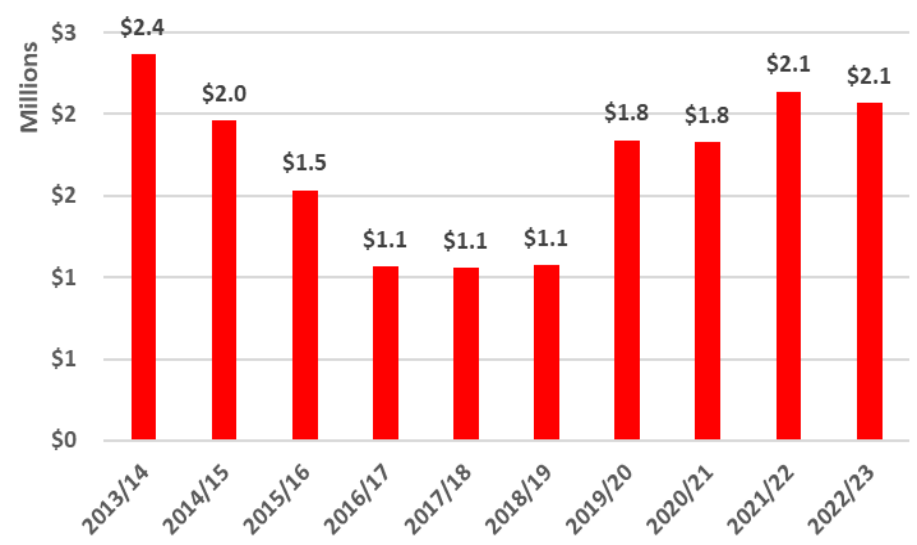
Net Position, Liabilities, and Deposits

Financials For Liability Analysis

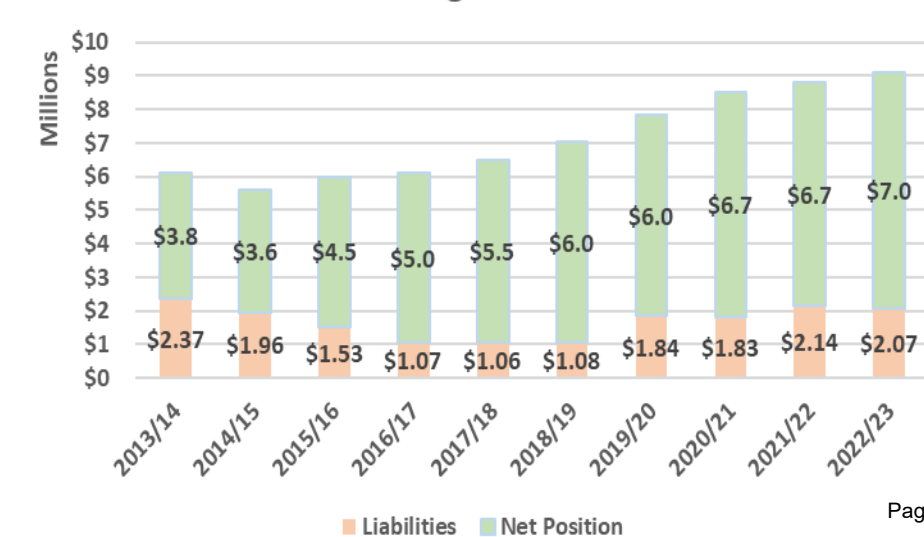
SCORE Liability Program Net Position



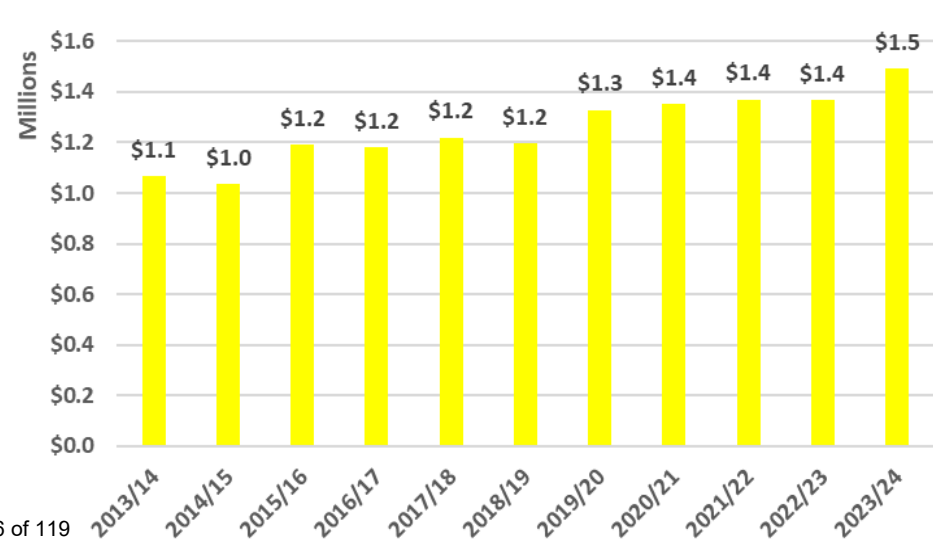
SCORE Liability Program Expected Liabilities



SCORE GL Program Total Assets

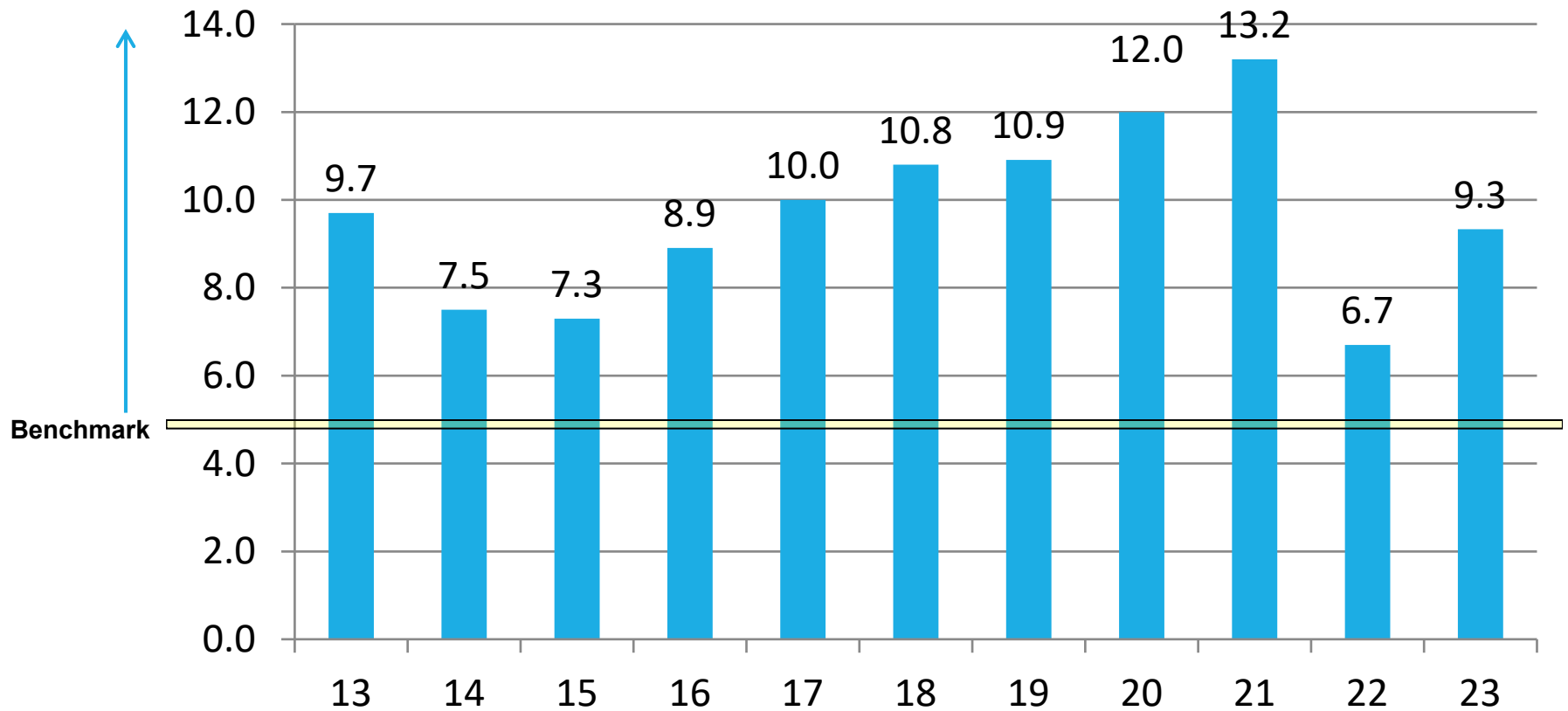


SCORE Liability Program Net Deposit



Net Position to SIR – Liability

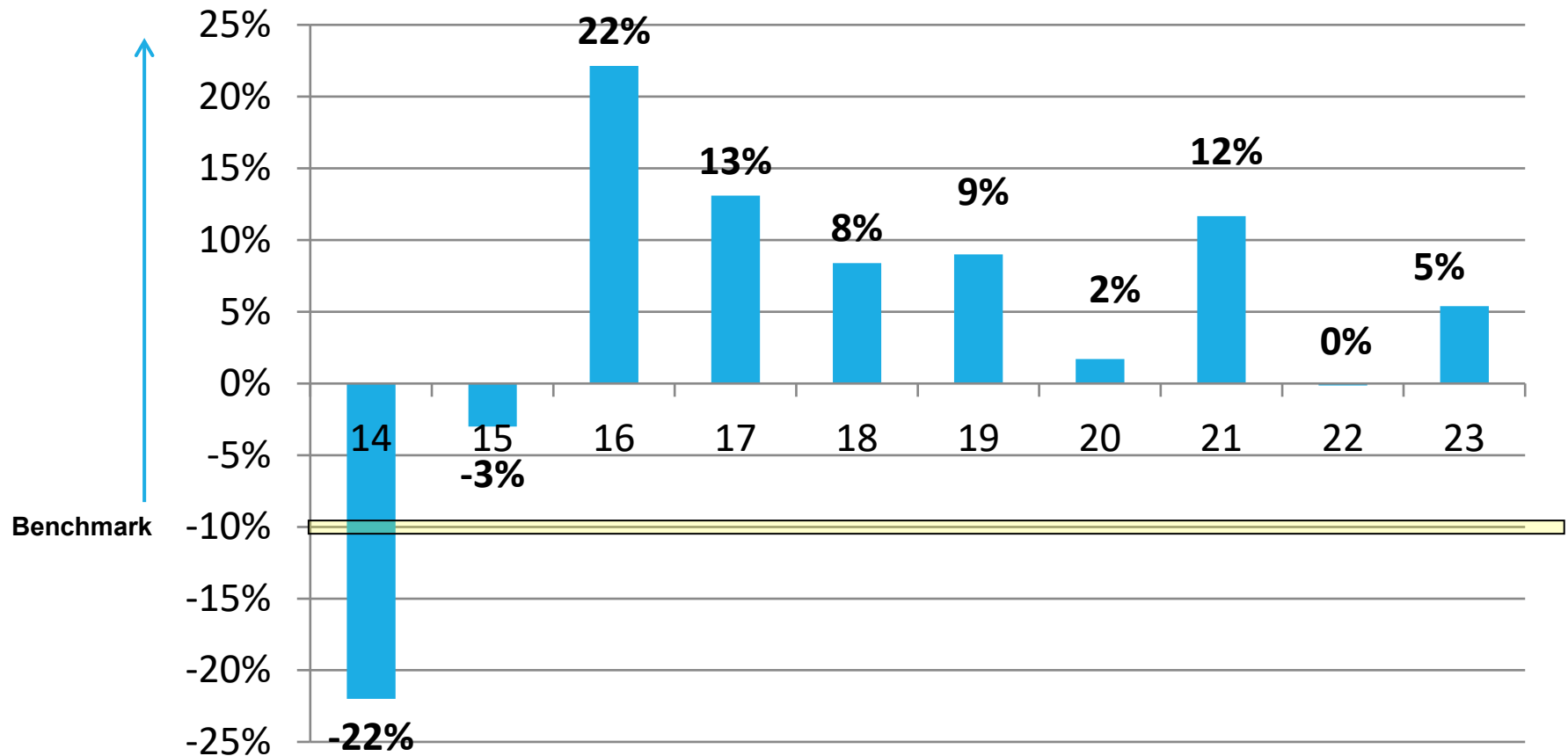
Benchmark $\geq 5:1$ SIR = \$750,000



SIR was \$500K, beginning 2022 & 2023 = \$750K SIR

Change in Net Position – Liability

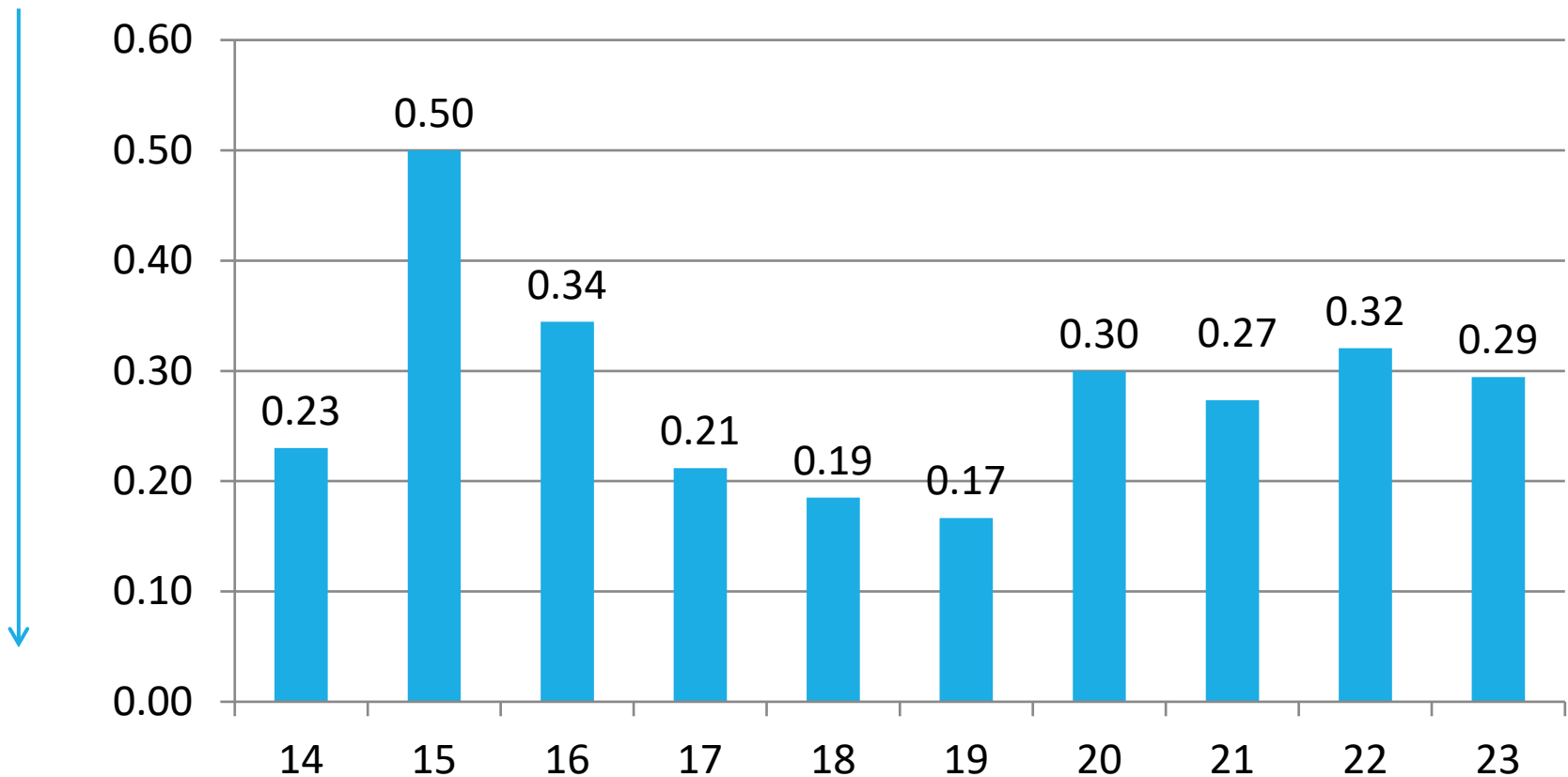
Benchmark $\geq -10\%$



Expected Liabilities to NP – Liability

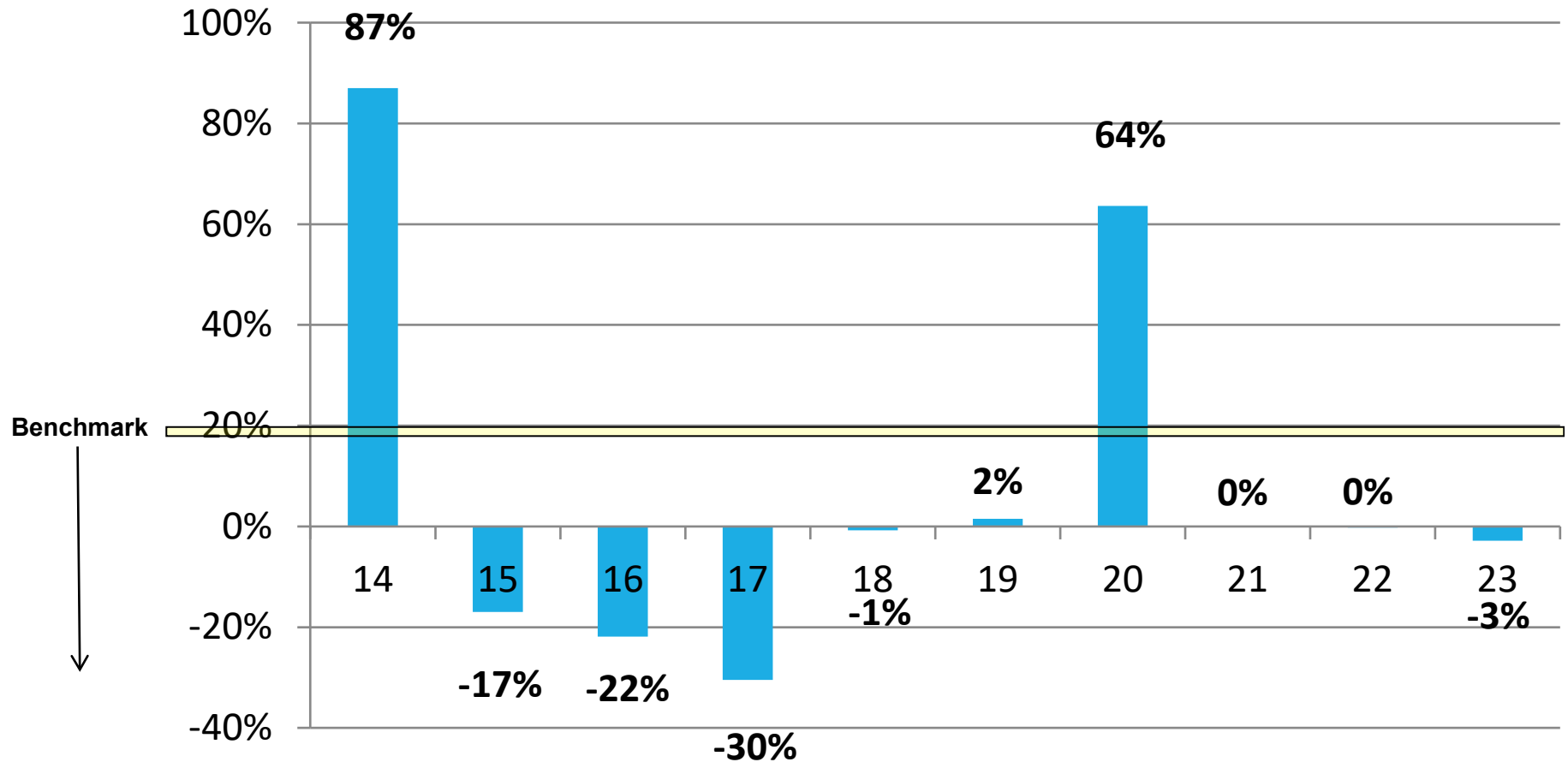
Benchmark $\leq 1.5:1$

Benchmark 1.5



Change in Liabilities – Liability

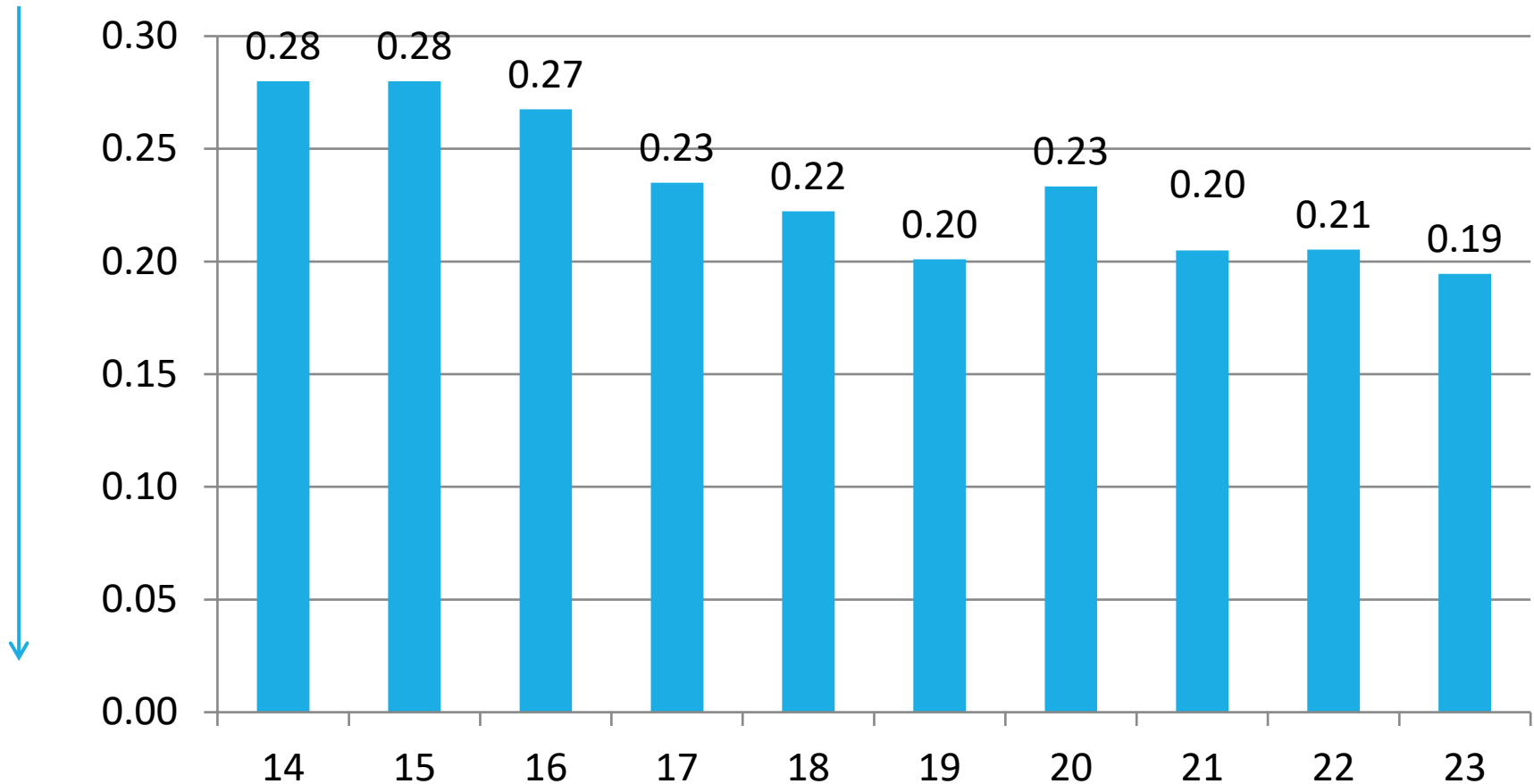
Benchmark $\leq 20\%$



Net Deposit to NP - Liability

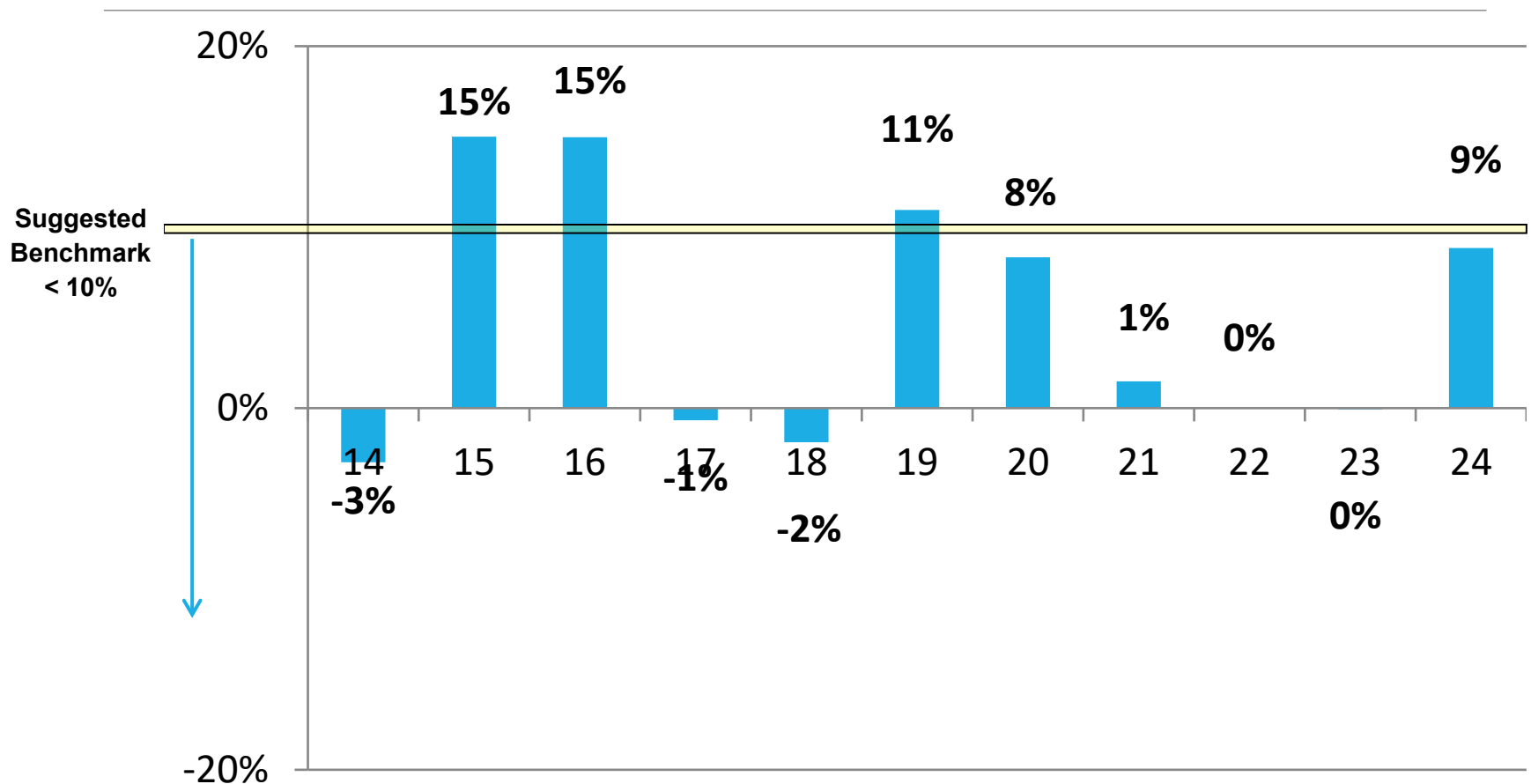
Benchmark $\leq 1:1$

Benchmark 1.0



Change in Net Deposit – Liability

No Benchmark Set



Summary of Liability Program & Trends

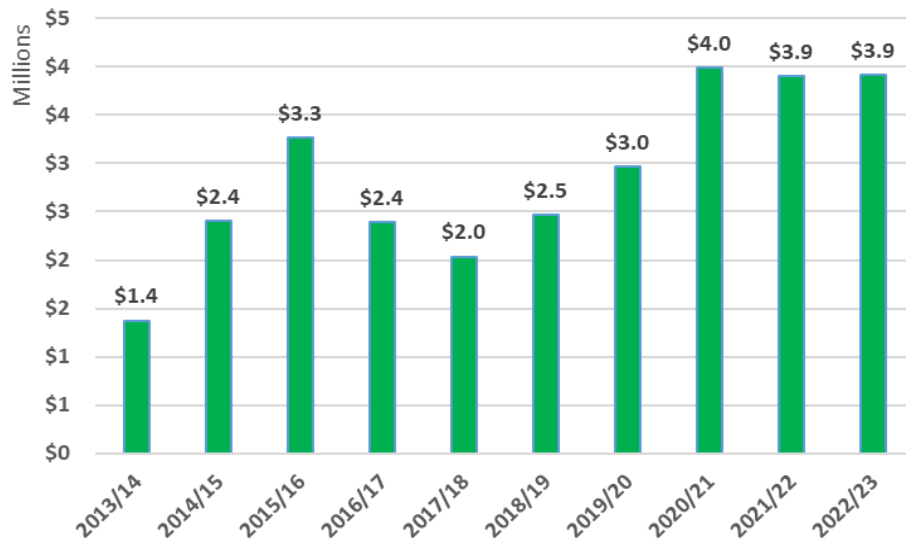
Results improving and within benchmarks with steady increase in Net Position to \$7M despite steep increase in Liabilities in FY 19/20 to \$1.8 that remains at \$2.1M

Able to absorb potential increase in SIR to \$1M and maintain NP:SIR ratio above target at 7:1.

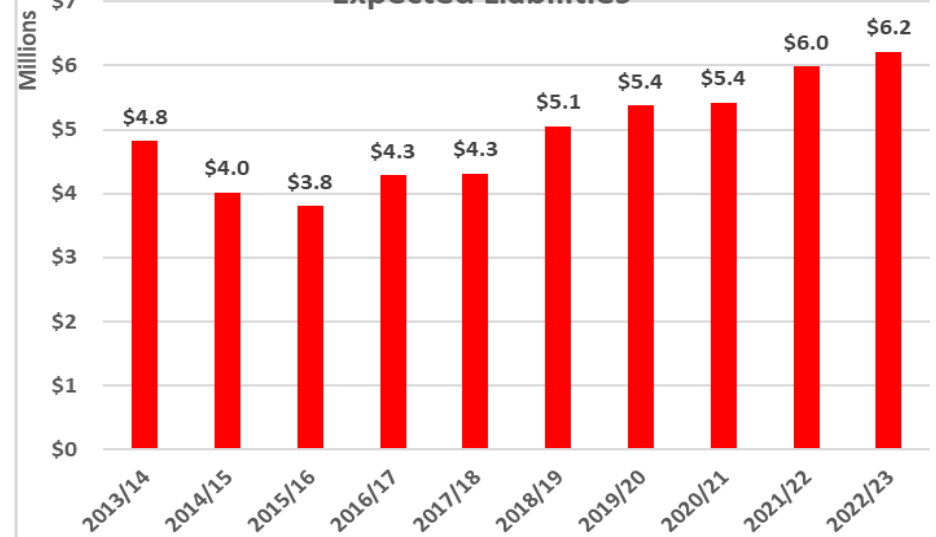
Increased volatility, higher settlement values, and potentially higher SIR are causes to maintain a conservative approach until (if?) the trends change.

Financials For Work Comp Analysis

SCORE Work Comp Program Net Position



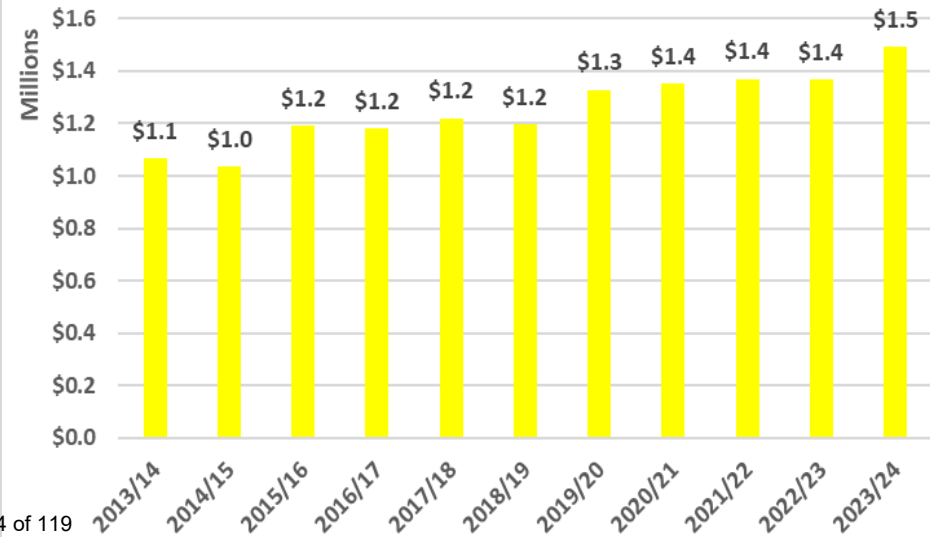
SCORE Work Comp Program Expected Liabilities



SCORE Work Comp Program Total Assets

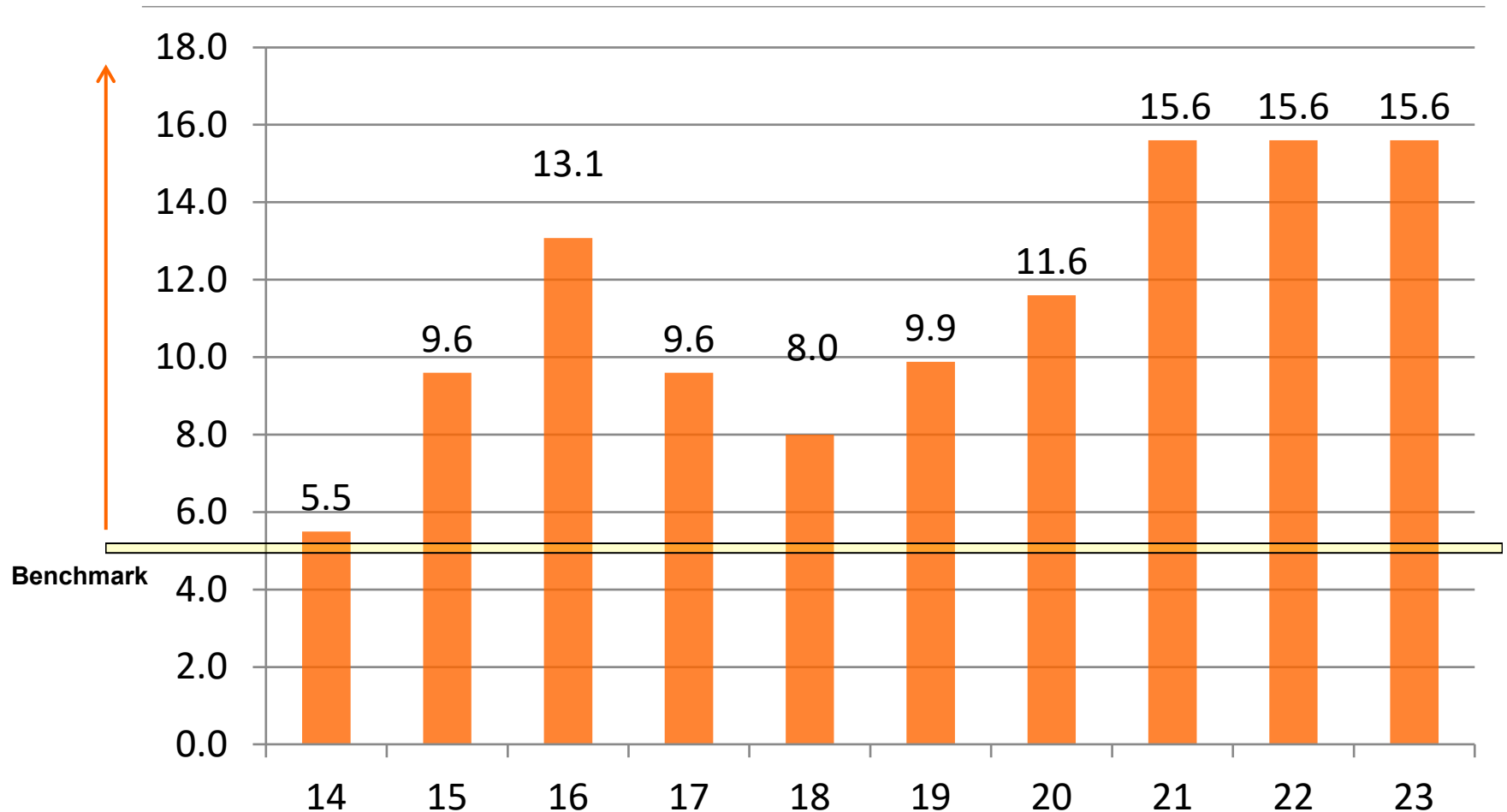


SCORE Liability Program Net Deposit



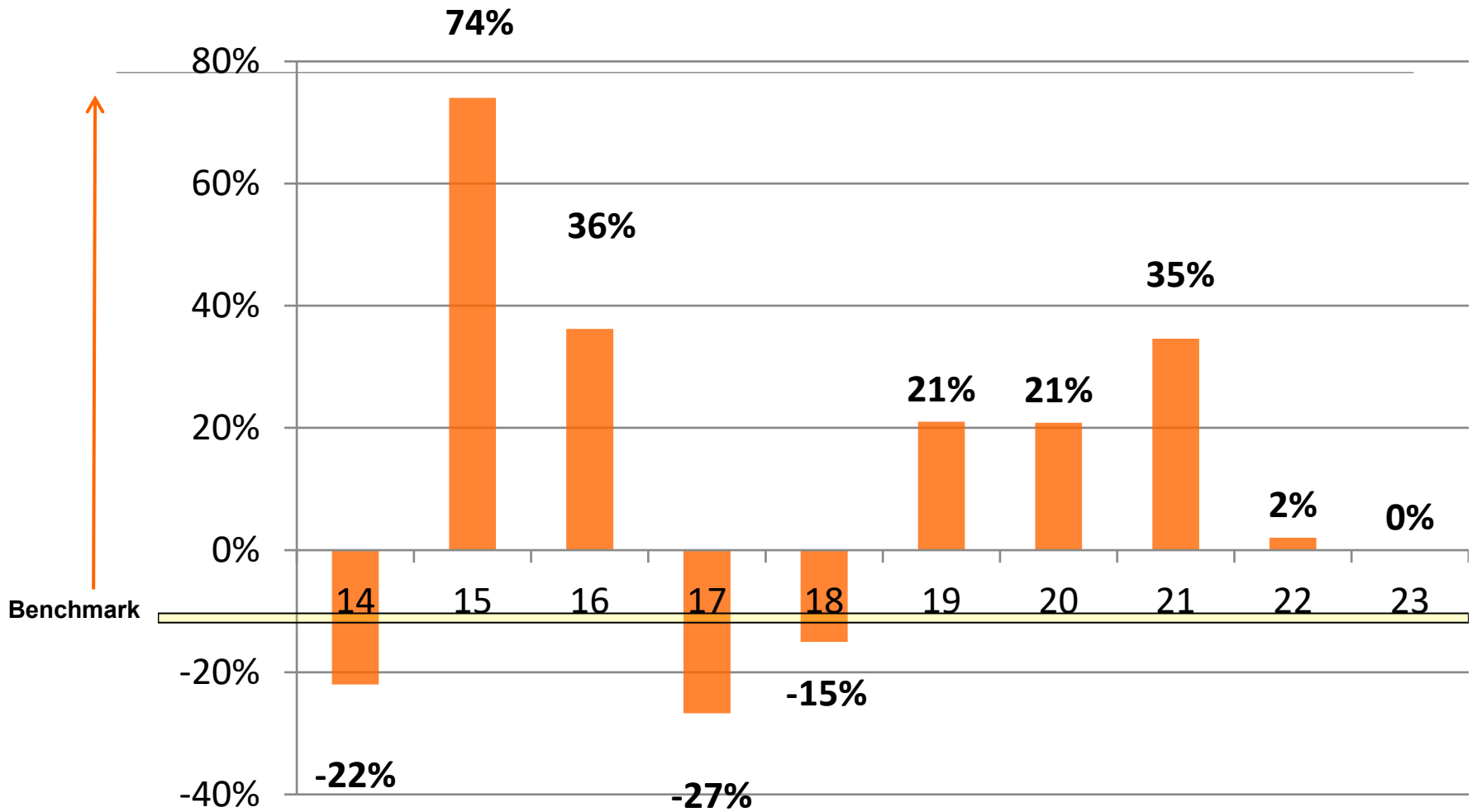
Net Position to SIR – Work Comp

Benchmark $\geq 5:1$ SIR = \$250,000



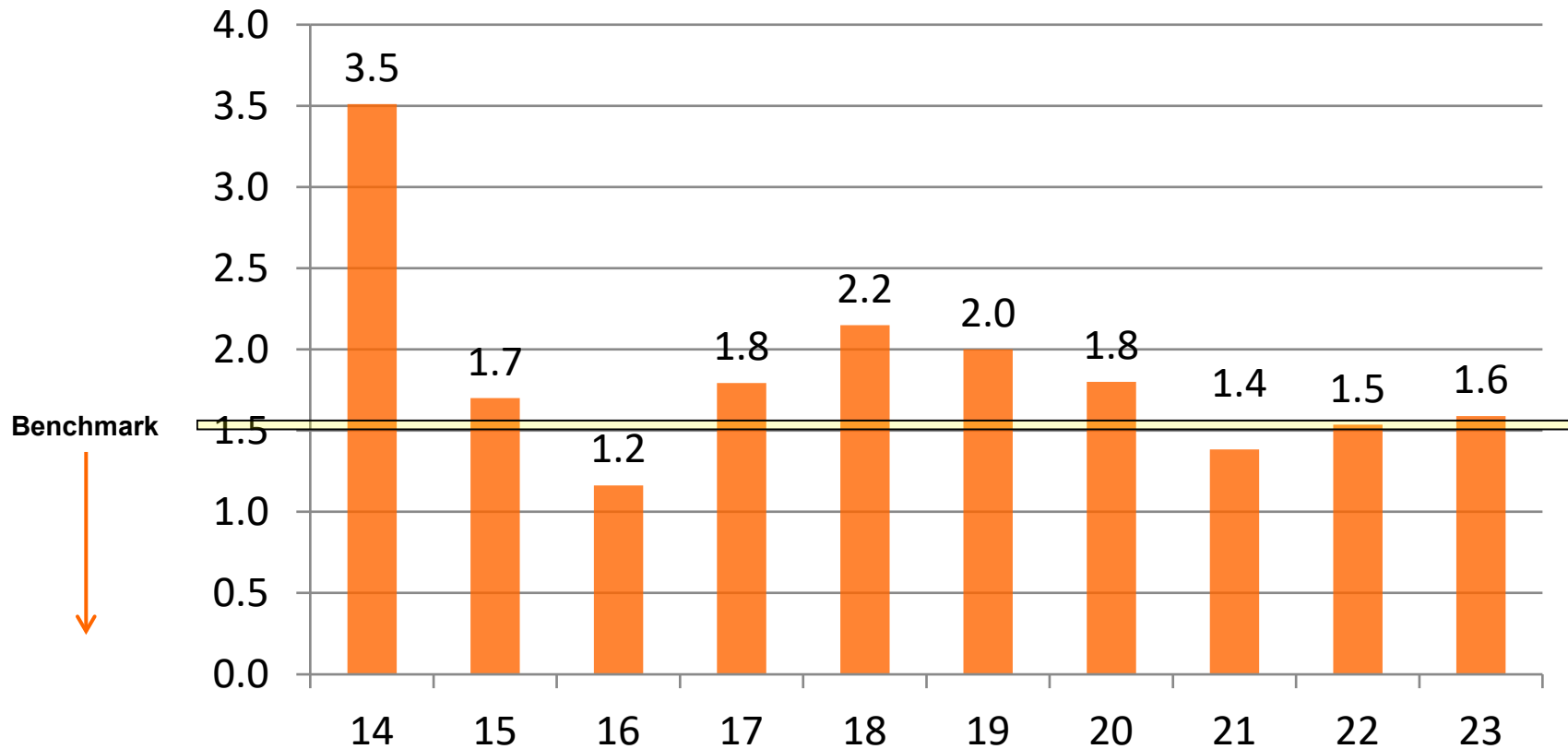
Change in Net Position – Work Comp

Benchmark $\geq -10\%$



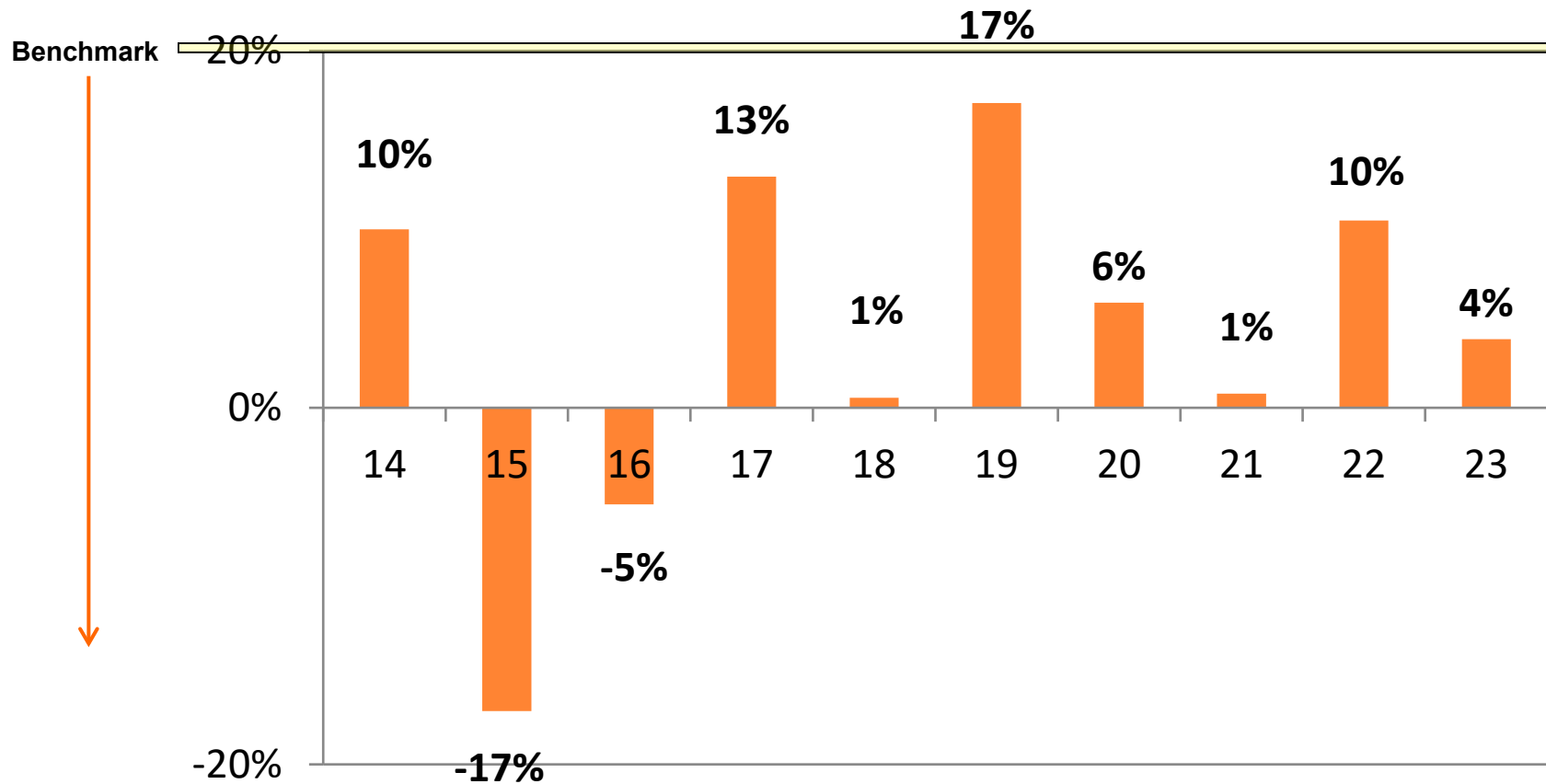
Expected Liabilities to NP – WC

Benchmark $\leq 1.5:1$



Change in Liabilities – Work Comp

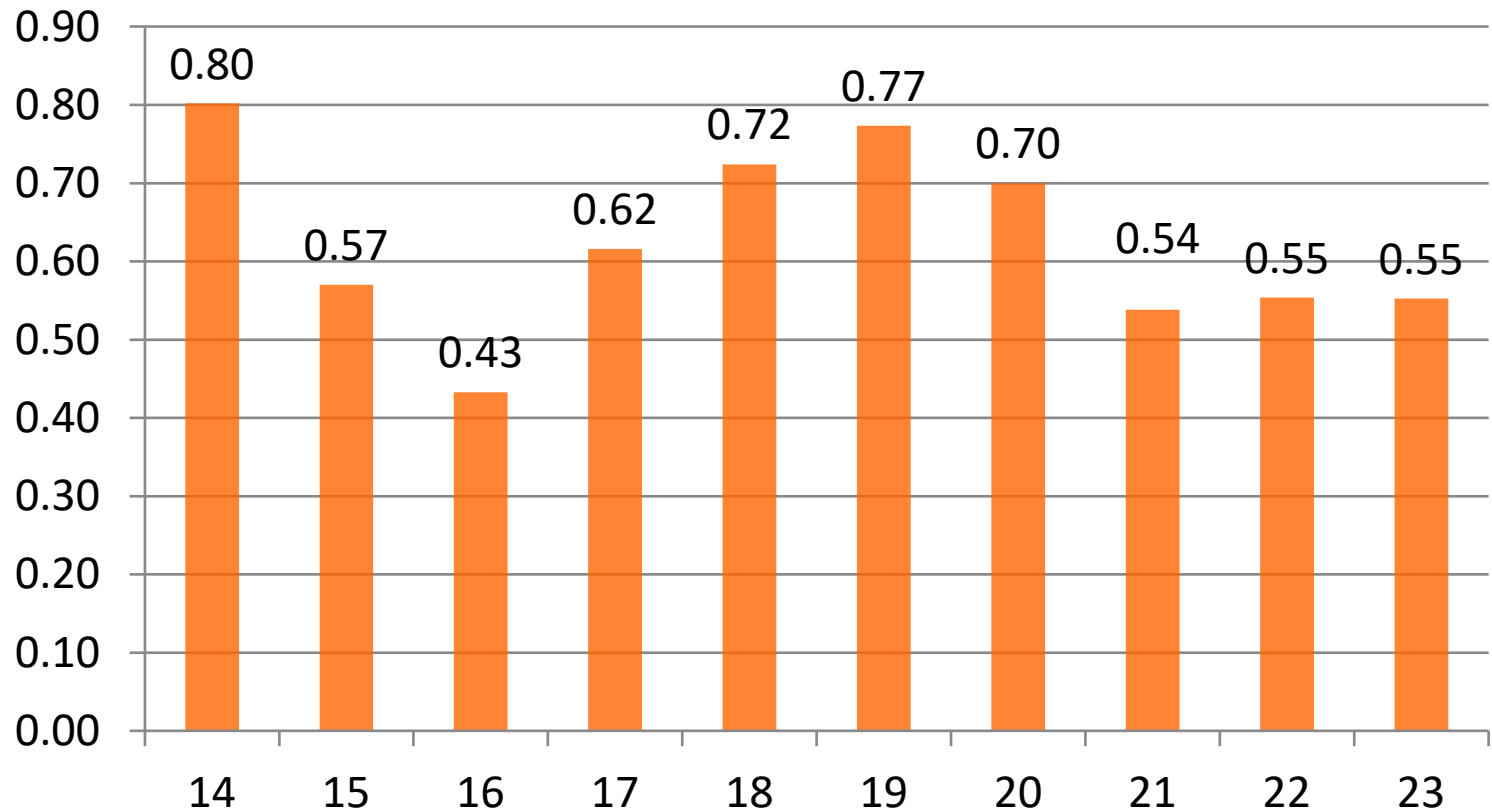
Benchmark $\leq 20\%$



Net Deposit to NP - Work Comp

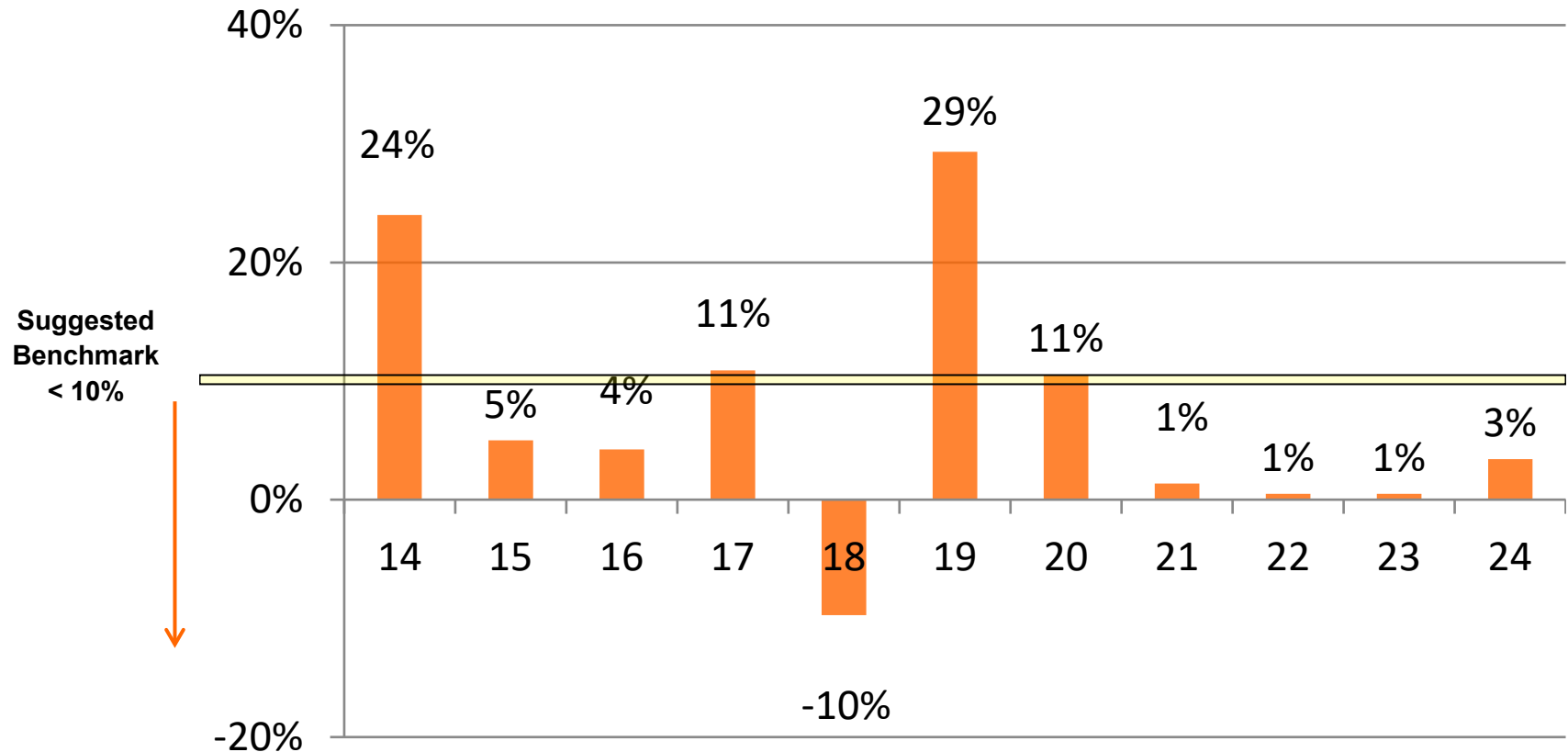
Benchmark $\leq 1:1$

Benchmark



Change in Net Deposit - Work Comp

No Benchmark Set



Summary of Work Comp Programs & Trends

Maintaining results within benchmarks with steady Net Position and Net Funding, though increase in Liabilities last two years signals an inflationary trend.

Will put pressure on Net Deposit in addition to increased benefits and public safety presumptions.

Maintain conservative funding approach to be prepared for increasing severity from presumptions, cumulative injuries, stress, etc.

Annual Funding Levels

LIABILITY

Program Year	Funding Confidence
2023-2024	75%
2022-23	75%
2021-22	75%
2020-21	75%
2019-20	75%
2018-19	70%
2017-18	70%
2016-17	70%
2015-16	70%

WORKERS' COMP

Program Year	Funding Confidence
2023-24	80%
2022-23	80%
2021-22	80%
2020-21	80%
2019-20	80%
2018-19	75%
2017-18	75%
2016-17	75%
2015-16	70%

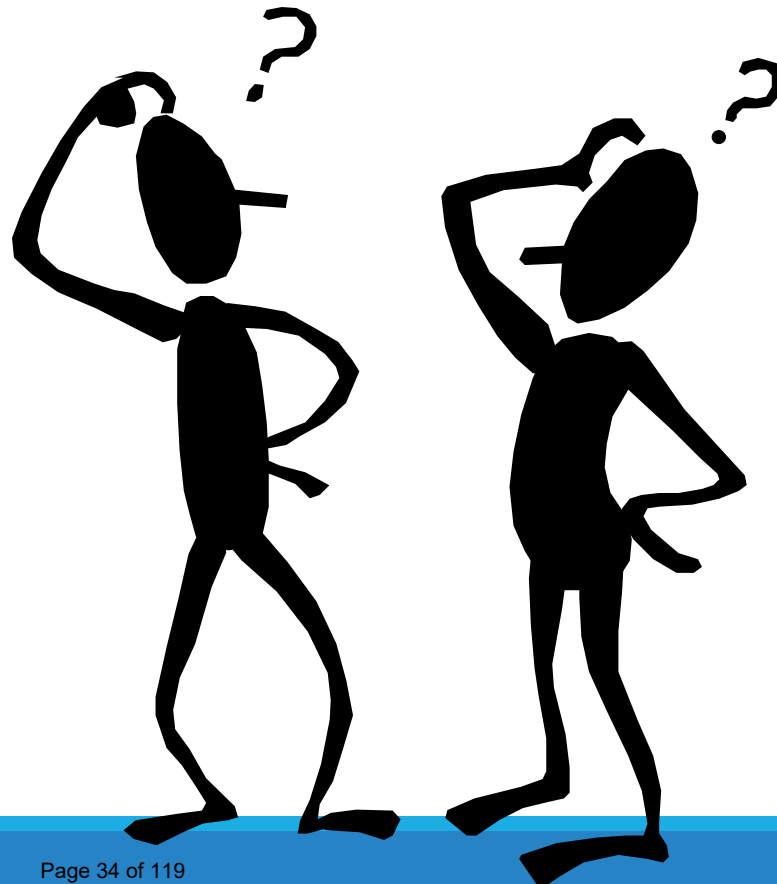
Conclusion

SCORE is well-funded to meet its future claims liabilities and the margin for error continues to improve for both programs with stable annual funding and Net Positions.

The programs will continue to be closely monitored to anticipate and mitigate any negative trends.

The increase in SCORE's SIR, social inflation, and increasing Work Comp benefits will put added pressure on maintaining adequate funding and reserves.

Any Questions?



CHANDLER ASSET MANAGEMENT FINANCIAL PORTFOLIO REVIEW

ACTION ITEM

ISSUE: Kara Hooks, of Chandler Asset Management will be in attendance to provide the Board with a presentation of SCORE's investment portfolio and an overview of how the current economic climate will impact future investment returns.

RECOMMENDATION: Review, accept and file the report provided by Chandler Asset Management. If any recommendations are made to move funds, the board make act or provide direction.

FISCAL IMPACT: The financial impact cannot be determined at this time, the Board may take action to move assets to gain safety, liquidity, or maximum returns.

BACKGROUND: Chandler Asset Management has been serving as SCORE's investment manager since 2006. An Associate attends a Board of Directors meeting annually to provide a report on how the JPA's investment portfolio is performing and a general economic forecast.

ATTACHMENTS: Chandler Asset Management Presentation

Small Cities Organized Risk Effort

Period Ending September 30, 2023

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com

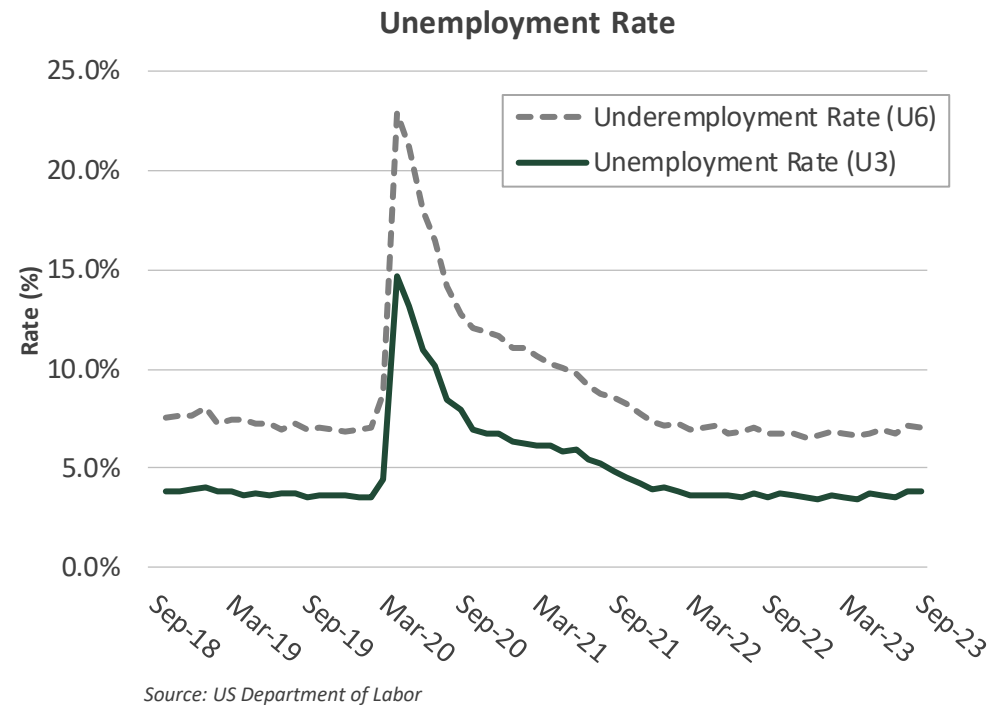
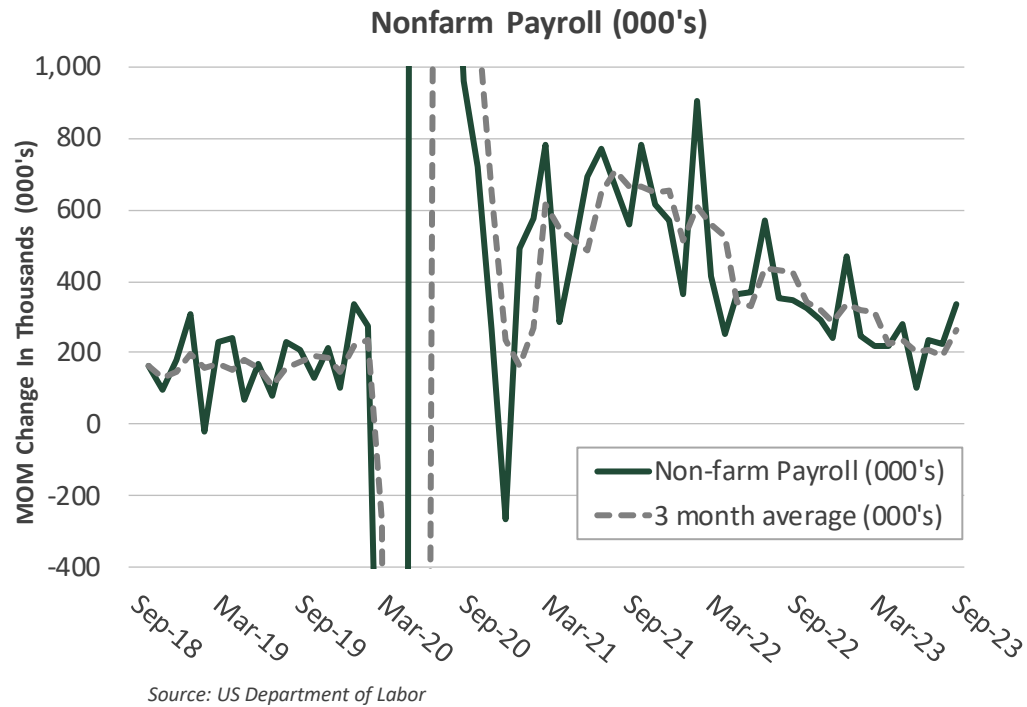
SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Consolidated Information
SECTION 4	Portfolio Holdings
SECTION 5	Transactions

Section 1 | Economic Update

Economic Update

- Recent economic data continues to suggest positive but below trend growth this year. Labor markets remain solid, and the U.S. consumer has demonstrated resiliency. Inflationary trends are subsiding, but core levels remain well above the Fed's target. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will remain data dependent as they tread cautiously going forward.
- As anticipated at the September meeting, the Federal Open Market Committee voted unanimously to maintain the target Federal Funds at the range of 5.25 - 5.50%. The Fed's Summary of Economic Projections (SEP) also revealed expectations of higher economic growth, reduced unemployment, and a gradual easing of inflation compared to earlier forecasts. The Fed is continuing to focus on achieving price stability and bringing inflation down toward their 2% policy objective, while leaving the option open for the possibility of additional rate hikes in the future if needed.
- The yield curve remained inverted in September. The 2-year Treasury yield increased 18 basis points to 5.05%, the 5-year Treasury yield rose 36 basis points to 4.61%, and the 10-year Treasury yield increased 46 basis points to 4.57%. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -48 basis points at September month-end versus -76 basis points at August month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -45 basis points. The inversion between 3-month and 10-year Treasuries narrowed to -88 basis points in September from -134 basis points in August. The shape of the yield curve indicates that the probability of recession persists.

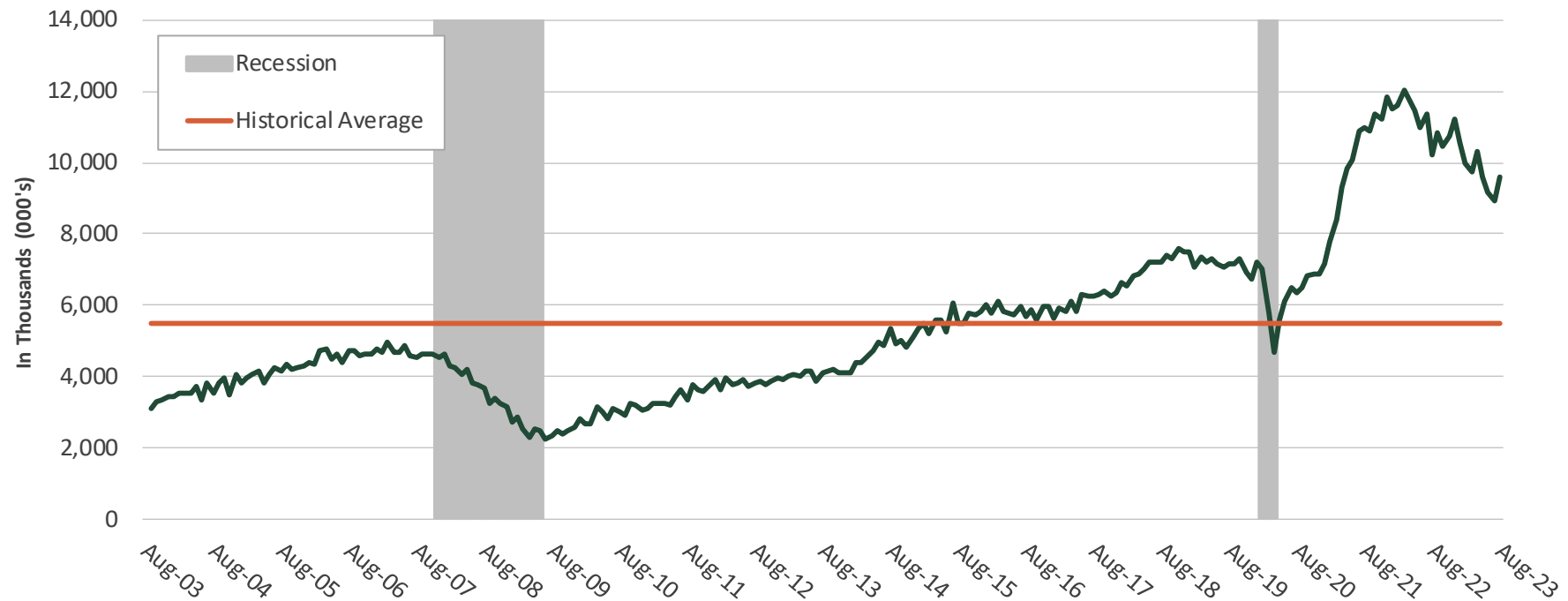
Employment



The U.S. economy added 336,000 jobs in September, exceeding consensus expectations of 170,000, and the last two months were revised upward by 119,000 jobs. The largest gains came from leisure and hospitality, bringing restaurant and bar employment back in-line with pre-pandemic levels. The pace of job growth has picked up recently, with the three-month moving average payrolls at 266,000 and the six-month moving average at 234,000. The unemployment rate was unchanged at 3.8%, and the labor participation rate was consistent with last month's report at 62.8%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined slightly to 7.0% from the prior month at 7.1%. Average hourly earnings declined to 4.2% year-over-year in September from 4.3% in August. Employment remains strong by historical standards.

Job Openings & Labor Turnover Survey

Job Openings

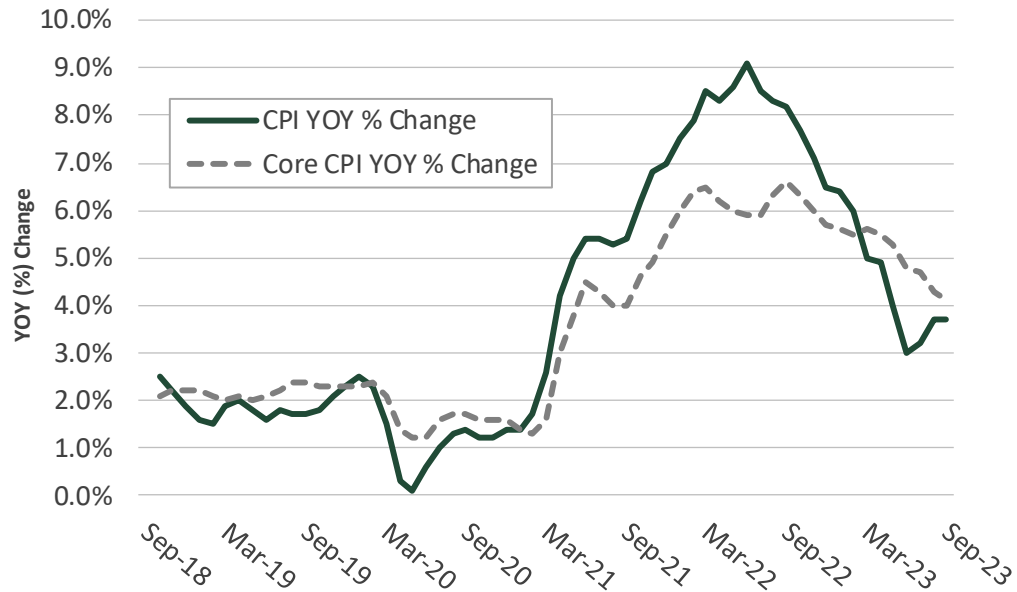


Source: US Department of Labor

The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) unexpectedly increased to 9.61 million in August from a revised 8.92 million in July. The level significantly surpassed the survey of Bloomberg economists' expectations of 8.82 million and reflects approximately 1.5 job openings per available worker. Although JOLTS was an upside surprise, the quits rate remained at a benign 2.3% for August, well below its 3.0% peak in April 2022. Fewer quits can imply that workers are less confident in their ability to find another job in the current market. The current level of job openings remains elevated from a historical perspective.

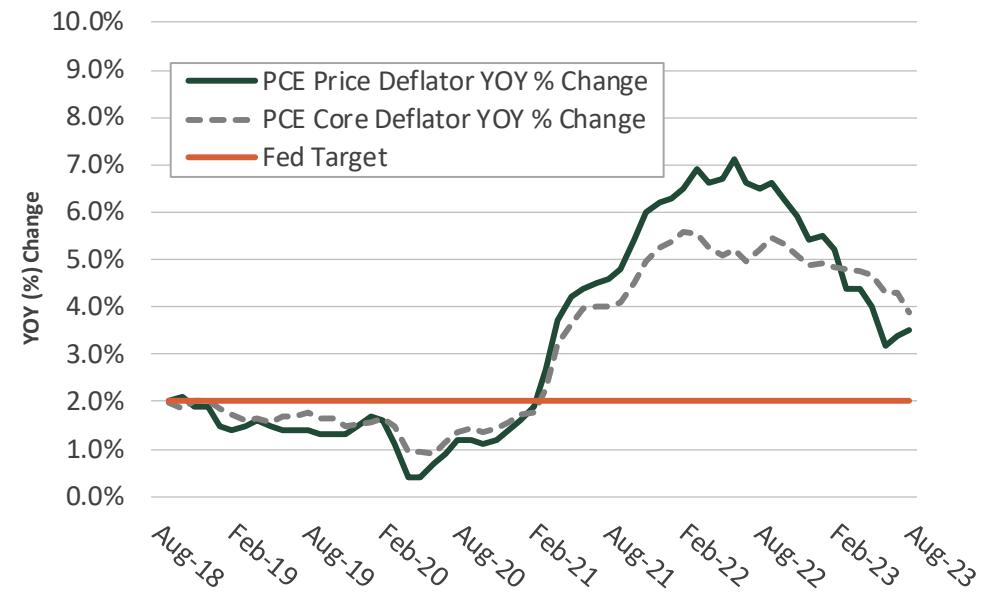
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

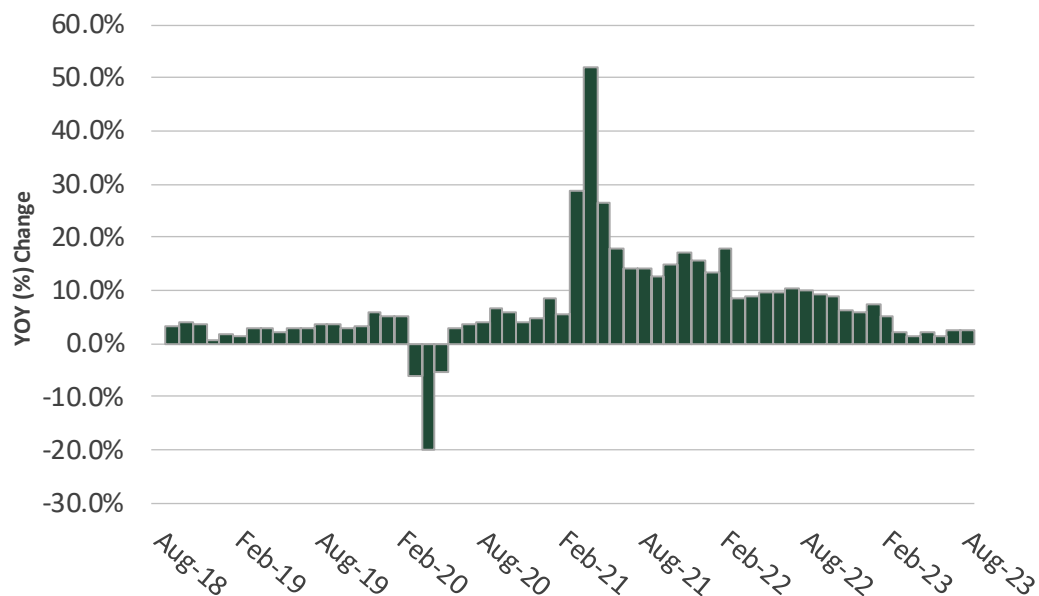


Source: US Department of Commerce

The Consumer Price Index (CPI) increased in September by 0.4% month-over-month and 3.7% year-over-year, slightly higher than expected. Gains in shelter and energy costs accounted for a large part of the monthly increase. The Core CPI, which excludes volatile food and energy components, was up 0.3% month-over-month and 4.1% year-over-year, decelerating from 4.3% last month. The Personal Consumption Expenditures (PCE) index rose 0.4% month-over-month and 3.5% year-over-year in August, up from a 3.4% year-over-year gain in July. Core PCE, the Federal Reserve's preferred inflation gauge, increased just 0.1% month-over-month and 3.9% year-over-year in August, down from a 4.3% increase in July. Personal income and spending remained relatively healthy, but the personal savings rate continued its declining trend to 3.9% in August from 4.1% in July. Inflation remains above the Fed's 2% target.

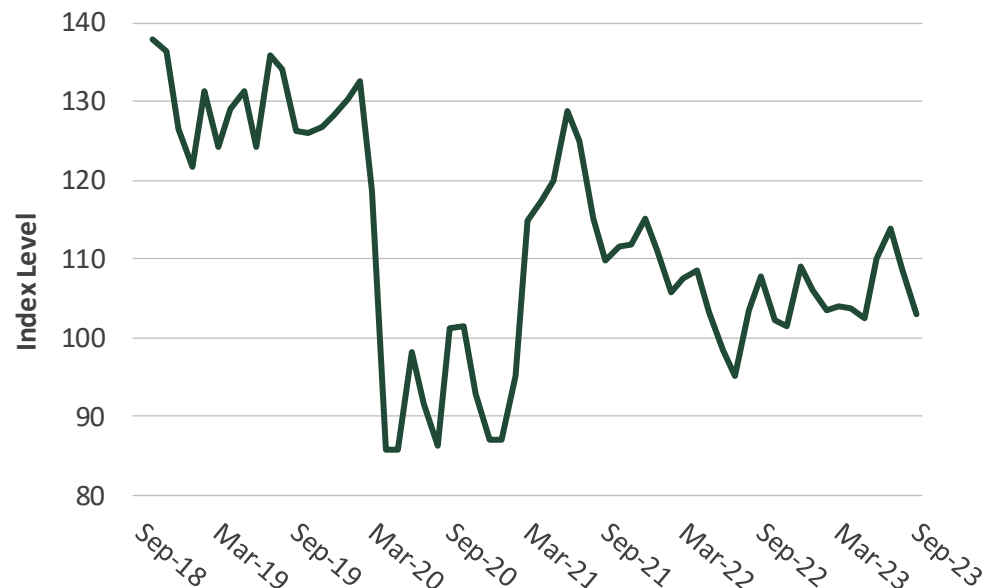
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

Consumer Confidence

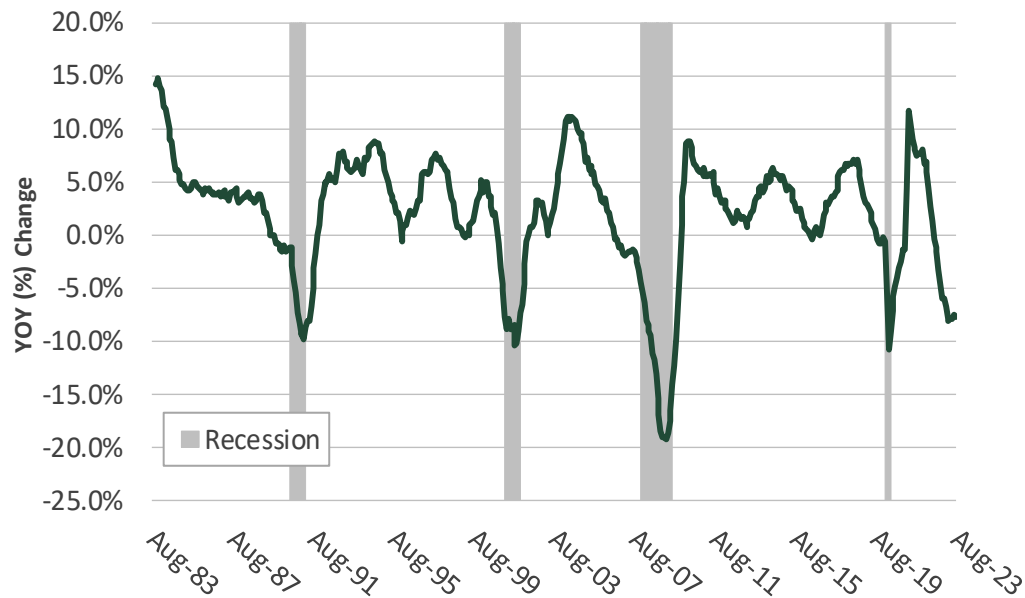


Source: The Conference Board

Retail Sales rose 0.6% in August, exceeding the consensus forecast. Sales of motor vehicles and higher gasoline prices drove greater than expected gains. However, Control Group Sales, which are used to calculate gross domestic product and exclude food services, auto dealers, building materials stores and gasoline stations, rose just 0.1%, the smallest advance in five months. On a year-over-year basis, retail sales growth decelerated to a 2.5% gain in August versus a downwardly revised 2.6% gain in July. The Conference Board's Consumer Confidence Index dropped more than expected to 103.0 in September from an upwardly revised 108.7 in August, primarily due to significantly weaker future expectations for employment. While the consumer has been resilient, dwindling excess savings, rising credit card balances, and the resumption of student loan payments pose potential headwinds to future economic growth.

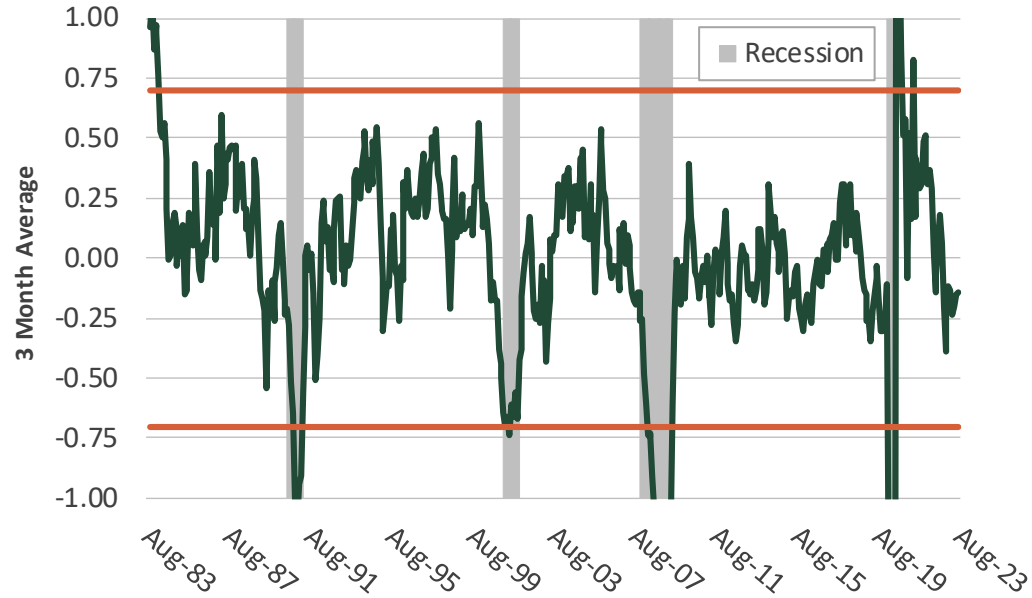
Leading Indicators of Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

Chicago Fed National Activity Index (CFNAI)

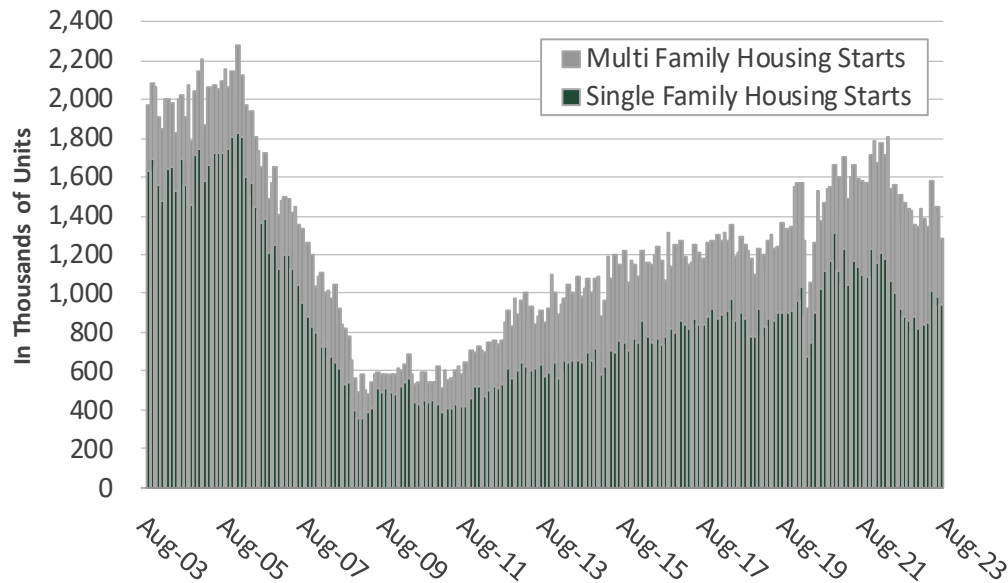


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) remained in negative territory for the seventeenth consecutive month at -0.4% in August due to weak new orders, deteriorating consumer expectations of business conditions, high interest rates, and tight credit conditions. The index declined 7.6% year-over-year. The consistent decline month-over-month continues to signal future contraction in the economy. The Chicago Fed National Activity Index (CFNAI) surprised to the downside at -0.16 in August from downwardly revised 0.07 in July. On a 3-month moving average basis, the CFNAI remained negative at -0.14 in August, indicating a rate of growth below the historical average trend.

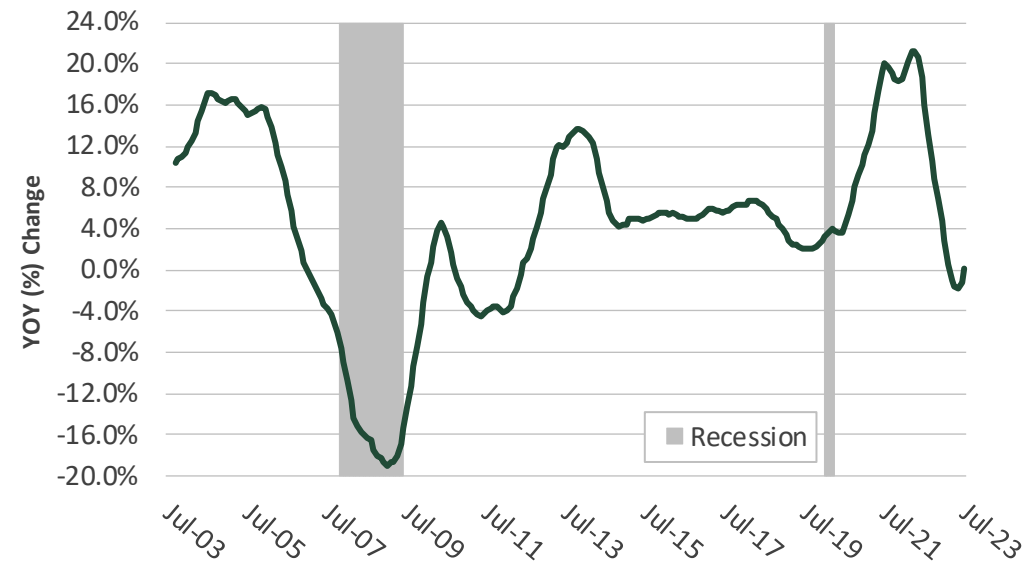
Housing

Annualized Housing Starts



Source: US Department of Commerce

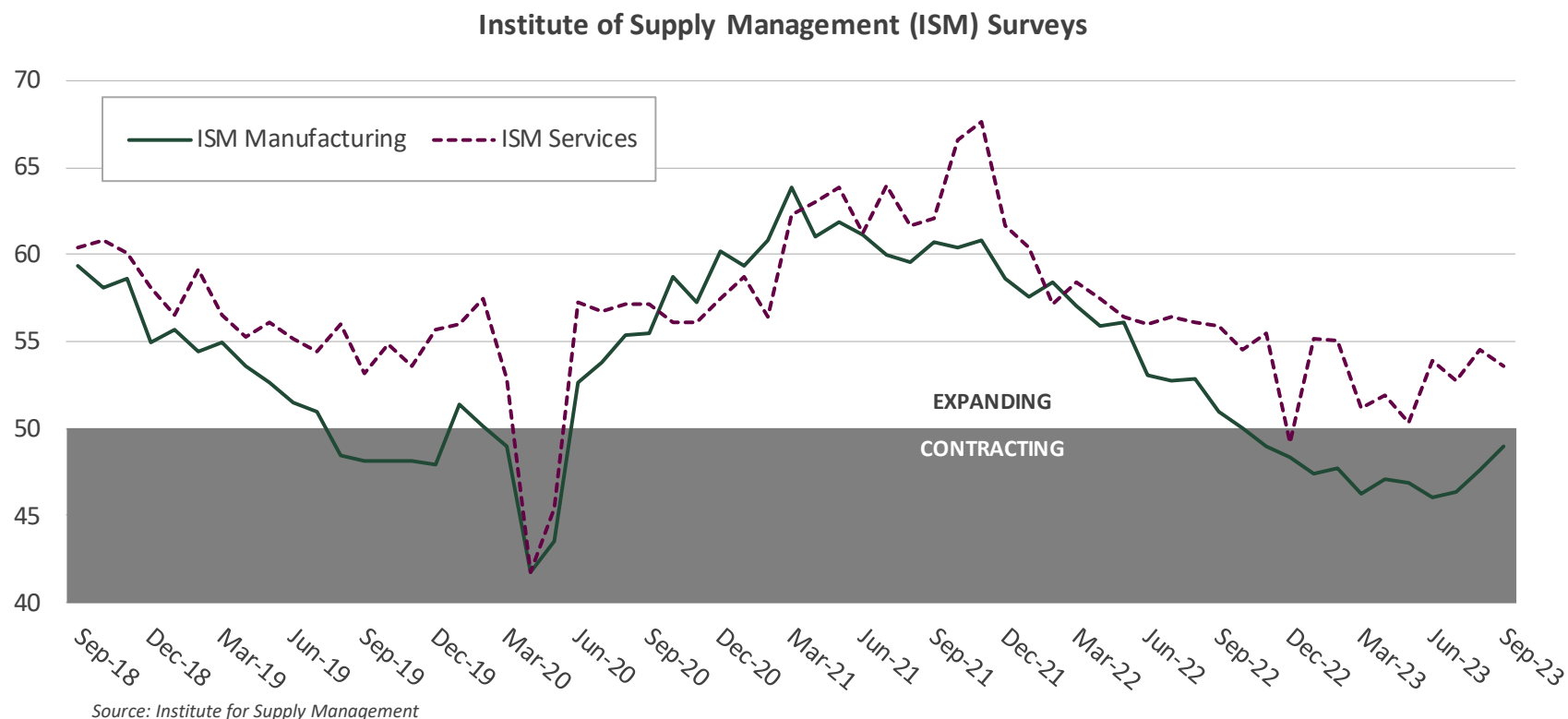
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

Starts of new homes slowed -11.3% to 1.283 million units at a seasonally adjusted annual rate in August after a downward revision to 1.447 million units in July. The slower starts came from both a 4.3% decline in single-family home starts and 26.3% decline in multi-family homes, continuing the reversal of strong multi-family homebuilding in the second half of 2022 and early 2023. Total starts of new homes are down 14.8% year-over-year. According to Freddie Mac, average 30-year fixed rate mortgage rates increased to 7.35% as of September 28th. Rising mortgage rates are prompting homebuilders to offer incentives to attract buyers and has caused homebuilder sentiment to reach a five-month low. According to the Case-Shiller 20-City Home Price Index, housing prices rose 0.1% year-over-year in July, improving from a 1.2% decline in June. Tight inventories and higher mortgage rates continue to impact affordability.

Survey Based Measures



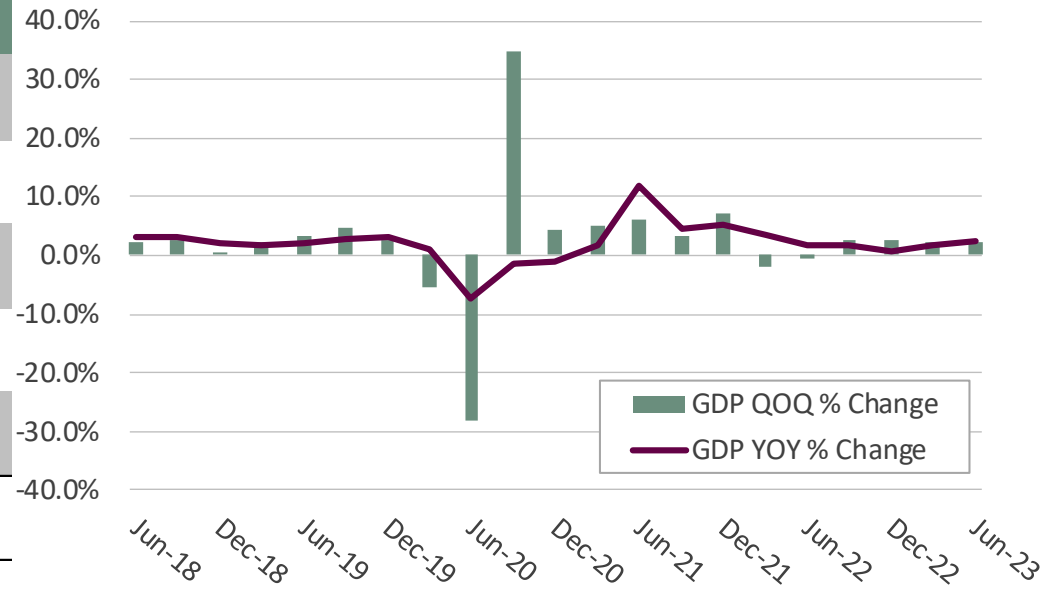
The Institute for Supply Management (ISM) Manufacturing index remained in contraction territory at 49.0 in September, up from 47.6 in August. This is the eleventh consecutive month of readings below 50.0, which is indicative of contraction in the manufacturing sector. However, this is the highest reading since November 2022, as both employment and new orders improved, while prices paid subsided. The ISM Services Index eased to 53.6 in September from the six-month high of 54.5 in August. The prices paid component continued to grow primarily due to high labor costs and an uptick in energy costs, but new orders reflected a significant slowdown.

Gross Domestic Product (GDP)

Components of GDP	9/22	12/22	3/23	6/23
Personal Consumption Expenditures	1.1%	0.8%	2.5%	0.6%
Gross Private Domestic Investment	-1.5%	0.6%	-1.7%	0.9%
Net Exports and Imports	2.6%	0.3%	0.6%	0.0%
Federal Government Expenditures	0.1%	0.6%	0.3%	0.1%
State and Local (Consumption and Gross Investment)	0.4%	0.3%	0.5%	0.5%
Total	2.7%	2.6%	2.3%	2.1%

Source: US Department of Commerce

Gross Domestic Product (GDP)

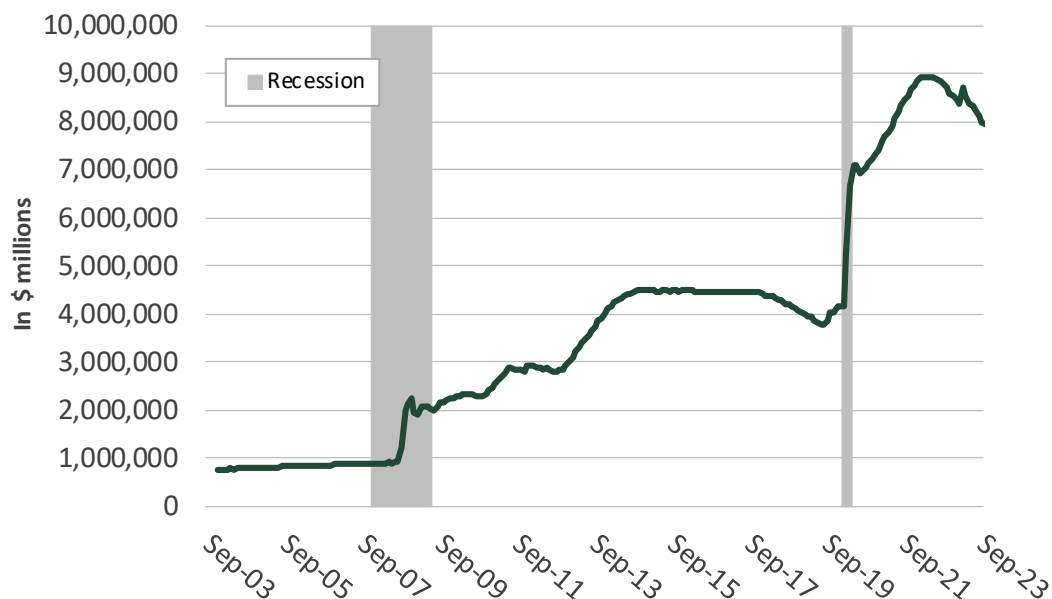


Source: US Department of Commerce

According to the third estimate, second quarter annualized GDP growth remained unchanged at 2.1%. A material decline in consumer spending was offset by improvement in business investment. Historically low unemployment, wage growth and savings built up during the pandemic has supported consumer spending at a level to keep economic growth intact, but there are signs the consumer is beginning to show signs of stress. The consensus estimate calls for 3.0% growth for the third quarter and 2.1% for the full year 2023.

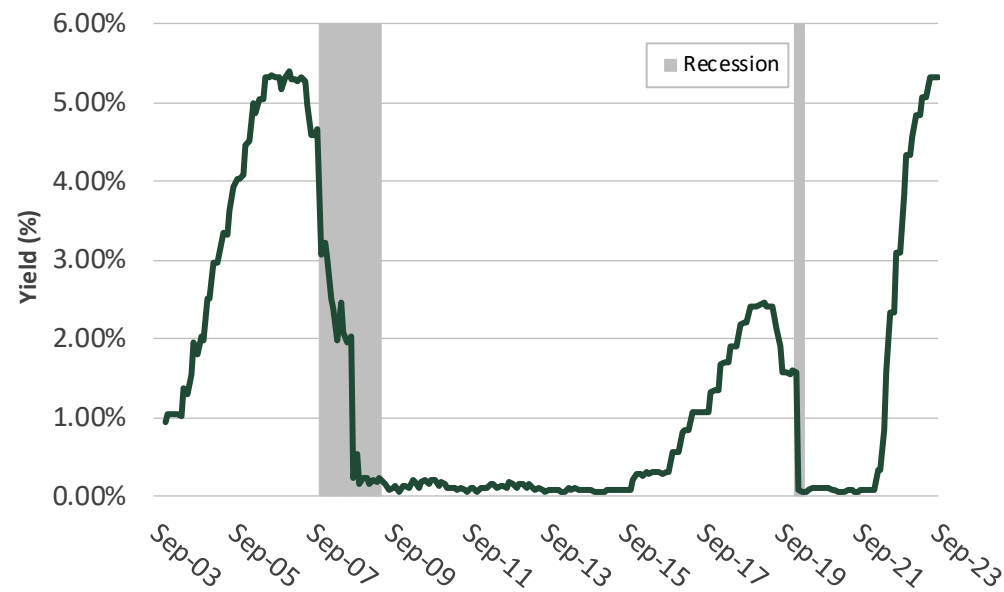
Federal Reserve

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

Effective Federal Funds Rate

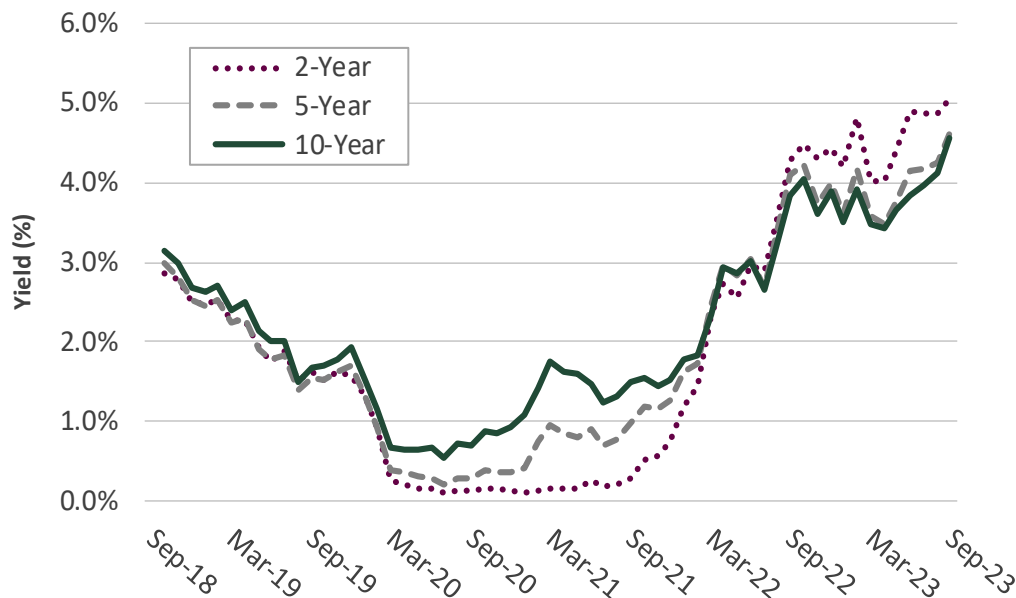


Source: Bloomberg

At the September meeting, the Federal Open Market Committee voted unanimously to leave the Federal Funds rate unchanged at a target range of 5.25 - 5.50%. Nonetheless, the Fed conveyed a consensus view that another rate hike is possible later in the year, along with its commitment to keeping rates at their current level until inflation subsides closer to its 2% target, endorsing a data-dependent 'higher-for-longer' strategy. The Fed's Summary of Economic Projections (SEP) also revealed expectations of higher economic growth, reduced unemployment, and a gradual easing of inflation compared to earlier forecasts. We believe the resiliency of future economic data will determine if the Federal Reserve can stay on hold for or will tighten policy further to curb inflation. Since the Federal Reserve began its Quantitative Tightening campaign in June 2022, securities holdings have declined by over \$1 trillion to \$8.024T.

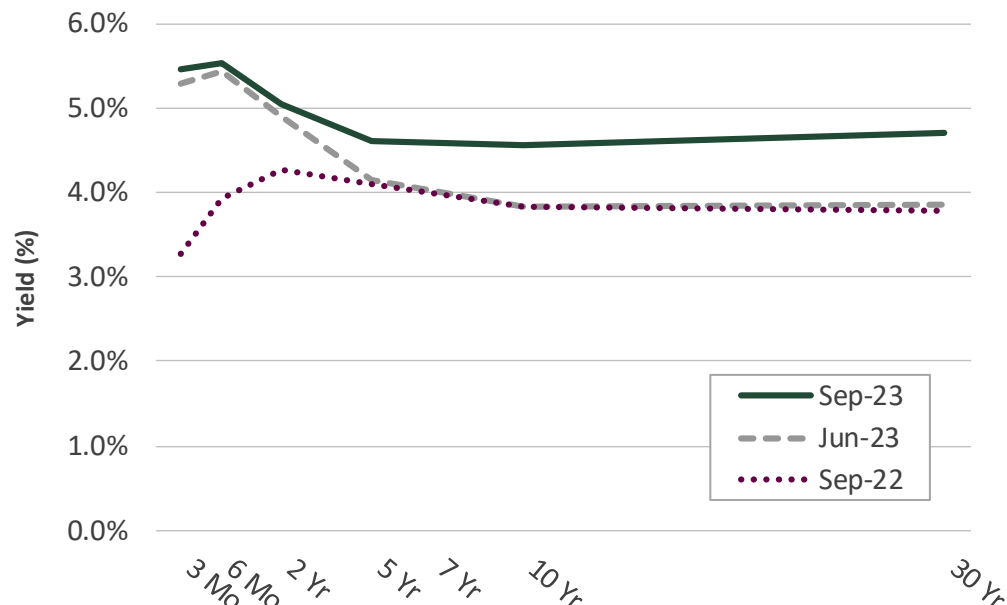
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 77 basis points higher, and the 10-Year Treasury yield was about 74 basis points higher, year-over-year. The inversion between the 2-year Treasury yield and 10-year Treasury yield narrowed to -48 basis points at September month-end versus -76 basis points at August month-end. The average historical spread (since 2003) is about +130 basis points. The inversion between 3-month and 10-year Treasuries narrowed to -88 basis points in September from -134 basis points in August. The shape of the yield curve indicates that the probability of recession persists.

Section 2 | Account Profile

Investment Objectives

The investment objectives of the Small Cities Organized Risk Effort are first, to provide safety of principal to ensure the preservation of capital; second, to provide sufficient liquidity to meet all disbursement requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the ICE BofA 1-5 Year US Treasury and Agency Index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities with a maximum maturity of five years.

Small Cities Organized Risk Effort

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

Category	Standard	Comment
U.S. Treasury Issues	No limitations; Full faith and credit of the U.S. are pledged for the payment of principal and interest	Complies
Federal Agencies	25% max per Agency/GSE issuer; 20% max callable agency securities; Federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued or fully guaranteed as to principal and interest by federal agencies or U.S. government sponsored enterprises.	Complies
Supranationals	"AA" rating category or higher by a Nationally Recognized Statistical Rating Organization ("NRSRO"); 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by International Bank for Reconstruction & Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB)	Complies
Municipal Securities (CA, Local Agency)	"A" rating category or better by a NRSRO; 20% max; 5% max per issuer; Obligations issued by the State of California, any local agency within the state.	Complies
Municipal Securities (CA, Other States)	"A" rating category or better by a NRSRO; 20% max; 5% max per issuer; Bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of the other 49 states, in addition to California.	Complies
Corporate Medium Term Notes	"A" rating category or better by a NRSRO; 30% max; 5% max per issuer; Corporate and depository institution debt securities; Issued only by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Non-Agency Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	AA rating category or better by a NRSRO; 20% max (combined ABS/MBS/CMO); 5% max per issuer; From issuers not defined in Sections 1 (U.S. Treasury) and 2 (Federal Agencies) of the Investment Instrument and Maturities section of the policy	Complies
Agency Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	5 years max maturity; see Federal Agencies also	Complies
Negotiable Certificates of Deposit (NCD)	Any amount above FDIC insured limit must be issued by institutions with "A-1" short-term debt rating or better by a NRSRO; or "A" long-term rating category or better by a NRSRO; 30% max; 5% max per issuer; Issued by a nationally or state-chartered bank, a state or federal savings and loan association, a state or federal credit union, or by federally-licensed or state-licensed branch of a foreign bank.	Complies
Banker's Acceptances	Short-term paper rated in the highest rating category by a NRSRO; 30% max; 5% max per issuer; 180 days max maturity; Issued by domestic or foreign banks	Complies

Small Cities Organized Risk Effort

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

Category	Standard	Comment
Commercial Paper	Issued by an entity that meets all of the following conditions in either (a) or (b): a. Securities issued by corporations: (i) organized and operating within the U.S. with assets > \$500 million; (ii) "A-1" rated or better by a NRSRO; (iii) "A" rating or better by a NRSRO, if issuer has debt obligations. b. Securities issued by other entities: (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or better by a NRSRO. 25% max; 5% max per issuer; 270 days maturity; 10% max of the outstanding paper of the issuing corporation	Complies
Money Market Mutual Funds	Registered with SEC under Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM > \$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per Money Market Mutual Fund	Complies
Mutual Funds	Invest in securities as authorized under CGC, Section 53601 (a) to (k) and (m) to (q) inclusive and meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC, Section 53601 and with AUM > \$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund	Complies
Local Agency Investment Fund (LAIF)	Subject to statutory limits imposed by LAIF; Not used by investment adviser	Complies
Repurchase Agreements	25% max; 5% max per issuer; 1 year max maturity; 102% Collateralized; Not used by investment adviser	Complies
Prohibited	Futures and options; Inverse floaters; Ranges notes; Mortgage-derived or Interest-only strips; Zero interest accrual securities if held to maturity; Trading securities for the sole purpose of speculating on the future direction of interest rates; Purchasing or selling securities on margin; Reverse repurchase agreements; Securities lending or any other form of borrowing or leverage; Financial instruments of SCORE cities	Complies
Max Per Issuer	5% max per issuer, unless otherwise specified	Complies
Maximum Maturity	5 years	Complies

Portfolio Characteristics

As of September 30, 2023

Small Cities Organized Risk Effort

	09/30/23		06/30/23
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.65	2.93	2.79
Average Modified Duration	2.49	2.51	2.41
Average Purchase Yield	n/a	2.70%	2.42%
Average Market Yield	4.98%	5.20%	4.94%
Average Quality**	AA+	AA/Aa1	AA/Aa1
Total Market Value		14,791,953	14,749,914

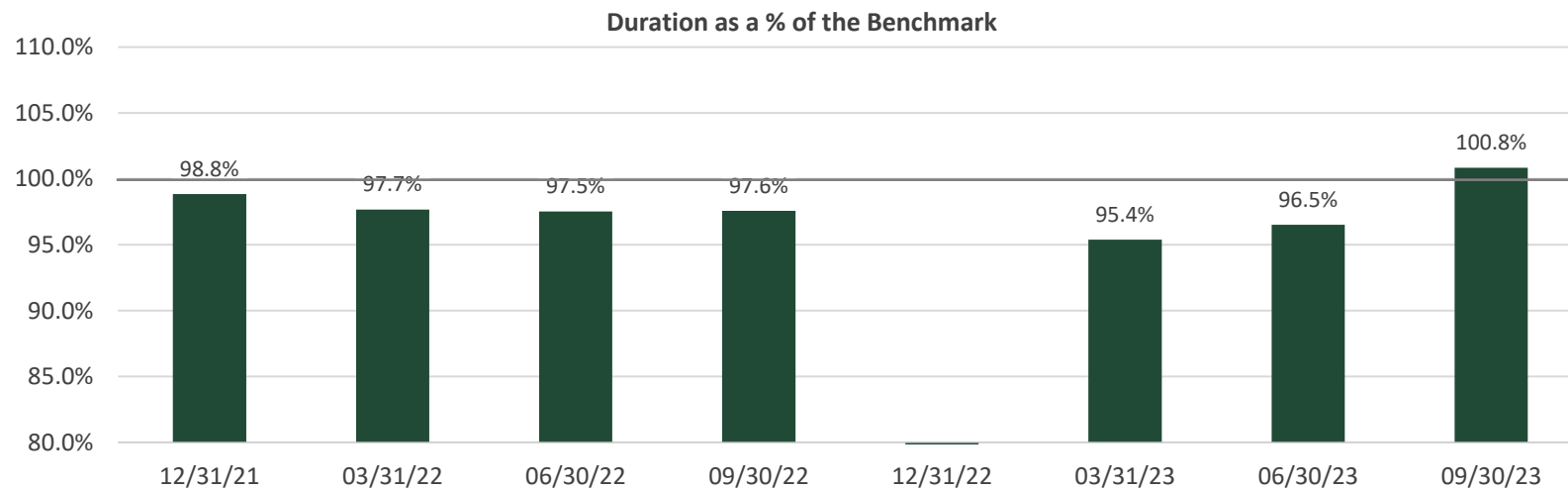
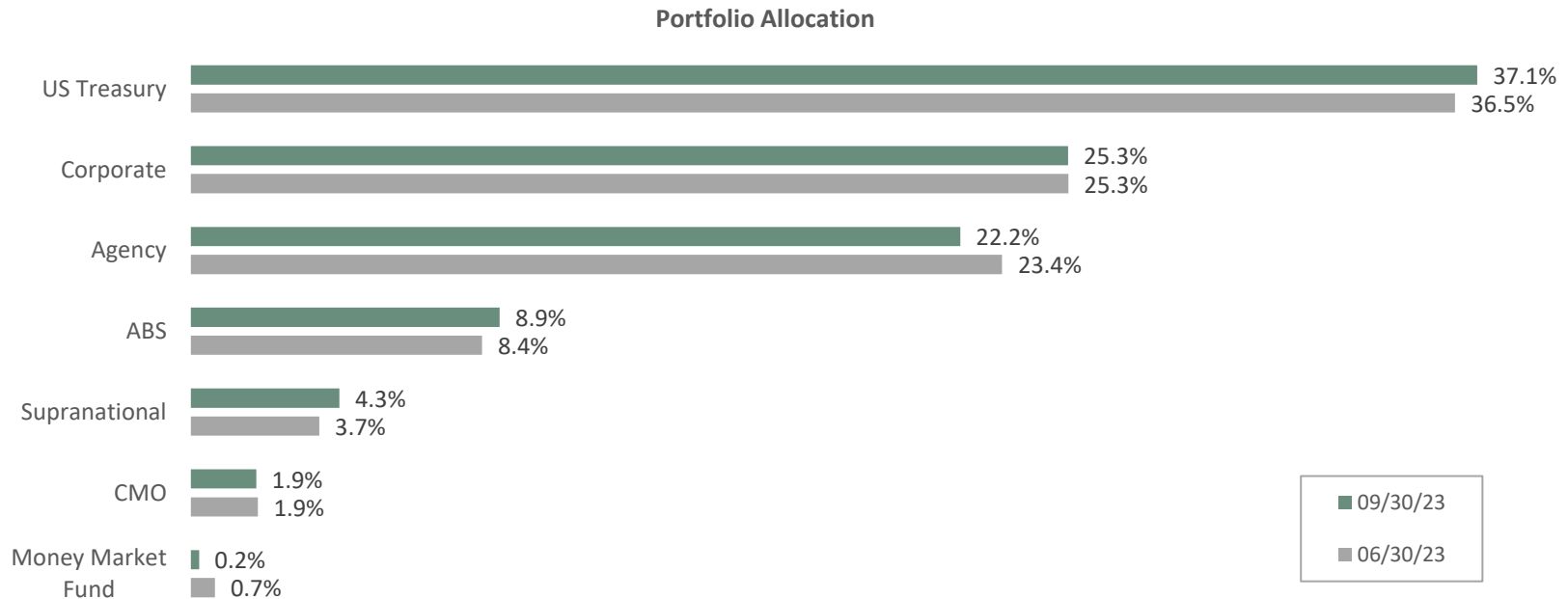
*ICE BofA 1-5 Yr US Treasury & Agency Index

**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Portfolio Allocation & Duration Changes

As of September 30, 2023

Small Cities Organized Risk Effort

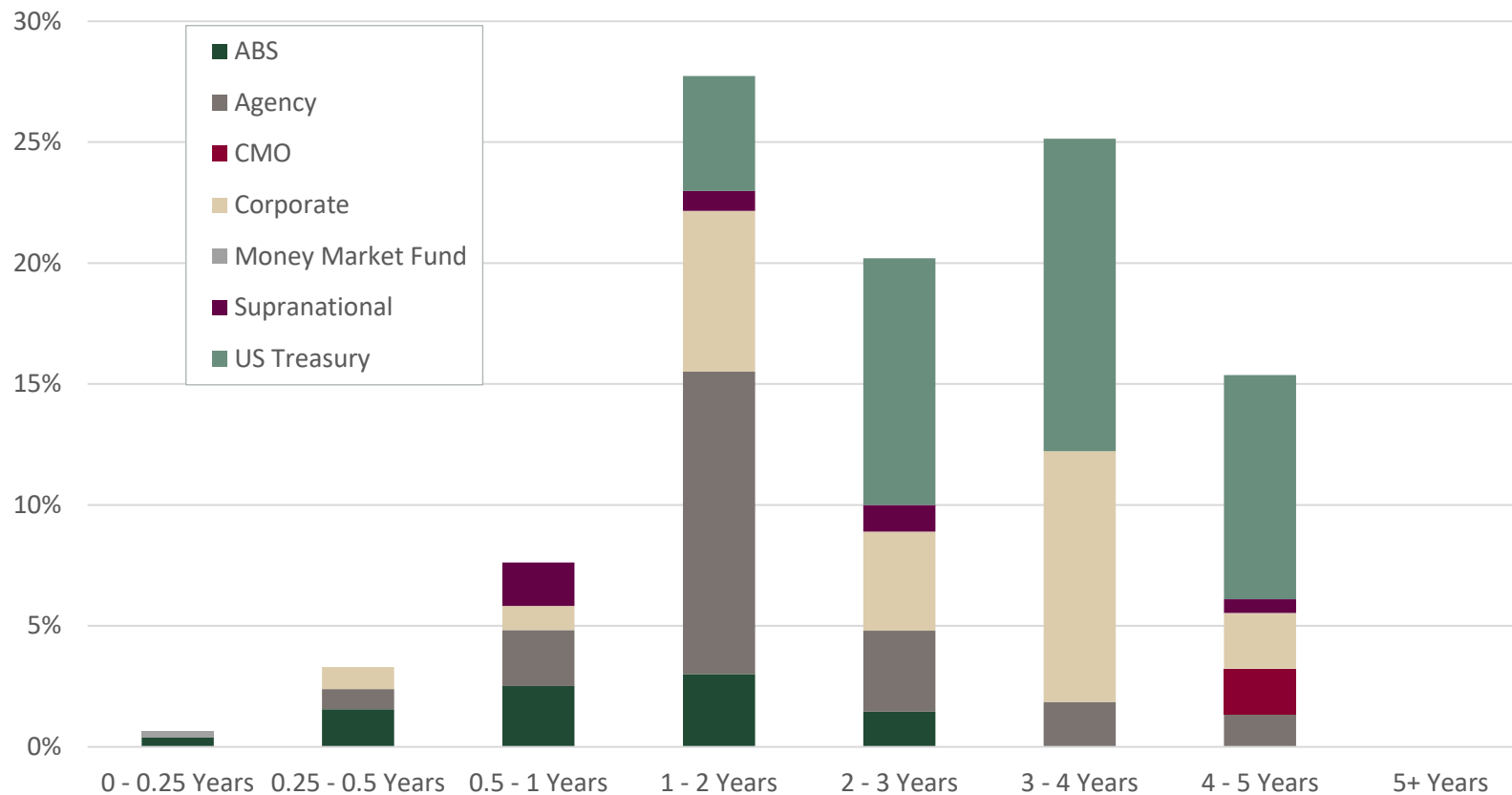


Benchmark: ICE BofA 1-5 Yr US Treasury & Agency Index

Duration Allocation

As of September 30, 2023

Small Cities Organized Risk Effort

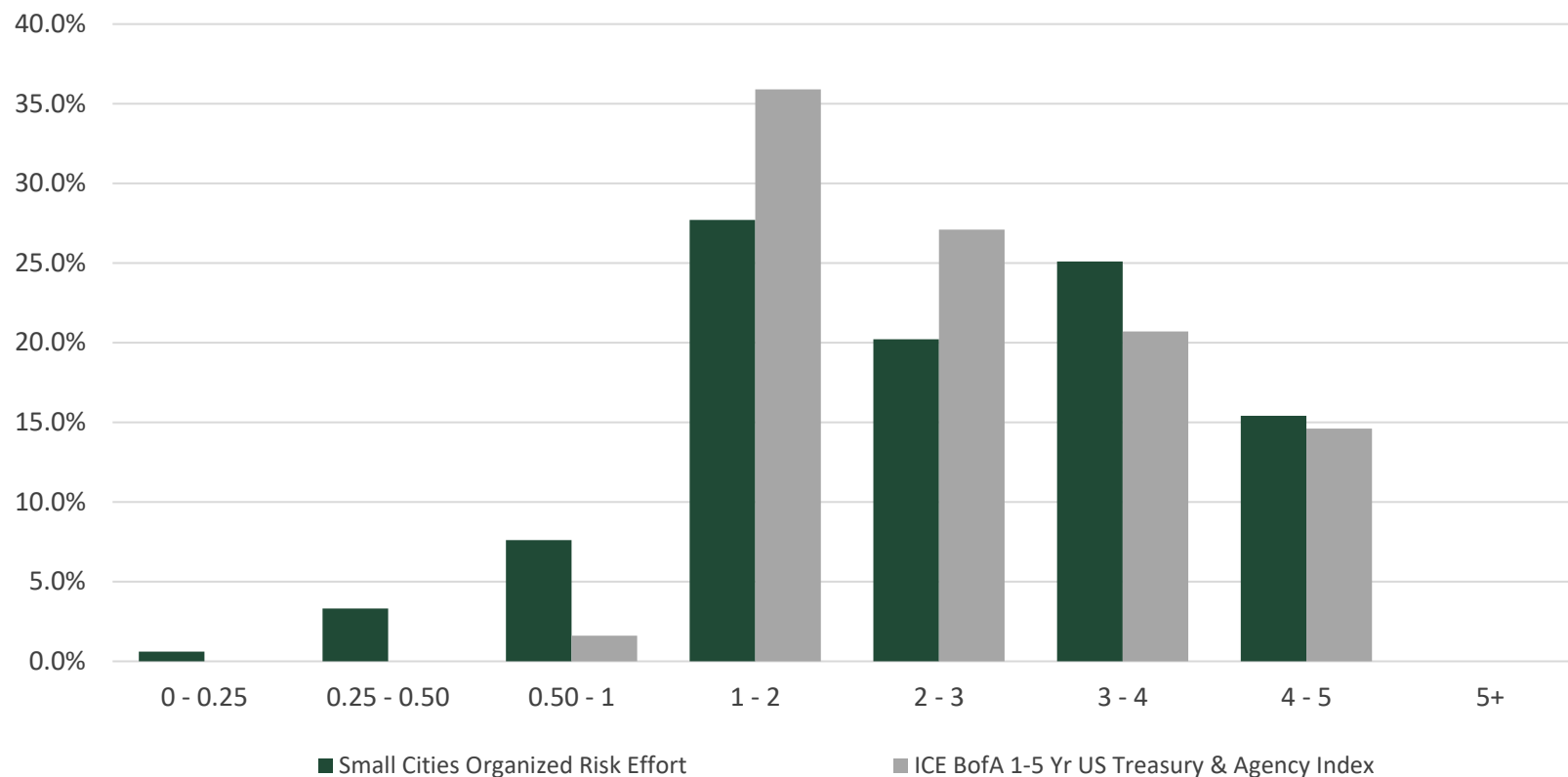


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
09/30/23	0.6%	3.3%	7.6%	27.7%	20.2%	25.1%	15.4%	0.0%

Duration Distribution

As of September 30, 2023

Small Cities Organized Risk Effort Portfolio Compared to the Benchmark



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	0.6%	3.3%	7.6%	27.7%	20.2%	25.1%	15.4%	0.0%
Benchmark*	0.0%	0.0%	1.6%	35.9%	27.1%	20.7%	14.6%	0.0%

*ICE BofA 1-5 Yr US Treasury & Agency Index

Small Cities Organized Risk Effort – Account #590

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	37.13%
Federal Home Loan Bank	Agency	8.96%
Federal National Mortgage Association	Agency	8.48%
Federal Home Loan Mortgage Corp	Agency	3.78%
Honeywell Corp	Corporate	2.36%
Intl Bank Recon and Development	Supranational	1.93%
Federal Home Loan Mortgage Corp	CMO	1.89%
John Deere ABS	ABS	1.87%
Inter-American Dev Bank	Supranational	1.79%
Public Service El & Gas	Corporate	1.29%
Realty Income Corp	Corporate	1.27%
BlackRock Inc/New York	Corporate	1.20%
Bank of America Corp	Corporate	1.13%
JP Morgan ABS	ABS	1.11%
United Health Group Inc	Corporate	1.07%
JP Morgan Chase & Co	Corporate	1.04%
Honda Motor Corporation	Corporate	1.01%
Apple Inc	Corporate	1.01%
Mercedes-Benz	ABS	1.01%
Federal Farm Credit Bank	Agency	0.99%
Hyundai Auto Receivables	ABS	0.99%
Prologis Trust	Corporate	0.98%
Caterpillar Inc	Corporate	0.97%
Honda ABS	ABS	0.97%
Bank of Montreal Chicago	Corporate	0.96%
Royal Bank of Canada	Corporate	0.94%
Qualcomm Inc	Corporate	0.93%
Exxon Mobil Corp	Corporate	0.91%
Chubb Corporation	Corporate	0.91%
Morgan Stanley	Corporate	0.91%
Charles Schwab Corp/The	Corporate	0.91%
Toronto Dominion Holdings	Corporate	0.90%
Toyota Motor Corp	Corporate	0.79%
GM Financial Automobile Leasing Trust	ABS	0.77%
Berkshire Hathaway	Corporate	0.71%
Amazon.com Inc	Corporate	0.71%
MasterCard Inc	Corporate	0.64%
GM Financial Securitized Term Auto Trust	ABS	0.59%

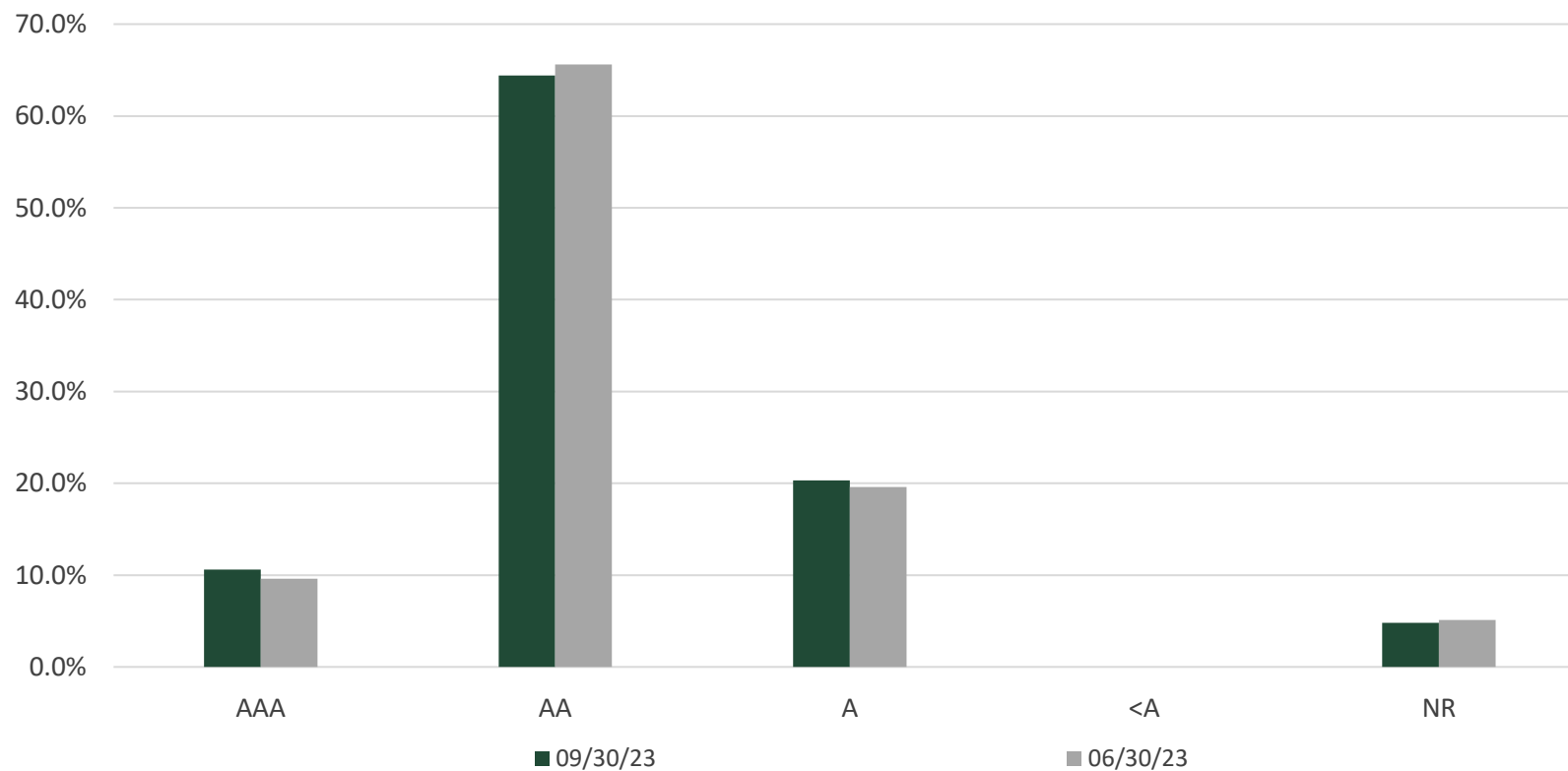
Small Cities Organized Risk Effort – Account #590

Issue Name	Investment Type	% Portfolio
International Finance Corp	Supranational	0.57%
National Rural Utilities	Corporate	0.56%
Wal-Mart Stores	Corporate	0.51%
BMW ABS	ABS	0.47%
Target Corp	Corporate	0.43%
Toyota ABS	ABS	0.36%
BMW Vehicle Lease Trust	ABS	0.32%
Verizon Master Trust	ABS	0.30%
State Street Bank	Corporate	0.26%
First American Govt Oblig Fund	Money Market Fund	0.24%
Mercedes-Benz Auto Lease Trust	ABS	0.16%
TOTAL		100.00%

Quality Distribution

As of September 30, 2023

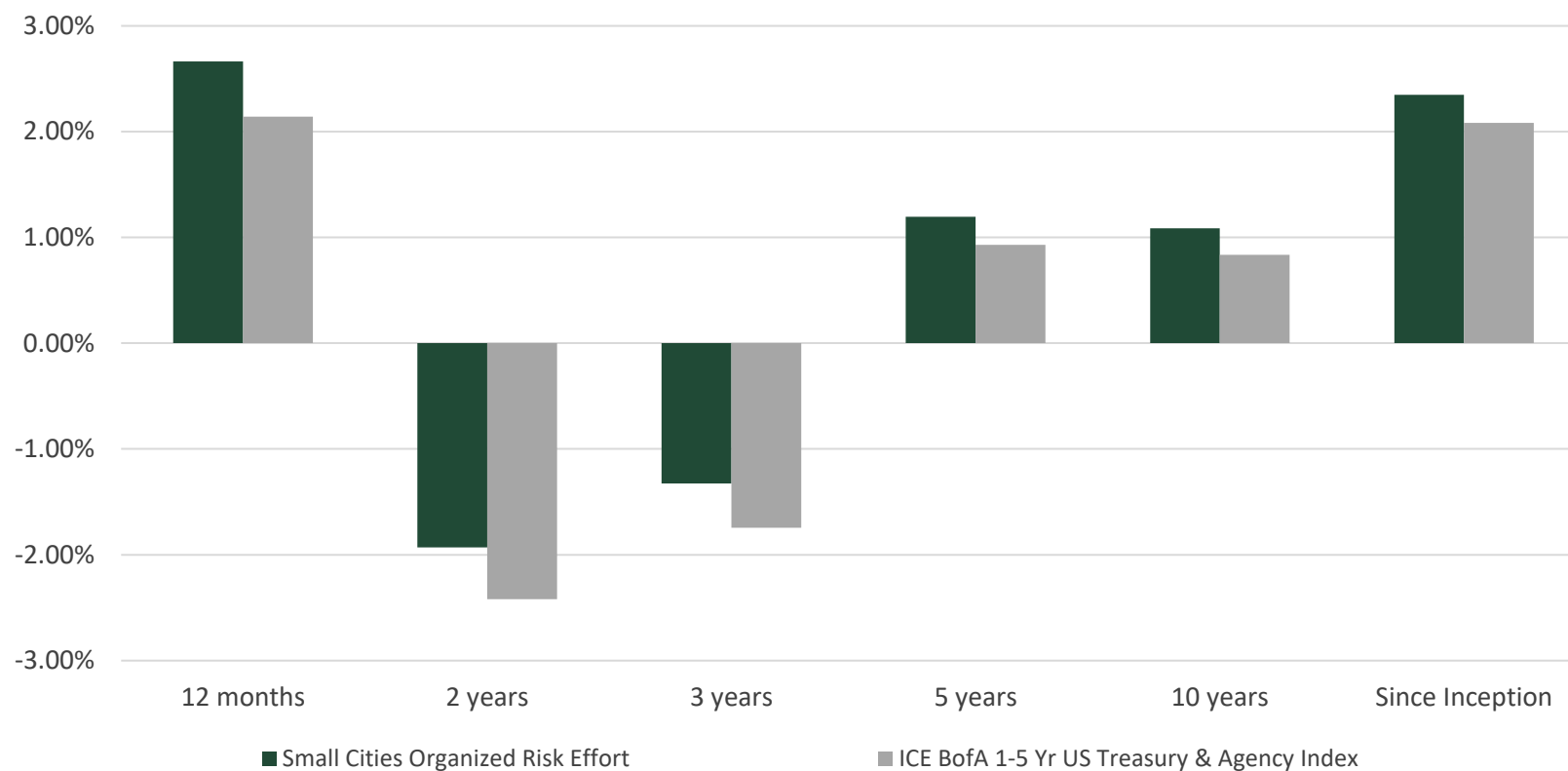
Small Cities Organized Risk Effort September 30, 2023 vs. June 30, 2023



	AAA	AA	A	<A	NR
09/30/23	10.6%	64.4%	20.3%	0.0%	4.8%
06/30/23	9.6%	65.6%	19.6%	0.0%	5.1%

Source: S&P Ratings

Small Cities Organized Risk Effort Total Rate of Return Annualized Since Inception March 31, 2006



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Small Cities Organized Risk Effort	0.30%	2.66%	-1.93%	-1.33%	1.19%	1.09%	2.35%
ICE BofA 1-5 Yr US Treasury & Agency Index	0.24%	2.14%	-2.42%	-1.74%	0.93%	0.83%	2.08%

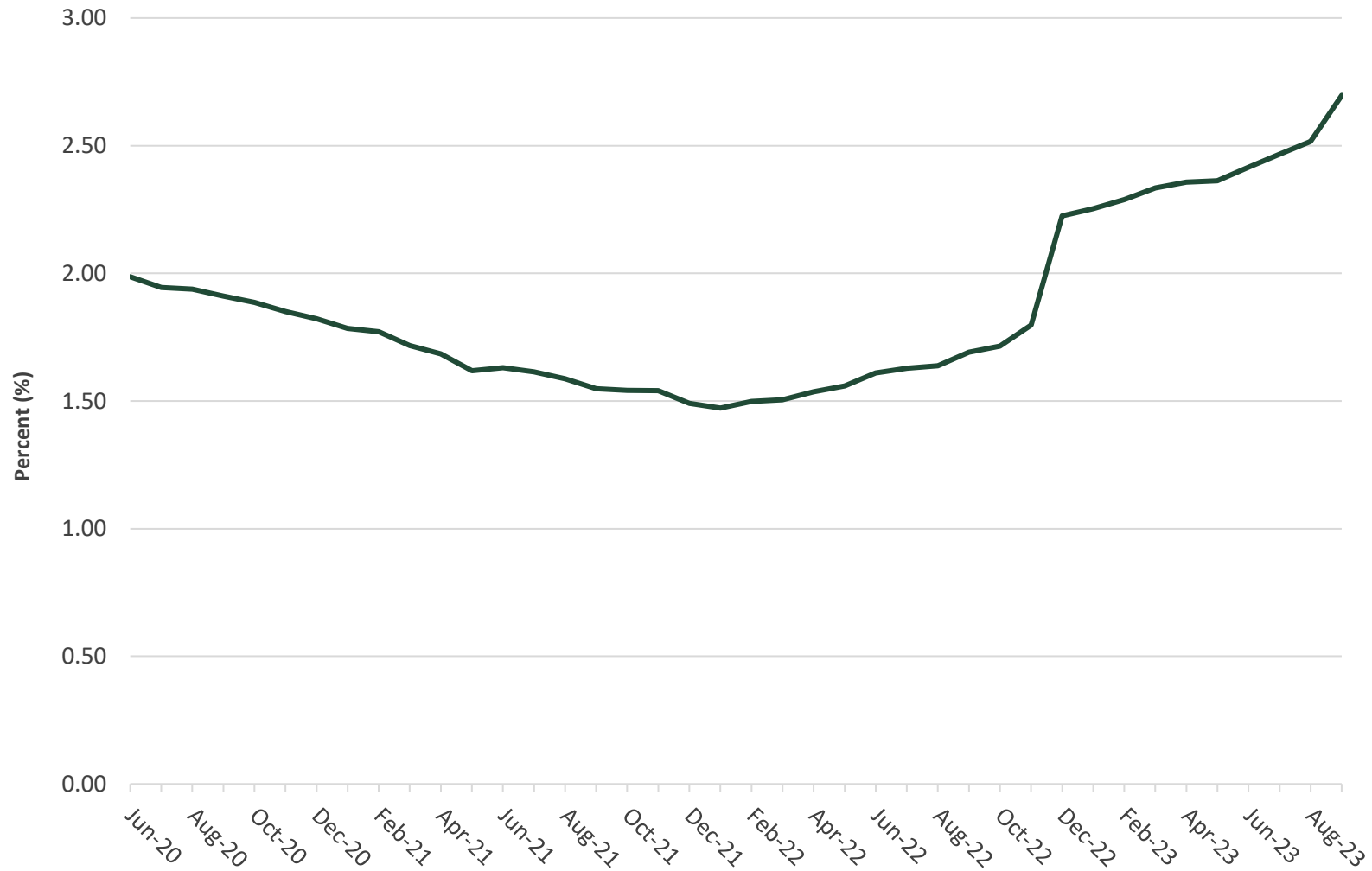
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Historical Average Purchase Yield

As of September 30, 2023

Small Cities Organized Risk Effort

Purchase Yield as of 09/30/23 = 2.70%



Portfolio Characteristics

As of September 30, 2023

SCORE Enhanced Cash

	09/30/23 Portfolio	06/30/23 Portfolio
Average Maturity (yrs)	0.15	0.15
Modified Duration	0.15	0.15
Average Purchase Yield	5.40%	5.22%
Average Market Yield	5.39%	5.22%
Average Quality*	AAA/Aaa	AAA/Aaa
Total Market Value	2,558,785	2,528,293

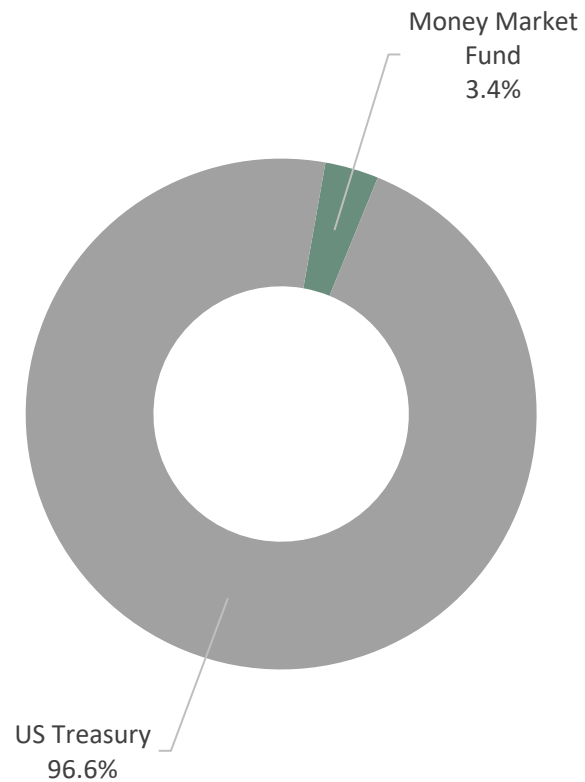
*Portfolio is S&P and Moody's, respectively.

Sector Distribution

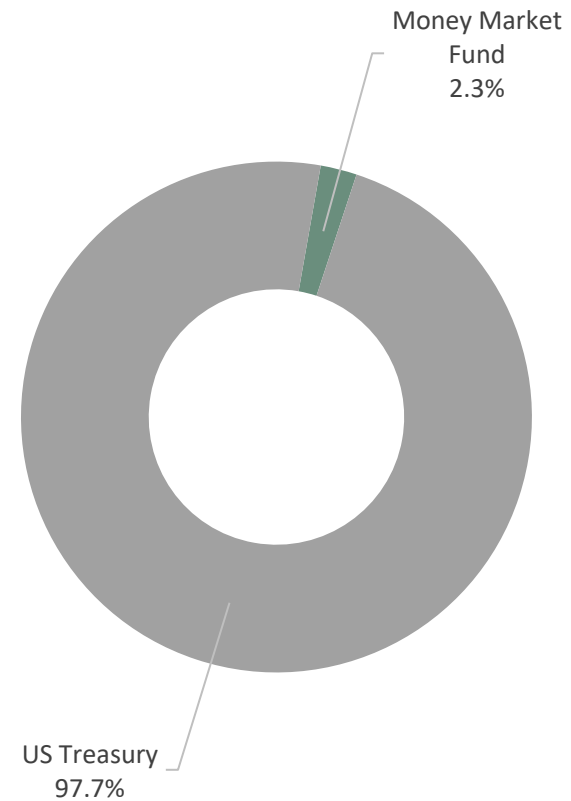
As of September 30, 2023

SCORE Enhanced Cash

September 30, 2023



June 30, 2023





Section 3 | Consolidated Information

Portfolio Characteristics

As of September 30, 2023

SCORE Consolidated

	09/30/23 Portfolio	06/30/23 Portfolio
Average Maturity (yrs)	2.52	2.40
Modified Duration	2.17	2.08
Average Purchase Yield	3.08%	2.81%
Average Market Yield	5.23%	4.98%
Average Quality*	AA+/Aa1	AA+/Aa1
Total Market Value	17,350,738	17,278,207

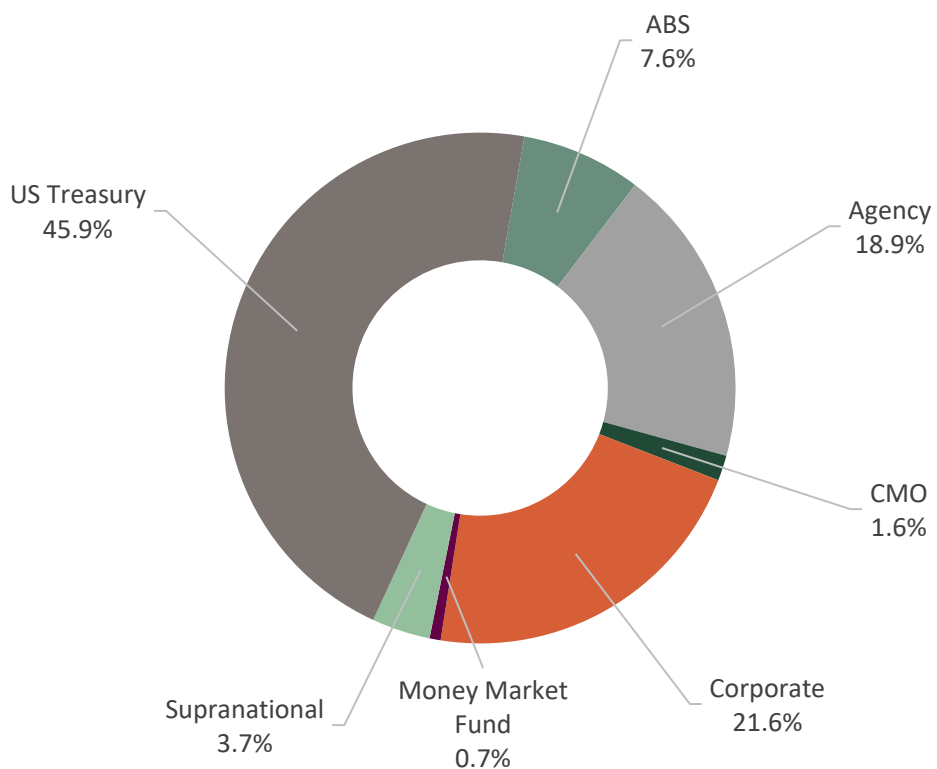
* Portfolio is S&P and Moody's respectively.

Sector Distribution

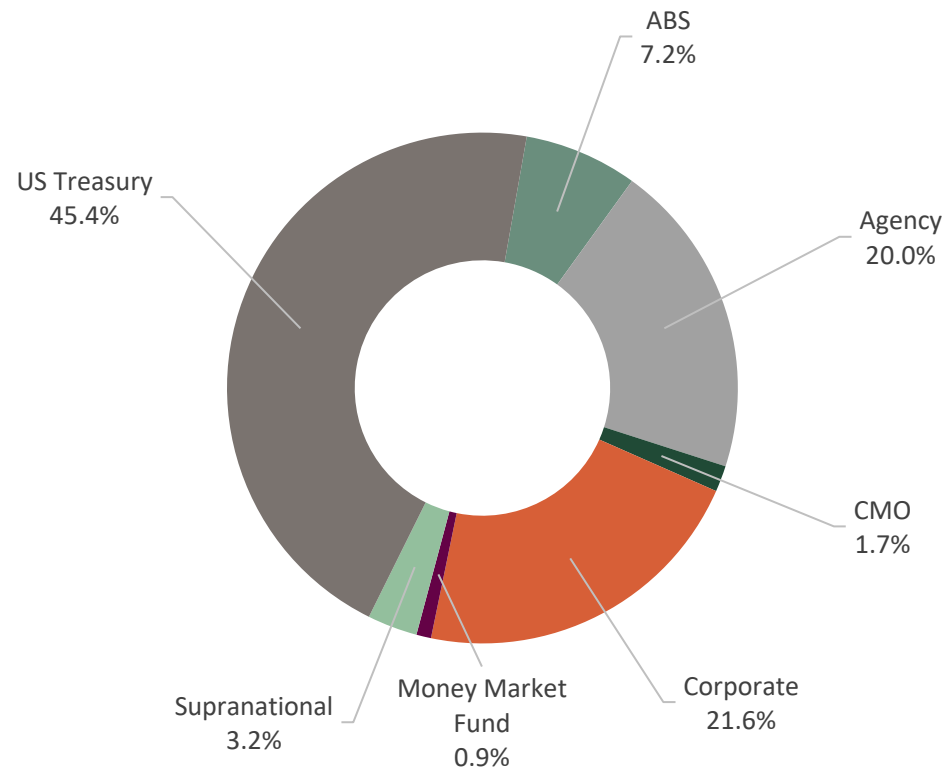
As of September 30, 2023

SCORE Consolidated

September 30, 2023



June 30, 2023



SCORE Consolidated – Account #11064

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	45.91%
Federal Home Loan Bank	Agency	7.64%
Federal National Mortgage Association	Agency	7.23%
Federal Home Loan Mortgage Corp	Agency	3.22%
Honeywell Corp	Corporate	2.01%
Intl Bank Recon and Development	Supranational	1.64%
Federal Home Loan Mortgage Corp	CMO	1.61%
John Deere ABS	ABS	1.59%
Inter-American Dev Bank	Supranational	1.53%
Public Service El & Gas	Corporate	1.10%
Realty Income Corp	Corporate	1.09%
BlackRock Inc/New York	Corporate	1.03%
Bank of America Corp	Corporate	0.96%
JP Morgan ABS	ABS	0.95%
United Health Group Inc	Corporate	0.91%
JP Morgan Chase & Co	Corporate	0.89%
Honda Motor Corporation	Corporate	0.86%
Apple Inc	Corporate	0.86%
Mercedes-Benz	ABS	0.86%
Federal Farm Credit Bank	Agency	0.84%
Hyundai Auto Receivables	ABS	0.84%
Prologis Trust	Corporate	0.83%
Caterpillar Inc	Corporate	0.83%
Honda ABS	ABS	0.82%
Bank of Montreal Chicago	Corporate	0.82%
Royal Bank of Canada	Corporate	0.80%
Qualcomm Inc	Corporate	0.79%
Exxon Mobil Corp	Corporate	0.78%
Chubb Corporation	Corporate	0.78%
Morgan Stanley	Corporate	0.78%
Charles Schwab Corp/The	Corporate	0.77%
Toronto Dominion Holdings	Corporate	0.77%
First American Govt Oblig Fund	Money Market Fund	0.70%
Toyota Motor Corp	Corporate	0.67%
GM Financial Automobile Leasing Trust	ABS	0.66%
Berkshire Hathaway	Corporate	0.61%
Amazon.com Inc	Corporate	0.61%
MasterCard Inc	Corporate	0.55%

SCORE Consolidated – Account #11064

Issue Name	Investment Type	% Portfolio
GM Financial Securitized Term Auto Trust	ABS	0.51%
International Finance Corp	Supranational	0.49%
National Rural Utilities	Corporate	0.48%
Wal-Mart Stores	Corporate	0.43%
BMW ABS	ABS	0.40%
Target Corp	Corporate	0.37%
Toyota ABS	ABS	0.31%
BMW Vehicle Lease Trust	ABS	0.28%
Verizon Master Trust	ABS	0.26%
State Street Bank	Corporate	0.22%
Mercedes-Benz Auto Lease Trust	ABS	0.13%
TOTAL		100.00%



Section 4 | Portfolio Holdings

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
89237VAB5	Toyota Auto Receivables Trust 2020-C A3 0.440% Due 10/15/2024	1,027.23	07/21/2020 0.44%	1,027.15 1,027.21	99.78 7.01%	1,025.02 0.20	0.01% (2.19)	Aaa / AAA NR	1.04 0.03
43813KAC6	Honda Auto Receivables Trust 2020-3 A3 0.370% Due 10/18/2024	7,724.17	09/22/2020 0.38%	7,723.04 7,724.12	99.16 6.01%	7,659.52 1.03	0.05% (64.60)	NR / AAA AAA	1.05 0.15
47787NAC3	John Deere Owner Trust 2020-B A3 0.510% Due 11/15/2024	352.06	07/14/2020 0.52%	352.01 352.06	99.78 5.99%	351.29 0.08	0.00% (0.77)	Aaa / NR AAA	1.13 0.04
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3 0.400% Due 11/15/2024	23,508.04	06/22/2021 0.40%	23,506.26 23,507.84	99.15 5.55%	23,307.66 4.18	0.16% (200.18)	NR / AAA AAA	1.13 0.16
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.330% Due 12/26/2024	6,641.82	09/08/2021 0.34%	6,641.13 6,641.75	99.43 5.99%	6,604.11 0.37	0.04% (37.64)	Aaa / NR AAA	1.24 0.10
36265MAC9	GM Financial Auto Lease Trust 2022-1 A3 1.900% Due 03/20/2025	65,950.13	02/15/2022 1.91%	65,949.56 65,949.98	98.72 6.18%	65,108.01 38.29	0.44% (841.97)	Aaa / NR AAA	1.47 0.30
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.100% Due 03/25/2025	21,568.33	01/11/2022 1.11%	21,565.10 21,567.62	98.83 6.13%	21,315.23 3.95	0.14% (252.39)	NR / AAA AAA	1.48 0.23
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.260% Due 05/15/2025	8,393.28	02/02/2021 0.27%	8,391.72 8,393.05	98.27 6.03%	8,248.43 0.97	0.06% (144.62)	Aaa / NR AAA	1.62 0.30
36266FAC3	GM Financial Auto Lease Trust 2022-2 A3 3.420% Due 06/20/2025	50,000.00	05/03/2022 3.45%	49,994.79 49,998.09	98.79 6.03%	49,396.25 52.25	0.33% (601.84)	NR / AAA AAA	1.72 0.47
47788UAC6	John Deere Owner Trust 2021-A A3 0.360% Due 09/15/2025	19,444.78	03/02/2021 0.37%	19,441.05 19,443.70	97.63 6.07%	18,983.90 3.11	0.13% (459.80)	Aaa / NR AAA	1.96 0.41
44933LAC7	Hyundai Auto Receivables Trust 2021-A A3 0.380% Due 09/15/2025	21,722.29	04/20/2021 0.38%	21,720.01 21,721.82	97.97 5.89%	21,281.54 3.67	0.14% (440.28)	NR / AAA AAA	1.96 0.37
05593AAC3	BMW Vehicle Lease Trust 2023-1 A3 5.160% Due 11/25/2025	20,000.00	02/07/2023 5.22%	19,999.52 19,999.66	99.15 6.04%	19,830.96 17.20	0.13% (168.70)	Aaa / AAA AAA	2.16 1.03
44934KAC8	Hyundai Auto Receivables Trust 2021-B A3 0.380% Due 01/15/2026	67,795.86	07/20/2021 0.39%	67,780.90 67,791.29	97.18 6.10%	65,884.02 11.45	0.45% (1,907.27)	NR / AAA AAA	2.30 0.49
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.880% Due 01/21/2026	34,285.56	11/16/2021 0.89%	34,278.34 34,282.46	96.10 6.44%	32,948.87 8.38	0.22% (1,333.59)	Aaa / NR AAA	2.31 0.70
47789QAC4	John Deere Owner Trust 2021-B A3 0.520% Due 03/16/2026	36,915.66	07/13/2021 0.52%	36,912.36 36,914.35	96.59 5.88%	35,655.43 8.53	0.24% (1,258.92)	Aaa / NR AAA	2.46 0.64
44935FAD6	Hyundai Auto Receivables Trust 2021-C A3 0.740% Due 05/15/2026	25,706.02	11/09/2021 0.75%	25,700.28 25,703.67	96.64 5.94%	24,842.53 8.45	0.17% (861.14)	NR / AAA AAA	2.62 0.64
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.880% Due 05/15/2026	65,000.00	02/15/2022 1.89%	64,990.22 64,995.08	96.48 5.78%	62,710.12 54.31	0.42% (2,284.96)	Aaa / AAA NR	2.62 0.91

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
05602RAD3	BMW Vehicle Owner Trust 2022-A A3 3.210% Due 08/25/2026	40,000.00	05/10/2022 3.23%	39,997.92 39,998.84	97.56 5.95%	39,022.04 21.40	0.26% (976.80)	Aaa / AAA NR	2.90 0.90
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.930% Due 09/15/2026	45,000.00	04/07/2022 2.95%	44,998.95 44,999.42	97.35 5.57%	43,808.54 58.60	0.30% (1,190.88)	Aaa / AAA NR	2.96 1.01
362554AC1	GM Financial Securitized Term 2021-4 A3 0.680% Due 09/16/2026	25,867.65	10/13/2021 0.68%	25,867.00 25,867.37	95.94 6.21%	24,817.01 7.33	0.17% (1,050.36)	Aaa / AAA NR	2.96 0.73
47787JAC2	John Deere Owner Trust 2022-A A3 2.320% Due 09/16/2026	50,000.00	03/10/2022 2.34%	49,988.94 49,993.82	96.82 6.16%	48,407.55 51.56	0.33% (1,586.27)	Aaa / NR AAA	2.96 0.83
448977AD0	Hyundai Auto Receivables Trust 2022-A A3 2.220% Due 10/15/2026	35,000.00	03/09/2022 2.23%	34,998.65 34,999.29	96.77 5.74%	33,868.27 34.53	0.23% (1,131.02)	NR / AAA AAA	3.04 0.92
380146AC4	GM Financial Auto Receivables 2022-1 A3 1.260% Due 11/16/2026	24,771.54	01/11/2022 1.27%	24,769.39 24,770.49	96.63 5.58%	23,936.86 13.01	0.16% (833.63)	NR / AAA AAA	3.13 0.78
362585AC5	GM Financial Securitized ART 2022-2 A3 3.100% Due 02/16/2027	40,000.00	04/05/2022 3.13%	39,991.64 39,995.22	97.21 5.72%	38,882.72 51.67	0.26% (1,112.50)	Aaa / AAA NR	3.38 1.08
47800AAC4	John Deere Owner Trust 2022-B A3 3.740% Due 02/16/2027	50,000.00	07/12/2022 3.77%	49,995.23 49,996.83	97.34 5.85%	48,671.40 83.11	0.33% (1,325.43)	Aaa / NR AAA	3.38 1.28
43815JAC7	Honda Auto Receivables Owner 2023-1 A3 5.040% Due 04/21/2027	40,000.00	02/16/2023 5.10%	39,992.57 39,993.98	98.99 5.69%	39,594.24 56.00	0.27% (399.74)	Aaa / NR AAA	3.56 1.72
92348KAV5	Verizon Master Trust 2022-5 A1A 3.720% Due 07/20/2027	45,000.00	08/02/2022 3.75%	44,998.02 44,998.83	99.36 4.97%	44,713.76 51.15	0.30% (285.07)	NR / AAA AAA	3.81 0.86
58768PAC8	Mercedes-Benz Auto Receivables 2022-1 A3 5.210% Due 08/16/2027	120,000.00	11/15/2022 5.28%	119,976.26 119,982.11	99.34 5.76%	119,206.32 277.87	0.81% (775.79)	Aaa / AAA NR	3.88 1.35
58770AAC7	Mercedes-Benz Auto Receivable 2023-1 A3 4.510% Due 11/15/2027	30,000.00	01/18/2023 4.56%	29,996.40 29,997.11	98.06 5.85%	29,417.37 60.13	0.20% (579.74)	NR / AAA AAA	4.13 1.50
47800CAC0	John Deere Owner Trust 2023-A A3 5.010% Due 11/15/2027	75,000.00	02/22/2023 5.07%	74,986.34 74,988.03	98.83 5.72%	74,124.23 167.00	0.50% (863.80)	Aaa / NR AAA	4.13 1.79
05592XAD2	BMW Vehicle Owner Trust 2023-A A3 5.470% Due 02/25/2028	30,000.00	07/11/2023 5.54%	29,994.68 29,995.01	99.74 5.67%	29,921.10 27.35	0.20% (73.91)	NR / AAA AAA	4.41 1.88
477920AC6	John Deere Owner Trust 2023-B A3 5.180% Due 03/15/2028	50,000.00	06/21/2023 5.24%	49,991.66 49,992.26	99.12 5.62%	49,561.50 115.11	0.34% (430.76)	Aaa / NR AAA	4.46 2.27
161571HT4	Chase Issuance Trust 23-A1 A 5.160% Due 09/15/2028	165,000.00	09/07/2023 5.23%	164,954.26 164,954.93	99.63 5.35%	164,392.47 378.40	1.11% (562.46)	NR / AAA AAA	4.96 2.66
TOTAL ABS		1,341,674.42	3.21%	1,341,471.35 1,341,537.29	5.78%	1,317,498.27 1,670.64	8.92% (24,039.02)	Aaa / AAA AAA	3.22 1.20

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Agency									
3135G0V34	FNMA Note 2.500% Due 02/05/2024	125,000.00	02/27/2019 2.58%	124,521.25 124,966.28	98.95 5.55%	123,690.88 486.11	0.84% (1,275.40)	Aaa / AA+ AA+	0.35 0.34
3133EKWV4	FFCB Note 1.850% Due 07/26/2024	150,000.00	08/13/2019 1.65%	151,448.40 150,239.53	97.11 5.49%	145,665.00 501.04	0.99% (4,574.53)	Aaa / AA+ AA+	0.82 0.80
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	200,000.00	Various 1.66%	211,539.00 202,215.99	97.56 5.54%	195,113.20 287.50	1.32% (7,102.79)	Aaa / AA+ NR	0.96 0.92
3135G0W66	FNMA Note 1.625% Due 10/15/2024	175,000.00	11/08/2019 1.80%	173,547.50 174,693.19	96.15 5.48%	168,257.78 1,311.28	1.15% (6,435.41)	Aaa / AA+ AA+	1.04 1.00
3135G0X24	FNMA Note 1.625% Due 01/07/2025	235,000.00	Various 1.19%	239,814.00 236,264.96	95.43 5.39%	224,266.38 891.04	1.52% (11,998.58)	Aaa / AA+ AA+	1.27 1.22
3137EAEPO	FHLMC Note 1.500% Due 02/12/2025	260,000.00	02/13/2020 1.52%	259,799.80 259,945.15	95.05 5.30%	247,134.42 530.83	1.67% (12,810.73)	Aaa / AA+ AA+	1.37 1.32
3130A4CH3	FHLB Note 2.375% Due 03/14/2025	225,000.00	03/19/2020 1.18%	237,998.25 228,785.20	95.89 5.34%	215,759.48 252.34	1.46% (13,025.72)	Aaa / AA+ NR	1.45 1.40
3130AJHU6	FHLB Note 0.500% Due 04/14/2025	150,000.00	06/04/2020 0.53%	149,800.80 149,937.01	93.02 5.28%	139,528.05 347.92	0.95% (10,408.96)	Aaa / AA+ NR	1.54 1.49
3135G03U5	FNMA Note 0.625% Due 04/22/2025	105,000.00	04/22/2020 0.67%	104,783.70 104,932.52	93.06 5.31%	97,717.62 289.84	0.66% (7,214.90)	Aaa / AA+ AA+	1.56 1.51
3135G04Z3	FNMA Note 0.500% Due 06/17/2025	260,000.00	06/17/2020 0.54%	259,461.80 259,815.58	92.46 5.15%	240,395.48 375.56	1.63% (19,420.10)	Aaa / AA+ AA+	1.72 1.66
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	140,000.00	07/21/2020 0.48%	139,302.80 139,748.11	91.91 5.12%	128,674.42 102.08	0.87% (11,073.69)	Aaa / AA+ AA+	1.81 1.76
3135G05X7	FNMA Note 0.375% Due 08/25/2025	220,000.00	08/25/2020 0.47%	218,970.40 219,608.26	91.47 5.14%	201,230.92 82.50	1.36% (18,377.34)	Aaa / AA+ AA+	1.90 1.85
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	200,000.00	09/23/2020 0.44%	199,398.00 199,761.38	91.18 5.12%	182,352.20 16.67	1.23% (17,409.18)	Aaa / AA+ AA+	1.98 1.93
3135G06G3	FNMA Note 0.500% Due 11/07/2025	215,000.00	11/09/2020 0.57%	214,230.30 214,675.38	90.94 5.10%	195,516.49 430.00	1.32% (19,158.89)	Aaa / AA+ AA+	2.11 2.04
3130ATUC9	FHLB Note 4.500% Due 12/12/2025	300,000.00	02/08/2023 4.21%	302,262.00 301,751.58	98.72 5.12%	296,169.30 4,087.50	2.03% (5,582.28)	Aaa / AA+ NR	2.20 2.04
3130ATS57	FHLB Note 4.500% Due 03/10/2028	275,000.00	03/20/2023 3.84%	283,109.75 282,243.40	99.46 4.63%	273,519.95 721.88	1.85% (8,723.45)	Aaa / AA+ NR	4.45 3.97

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3130AWMN7	FHLB Note 4.375% Due 06/09/2028	200,000.00	07/26/2023 4.27%	200,900.00 200,866.61	98.60 4.71%	197,191.20 1,944.44	1.35% (3,675.41)	Aaa / AA+ NR	4.70 4.15
TOTAL Agency		3,435,000.00	1.75%	3,470,887.75 3,450,450.13	5.19%	3,272,182.77 12,658.53	22.21% (178,267.36)	Aaa / AA+ AA+	1.97 1.84
CMO									
3137FG6X8	FHLMC K077 A2 3.850% Due 05/25/2028	295,000.00	05/24/2023 4.65%	289,583.98 289,952.58	94.67 5.16%	279,271.49 189.29	1.89% (10,681.09)	NR / NR AAA	4.65 4.07
TOTAL CMO		295,000.00	4.65%	289,583.98 289,952.58	5.16%	279,271.49 189.29	1.89% (10,681.09)	NR / NR AAA	4.65 4.07
Corporate									
89114QCB2	Toronto Dominion Bank Note 3.250% Due 03/11/2024	135,000.00	03/26/2019 2.95%	136,833.30 135,164.09	98.84 5.90%	133,433.87 243.75	0.90% (1,730.22)	A1 / A AA-	0.45 0.44
037833CU2	Apple Inc Callable Note Cont 3/11/2024 2.850% Due 05/11/2024	150,000.00	05/17/2019 2.72%	150,888.00 150,081.92	98.29 5.72%	147,431.40 1,662.50	1.01% (2,650.52)	Aaa / AA+ NR	0.61 0.59
00440EAS6	Chubb INA Holdings Inc Note 3.150% Due 03/15/2025	140,000.00	02/24/2021 0.83%	152,899.60 144,634.43	96.39 5.76%	134,950.20 196.00	0.91% (9,684.23)	A3 / A A	1.46 1.39
30231GBH4	Exxon Mobil Corp Callable Note Cont 2/19/2025 2.992% Due 03/19/2025	140,000.00	01/20/2021 0.72%	152,733.00 144,335.55	96.56 5.46%	135,187.22 139.63	0.91% (9,148.33)	Aa2 / AA- NR	1.47 1.41
06367WB85	Bank of Montreal Note 1.850% Due 05/01/2025	150,000.00	03/24/2021 1.15%	154,207.50 151,624.54	93.85 5.97%	140,774.85 1,156.25	0.96% (10,849.69)	A2 / A- AA-	1.59 1.51
14913R2V8	Caterpillar Financial Service Note 3.400% Due 05/13/2025	55,000.00	05/10/2022 3.44%	54,930.15 54,962.40	96.69 5.56%	53,177.74 716.83	0.36% (1,784.66)	A2 / A A+	1.62 1.53
747525AF0	Qualcomm Inc Callable Note Cont 2/20/2025 3.450% Due 05/20/2025	140,000.00	05/27/2020 1.13%	155,689.80 145,155.10	96.78 5.53%	135,493.68 1,757.58	0.93% (9,661.42)	A2 / A NR	1.64 1.54
78015K7H1	Royal Bank of Canada Note 1.150% Due 06/10/2025	150,000.00	12/22/2021 1.43%	148,590.00 149,308.98	92.47 5.88%	138,710.25 531.88	0.94% (10,598.73)	A1 / A AA-	1.70 1.63
63743HFE7	National Rural Utilities Note 3.450% Due 06/15/2025	85,000.00	Various 3.55%	84,750.55 84,863.33	96.22 5.80%	81,785.47 863.46	0.56% (3,077.86)	A2 / A- A	1.71 1.61
857477BR3	State Street Bank Callable Note Cont 2/6/2025 1.746% Due 02/06/2026	40,000.00	02/02/2022 1.75%	40,000.00 40,000.00	94.37 6.16%	37,746.08 106.70	0.26% (2,253.92)	A1 / A AA-	2.36 1.30
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	50,000.00	09/16/2021 1.17%	51,594.50 50,692.57	93.86 6.27%	46,930.25 460.00	0.32% (3,762.32)	A1 / A- AA-	2.56 1.48

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.150% Due 05/15/2026	175,000.00	Various 1.42%	173,020.70 173,819.10	89.96 5.30%	157,423.35 760.27	1.07% (16,395.75)	A2 / A+ A	2.62 2.51
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	130,000.00	06/15/2021 1.13%	129,942.80 129,968.96	89.30 5.41%	116,087.40 418.44	0.79% (13,881.56)	A1 / A+ A+	2.72 2.60
06051GJD2	Bank of America Corp Callable Note Cont 6/19/2025 1.319% Due 06/19/2026	80,000.00	Various 2.84%	77,319.60 77,866.19	91.71 6.49%	73,365.92 298.98	0.50% (4,500.27)	A1 / A- AA-	2.72 1.65
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.050% Due 09/17/2026	30,000.00	09/08/2021 1.09%	29,943.30 29,966.40	89.16 5.03%	26,748.99 12.25	0.18% (3,217.41)	Aa2 / AA AA	2.97 2.85
438516BL9	Honeywell Intl Callable Note 08/01/2026 2.500% Due 11/01/2026	180,000.00	12/15/2022 4.36%	168,229.80 170,612.16	92.52 5.15%	166,542.84 1,875.00	1.14% (4,069.32)	A2 / A A	3.09 2.88
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.950% Due 01/15/2027	70,000.00	01/19/2022 1.99%	69,881.00 69,921.28	90.31 5.19%	63,219.73 288.17	0.43% (6,701.55)	A2 / A A	3.30 3.10
808513BY0	Charles Schwab Corp Callable Note Cont 2/3/2027 2.450% Due 03/03/2027	150,000.00	Various 2.78%	147,699.00 148,414.22	89.07 6.03%	133,611.45 285.84	0.91% (14,802.77)	A2 / A- A	3.42 3.19
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.300% Due 03/15/2027	115,000.00	03/07/2022 2.30%	114,978.15 114,984.91	91.73 4.93%	105,493.41 117.56	0.71% (9,491.50)	Aa2 / AA A+	3.46 3.25
09247XAN1	Blackrock Inc Note 3.200% Due 03/15/2027	190,000.00	01/19/2023 4.08%	183,705.30 184,750.25	93.54 5.27%	177,726.00 270.22	1.20% (7,024.25)	Aa3 / AA- NR	3.46 3.21
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027 3.300% Due 04/13/2027	110,000.00	Various 3.63%	108,548.65 108,825.86	94.09 5.15%	103,499.12 1,694.00	0.71% (5,326.74)	A1 / AA AA-	3.54 3.22
74340XBN0	Prologis LP Callable Note Cont 2/15/2027 2.125% Due 04/15/2027	160,000.00	11/09/2022 5.16%	141,006.40 144,786.28	89.37 5.47%	142,996.16 1,567.78	0.98% (1,790.12)	A3 / A NR	3.54 3.30
61772BAB9	Morgan Stanley Callable Note Cont 5/4/2026 1.593% Due 05/04/2027	150,000.00	Various 4.98%	133,989.30 138,151.70	89.01 6.25%	133,512.00 975.71	0.91% (4,639.70)	A1 / A- A+	3.59 2.45
14913R3A3	Caterpillar Financial Service Note 3.600% Due 08/12/2027	95,000.00	08/22/2022 3.81%	94,090.85 94,292.83	94.35 5.23%	89,628.70 465.50	0.61% (4,664.13)	A2 / A A+	3.87 3.53
756109BG8	Realty Income Corp Callable Note Cont 5/15/2027 3.950% Due 08/15/2027	200,000.00	01/05/2023 4.88%	192,410.00 193,607.95	93.76 5.77%	187,521.00 1,009.44	1.27% (6,086.95)	A3 / A- NR	3.88 3.50
931142EX7	Wal-Mart Stores Callable Note Cont 09/09/2027 3.950% Due 09/09/2027	50,000.00	Various 3.99%	49,921.10 49,937.82	96.50 4.94%	48,247.60 120.70	0.33% (1,690.22)	Aa2 / AA AA	3.95 3.59

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
06051GGF0	Bank of America Corp Callable Note 1/20/2027 3.824% Due 01/20/2028	100,000.00	04/24/2023 5.60%	95,493.00 95,904.62	92.86 6.24%	92,864.00 754.18	0.63% (3,040.62)	A1 / A- AA-	4.31 3.01
438516CJ3	Honeywell Intl Callable Note Cont 01/15/2028 4.950% Due 02/15/2028	180,000.00	02/13/2023 4.44%	184,037.40 183,524.57	99.60 5.05%	179,284.14 1,138.50	1.22% (4,240.43)	A2 / A A	4.38 3.87
57636QAW4	MasterCard Inc Callable Note Cont 2/9/28 4.875% Due 03/09/2028	95,000.00	03/06/2023 4.90%	94,907.85 94,918.24	99.25 5.07%	94,285.51 283.02	0.64% (632.73)	Aa3 / A+ NR	4.44 3.93
74456QBU9	Public Service El & Gas Callable Note Cont 02/01/28 3.700% Due 05/01/2028	200,000.00	09/06/2023 5.10%	188,558.00 188,713.08	93.60 5.29%	187,207.60 3,083.33	1.29% (1,505.48)	A1 / A NR	4.59 4.07
02665WEM9	American Honda Finance Note 5.125% Due 07/07/2028	150,000.00	08/17/2023 5.33%	148,678.50 148,708.90	98.44 5.50%	147,656.85 1,793.75	1.01% (1,052.05)	A3 / A- A	4.77 4.12
46647PDG8	JP Morgan Chase & Co Callable Note Cont 7/25/2027 4.851% Due 07/25/2028	110,000.00	08/04/2023 5.67%	108,359.90 108,408.75	96.40 5.92%	106,036.15 978.29	0.72% (2,372.60)	A1 / A- AA-	4.82 3.40
TOTAL Corporate		3,955,000.00	3.25%	3,917,837.00 3,900,906.98	5.57%	3,718,578.93 26,025.51	25.32% (182,328.05)	A1 / A A+	2.99 2.63
Money Market Fund									
31846V203	First American Govt Obligation Fund Class Y	35,783.09	Various 4.94%	35,783.09 35,783.09	1.00 4.94%	35,783.09 0.00	0.24% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund		35,783.09	4.94%	35,783.09 35,783.09	4.94%	35,783.09 0.00	0.24% 0.00	Aaa / AAA AAA	0.00 0.00
Supranational									
4581X0EE4	Inter-American Dev Bank Note 3.250% Due 07/01/2024	85,000.00	06/22/2022 3.26%	84,991.50 84,996.81	98.25 5.65%	83,512.84 690.63	0.57% (1,483.97)	Aaa / AAA AAA	0.75 0.72
4581X0DZ8	Inter-American Dev Bank Note 0.500% Due 09/23/2024	190,000.00	09/15/2021 0.52%	189,859.40 189,954.07	95.14 5.67%	180,762.58 21.11	1.22% (9,191.49)	Aaa / AAA NR	0.98 0.95
459058JB0	Intl. Bank Recon & Development Note 0.625% Due 04/22/2025	130,000.00	04/15/2020 0.70%	129,496.90 129,843.23	92.93 5.41%	120,813.55 358.85	0.82% (9,029.68)	Aaa / AAA NR	1.56 1.51
459058JL8	Intl. Bank Recon & Development Note 0.500% Due 10/28/2025	180,000.00	10/21/2020 0.52%	179,796.60 179,915.57	91.01 5.12%	163,809.90 382.50	1.11% (16,105.67)	Aaa / AAA AAA	2.08 2.01

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
45950KDD9	International Finance Corp Note 4.500% Due 07/13/2028	85,000.00	07/06/2023 4.53%	84,905.65 84,909.78	98.82 4.78%	83,996.07 828.75	0.57% (913.71)	Aaa / AAA NR	4.79 4.21
TOTAL Supranational		670,000.00	1.41%	669,050.05 669,619.46	5.35%	632,894.94 2,281.84	4.29% (36,724.52)	Aaa / AAA AAA	1.85 1.74
US Treasury									
9128283J7	US Treasury Note 2.125% Due 11/30/2024	275,000.00	Various 1.76%	279,733.40 276,114.05	96.34 5.40%	264,945.45 1,963.88	1.80% (11,168.60)	Aaa / AA+ AA+	1.17 1.12
912828J27	US Treasury Note 2.000% Due 02/15/2025	175,000.00	03/04/2020 0.72%	185,903.32 178,033.39	95.65 5.32%	167,391.53 447.01	1.13% (10,641.86)	Aaa / AA+ AA+	1.38 1.32
912828ZC7	US Treasury Note 1.125% Due 02/28/2025	50,000.00	03/19/2020 0.72%	50,992.19 50,283.48	94.39 5.28%	47,195.30 47.91	0.32% (3,088.18)	Aaa / AA+ AA+	1.42 1.37
91282CFP1	US Treasury Note 4.250% Due 10/15/2025	220,000.00	12/15/2022 4.02%	221,332.03 220,959.73	98.43 5.07%	216,553.92 4,317.35	1.49% (4,405.81)	Aaa / AA+ AA+	2.04 1.89
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	300,000.00	12/29/2020 0.37%	300,093.75 300,041.29	90.61 5.00%	271,816.50 378.07	1.84% (28,224.79)	Aaa / AA+ AA+	2.17 2.10
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	125,000.00	01/27/2021 0.39%	124,882.81 124,946.42	90.40 4.93%	113,002.88 118.46	0.76% (11,943.54)	Aaa / AA+ AA+	2.25 2.19
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	300,000.00	03/30/2021 0.91%	297,597.66 298,800.15	90.43 4.86%	271,289.10 6.15	1.83% (27,511.05)	Aaa / AA+ AA+	2.50 2.42
91282CBW0	US Treasury Note 0.750% Due 04/30/2026	150,000.00	04/29/2021 0.89%	149,009.77 149,489.16	90.08 4.88%	135,123.00 470.79	0.92% (14,366.16)	Aaa / AA+ AA+	2.58 2.49
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	125,000.00	08/10/2021 0.82%	123,813.48 124,324.04	89.00 4.82%	111,254.88 131.62	0.75% (13,069.16)	Aaa / AA+ AA+	2.84 2.74
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	350,000.00	Various 0.98%	346,279.30 347,760.87	89.05 4.82%	311,677.80 223.56	2.11% (36,083.07)	Aaa / AA+ AA+	2.92 2.82
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	325,000.00	Various 1.26%	322,884.77 323,669.32	89.60 4.79%	291,205.20 1,530.06	1.98% (32,464.12)	Aaa / AA+ AA+	3.09 2.95
912828V98	US Treasury Note 2.250% Due 02/15/2027	200,000.00	02/06/2023 3.92%	187,695.31 189,672.10	92.28 4.75%	184,554.60 574.73	1.25% (5,117.50)	Aaa / AA+ AA+	3.38 3.18
91282CEF4	US Treasury Note 2.500% Due 03/31/2027	200,000.00	09/27/2022 4.26%	185,734.38 188,925.72	92.89 4.73%	185,773.40 13.66	1.26% (3,152.32)	Aaa / AA+ AA+	3.50 3.29
91282CEN7	US Treasury Note 2.750% Due 04/30/2027	340,000.00	Various 3.26%	332,193.75 334,276.13	93.51 4.74%	317,939.78 3,912.77	2.18% (16,336.35)	Aaa / AA+ AA+	3.58 3.31
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	175,000.00	08/03/2022 2.94%	177,460.94 176,879.71	95.01 4.72%	166,270.48 1,437.33	1.13% (10,609.23)	Aaa / AA+ AA+	3.75 3.44

Holdings Report

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
91282CFH9	US Treasury Note 3.125% Due 08/31/2027	120,000.00	09/08/2022 3.36%	118,692.19 118,970.74	94.38 4.71%	113,254.68 319.37	0.77% (5,716.06)	Aaa / AA+ AA+	3.92 3.62
91282CFM8	US Treasury Note 4.125% Due 09/30/2027	150,000.00	10/28/2022 4.20%	149,531.25 149,618.73	97.92 4.70%	146,877.00 16.91	0.99% (2,741.73)	Aaa / AA+ AA+	4.00 3.64
91282CFU0	US Treasury Note 4.125% Due 10/31/2027	220,000.00	12/15/2022 3.68%	224,357.03 223,649.62	97.87 4.70%	215,316.42 3,797.69	1.48% (8,333.20)	Aaa / AA+ AA+	4.09 3.65
9128283F5	US Treasury Note 2.250% Due 11/15/2027	200,000.00	01/05/2023 3.98%	184,875.00 187,159.95	90.95 4.69%	181,890.60 1,699.73	1.24% (5,269.35)	Aaa / AA+ AA+	4.13 3.83
91282CGC9	US Treasury Note 3.875% Due 12/31/2027	180,000.00	01/19/2023 3.48%	183,171.09 182,725.10	96.92 4.68%	174,452.40 1,762.70	1.19% (8,272.70)	Aaa / AA+ AA+	4.25 3.83
91282CGH8	US Treasury Note 3.500% Due 01/31/2028	220,000.00	02/27/2023 4.21%	213,125.00 213,947.09	95.43 4.67%	209,953.92 1,297.28	1.43% (3,993.17)	Aaa / AA+ AA+	4.34 3.94
9128283W8	US Treasury Note 2.750% Due 02/15/2028	230,000.00	03/08/2023 4.37%	213,639.45 215,507.67	92.48 4.67%	212,714.12 807.81	1.44% (2,793.55)	Aaa / AA+ AA+	4.38 4.03
91282CGT2	US Treasury Note 3.625% Due 03/31/2028	200,000.00	06/28/2023 4.05%	196,343.75 196,541.61	95.87 4.65%	191,734.40 19.81	1.30% (4,807.21)	Aaa / AA+ AA+	4.50 4.09
91282CHA2	US Treasury Note 3.500% Due 04/30/2028	220,000.00	05/15/2023 3.47%	220,275.00 220,254.04	95.31 4.65%	209,687.50 3,222.28	1.44% (10,566.54)	Aaa / AA+ AA+	4.59 4.11
91282CHE4	US Treasury Note 3.625% Due 05/31/2028	180,000.00	06/15/2023 3.95%	177,370.31 177,525.68	95.84 4.62%	172,518.84 2,192.83	1.18% (5,006.84)	Aaa / AA+ AA+	4.67 4.18
91282CHQ7	US Treasury Note 4.125% Due 07/31/2028	220,000.00	09/25/2023 4.62%	215,342.19 215,355.35	97.84 4.63%	215,256.36 1,528.94	1.47% (98.99)	Aaa / AA+ AA+	4.84 4.30
91282CCV1	US Treasury Note 1.125% Due 08/31/2028	250,000.00	09/21/2023 4.66%	211,376.95 211,569.53	84.69 4.64%	211,718.75 239.53	1.43% 149.22	Aaa / AA+ AA+	4.92 4.67
91282CHX2	US Treasury Note 4.375% Due 08/31/2028	150,000.00	09/28/2023 4.66%	148,160.16 148,162.21	99.01 4.60%	148,511.70 558.89	1.01% 349.49	Aaa / AA+ AA+	4.92 4.36
TOTAL US Treasury		5,850,000.00	2.81%	5,741,866.23 5,745,162.88	4.81%	5,459,880.51 33,037.12	37.13% (285,282.37)	Aaa / AA+ AA+	3.44 3.18
TOTAL PORTFOLIO		15,582,457.51	2.70%	15,466,479.45 15,433,412.41	5.20%	14,716,090.00 75,862.93	100.00% (717,322.41)	Aa1 / AA AA+	2.93 2.51
TOTAL MARKET VALUE PLUS ACCRUALS						14,791,952.93			

Holdings Report

As of September 30, 2023

SCORE Enhanced Cash - Account #11063

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Money Market Fund									
31846V203	First American Govt Obligation Fund Class Y	86,309.68	Various 4.94%	86,309.68 86,309.68	1.00 4.94%	86,309.68 0.00	3.37% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund		86,309.68	4.94%	86,309.68 86,309.68	4.94%	86,309.68 0.00	3.37% 0.00	Aaa / AAA AAA	0.00 0.00
US Treasury									
912797FC6	US Treasury Bill 5.272% Due 10/26/2023	830,000.00	07/28/2023 5.41%	819,424.24 819,424.24	98.73 5.41%	819,424.24 7,536.75	32.32% 0.00	P-1 / A-1+ F-1+	0.07 0.07
912797FL6	US Treasury Bill 5.295% Due 11/24/2023	830,000.00	09/01/2023 5.43%	820,233.67 820,233.67	98.82 5.43%	820,233.67 3,174.06	32.18% 0.00	P-1 / A-1+ F-1+	0.15 0.15
91282CDR9	US Treasury Note 0.750% Due 12/31/2023	830,000.00	09/21/2023 5.41%	819,625.00 820,558.75	98.86 5.36%	820,533.02 1,573.17	32.13% (25.73)	Aaa / AA+ AA+	0.25 0.25
TOTAL US Treasury		2,490,000.00	5.42%	2,459,282.91 2,460,216.66	5.40%	2,460,190.93 12,283.98	96.63% (25.73)	Aaa / AAA AAA	0.16 0.15
TOTAL PORTFOLIO		2,576,309.68	5.40%	2,545,592.59 2,546,526.34	5.39%	2,546,500.61 12,283.98	100.00% (25.73)	Aaa / AAA AAA	0.15 0.15
TOTAL MARKET VALUE PLUS ACCRUALS						2,558,784.59			



Section 5 | Transactions

Transaction Ledger

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

June 30, 2023 through September 30, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/13/2023	45950KDD9	85,000.00	International Finance Corp Note 4.5% Due: 07/13/2028	99.889	4.53%	84,905.65	0.00	84,905.65	0.00
Purchase	07/18/2023	05592XAD2	30,000.00	BMW Vehicle Owner Trust 2023-A A3 5.47% Due: 02/25/2028	99.982	5.54%	29,994.68	0.00	29,994.68	0.00
Purchase	07/27/2023	3130AWMN7	200,000.00	FHLB Note 4.375% Due: 06/09/2028	100.450	4.27%	200,900.00	388.89	201,288.89	0.00
Purchase	08/08/2023	46647PDG8	110,000.00	JP Morgan Chase & Co Callable Note Cont 7/25/2027 4.851% Due: 07/25/2028	98.509	5.67%	108,359.90	192.69	108,552.59	0.00
Purchase	08/21/2023	02665WEM9	150,000.00	American Honda Finance Note 5.125% Due: 07/07/2028	99.119	5.33%	148,678.50	939.58	149,618.08	0.00
Purchase	09/08/2023	74456QBU9	200,000.00	Public Service El & Gas Callable Note Cont 02/01/28 3.7% Due: 05/01/2028	94.279	5.10%	188,558.00	2,610.56	191,168.56	0.00
Purchase	09/15/2023	161571HT4	165,000.00	Chase Issuance Trust 23-A1 A 5.16% Due: 09/15/2028	99.972	5.23%	164,954.26	0.00	164,954.26	0.00
Purchase	09/22/2023	91282CCV1	250,000.00	US Treasury Note 1.125% Due: 08/31/2028	84.551	4.66%	211,376.95	169.99	211,546.94	0.00
Purchase	09/26/2023	91282CHQ7	220,000.00	US Treasury Note 4.125% Due: 07/31/2028	97.883	4.62%	215,342.19	1,405.64	216,747.83	0.00
Purchase	09/29/2023	91282CHX2	150,000.00	US Treasury Note 4.375% Due: 08/31/2028	98.773	4.66%	148,160.16	522.84	148,683.00	0.00
Subtotal			1,560,000.00				1,501,230.29	6,230.19	1,507,460.48	0.00
TOTAL ACQUISITIONS			1,560,000.00				1,501,230.29	6,230.19	1,507,460.48	0.00
DISPOSITIONS										
Sale	07/13/2023	3130A0F70	150,000.00	FHLB Note 3.375% Due: 12/08/2023	99.145	2.72%	148,717.50	492.19	149,209.69	-1,649.79

Transaction Ledger

As of September 30, 2023

Small Cities Organized Risk Effort - Account #590

June 30, 2023 through September 30, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Sale	08/21/2023	02665WCZ2	150,000.00	American Honda Finance Note 2.4% Due: 06/27/2024	97.212	2.49%	145,818.00	540.00	146,358.00	-4,074.39
Sale	09/08/2023	023135BW5	95,000.00	Amazon.com Inc Note 0.45% Due: 05/12/2024	96.654	0.50%	91,821.30	137.75	91,959.05	-3,147.44
Sale	09/08/2023	79466LAG9	25,000.00	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due: 07/15/2024	95.863	0.64%	23,965.75	23.00	23,988.75	-1,030.64
Sale	09/12/2023	3130A1XJ2	230,000.00	FHLB Note 2.875% Due: 06/14/2024	98.035	1.96%	225,480.50	1,616.39	227,096.89	-6,021.01
Sale	09/22/2023	912828WJ5	150,000.00	US Treasury Note 2.5% Due: 05/15/2024	98.117	1.91%	147,175.78	1,324.73	148,500.51	-3,366.59
Sale	09/26/2023	912828YH7	300,000.00	US Treasury Note 1.5% Due: 09/30/2024	96.164	1.68%	288,492.19	2,200.82	290,693.01	-10,988.31
Subtotal			1,100,000.00				1,071,471.02	6,334.88	1,077,805.90	-30,278.17
Call	07/23/2023	46647PAU0	150,000.00	JP Morgan Chase & Co Callable Note 1X 7/23/2023 Due: 07/23/2024	100.000	2.35%	150,000.00	0.00	150,000.00	0.00
Subtotal			150,000.00				150,000.00	0.00	150,000.00	0.00
TOTAL DISPOSITIONS			1,250,000.00				1,221,471.02	6,334.88	1,227,805.90	-30,278.17

Transaction Ledger

As of September 30, 2023

SCORE Enhanced Cash - Account #11063

June 30, 2023 through September 30, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	07/31/2023	912797FC6	830,000.00	US Treasury Bill 5.272% Due: 10/26/2023	98.726	5.41%	819,424.24	0.00	819,424.24	0.00
Purchase	09/05/2023	912797FL6	830,000.00	US Treasury Bill 5.295% Due: 11/24/2023	98.823	5.43%	820,233.67	0.00	820,233.67	0.00
Purchase	09/22/2023	91282CDR9	830,000.00	US Treasury Note 0.75% Due: 12/31/2023	98.750	5.41%	819,625.00	1,420.92	821,045.92	0.00
Subtotal			2,490,000.00				2,459,282.91	1,420.92	2,460,703.83	0.00
TOTAL ACQUISITIONS			2,490,000.00				2,459,282.91	1,420.92	2,460,703.83	0.00
DISPOSITIONS										
Maturity	07/27/2023	912796Y29	830,000.00	US Treasury Bill 5.04% Due: 07/27/2023	100.000		820,354.44	9,645.56	830,000.00	0.00
Maturity	08/31/2023	912796Z51	830,000.00	US Treasury Bill 5.103% Due: 08/31/2023	100.000		820,235.80	9,764.20	830,000.00	0.00
Maturity	09/21/2023	912796CR8	830,000.00	US Treasury Bill 5.145% Due: 09/21/2023	100.000		819,679.99	10,320.01	830,000.00	0.00
Subtotal			2,490,000.00				2,460,270.23	29,729.77	2,490,000.00	0.00
TOTAL DISPOSITIONS			2,490,000.00				2,460,270.23	29,729.77	2,490,000.00	0.00

Important Disclosures

As of September 30, 2023

2023 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

ICE BofA 1-5 Yr US Treasury & Agency Index

The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.

ICE BofA 1-5 Yr AAA-A US Corp & Govt Index

The ICE BofA US 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational, and corporate securities. Qualifying securities must be issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities.

SCORE INVESTMENT POLICY

ACTION ITEM

ISSUE: The Board annually reviews and approves any recommended changes to the Investment Policy, or they reaffirm the Policy with no changes. Attached is a red-line version of the Investment Policy with changes as suggested by Chandler Asset Management.

RECOMMENDATION: Review, discuss, and approve the recommended changes as presented or modified or provide direction.

FISCAL IMPACT: The financial impact cannot be determined at this time.

BACKGROUND: Each year, staff requests an Investment Policy review from the Investment Manager as well as the JPA Financial Accounting Services provider 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:

1. SCORE Investment Policy – Redline Mark Up

**SMALL CITIES ORGANIZED RISK EFFORT
JOINT POWERS AUTHORITY (SCORE)
Reviewed January 2023**

**INVESTMENT POLICY
ADOPTED 1-27-23**

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, as set forth in the State Government Code, Sections 53600 *et seq.*

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 (who is registered under the Investment Advisers Act of 1940), 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. External managers may be granted discretion to purchase and sell investment securities in accordance with 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

The Authority's overall investment program shall be designed and managed with a degree of professionalism worthy of the public trust. The overriding objectives of the program are to preserve principal, provide sufficient liquidity, and manage investment risks, while seeking a market-rate of return.

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. To attain this objective, the Authority will diversify its investments by investing funds among a variety of securities with independent returns.

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. Return: 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. 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.

V. DIVERSIFICATION

The portfolio will be diversified to avoid incurring unreasonable and avoidable risk regarding specific security types or individual financial institutions.

VI. PRUDENCE

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Authority will be considered trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. 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. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The Treasurer and other authorized persons responsible for managing Authority funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith. Deviations from expectations of a security's credit or market risk should be reported to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

VII. 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 portfolio's return and the cash flow requirements of the Authority.

VIII. REPORTING

The Authority's Treasurer shall submit a quarterly investment report to the Board of Directors that is in compliance with California Government Code Section 53607.

Additionally, the reports shall include the following information for each individual investment:

- Type of investment instrument (i.e., Treasury Bill, medium-term note)
- Issuer name
- 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

IX. INVESTMENT INSTRUMENTS AND MATURITIES

The Authority's investments are governed by California Government Code, Sections 53600 *et seq.* Within the investments permitted by the Code, the Authority seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

A. 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. The maximum maturity is five (5) years.

2. Federal agency or United States Government-Sponsored Enterprise obligations (GSE), 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 Federal Agency obligations or GSEs, provided that no more than 30% of the portfolio may be invested in any single Agency/GSE issuer and the maximum percent of agency callable securities in the portfolio will be 20%. The maximum maturity does not exceed five (5) years.

3. Supranationals provided that they are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in the rating category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). Purchases of Supranationals must not exceed 30% of the Authority's total portfolio and no individual issuer shall exceed 10% of the Authority's portfolio. The maximum maturity does not exceed five (5) years.
4. Municipal Securities include obligations issued by the State of California, any local agency within the state, which are rated in the rating category of "A" or its equivalent or better by at least one NRSRO. Purchases of Municipal securities may not exceed five (5) years in maturity or 30% of the Authority's portfolio. No more than 5% of the portfolio may be invested in any individual issuer.
5. Municipal Securities (Registered Treasury Notes or Bonds) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California, which are rated in the rating category of "A" or its equivalent or better by at least one NRSRO. Purchases of this category may not exceed five (5) years in maturity or 30% of the Authority's portfolio. No more than 5% of the portfolio may be invested in any individual issuer.
6. Negotiable Certificates of Deposit (NCDs) or deposit notes with a remaining term to maturity of five years or less, issued by a nationally or state-chartered bank, a state or federal savings and loan association, a state or federal credit union, or by federally-licensed or state-licensed branch of a foreign bank. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent 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 individual issuer.

7. Banker's Acceptances issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

Purchases of Banker's Acceptances may not exceed 180 days maturity or 40% 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.

8. Commercial Paper provided that the securities are issued by an entity that meets all of the following conditions in either paragraph (a) or (b) and other requirements specified below:

a. **Securities** issued by corporations:

- i. A corporation organized and operating in the United States with assets more than \$500 million.
- ii. The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
- iii. If the issuer has other debt obligations, they must be rated in a rating category of "A" or its equivalent or better by at least one NRSRO.

b. **Securities** issued by other entities:

- i. The issuer is organized within the United States as a special purpose corporation, trust, or limited liability company.
- ii. The securities must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
- iii. The securities are rated "A-1" or its equivalent or better 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 commercial paper of any single issuer.

9. 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 (1) year. in maturity, and may not exceed 25% of the Authority's investment portfolio. No more than 5% may be invested in any one issuer.
10. Corporate Medium Term Notes (MTNs) defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less issued only by corporations organized and 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 NRSRO.

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

11. State of California Local Agency Investment Fund (LAIF) - There are no limits on the dollar amount or percentage that the Authority may invest in LAIF, subject to statutory limits imposed by LAIF.

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

12. Mutual Funds and Money Market Mutual Fund that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940 provided that:

- a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria in paragraphs (i) or (ii):

- i. Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- ii. 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 and with assets under management in excess of \$500 million.
- iii. No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

- b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria in paragraphs (i) or (ii):

- ~~iv-i.~~ Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- ~~v-ii.~~ Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
- ~~vi-iii.~~ No more than 20% of the investment portfolio may be held in Money Market Mutual Funds.

- ~~b-c.~~ No more than 20% of the total portfolio may be invested in these securities.

13. Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in Sections 1 and 2 of the Investment Instruments and Maturities Section provided that:

Such securities shall have a maximum legal final maturity that does not exceed five (5) years and shall be rated in a rating category of "AA" or its equivalent or better by at least one NRSRO. No more than 20% of the total portfolio may be invested in these securities

and no more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.

14. Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, credit unions, provided that the amount per institution is limited to the maximum covered under federal insurance. No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits, and must have a maximum maturity not exceeding five (5) years.
15. Collateralized Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amount which are fully collateralized with securities in accordance with California law provided that no more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits with a maximum maturity not exceeding five (5) years.
16. Collateralized Bank Deposits with no limits on the dollar amount or percentage that the Authority may invest in collateralized bank deposits. The Authority's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651.

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 is prohibited.
2. Reverse Repurchase Agreements, securities lending, or any other form of borrowing or leverage.
3. Financial Futures and financial options are prohibited.
4. In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
5. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
6. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
7. Purchase of foreign currency denominated securities is prohibited.
8. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least \$100,000,000 in securities owned and invested.
9. No investments are allowed in financial instruments of SCORE cities.
- 9.10. The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is prohibited.

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

X. INVESTMENT POOLS/MUTUAL FUNDS

The Authority shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A. A description of eligible investment securities, and a written statement of investment policy objectives.
- B. A description of interest calculations and how it is distributed, and how gains and losses are treated.
- C. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- D. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- E. A schedule for receiving statements and portfolio listings.
- F. Are reserve, retained earnings, etc. utilized by the pool/fund?
- G. A fee schedule, and when and how it is assessed.
- H. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XI. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The Authority shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The Authority shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The Authority requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The Authority shall receive monthly statements of collateral.

XII. 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.

XIII. 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.

XIV. AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The Authority's Treasurer will determine which financial institutions are authorized to provide investment services to the Authority. It shall be the Authority's policy to purchase securities only from authorized institutions and firms.

The Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the Authority. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the Authority are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the Authority include:

- Institutions licensed by the state as a broker-dealer.
- Institutions that are members of a federally regulated securities exchange.
- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the Authority, except where the Authority utilizes an external investment adviser in which case the Authority may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq.* and the Authority's investment policy. The Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the Authority will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive

offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

XV. 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, unless otherwise specified;
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 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, making the security ineligible for additional purchases, the following steps will be taken:
 - i. Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
 - ii. 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.

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 cash flow 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 (term unless expressly authorized by the Board of Directors and within the prescribed time frame for the approval—Government Code §53601):

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%.

XIV. DELIVERY, SAFEKEEPING AND CUSTODY

All investment transactions shall be conducted on a delivery-versus-payment basis (DVP).

Securities purchased from broker/dealers will be held in a third-party custodian/safekeeping account in the Authority's name 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.

XV. REVIEW OF INVESTMENT POLICY

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

XVI. REVIEW OF INVESTMENT PORTFOLIO

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Board of Directors.

XVII. PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

XVIII. MAXIMUM MATURITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The Authority will not invest in securities maturing more than five (5) years from the date of trade settlement, unless the Board of Directors has a resolution granted authority to make such an investment.

XIX. ETHICS AND CONFLICT OF INTEREST

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. Thus 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. Employees and investment officials shall disclose to the President any

material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Authority.

Appendix A: Glossary

AGENCIES. Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT. A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT. Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERALLY INSURED TIME DEPOSIT. A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND. A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD). A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

SECURITIES AND EXCHANGE COMMISSION (SEC). The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION SEC) RULE 15C3-1. An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



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**Small Cities Organized Risk Effort
Long Range Planning
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Agenda Item H.1.

BEST PRACTICES FOR WORKERS' COMPENSATION

INFORMATION ITEM

ISSUE: Intercare, SCORE's new Workers' Compensation claims administrator, will present best practices for managing Work Comp claims as well as an overview of their services.

RECOMMENDATION: Information only – review and adopt best practices as applicable.

FISCAL IMPACT: None from this item.

BACKGROUND:

ATTACHMENTS: Handout



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**Small Cities Organized Risk Effort
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Agenda Item H.2.

SUBROGATION & LIABILITY CLAIM MANAGEMENT

INFORMATION ITEM

ISSUE: George Hills and Company, SCORE's new liability claims administrator, will present their best practices for liability claims management and subrogation services.

RECOMMENDATION: Information only = review and incorporate best practices as applicable.

FISCAL IMPACT: None from this item.

BACKGROUND: Liability claims management is a critical component of the services SCORE offers. The member, staff, claims examiner, and legal counsel must coordinate their efforts to promptly investigate and resolve claims in order to minimize the potential damages.

ATTACHMENTS: Handout

LUNCH PRESENTATION

EMPLOYMENT LAW RISK MANAGEMENT

INFORMATION ITEM

ISSUE: Members annually receive an update on the current state of Employment Practices Liability and recommended best practices to prevent or mitigate claims.

RECOMMENDATION: None – Information only.

FISCAL IMPACT: None.

BACKGROUND: One of the benefits of ERMA participation is the availability of a variety of EPL training topics and resources, including an attorney hotline for legal advice.

ATTACHMENTS: Handout

Members not participating in ERMA are urged to apply.



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**Small Cities Organized Risk Effort
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Agenda Item H.3.

SEWER OPERATIONS RISK MANAGEMENT & RESPONSE

INFORMATION ITEM

ISSUE: DKF Solutions, SCORE’s Risk Control Advisor, will present the latest best practices for sewer maintenance, loss prevention, and spill response.

RECOMMENDATION: Information – review best practices with sewer management staff.

FINANCIAL IMPACT: No fiscal impact for SCORE.

BACKGROUND: DKF has specialized in sewer operations best practices for almost thirty years, in addition to broad range of risk management exposures faced by SCORE members. Sewer operations and backup claims continue to be a major exposure to members and the pool.

ATTACHMENT: Handout

UNDERWRITING POLICY REVIEW FUNDING FORMULA

ACTION ITEM

ISSUE: The Board will review current Underwriting Policy and the formula for annual funding of the Liability and Workers' Compensation Programs.

RECOMMENDATION: Review and update the Underwriting Policy as presented or funding formula as needed.

FINANCIAL IMPACT: No fiscal impact for SCORE.

BACKGROUND: SCORE's Underwriting Policy is subject to review every three years to determine if the underwriting process is adequately measuring the risks and adequately allocating costs. Members also regularly receive a review of the funding formula for both the Liability and Workers' Compensation.

ATTACHMENT:

1. Underwriting Policy
2. Funding Formula Presentation - *handout*

SMALL CITIES ORGANIZED RISK EFFORT (SCORE)

UNDERWRITING POLICY

Objective

Small Cities Organized Risk Effort (SCORE) has established underwriting criteria for the purpose of evaluating prospective members. Underwriting information is also used for rate and premium calculations and for measuring member performance. Underwriting standards and guidelines are outlined in various governing documents, including the JPA Agreement, Bylaws and SCORE Policies. This Underwriting Policy provides a summary and highlights much of the criteria utilized to complete the underwriting process.

Underwriting Function/Mission

Establishing underwriting criteria ensures that SCORE coverage programs are analyzed for risk exposures, funding requirements, risk retention levels, compatibility between members, and serviceability by staff. Adherence to these Board approved standards and guidelines promotes the continued financial viability and security of SCORE.

New Members

The guidelines for admittance of new members to SCORE are set forth in the Bylaws. Membership is open to any Public Agency that the Board of Directors determines, in its sole discretion, has similar exposures and interests to the Members. Approval of membership by the Board of Directors is required. Applicants accepted for membership must participate in the Liability pooled coverage program and agree to participate as a member for a minimum of three consecutive years.

Application Process

An applicant for membership must complete an application that solicits specific information to assess the applicant's risk exposures, including the following financial information:

- a. Current payroll, estimated payroll for the initial Program Year, most recent audited financial statements, budget and other financial data as requested;
- b. Payrolls for the previous five years
- c. Loss history for the previous five years;
- d. Any recent claim or actuarial studies.

In addition, the applicant must provide a fully executed resolution from their governing board seeking membership pursuant to SCORE's policies and may pay an application fee as determined by the Board of Directors.

Underwriting Guidelines

Any prospective member must meet the following minimum underwriting guidelines:

- a. Have a loss rate calculated for the past three years that does not exceed the average loss rate of the current members;
- b. Demonstrate a commitment to support risk management and safety programs to control or prevent claims;

The Administrator, with the concurrence of the Board of Directors, may waive any of these guidelines or require additional terms and conditions for membership if circumstances warrant.

Mini-Cities Underwriting Guidelines

Any prospective Mini-City member must meet the above requirements as well as the following minimum underwriting guidelines:

- a. Mini-Cities Members must have an average calendar year payroll below **\$500,000** for the three years prior to the subject fiscal year.
- b. If a Member's average calendar year payroll for the three years prior to the subject fiscal year drops below the **\$500,000** threshold they may apply to join the Mini-Cities, subject to Board approval.
- c. A Mini-Cities member may apply to leave the group, subject to Board approval and considering the impact on the remaining members.
- d. A Mini-Cities member approved to leave the group may not return for three years.

Rate Setting/Funding Requirements

The coverage programs will be funded each year after completion of an independent actuarial study. Rates are established based upon multiple factors, including:

- Payroll exposure
- Loss rates
- Excess rates

- Administrative expenses
- A margin for contingency as prescribed in SCORE's Funding Policy (minimum of Expected Losses at a 60% Confidence Level with goal of 80%)

Although SCORE's coverage program is based upon risk sharing among its members, to encourage accountability for losses member funding is adjusted after the application of an experience modification factor.

Target Net Position

SCORE has adopted a Dividend and Assessment Plan (DAP) for each of its coverage programs that sets a minimum threshold for Net Position prior to disbursement of any dividends. Shared Layer Dividends are available only to the extent Net Position exceeds five times the Program SIR, plus funding of liabilities from Expected to the 90% Confidence Level, plus any other designated funds, such as Safety Grant funds. Any amounts above those thresholds may be distributed at the Board's discretion. Each Program also sets minimum thresholds for member Banking Layer balances.

Periodic Review

This Underwriting Policy will be periodically reviewed by the Board, at least once every three years. This review should consider:

- a. Is the process adequately measuring the risks?
- b. Is the process adequately allocating costs?

The Board may delegate the underwriting function as outlined in this Policy to the Executive Committee or any other committee established for the sole purpose of addressing underwriting issues.

*ADOPTED BY BOARD OF DIRECTORS
Date: October 27, 2017
Reviewed October 23, 2020*

AAATRAQ PROPOSAL – ADA RISK CONTROL PROGRAM

ACTION ITEM

ISSUE: Members are provided access to free scans of their websites for compliance with ADA requirements through [AAAtraq](#). Ongoing monitoring and specific recommendations to correct any deficiencies are available for a fee. The service includes documentation of a member’s reasonable attempts to accommodate those who qualify under the ADA and litigation support coverage up to \$50,000 for a covered claim.

The service is offered based on requests from other cities for assistance after they have received letters demanding website compliance with the ADA and seeking damages. The AAAtraq service is unique in providing coverage for defending ADA claims based on compliance with the ADA recommendations.

RECOMMENDATION: Review and provide feedback, approval, or direction regarding this service.

FISCAL IMPACT: Pricing is \$99 per month per member website, based on group purchase.

BACKGROUND: ADA regulations apply to the accessibility of public websites, with public agency websites particularly vulnerable due to their role in the community. California passed legislation (AB 434) effective January 1, 2018, mandating compliance with Web Content Accessibility Guidelines (WCAG 2.0) for all state agencies and created a compliance certification process. For now, the State law does not apply to local governments, but the trend is in that direction and many jurisdictions are following the process established by the legislation. In addition, the Federal ADA applies to websites, and we are seeing more activity as it relates to demand letters being sent to public agencies for ADA compliance.

ATTACHMENT(S):

1. Insurance Pools Section of AAAtraq website
2. Inclusion Indexes for SCORE Members - *handout*



Your Account Contact:

Kensley Maloney
kmaloney@AAAtraq.com
US 1 917 672 7766

ADA Risk Control Program (Compliance Service)

Small Cities Organized Risk Effort (SCORE)

Version 1.03
Dated August 24th 2023

Commercials

This Agreement being for the period specified below. Services are subject to AAAtraq general Terms and Conditions, please review at www.AAAtraq.com/terms.

Item

Service Commencement	October 1 st , 2023
Subscription Period	One-Year Service
Subscription Start Date	October 1 st , 2023
Subscription End Date	October 1 st , 2024
Web Site(s)	<p>Up to 19 Risk Control Programs (one per primary website include the SCORE website)</p> <p>‘Primary website’ means websites owned or operated for or on behalf of SCORE members.</p> <p>10% premium against any website that has been served with litigation and/or any complaint the last three years.</p>
Subscription <i>Exc. Local Sales / Value Added Tax</i>	<p>Pool Program Deployment* / Yr. 1 Support / \$5,250 USD</p> <p>Risk Control Program / \$32,680 USD per annum</p> <p>Total Risk Control Program / \$37,930 USD per annum</p>
Payment Terms	2023 / Invoice due October 1 st 2023
Service Inclusion	<p>Please see below for additions included for larger programs* (not included in standard stand-alone price):</p> <ol style="list-style-type: none"> 1) Personalized SCORE Program management & platform 2) Secure portal 3) Member education (communications, webinars) 4) Monthly reporting 5) Monthly Risk INDEX 6) Ongoing support 7) Personalized member resources 8) Bespoke SCORE branded Accessibility Content Manager (log straight into the webpage, no CMS; the webpage tells you what to fix; the AI tells you how to fix it, saving 95% of costs and 100% of technicalities). 9) ‘Primary website’ is entitled to two ACM users.

Usage

This contract is subject to the following:

- Service usage is restricted to the websites of the SCORE member, it cannot be used for any website which is not directly owned, managed, or operated for or on behalf of the organisation. Usage outside this restriction may be chargeable and usage for additional websites owned and operated by SCORE members may also be chargeable.

Stars

ADA Compliance process; independent recognition:

- Key element of the service: the compliance module holds your hand through your journey to compliance. Intelligence driven tasks advise you, step by step, as to the action required to understand, and attain ADA compliance. As actions are completed, you are awarded stars.
- The support package offered is there to assist and help you, short-cutting the time required to ensure appropriate understanding of ADA compliance (sometimes also a useful interface between yourself and the web technical staff or where additional knowledge share is required for corrections).

Insurance

The full policy will be issued to each member, individually on commencement of service usage. Each member is being responsible for the accuracy of the details they provide.

Coverage Summary: claims expense.

Claim	means a written demand received by the Insured to provide defense and indemnification solely in respect of an allegation made in writing against a claimant that the claimant failed to make reasonable accommodations to the claimant's website for users with disabilities;
Claims Expenses	means reasonable and necessary legal costs and expenses charged by a Defense Panel counsel to defend an allegation made in writing against a claimant that the claimant failed to make reasonable accommodations to the claimant's website for users with disabilities. Claims Expenses will not include any internal costs of the claimant, including salaries, wages or overhead.
Sublimit of Liability	means the maximum monetary amount the Underwriters will pay for any one Claim, which shall be based upon the compliance status of the claimant at the time the claimant's website allegedly failed to make reasonable accommodations for users with disabilities, as follows: Zero-star compliance: \$2,500 One-star compliance: \$10,000 Two-star compliance: \$25,000 Three-star compliance: \$50,000
Technology Services	means the provision of technology analysis and consulting related to compliance with regulations governing website and internet content used by persons with disabilities.



AAAtraq Limited

Name: Lawrence Shaw

Date: August 24th, 2023

SCORE

Name:

Date:



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**Small Cities Organized Risk Effort
Long Range Planning
October 26, 2023**

Agenda Item H.6.

STRATEGIC PLANNING OBJECTIVES UPDATE

INFORMATION ITEM

ISSUE: The Board will review the most recent update to SCORE's Strategic Planning Objectives for review and feedback.

RECOMMENDATION: Review, ask questions and provide feedback.

FINANCIAL IMPACT: No fiscal impact for SCORE.

BACKGROUND: The objectives were extensively updated by the Board at the October 2021 planning session and reviewed and updated regularly at Board meetings since then, particularly the October meeting.

ATTACHMENT: Strategic Planning Objectives as of 10/1/23

SCORE STRATEGIC GOALS & ACTION PLAN

Goals Drafted: 10/28/2021- 10/29/2021 BOD Long Range Planning meeting

Updated: 10/1/24

MISSION STATEMENT

Small Cities Organized Risk Effort (SCORE) is an association of small rural cities joined together in 1986 to protect member resources by stabilizing costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

GOAL	ACTION/TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1				
Property Program: Objective - Review the Property Program structure	1. Conduct study of estimated premiums at various self-insured retentions (SIRs) to bring stability to program	Alliant/Bickmore	Completed	Completed - update for 24/25?
	<i>Notes: Received and discussed briefly at 10/28/21 BOD meeting</i>			
	2. Analyze banking layer options for members	Alliant	Completed	Started Banking Layer 7/1/22
	<i>Notes: Will have financials by member for the Property Banking Layer at BOD 1/23/23</i>			
	3. Review options for Auto Physical Damage Program	Alliant/Board	Completed - review again for FY 24/245 renewals	Presentation at 10/26/24 BOD
	<i>Notes: compare options including AMVP as deductible buy-down for high-value vehicles</i>			
LRP-2				
Liability Program - Flattening the curve of increasing premiums and risk	1. Review options for increasing SIR from \$750K and \$1M	Alliant/Bickmore	BOD 3/29/24 & 6/23/24	Review begins in March
	<i>Note: will present draft budget options at March BOD meetings</i>			
	2. Analyze risk for loss leaders and trends	George Hills/Alliant	BOD 1/2024	Will prep for next meeting
	<i>Note: Look at risk from the pool level as well as individual member level</i>			
	3. Address the risks of police liability and dangerous condition claims	Alliant/Members	Set training by 2/1/23 and budget FY 23/24	Completed initial plan - ongoing
	<i>Notes: engaged police RM consultant, training for PD, upcoming Training Day in November. Resolution for Engineer.</i>			

LRP-3				
Cyber Program - Objective: Analyze purchasing excess insurance	1. Alliant to send members application early	Alliant	BOD 3/25	Completed
	<i>Note: Solicit feedback from members</i>			
	2. Create more robust risk control program	Alliant/DKF Solutions	Started October 2021	Ongoing on BOD Agenda 10/24
	<i>Note: Risk control efforts to include multi factor authentication, redundant systems, phishing simulation training and more</i>			
	3. Analyze options available from excess insurers	Alliant	BOD 6/24/24	One member purchased
<i>Note: All members will need to complete applications and have controls in place</i>				
LRP-4				
Member Engagement and Education	1. Create Board Member Training Materials	Alliant/BOD	Presented in 2022,23,24	Present topic at each BOD meeting
	<i>Note: The materials will include education on Board member responsibilities, Program details, and the Budget/Funding process</i>			
	2. Continue plan for staff visits	Alliant/DKF/Board	BOD 1/28/22	Ongoing
	<i>Note: Staff member visits are valued by members and creating a plan will ensure visits are done on a timely basis</i>			
LRP-5				
Wildfire Risk Management Mitigation	1. Conduct wildfire risk scores for key member locations	Alliant	Reviewed at 10/28 BOD	Completed
	<i>Additional locations may be assessed based on exposure</i>			
	2. Contract with IEC to obtain Wildfire Risk Assessments for 4 SCORE Members (Colfax, Dunsmuir, Portola and Shasta Lake)	Alliant/BOD	BOD 3/25/22	Completed
	<i>whole.</i>			
	3. Create a plan for after IEC Assessments	Alliant/BOD	BOD 6/24/22	Direction at 10/27/22 Meeting
<i>Note: SCORE Board will make a decision if further reports are needed for additional members.</i>				



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**Small Cities Organized Risk Effort
Long Range Planning
October 26, 2023**

Agenda Item H.7.

WRAP-UP

ACTION ITEM

ISSUE: The Board will review the meeting’s discussions and identify items that will be more fully developed in a Long-Range Action Plan for adoption at a future SCORE Board meeting.

RECOMMENDATION: Review, ask questions and provide feedback.

FINANCIAL IMPACT: The Fiscal Impact cannot be determined at this time.

BACKGROUND: SCORE members regularly review and update the strategic planning objectives as needed, with focus on the plan each October.

ATTACHMENT: None.