



**President**  
Mr. Roger Carroll  
Town of Loomis

## **SMALL CITIES ORGANIZED RISK EFFORT BOARD OF DIRECTORS AGENDA**

**Vice President**  
Mr. Kelly McKinnis  
City of Weed

**Secretary**  
Ms. Pamela Russell  
City of Etna

**Location:** Teleconference

**Treasurer**  
Ms. Linda Romaine  
Town of Fort Jones

**Date/Time:** August 24, 2012, 10:00 a.m.

In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publically accessible places, 72 hours in advance of the meeting, in each of the member agencies involved. 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 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

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 Laurence Voiculescu at Alliant Insurance at (916) 643-2712 24 hours in advance of the meeting.

**This Meeting Agenda shall be posted at the address of the teleconference locations shown below with access for the public via phone/speaker phone.**

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

1. City of Biggs, 465 C Street, Biggs, CA 95917
2. City of Colfax, 33 South Main Street, Colfax, CA 95713
3. City of Dorris, 307 Main Street, Dorris, CA 96023
4. City of Dunsmuir, 5915 Dunsmuir Avenue, Dunsmuir, CA 96025
5. City of Etna, 422 Main Street, Etna, CA 96027
6. Town of Fort Jones, 11960 East Street, Fort Jones, CA 96032
7. City of Isleton, 101 2<sup>nd</sup> Street, Isleton, CA 95641
8. City of Live Oak, 9955 Live Oak Blvd., Live Oak, CA 95953
9. Town of Loomis, 3665 Taylor Road, Loomis, CA 95650
10. City of Loyalton, 210 Front Street, Loyalton, CA 96118
11. City of Montague, 230 13<sup>th</sup> Street, Montague, CA 96064
12. City of Mount Shasta, 305 North Shasta Blvd., Mount Shasta, CA 96067
13. City of Portola, 35 – 3<sup>rd</sup> Street, Portola, CA 96112
14. City of Rio Dell, 675 Wildwood Avenue, Rio Dell, CA 95562
15. City of Shasta Lake, 1650 Stanton Drive, Shasta Lake, CA 96019
16. City of Susanville, 66 North Lassen Street, Susanville, CA 96130
17. City of Tulelake, 501 Main Street, Tulelake, CA 96134
18. City of Weed, 550 Main Street, Weed, CA 96094
19. City of Yreka, 701 4<sup>th</sup> Street, Yreka, CA 96097
20. Alliant Insurance Services, 1792 Tribute Road Ste. 450, Sacramento, CA 95815
21. Gilbert & Associates, 2880 Gateway Oaks Drive, #100, Sacramento, CA 95833
22. York Risk Services Group Inc, 1101 Creekside Ridge Drive, Suite 100 Roseville, CA 95678



<i>PAGE</i>	<b>A. CALL TO ORDER</b>	
	<b>B. ROLL CALL</b>	
	<b>C. APPROVAL OF AGENDA AS POSTED</b>	A 1
	<b>D. PUBLIC COMMENTS</b>	
Pg. 1	<b>E. CONSENT CALENDAR</b>	A 1
	<i>All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request any item to be considered separately.</i>	
	1. Draft Board of Directors Meeting Minutes – June 22, 2012	
	2. Local Agency Investment Fund (LAIF) Monthly Statements of Investments – June 30, 2012	
	3. Union Bank Account Statement – July 2012	
	4. SCORE Checking Account Transaction List – April 1 – June 30, 2012	
	5. Investment Statements from Chandler Asset Management – July 2012	
	a. Account 590	
	i. Portfolio Summaries	
	ii. Compliance Report	
	6. Target Solutions Utilization Report – July 31, 2012	
	7. York Claims Bill Review	
	8. SCORE Service Calendar	
	9. SBK Monthly Statement – July 2012	
	<b>F. COMMITTEE REPORTS</b>	I 1
Pg. 40	1. ERMA Board of Directors Minutes – June 18, 2012	
Pg. 46	2. LAWCX Board of Directors EBrief – June 12, 2012	
Pg. 47	3. CJPRMA Board of Directors Minutes – June 21, 2012	
	<b>G. ADMINISTRATIVE REPORTS</b>	
	<b>1. President’s Report</b>	I 4
	<i>Mr. Roger Carroll will address the Board on items pertaining to SCORE -</i> <b>VERBAL</b>	
	<b>2. Alliant Update</b>	I 4
	<i>Staff will update the Board on Alliant matters pertinent to SCORE -</i> <b>VERBAL</b>	
	<b>3. ERMA Update</b>	I 4
	<i>Mr. Roger Carroll will update the Board on ERMA matters pertinent to SCORE -</i> <b>VERBAL</b>	



**H. JPA BUSINESS**

Pg. 55      **1. Update on the City of Isleton**      I 1  
*Staff will provide the Members with an update on Isleton. Staff and Mr. Jack Kastorff is meeting with the Interim City Manager and City Council on August 22, 2012.*

Pg. 56      **2. City of Crescent City Retrospective Distribution Request**      A 1  
*Members will review, discuss and decide if they will grant City of Crescent City's request for distribution from the recent retrospective rating distribution.*

**I. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95**

**\*\*REQUESTING AUTHORITY**

**1. Liability**

- a. Kernan vs. City of Yreka
- b. Abbott vs. City of Yreka
- c. Schisler vs. City of Weed
- d. Ralston vs. City of Weed
- e. Operating Engineers vs. City of Isleton
- f. Woodsman Lodge vs. City of Mt. Shasta

**2. Worker's Compensation**

- a. City of Crescent City vs. Mark Byrne\*\*
- b. City of Crescent City vs. Mark Byrne\*\*
- c. City of Crescent City vs. Garrett Scott\*\*
- d. City of Colfax, vs. David Woodford\*\*

**J. REPORT FROM CLOSED SESSION**

**K. INFORMATION ITEMS**

- 1. SCORE Resource Contact Guide

**L. CLOSING COMMENTS**

**ADJOURNMENT**



**UPCOMING MEETING**

October 25, 2012 10:00 a.m. – Training/Strategic Planning Session  
Inn at the Tides  
Bodega Bay, CA

October 26, 2012 10:00 a.m. – SCORE Board Meeting  
Inn at the Tides  
Bodega Bay, CA

**MISSION STATEMENT**

**To protect the assets of members by reducing, sharing, controlling and stabilizing the cost of risk, while providing a high level of cost effective services.**



## **CONSENT CALENDAR**

### **ACTION ITEM**

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

**RECOMMENDATION:** The Program Administrator recommends adoption of the Consent Calendar as after reviewed by the Board.

**FISCAL IMPACT:** None

**BACKGROUND:** The Board places the following items on the Consent Calendar for adoption. The Board may accept the Consent Calendar as presented, or pull items for discussion and separate action while accepting the remaining items.

### **ATTACHMENT:**

1. Draft Board of Directors Meeting Minutes – June 22, 2012
2. Local Agency Investment Fund (LAIF) Monthly Statements of Investments – June 30, 2012
3. Union Bank Account Statement – July 2012
4. SCORE Checking Account Transaction List – April 1 – June 30, 2012
5. Investment Statements from Chandler Asset Management – July 2012
- b. Account 590
  - iii. Portfolio Summaries
  - iv. Compliance Report
6. Target Solutions Utilization Report – July 31, 2012
7. York Claims Bill Review
8. SCORE Service Calendar
9. SBK Monthly Statement – July 2012



**Small Cities Organized Risk Effort (SCORE)  
Board of Directors Meeting Minutes  
June 22, 2012**

**Member Cities Present**

Michael Botorff, City of Biggs  
Brenda Bains, City of Dunsmuir  
Pamela Russell, City of Etna  
Linda Romaine, Town of Fort Jones  
Satwant Takhar, City of Live Oak  
Roger Carroll, Town of Loomis  
Kathy LeBlanc, City of Loyalton  
Janie Sprague, City of Montague

Ted Marconi, City of Mt. Shasta  
Leslie Tigan, City of Portola  
Stephanie Beauchaine, City of Rio Dell  
Debbie Savage, City of Susanville  
Randolph Darrow, City of Tulelake  
Kelly McKinnis, City of Weed  
Steve Baker, City of Yreka

**Member Cities Absent**

Bruce Kranz, City of Colfax  
Liz Clontz, City of Dorris

Robert Jankovitz, City of Isleton  
John Duckett, City of Shasta Lake

**Consultants & Guests**

Susan Adams, Alliant Insurance Services  
Johnny Yang, Alliant Insurance Services  
Marcus Beverly, York Risk Services  
Stephanie Hawk, York Risk Services  
Debra Yakota, York Risk Services

Craig Wheaton, York Risk Services  
Kevin Wong, Gilbert Associates, Inc.  
Tracey Smith-Reed, Gilbert Associates, Inc.  
Crickett Strock, Town of Loomis  
Ron Stock, City of Weed

**A. CALL TO ORDER**

Mr. Roger Carroll called the meeting to order at 10:01 a.m.

**B. ROLL CALL**

The above mentioned members were present constituting a quorum. Cities absent were the City of Colfax, City of Dorris, City of Isleton and City of Shasta Lake.

**C. APPROVAL OF AGENDA AS POSTED**

A motion was made to approve the Agenda as posted.



**MOTION:** Ted Marconi

**SECOND:** Kelly McKinnis

**MOTION CARRIED**

#### **D. PUBLIC COMMENT**

There were no public comments.

#### **E. CONSENT CALENDAR**

1. Draft Board of Directors Meeting Minutes – May 11, 2012
2. Local Agency Investment Fund (LAIF) Monthly States of Investments – March 31, 2012
3. Union Bank Account Statement – May 2012
4. SCORE Checking Account Transaction List – January 1 – March 31, 2012
5. Investment Statements from Chandler Asset Management – May 2012
  - a. Account 590
    - i. Portfolio Summaries
    - ii. Compliance Report
6. Alliant Program Administration Renewal Addendum 2012/2013 – Draft
7. Gilbert Associates – Annual statement of time and cost for services
8. TargetSolutions Utilization Report – May 31, 2012
9. York Claims Bill Review
10. SCORE Service Calendar

A motion was made to approve the consent calendar as presented.

**MOTION:** Kelly McKinnis

**SECOND:** Pamela Russell

**MOTION CARRIED**

#### **F. COMMITTEE REPORTS**

- F1. ERMA Board of Directors Minutes – April 23, 2012**
- F2. LAWCX Executive Committee Minutes – May 3, 2012**
- F3. CJPRMA Board of Directors Minutes – March 15, 2012**

#### **G. ADMINISTRATIVE REPORTS**

##### **G1. President's Report**

Mr. Roger Carroll advised that the Alliant Insurance Services Program Administration Contract is due to expire June 30, 2013 inquiring if members would like to go out to RFP for these services. He then suggested conducting an employee review of Alliant Insurance Services to determine if a RFP is needed with respects to Program Administration. Ms. Susan Adams suggested also performing a review on MAZE Associates, the financial auditor, as their contract is due to expire June 30, 2012 as well. Ms. Stephanie Beauchaine suggested performing an



informal market check to determine pricing. Direction was given to staff to draft a Vendor Survey and obtain market pricing as respects Program Administration.

## **G2. Alliant Update**

There are no updates from Alliant Insurance Services.

## **G3. California Joint Powers Risk Management Authority (CJPRMA) Update**

Mr. Carroll advised that CJPRMA offers optional coverages as respects Difference in Conditions (DIC) coverage. The group purchase program has an annual aggregate of \$5 million. Should a major earthquake impact any of the member cities, this amount would not be sufficient to coverage the possible losses. Mr. Carroll then mentions the DIC coverage available through PEPiP's program and Ms. Adams mentioned PEPiP's group purchase method can be utilized to assist members from eroding their annual aggregate.

CJPRMA Annual Reports have been provided and copies were brought for members today.

## **G4. ERMA Update**

Ms. Stephanie Beauchaine advised that at their June 18<sup>th</sup> Board meeting, ERMA accepted 6 new members effective 7/1/12, adopted their 12/13 operating budget and is in the process of replacing Board counsel due to retirement. She also addressed the training opportunities offered by ERMA and Ms. Adams advised that ERMA offers 1-day Regional Training for SCORE members. Ms. Adams suggested asking ERMA to provide training at the upcoming Strategic Planning Session later this year.

There was further discussion as respects to the impact of on-site training vs. online training. Staff will research how many hours are available for ERMA training at the upcoming Strategic Planning Session.

## **G5. LAWcX Update**

Mr. Ted Marconi advised that LAWcX has approved the new Memorandum of Coverage clarifying that the LAWcX layer does provide coverage for Labor Code 4850 benefits. Also, LAWcX deposit premium is based on actual payroll during the year. Mr. Marconi reminded members that SCORE is the only member in LAWcX that attaches at the \$150,000 layer assuming all liabilities from \$150,001 to \$250,000.

Mr. Marconi also advised that LAWcX has reduced their discount factor from 5% to 4.5% for the 12/13 program year explaining that this will increase SCORE's deposit premium by 5%, or \$290,000 with an assessment of \$28,000.





## **H. JPA BUSINESS**

### **H1. Update on City of Isleton**

Mr. Carroll advised that the City of Isleton has paid their 11/12 premium in full noting that their coverage will again expire on June 30, 2012. Payment for the 12/13 premium should be brought to the City of Isleton's attention.

Members requested a copy of Isleton's operating budget and requested meeting attendance from a representative of Isleton who understands the workings of the City should any discussion take place on behalf of the City.

Mr. Steve Baker inquired if there is currently any Policy and Procedure in place to address the issues of Risk Management for members.

Staff was directed to meet with the City of Isleton to express the concerns of the Board which consisted of Risk Management practices and meeting attendance.

Ms. Adams suggested the development of a Policy and Procedure to address the issues of Risk Management for members.

### **H2. Coverage Issues: RDA Successor Agencies (And Oversight Boards)**

Ms. Adams advised that SCORE's Memorandum of Coverage provides coverage to any employee, officer, or elected official of a member who sits on a RDA Successor Agency and/or Oversight Board. Coverage is not provided on behalf of the RDA Successor Agency and/or Oversight Board but to the individual who is acting on behalf of the member city.

### **H3a. Approval of SCORE's Liability Memorandum of Coverage**

Ms. Adams advised that there have been no updates to SCORE's Liability Memorandum of Coverage other than the dates.

A motion was made to approve SCORE's Liability Memorandum of Coverage as presented at today's meeting.

**MOTION:** Steve Baker

**SECOND:** Leslie Tigan

**MOTION CARRIED**

### **H3b. Approval of SCORE's Workers' Compensation Memorandum of Coverage**

Ms. Adams advised that SCORE's Workers' Compensation MOC has been updated to reflect SCORE's Excess Workers' Compensation provider update as respects coverage for Occupational



Disease to mirror the Labor Code **LC 5500.5. Employers liable for occupational disease or cumulative injury.**

A motion was made to approve SCORE's Workers' Compensation Memorandum of Coverage as presented at today's meeting.

**MOTION:** Kelly McKinnis      **SECOND:** Debbie Savage      **MOTION CARRIED**

#### **H4. 2012/13 Property Program Renewal**

Ms. Adams advised that Staff marketed the Property coverage approaching a wholesaler who felt they could not locate an appropriate coverage to compete with the PEP program. CJPRMA provided a quote in their Property Program at a \$25,000 deductible. Cyber Liability, Pollution and Builder's Risk coverage are included in PEP but not in CJPRMA's property program.

A motion was made to approve the 2012/13 Property Program Renewal with Alliant's Property Program PEP.

**MOTION:** Stephanie Beauchaine      **SECOND:** Ted Marconi      **MOTION CARRIED**

#### **H5. ERMA Board Representative**

Ms. Adams advised that Debra Maggini, who is SCORE's ERMA Board Representative, has retired. She advised that Ms. Stephanie Beauchaine has agreed to continue the position of ERMA Board Alternate and Mr. Roger Carroll has offered to assume the position as ERMA Board Representative on behalf of SCORE.

A motion was made to appoint Mr. Roger Carroll as the ERMA Board Representative and Ms. Stephanie Beauchaine as the ERMA Board Alternate on behalf of SCORE.

**MOTION:** Ted Marconi      **SECOND:** Kelley McKinnis      **MOTION CARRIED**

#### **H6. ACI Specialty Benefits Renewal**

Ms. Susan Adams explained that the Employee Assistance Program (EAP) rates have not changed but SCORE's employee count has increased to 391, reminding members that these costs are allocated to members as respects their number of employees. She then advised that EAP program assists members' employees and their current household with all types of work/life assistance.

A motion was made to approve the ACI Specialty Benefits Renewal as proposed.

**MOTION:** Ted Marconi      **SECOND:** Leslie Tigan      **MOTION CARRIED**



**H7. Resolution 12-01 Establishing 2012-2013 Board of Directors Meeting Dates**

Ms. Adams advised that the August meeting may be a teleconference vs. an in person meeting. There was discussion regarding whether the November meeting should be rescheduled back to October 25-26, 2012. This item was tabled until after an approval of Long Range Planning Session Meeting location.

Upon approval of Item H9. Long Range Planning Session Meeting Discussion a motion was made to approve Resolution 12-01 with the amended dates and location for the Long Range Planning Session to be held on October 25<sup>th</sup> – 26<sup>th</sup>, 2012 at Bodega Bay, CA.

**MOTION:** Kelly McKinnis                    **SECOND:** Linda Romaine                    **MOTION CARRIED**

**H8. Nomination of SCORE's Officers**

Mr. Roger Carroll asked Board Members for any volunteers or nominations as respects SCORE's Officers. Currently, Mr. Roger Carroll holds the office of the President of SCORE, Mr. Kelly McKinnis holds the office of Vice-President, Ms. Debra Magginiti holds the office of Secretary, Ms. Linda Romaine holds the office of Treasurer and Mr. Ted Marconi holds the office of Executive-At-Large. Officers are elected in each even numbered year and serve for a term of two years, beginning in July of the year elected.

Mr. Roger Carrol, Town of Loomis, has offered to continue in the role of President and Ms. Pam Russell, City of Etna, has offered to accept the position of Secretary subject to Board approval as Ms. Debra Magginiti has retired.

A motion was made to approve the slate of officers as follows: Mr. Roger Carrol as Board President, Mr. Kelly McKinnis as Vice President, Ms. Pamela Russell as Secretary, Ms. Linda Romaine as Treasurer and Mr. Ted Marconi as Executive-At-Large.

**MOTION:** Kathy LeBlanc                    **SECOND:** Debbie Savage                    **MOTION CARRIED**

**H9. Long Range Planning Session Meeting Discussion**

A motion was made to hold the Long Range Planning Session Meeting at the Inn at the Tides in Bodega Bay, CA.

**MOTION:** Debbie Savage                    **SECOND:** Leslie Tigan                    **MOTION CARRIED**  
**AYES:14**    **NAYS: 1**

A motion was made to schedule the Long Range Planning Session Meeting on October 25<sup>th</sup> – 26<sup>th</sup>, 2012.

**MOTION:** Ted Marconi                    **SECOND:** Leslie Tigan                    **MOTION CARRIED**



**H10. California Association of Joint Powers Authorities (CAJPA) Annual Fall Conference and Training Seminar – September 18 – 21, 2012**

Mr. Roger Carroll reminded members of the upcoming CAJPA Annual Fall Conference and Training Seminar on September 18 – 21, 2012 in South Lake Tahoe.

**H11. SCORE Vendor Contracts**

Ms. Adams explained that York is still reviewing the Liability and Workers' Compensation Claims Administration Contracts and don't expect any changes. With respects to the Risk Control Services Contract, staff has met with SBK and the contract specifically states that Training is not included in SBK's contract.

A motion was made to approve the SCORE Vendor Contracts for Risk Control Services and Workers' Compensation and Liability Claims Administration Services as presented at today's meeting.

**MOTION:** Steve Baker

**SECOND:** Mt. Shasta

**MOTION CARRIED**

**I. FINANCIAL**

**I1. Quarterly Financials for Period Ending March 31, 2012**

Ms. Tracey Smith-Reed gave a brief report of the Quarterly Financials for Period Ending March 31, 2012 explaining the Net Assets that the changes from last year to current year. Scott Valley Bank – General Assets has decreased from \$2,539,795 to \$1,211,779 due to dividends that have been paid out. Member Accounts Receivable has increased to \$833,235 from \$507,439 as assessments have been included.

Ms. Smith-Reed explained that the Total Operating Revenue has decreased from \$3,827,155 to \$2,667,023 due to Crescent City and Williams leaving the program.

Mr. Steve Baker asked for a line item to show Net Operating Revenue prior to Dividends.

A motion was made to approve the Quarterly Financial Report for Period Ending March 31, 2012.

**MOTION:** Stephanie Beauchaine

**SECOND:** Kathy LeBlanc

**MOTION CARRIED**

**I2. Equity Distribution and Retrospective Rating Adjustments**

Ms. Adams advised that SCORE approved distribution of dividends at the May 2012 Webinar Board Meeting. Staff and Gilbert Associates did a very thorough analysis of the calculations in



conjunction with SCORE's Master Plan documents and found that the Board may want to analyze the target of 5 x SIR as the retention of net assets. The calculations will be reviewed and discussed at the Long Range Planning Session in conjunction with discount rates used in actuarial funding and confidence level funding.

### **I3. Adoption of the 2012-2013 SCORE Program Budget**

Ms. Adams explained that the total 2012/2013 budget increased by \$151,775 or 6% of the expiring budget. The proposed FY 2012/2013 budget is \$2,645,316. The adopted budget for 2011/2012 was \$2,493,541.

A motion was made to adopt the 2012-2013 SCORE Program Budget as presented at today's meeting.

**MOTION:** Pamela Russell                      **SECOND:** Leslie Tigan                      **MOTION CARRIED**

Direction was given to Gilbert Associates to process the dividend payments for members who have requested them.

### **I4. Delegation of Investment Authority to SCORE Treasurer**

Mr. Roger Carroll advised that on an annual basis per Government Code 53607 provides for the delegation of authority of the legislative body of local agency to invest funds to the Treasurer. However, such delegation cannot exist beyond one year. Thus, the Board will need to authorize the elected appointed treasurer to invest the funds for SCORE.

Ms. Stephanie Beauchaine raised the concern of delegating investment authority to the SCORE Treasurer and if this gives the Treasurer authority to invest in any way. Mr. Carroll advised that though the Treasurer has the authority to invest on behalf of SCORE the treasurer's investment authorities are restricted to SCORE's Investment Policy with oversight from Chandler Asset Management.

A motion was made to delegate authority to invest or reinvest funds to the Treasurer.

**MOTION:** Satwant Takhar                      **SECOND:** Mike Botorff                      **MOTION CARRIED**

### **J. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95**

At 12:50 p.m., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

#### **1. Liability**

- a. Woodsman Lodge v. City of Mt. Shasta\*\*



- b. Kernan v. City of Yreka\*\*
- c. Schisler v. City of Weed\*\*
- d. Kennedy v. City of Weed\*\*

**K. REPORT FROM CLOSED SESSION**

The Board returned from closed session at 1:02 p.m. Mr. Carroll reported that the above closed session items were discussed and appropriate direction was given to Staff.

**L. INFORMATION ITEMS**

**L1. SCORE Resource Contact Guide**

This was provided as an information item only.

**M. CLOSING COMMENTS**

There were no closing comments.

**AJOURNMENT**

The meeting was adjourned at 1:03 p.m.

**NEXT MEETING DATE: Friday, June 22, 2012**

Respectfully Submitted,

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Debra Magginetti, Secretary

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Date



JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name	S.C.O.R.E.
Account Number	40-04-001

As of 07/13/2012, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2012.

Earnings Ratio		.00000976192855700
Interest Rate		0.36%
Dollar Day Total	\$	226,554,664.95
Quarter End Principal Balance	\$	2,489,920.05
Quarterly Interest Earned	\$	2,211.61



ITC, INSTITUTIONAL CUSTODY  
 350 CALIFORNIA STREET, 6TH FLOOR  
 SAN FRANCISCO CA 94104

MB 02 001904 43541 H 11 A

SMALL CITIES ORGANIZED RISK EFFORT  
 ATTN: LINDA ROMAINE  
 P. O. BOX 40  
 FORT JONES, CA 96032-0040



## Account Statement

### Statement Period

July 1, 2012 through July 31, 2012

### Account Number

6736301210

### Account Name

SMALL CITIES ORGANIZED RISK EFFORT

### Relationship Manager

CARMEN CONIENDO  
 415-705-7207

### Investment Manager

CHANDLER LIQUID ASSET MGMT

### Online Access

unionbank.com/trustandcustody

## Overview of Total Account Value

Closing Value on 12/31/2011	\$10,502,017.56
Opening Value on 07/01/2012	\$10,591,976.33
Closing Value on 07/31/2012	\$10,623,099.42
<b>Net Change For Period</b>	<b>\$31,123.09</b>

## Contents

- Account Summary
- Principal Portfolio Summary
- Unrealized Gain/Loss Summary
- Cash Transactions Summary
- Asset Detail
- Maturity Summary
- Transaction Detail

## Overview of Account by Investment Category

Your Current Portfolio Mix



	% of Total Account	Market Value	Description
	3.00%	318,788.22	Cash & Cash Equivalents
	79.58%	8,453,604.25	Government Obligations
	17.42%	1,850,706.95	Corporate Obligations
	<b>100.00%</b>	<b>\$10,623,099.42</b>	<b>Total Account Value</b>





Account Number  
6736301210

Account Name  
SCORE

## Account Statement

### Statement Period

July 1, 2012 through July 31, 2012

## Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	318,788.22	3.00%	0.21%
Government Obligations	8,453,604.25	79.58%	2.03%
Corporate Obligations	1,850,706.95	17.42%	2.94%
<b>Total Principal Portfolio</b>	<b>\$10,623,099.42</b>	<b>100.00%</b>	<b>2.14%</b>

## Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	318,967.03	318,788.22	(178.81)
Government Obligations	8,299,112.46	8,453,604.25	154,491.79
Corporate Obligations	1,818,665.19	1,850,706.95	32,041.76
<b>Total Gain/Loss</b>	<b>\$10,436,744.68</b>	<b>\$10,623,099.42</b>	<b>\$186,354.74</b>

## Cash Transactions Summary

	Principal Cash
<b>Receipts</b>	
Dividend	0.71
Interest	9,540.63
Sales	1,064.00
<b>Total Receipts</b>	<b>\$10,605.34</b>
<b>Disbursements</b>	
Purchases	(9,541.34)
Payments to/for Beneficiaries	(1,064.00)
<b>Total Disbursements</b>	<b>(\$10,605.34)</b>
<b>Total Net Transactions</b>	<b>\$0.00</b>



Account Number  
6736301210

Account Name  
SCORE

## Account Statement

### Statement Period

July 1, 2012 through July 31, 2012

## Asset Detail - Principal Portfolio

### Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>HighMark Money Market Funds</b>								
HIGHMARK MONEY MARKET 100% U S TREASURY FD FIDUCIARY SH ***CASH MANAGEMENT SWEEP	431114503S	104,291.320	104,291.32	104,291.32	1.0000 07/31/2012	0.98%	0.00%	2.63
<b>Disc Comm'l Paper/Bnker Accpt</b>								
TOYOTA MOTOR CREDIT CO DISC COML PAPER DTD 06/19/2012 12/17/2012	89233GMH6	215,000.000	214,675.71	214,496.90	99.7660 07/31/2012	2.02%	0.30%	653.96
<b>Total Cash &amp; Cash Equivalents</b>			<b>\$318,967.03</b>	<b>\$318,788.22</b>		<b>3.00%</b>	<b>0.21%</b>	<b>\$656.59</b>

### Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>US Treasury</b>								
UNITED STATES TREAS NTS 4.2500% 9/30/2012	912828HE3	120,000.000	120,253.13	120,811.20	100.6760 07/31/2012	1.14%	4.22%	5,100.00
UNITED STATES TREAS NTS 3.8750% 10/31/2012	912828HG8	100,000.000	102,113.28	100,926.00	100.9260 07/31/2012	0.95%	3.84%	3,875.00
UNITED STATES TREAS NTS 3.3750% 11/30/2012	912828HK9	365,000.000	367,036.33	368,879.95	101.0630 07/31/2012	3.47%	3.34%	12,318.75
UNITED STATES TREAS NTS 2.5000% 3/31/2013	912828HV5	125,000.000	128,154.72	126,923.75	101.5390 07/31/2012	1.19%	2.46%	3,125.00
UNITED STATES TREAS NTS 2.7500% 10/31/2013	912828JQ4	125,000.000	129,633.79	128,950.00	103.1600 07/31/2012	1.21%	2.67%	3,437.50





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## Asset Detail - Principal Portfolio (continued)

### Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>US Treasury</b>								
UNITED STATES TREAS NTS 0.2500% 4/30/2014	912828SR2	125,000.000	124,868.58	125,053.75	100.0430 07/31/2012	1.18%	0.25%	312.50
UNITED STATES TREAS NTS 0.2500% 5/15/2015	912828SU5	250,000.000	248,985.21	249,825.00	99.9300 07/31/2012	2.35%	0.25%	625.00
UNITED STATES TREAS NTS 1.7500% 7/31/2015	912828NP1	225,000.000	223,067.16	234,704.25	104.3130 07/31/2012	2.21%	1.68%	3,937.50
UNITED STATES TREAS NTS 1.3750% 11/30/2015	912828PJ3	250,000.000	249,024.28	258,595.00	103.4380 07/31/2012	2.43%	1.33%	3,437.50
UNITED STATES TREAS NTS 1.5000% 7/31/2016	912828QX1	370,000.000	374,487.57	385,377.20	104.1560 07/31/2012	3.64%	1.44%	5,550.00
UNITED STATES TREAS NTS 1.0000% 8/31/2016	912828RF9	250,000.000	251,690.29	255,410.00	102.1640 07/31/2012	2.40%	0.98%	2,500.00
UNITED STATES TREAS NTS 1.0000% 9/30/2016	912828RJ1	150,000.000	149,619.64	153,270.00	102.1800 07/31/2012	1.44%	0.98%	1,500.00
UNITED STATES TREAS NTS 0.8750% 11/30/2016	912828RU6	350,000.000	350,766.80	355,687.50	101.6250 07/31/2012	3.35%	0.86%	3,062.50
<b>Federal Govt Agency</b>								
FEDERAL HOME LN BKS 3.8750% 6/14/2013	31339X2M5	200,000.000	200,403.10	206,328.00	103.1640 07/31/2012	1.94%	3.76%	7,750.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	230,000.000	242,426.00	240,437.40	104.5380 07/31/2012	2.26%	4.54%	10,925.00
FEDERAL FARM CR BKS 0.9800% 9/23/2013	31331KET3	115,000.000	114,663.05	115,969.45	100.8430 07/31/2012	1.09%	0.97%	1,127.00



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July 1, 2012 through July 31, 2012

## Asset Detail - Principal Portfolio (continued)

### Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>Federal Govt Agency</b>								
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	250,000.000	258,142.75	260,135.00	104.0540 07/31/2012	2.45%	3.48%	9,062.50
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/08/2009 2.50% 01/07/2014	3137EABX6	35,000.000	34,625.96	36,138.90	103.2540 07/31/2012	0.34%	2.42%	875.00
FEDL HOME LOAN MTG CORP NOTES DTD 04/24/2009 2.50% 04/23/2014	3137EACB3	150,000.000	155,568.75	155,805.00	103.8700 07/31/2012	1.47%	2.41%	3,750.00
FEDERAL NATL MTG ASSN NOTES DTD 05/15/2009 2.500% 05/15/2014	31398AXJ6	300,000.000	301,178.80	311,835.00	103.9450 07/31/2012	2.94%	2.41%	7,500.00
FEDERAL FARM CR BKS CONS 1.9000% 6/2/2014	31331JQA4	260,000.000	259,368.20	267,592.00	102.9200 07/31/2012	2.52%	1.85%	4,940.00
FEDERAL HOME LN BKS 5.2500% 6/18/2014	3133X7FK5	100,000.000	111,171.90	109,334.00	109.3340 07/31/2012	1.03%	4.80%	5,250.00
FEDERAL FARM CREDIT BANK BONDS 3.000% 09/22/2014	31331GL80	245,000.000	250,683.60	259,124.25	105.7650 07/31/2012	2.44%	2.84%	7,350.00
FEDERAL FARM CR BKS 1.6250% 11/19/2014	31331KHW3	160,000.000	164,560.00	164,907.20	103.0670 07/31/2012	1.55%	1.58%	2,600.00
FEDERAL HOME LN MTG CORP 0.9200% 12/12/2014	3134G3CM0	70,000.000	70,063.00	70,108.50	100.1550 07/31/2012	0.66%	0.92%	644.00
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	250,000.000	256,160.83	265,817.50	106.3270 07/31/2012	2.50%	2.70%	7,187.50
FEDERAL FARM CR BKS 0.5000% 5/1/2015	3133EANJ3	150,000.000	149,853.00	150,390.00	100.2600 07/31/2012	1.42%	0.50%	750.00



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## Asset Detail - Principal Portfolio (continued)

### Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>Federal Govt Agency</b>								
FEDERAL NATL MTG ASSN 1.0000% 5/29/2015	3135G0LB7	135,000.000	135,659.34	135,719.55	100.5330 07/31/2012	1.28%	0.99%	1,350.00
FEDERAL NATL MTGE ASSN NOTES 0.700% 05/29/2015	3135G0LC5	120,000.000	120,000.00	120,120.00	100.1000 07/31/2012	1.13%	0.70%	840.00
FEDERAL HOME LN BKS 2.8750% 6/12/2015	3133XWNB1	265,000.000	279,807.14	283,335.35	106.9190 07/31/2012	2.67%	2.69%	7,618.75
FEDERAL NATL MTG ASSN 2.3750% 7/28/2015	31398AU34	275,000.000	283,288.50	291,060.00	105.8400 07/31/2012	2.74%	2.24%	6,531.25
FEDERAL FARM CR BKS 2.3500% 12/22/2015	31331J6C2	120,000.000	120,434.40	128,563.20	107.1360 07/31/2012	1.21%	2.19%	2,820.00
FEDERAL NATL MTG ASSN 2.3750% 4/11/2016	3135G0BA0	275,000.000	282,544.63	293,339.75	106.6690 07/31/2012	2.76%	2.23%	6,531.25
FEDERAL HOME LN MTG CORP 2.5000% 5/27/2016	3137EACT4	310,000.000	321,083.36	331,777.50	107.0250 07/31/2012	3.13%	2.34%	7,750.00
FEDERAL HOME LOAN BANKS 2.1250% 6/10/2016	313373SZ6	200,000.000	209,390.00	211,656.00	105.8280 07/31/2012	1.99%	2.01%	4,250.00
FEDERAL HOME LOAN MTGE CORP NTS 2.000% 08/25/2016	3137EACW7	300,000.000	312,151.20	315,843.00	105.2810 07/31/2012	2.97%	1.90%	6,000.00
FEDERAL NATL MTGE ASSN NOTE 1.250% 09/28/2016	3135G0CM3	210,000.000	209,497.89	214,718.70	102.2470 07/31/2012	2.02%	1.22%	2,625.00
FEDERAL NATL MTG ASSN NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	65,000.000	65,514.15	66,918.15	102.9510 07/31/2012	0.63%	1.34%	893.75



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## Asset Detail - Principal Portfolio (continued)

### Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>Federal Govt Agency</b>								
FEDERAL NATL MTG ASSN NOTES DTD 01/09/2012 1.25% 01/30/2017	3135G0GY3	175,000.000	174,983.73	178,743.25	102.1390 07/31/2012	1.68%	1.22%	2,187.50
FEDERAL HOME LOAN MORTGAGE CORP 1.000% 03/08/2017	3137EADC0	200,000.000	196,430.40	201,928.00	100.9640 07/31/2012	1.90%	0.99%	2,000.00
FEDERAL HOME LOAN BANK BONDS 1.000% 06/09/2017	313379FW4	200,000.000	199,758.00	201,546.00	100.7730 07/31/2012	1.90%	0.99%	2,000.00
<b>Total Government Obligations</b>			<b>\$8,299,112.46</b>	<b>\$8,453,604.25</b>		<b>79.58%</b>	<b>2.03%</b>	<b>\$171,889.75</b>

### Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>Corporate Bonds</b>								
JPMORGAN CHASE & CO DTD 04/06/2009 2.1250% 12/26/2012	481247AM6	295,000.000	295,914.50	297,289.20	100.7760 07/31/2012	2.80%	2.11%	6,268.75
XTO ENERGY INC 4.9000% 2/1/2014	98385XAD8	100,000.000	109,638.00	106,700.00	106.7000 07/31/2012	1.00%	4.59%	4,900.00
CHEVRON CORPORATION SR NOTES DTD 03/03/2009 3.95% 03/03/2014	166751AH0	190,000.000	200,126.65	200,419.60	105.4840 07/31/2012	1.89%	3.74%	7,505.00
GENL ELEC CAP CORP NOTES 5.900% 05/13/2014	36962G4C5	180,000.000	194,130.60	195,971.40	108.8730 07/31/2012	1.84%	5.42%	10,620.00
WAL MART STORES INC NOTES DTD 05/21/2009 3.200% 05/15/2014	931142CQ4	190,000.000	197,746.80	199,551.30	105.0270 07/31/2012	1.88%	3.05%	6,080.00

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## Asset Detail - Principal Portfolio (continued)

### Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
<b>Corporate Bonds</b>								
MICROSOFT CORP NT DTD 05/18/2009 2.950% 06/01/2014	594918AB0	240,000.000	246,233.20	251,407.20	104.7530 07/31/2012	2.37%	2.82%	7,080.00
BERKSHIRE HATHAWAY INC 3.200% 02/11/2015	084670AV0	100,000.000	103,550.10	106,681.00	106.6810 07/31/2012	1.00%	3.00%	3,200.00
PROCTER & GAMBLE CO DTD 11/18/2010 1.80% 11/15/2015	742718DS5	265,000.000	258,615.14	274,794.40	103.6960 07/31/2012	2.59%	1.74%	4,770.00
GOOGLE INC 2.1250% 5/19/2016	38259PAC6	105,000.000	107,568.30	110,685.75	105.4150 07/31/2012	1.04%	2.02%	2,231.25
BERKSHIRE HATHAWAYFIN CORP SR NT 1.600% 05/15/2017	084664BS9	105,000.000	105,141.90	107,207.10	102.1020 07/31/2012	1.01%	1.57%	1,680.00
<b>Total Corporate Obligations</b>			<b>\$1,818,665.19</b>	<b>\$1,850,706.95</b>		<b>17.42%</b>	<b>2.94%</b>	<b>\$54,335.00</b>
<b>Total Principal Portfolio</b>			<b>\$10,436,744.68</b>	<b>\$10,623,099.42</b>		<b>100.00%</b>	<b>2.14%</b>	<b>\$226,881.34</b>
<b>Total Account Values</b>			<b>\$10,436,744.68</b>	<b>\$10,623,099.42</b>		<b>100.00%</b>	<b>2.14%</b>	<b>\$226,881.34</b>



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### Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2012		1,095,000.000	1,099,992.95	1,102,403.25	10.48%
2013		1,045,000.000	1,073,423.41	1,078,743.60	10.26%
2014		2,345,000.000	2,419,964.04	2,453,948.10	23.33%
2015		2,405,000.000	2,428,445.10	2,499,605.25	23.76%
2016		2,585,000.000	2,634,313.83	2,694,683.55	25.62%
2017		680,000.000	676,314.03	689,424.35	6.55%
2018					
2019					
2020					
2021					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
<b>Total</b>	<b>\$0.00</b>	<b>10,155,000.000</b>	<b>\$10,332,453.36</b>	<b>\$10,518,908.10</b>	<b>100.00%</b>

### Transaction Detail

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
		Beginning Balance		\$0.00	\$10,428,267.34
07/02/12	Dividend	CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK 100% US TREASURY MMKT #486 DIVIDEND FROM 6/1/12 TO 6/30/12	431114503S	0.71	
07/02/12	Purchases	PURCHASED 0.71 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 07/02/12	431114503S	(0.71)	0.71
07/09/12	Interest	CASH RECEIPT OF INTEREST EARNED ON FHLMC NTS 2.500% 1/07/14 0.0125/\$1 PV ON 35,000 PAR VALUE DUE 7/7/2012	3137EABX6	437.50	





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### Statement Period

July 1, 2012 through July 31, 2012

### Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
07/09/12	Purchases	PURCHASED 437.5 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 07/09/12	431114503S	(437.50)	437.50
07/12/12	Payments to/for Beneficiaries	CASH DISBURSEMENT PAID TO CHANDLER ASSET MANAGEMENT INC. PAYMENT PER REQUEST R/T 286 MGMT FEE FOR PERIOD ENDING JUNE 30, 2012 INVOICE11349		(1,064.00)	
07/12/12	Sales	SOLD 1,064 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 07/12/12	431114503S	1,064.00	(1,064.00)
07/30/12	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 2.375% 7/28/15 0.011875/\$1 PV ON 275,000 PAR VALUE DUE 7/28/2012	31398AU34	3,265.63	
07/30/12	Interest	CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 1.250% 1/30/17 0.00625/\$1 PV ON 175,000 PAR VALUE DUE 7/30/2012	3135G0GY3	1,093.75	
07/30/12	Purchases	PURCHASED 4,359.38 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 07/30/12	431114503S	(4,359.38)	4,359.38
07/31/12	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 1.500% 7/31/16 0.0075/\$1 PV ON 370,000 PAR VALUE DUE 7/31/2012	912828QX1	2,775.00	
07/31/12	Interest	CASH RECEIPT OF INTEREST EARNED ON US TREAS NTS 1.750% 7/31/15 0.00875/\$1 PV ON 225,000 PAR VALUE DUE 7/31/2012	912828NP1	1,968.75	

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### Transaction Detail (continued)

Date	Activity	Description	CUSIP	Principal Cash	Cost Basis
07/31/12	Purchases	PURCHASED 4,743.75 UNITS OF HIGHMARK 100% US TREASURY MMKT #486 TRADE DATE 07/31/12	431114503S	(4,743.75)	4,743.75
<b>Net Activity</b>				<b>\$0.00</b>	<b>\$8,477.34</b>
<b>Ending Balance</b>				<b>\$0.00</b>	<b>\$10,436,744.68</b>

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**Small Cities Organized Risk Effort**  
**Warrant Listing - General Checking Account**  
 April 1, 2012 - June 30, 2012

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
<b>0100 - CASH IN BANK</b>								1,211,779.64
<b>0100-010 Scott Valley Bank</b>								1,211,779.64
Payment	4/1/2012	13760	Etna		0120 ACCOUNTS RECEIVABLE	3,234.00		1,215,013.64
Transfer	4/2/2012			Funds Transfer	0106-010 Trust - Liab_SVB		27,473.80	1,187,539.84
Payment	4/10/2012		Live Oak		0120 ACCOUNTS RECEIVABLE	19,616.00		1,207,155.84
Transfer	4/10/2012			Funds Transfer	0106-010 Trust - Liab_SVB		23,519.82	1,183,636.02
Payment	4/13/2012	30153	Montague		0120 ACCOUNTS RECEIVABLE	2,989.00		1,186,625.02
Payment	4/13/2012	30624	Mt. Shasta		0120 ACCOUNTS RECEIVABLE	36,765.00		1,223,390.02
Transfer	4/13/2012			Funds Transfer	0106-010 Trust - Liab_SVB		24,396.53	1,198,993.49
Transfer	4/13/2012			Funds Transfer	0106-010 Trust - Liab_SVB		41,603.47	1,157,390.02
Transfer	4/17/2012			Funds Transfer	0106-010 Trust - Liab_SVB		4,300.82	1,153,089.20
Check	4/24/2012	2252	Gaia Hotel		0640 - Meeting Expense		552.85	1,152,536.35
Payment	4/27/2012	751	Loyalton		0120 ACCOUNTS RECEIVABLE	2,555.00		1,155,091.35
Payment	4/27/2012	18086	Dorris		0120 ACCOUNTS RECEIVABLE	1,885.00		1,156,976.35
Deposit	4/30/2012			Interest	SVB	151.18		1,157,127.53
Transfer	5/1/2012			Funds Transfer	0106-010 Trust - Liab_SVB		20,716.50	1,136,411.03
Check	5/1/2012	2253	VOID		void	0.00		1,136,411.03
Check	5/1/2012	2254	VOID		void	0.00		1,136,411.03
Check	5/2/2012	2255	VOID		void	0.00		1,136,411.03
Check	5/2/2012	2256	VOID		void	0.00		1,136,411.03
Check	5/2/2012	2257	VOID		void	0.00		1,136,411.03
Check	5/2/2012	2258	VOID		void	0.00		1,136,411.03
Check	5/2/2012	2259	VOID		void	0.00		1,136,411.03
Check	5/3/2012	2260	VOID		void	0.00		1,136,411.03
Payment	5/4/2012	98368	Yreka		0120 ACCOUNTS RECEIVABLE	53,142.00		1,189,553.03
Deposit	5/4/2012			Deposit	Workers' Compensation	24,246.00		1,213,799.03
Payment	5/7/2012	42848	Dunsmuir		0120 ACCOUNTS RECEIVABLE	10,561.00		1,224,360.03
Payment	5/7/2012		Biggs		0120 ACCOUNTS RECEIVABLE	10,065.00		1,234,425.03
Check	5/9/2012	eft	Harland Checks	Check Order	0645 - Office Supplies		45.56	1,234,379.47
Payment	5/15/2012		Shasta Lake		0120 ACCOUNTS RECEIVABLE	40,552.00		1,274,931.47
Payment	5/15/2012		Weed		0120 ACCOUNTS RECEIVABLE	29,180.00		1,304,111.47
Transfer	5/17/2012			Funds Transfer	0106-010 Trust - Liab_SVB		10,363.07	1,293,748.40
Check	5/24/2012	2261	Gilbert Associates, Inc.	29330 ENG Jan & Mar 2012	0505 - Accounting		8,000.00	1,285,748.40
Check	5/24/2012	2262	Alliant	Treasurer Bond 7/1/12 - 7/1/13	0174 - Prepaid Expenses		575.00	1,285,173.40
Check	5/24/2012	2263	York Insurance Services Group, Inc-CA	W/C Claim Admin April '12 Inv # 5000006924	0710 - Claims Management		7,665.00	1,277,508.40
Check	5/24/2012	2264	York Insurance Services Group, Inc-CA	W/C Risk Mgmt Mar '12 Inv # 500109943	0670 - Risk Management Services		4,461.45	1,273,046.95
Check	5/24/2012	2265	York Insurance Services Group, Inc-CA	Liab Claims Admin Mar '12 Inv # 500109948	0830 -Claims Service - Vouchers		12,071.12	1,260,975.83
Check	5/24/2012	2266	York Insurance Services Group, Inc-CA	Liab Risk Mgmt Mar '12 Inv # 500109944	0670 - Risk Management Services		7,239.48	1,253,736.35
Check	5/24/2012	2267	Rio Dell	Reimburse for SCORE Meeting 10/26/11 - 10/28/11	0605 - B of D Activities		847.30	1,252,889.05
Check	5/24/2012	2268	Etna	Reimburse for PARMA - Pamela Russell	0610 - Conference		1,000.00	1,251,889.05
Check	5/24/2012	2269	Maze & Associates	Inv # 775, 965, & 1472	0506 - Audit		12,000.00	1,239,889.05
Check	5/24/2012	2270	Union Bank of California, N.A.	Jan 1 - Mar 31, 2012 - Ref # 744875	0601 - Bank Charges		875.00	1,239,014.05
Check	5/24/2012	2271	York Insurance Services Group, Inc-CA	WC Claims Admin Jan & Feb 2012	-SPLIT-		15,330.00	1,223,684.05
Check	5/24/2012	2272	York Insurance Services Group, Inc-CA	W/C Claims Admin May '12 Inv 5000007176	0710 - Claims Management		7,665.00	1,216,019.05
Check	5/24/2012	2273	York Insurance Services Group, Inc-CA	Liab Claims Admin Jan & Feb 2012	-SPLIT-		24,903.21	1,191,115.84
Check	5/24/2012	2274	York Insurance Services Group, Inc-CA	Liab Claims Admin Apr '12 - Inv 500110000	0830 -Claims Service - Vouchers		9,830.07	1,181,285.77
Check	5/24/2012	2275	York Insurance Services Group, Inc-CA	Liab & W/C Risk Mgmt - Jan & Feb '12	-SPLIT-		19,772.80	1,161,512.97
Check	5/24/2012	2276	York Insurance Services Group, Inc-CA	Laib & W/C Risk Mgmt - April 2012	-SPLIT-		6,270.45	1,155,242.52
Check	5/24/2012	2277	Rio Dell	Reimbursements	0605 - B of D Activities		235.96	1,155,006.56
Payment	5/24/2012	1796	Tulelake		0120 ACCOUNTS RECEIVABLE	10,000.00		1,165,006.56
Payment	5/29/2012	84372	Susanville		0120 ACCOUNTS RECEIVABLE	52,941.00		1,217,947.56
Payment	5/30/2012	013763	Isleton		0120 ACCOUNTS RECEIVABLE	17,386.00		1,235,333.56
Deposit	5/31/2012			Interest	SVB	161.44		1,235,495.00
Payment	6/7/2012	048424	Colfax		0120 ACCOUNTS RECEIVABLE	9,920.00		1,245,415.00
Transfer	6/7/2012			Funds Transfer	0106-010 Trust - Liab_SVB		13,940.58	1,231,474.42
Check	6/19/2012	2279	Crescent City	Dividend	Dividends Payable		48,616.00	1,182,858.42
Transfer	6/20/2012			Funds Transfer	0106-020 Trust - WC - SVB		17,527.25	1,165,331.17
Transfer	6/20/2012			Funds Transfer	0106-020 Trust - WC - SVB		16,349.99	1,148,981.18

**Small Cities Organized Risk Effort**  
**Warrant Listing - General Checking Account**  
 April 1, 2012 - June 30, 2012

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Transfer	6/20/2012			Funds Transfer	0106-010 Trust - Liab_SVB		16,807.45	1,132,173.73
Transfer	6/20/2012			Funds Transfer	0106-010 Trust - Liab_SVB		12,712.85	1,119,460.88
Payment	6/25/2012	10938	Tulelake		0120 ACCOUNTS RECEIVABLE	30,580.00		1,150,040.88
Check	6/26/2012	2282	Bickmore Risk Services		-SPLIT-		9,500.00	1,140,540.88
Check	6/26/2012	2283	Etna	Dividend Declared 5/11/12	-SPLIT-		9,482.00	1,131,058.88
Check	6/26/2012	2284	Shasta Lake	Dividend Declared 5/11/12	-SPLIT-		328,264.00	802,794.88
Check	6/26/2012	2285	Susanville	Dividend Declared 5/11/12	-SPLIT-		467,336.00	335,458.88
Check	6/26/2012	2286	Yreka	Dividend Declared 5/11/12	-SPLIT-		246,878.00	88,580.88
Check	6/26/2012	2287	Loomis	Dividend Declared 5/11/12	-SPLIT-		67,779.00	20,801.88
Check	6/26/2012	2288	Montague	Dividend	-SPLIT-		17,704.00	3,097.88
Check	6/26/2012	2289	Mt. Shasta	Dividend	-SPLIT-		66,765.00	-63,667.12
Check	6/26/2012	2290	Rio Dell	Dividend	-SPLIT-		69,416.00	-133,083.12
Check	6/26/2012	2291	Weed	Dividend	-SPLIT-		69,689.00	-202,772.12
Check	6/26/2012	2292	Mt. Shasta	LAWCX Meeting	0605 - B of D Activities		49.15	-202,821.27
Check	6/26/2012	2280	Granzella's Inc.		0605 - B of D Activities		991.31	-203,812.58
Deposit	6/30/2012			Interest	SVB	151.28		-203,661.30
Total 0100-010 Scott Valley Bank						356,080.90	1,771,521.84	-203,661.30
Total 0100 - CASH IN BANK						356,080.90	1,771,521.84	-203,661.30
<b>TOTAL</b>						<b>356,080.90</b>	<b>1,771,521.84</b>	<b>-203,661.30</b>

# Monthly Account Statement

## Small Cities Organized Risk Effort

July 1, 2012 through July 31, 2012

### Chandler Team

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

### Custodian

Union Bank N.A.  
Carmen Coniendo  
415-705-7207

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.45
Average Coupon	2.21 %
Average Purchase YTM	1.77 %
Average Market YTM	0.42 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.58 yrs
Average Life	2.51 yrs

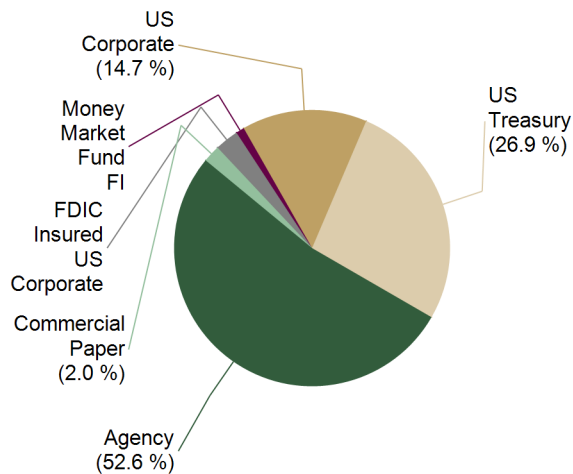
ACCOUNT SUMMARY

	Beg. Values as of 6/30/12	End Values as of 7/31/12
<b>Market Value</b>	10,592,435	10,623,279
<b>Accrued Interest</b>	45,576	55,009
<b>Total Market Value</b>	<b>10,638,011</b>	<b>10,678,288</b>
<b>Income Earned</b>	15,833	15,281
<b>Cont/WD</b>		-1,064
<b>Par</b>	10,250,814	10,259,291
<b>Book Value</b>	10,348,341	10,353,125
<b>Cost Value</b>	10,426,497	10,434,975

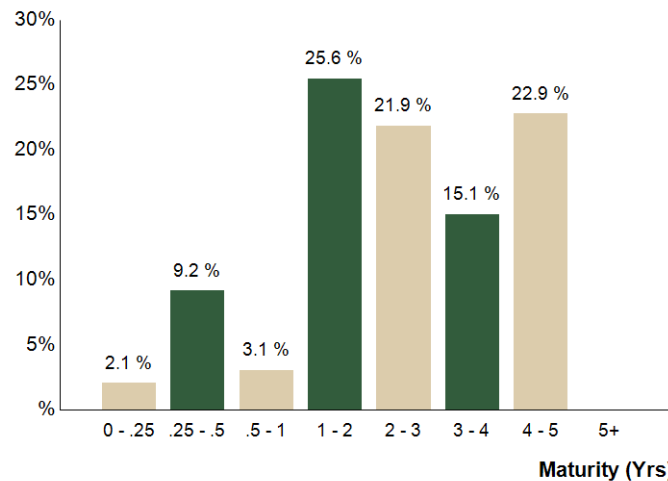
TOP ISSUERS

Issuer	% Portfolio
Government of United States	26.9 %
Federal National Mortgage Assoc	15.1 %
Federal Home Loan Mortgage Corp	13.0 %
Federal Home Loan Bank	12.0 %
Federal Farm Credit Bank	10.2 %
JP Morgan FDIC Insured	2.8 %
Procter & Gamble Company	2.6 %
Microsoft	2.4 %
	<b>85.0 %</b>

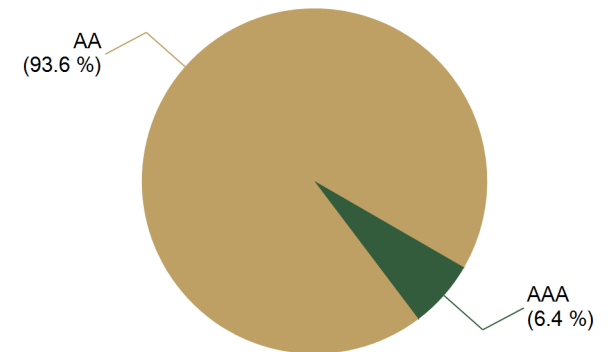
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 7/31/2012	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.39 %	0.58 %	1.26 %	2.26 %	3.07 %	4.64 %	N/A	4.78 %	34.43 %
1-5 yr Govt	0.39 %	0.50 %	0.85 %	1.86 %	2.81 %	4.28 %	N/A	4.47 %	31.91 %
1-5 Year Govt/A Rated or better Corporate	0.53 %	0.69 %	1.55 %	2.16 %	3.33 %	4.37 %	N/A	4.55 %	32.54 %



**Small Cities Organized Risk Effort**  
**Joint Powers Authority**  
**July 31, 2012**

**COMPLIANCE WITH INVESTMENT POLICY**

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

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Negotiable CDs	A-1/P-1 or F-1, or AA rated; 30% max.; 3 years maximum maturity; \$1MM per issuer	Complies
Banker's Acceptances	A1/P1 or F-1 rated; 30% maximum; \$1MM per issuer; <180 days	Complies*
Commercial Paper	A-1/P1 or F-1 rated; 25% maximum; \$1MM per issuer; <270 days	Complies
Medium Term Notes	"AA-" or better rated; 30% maximum; \$1MM per issuer	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum; \$1MM per issuer	Complies
Money Market Funds	AAA/Aaa rated; 15% maximum	Complies
	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies

SCORE TargetSolution Utilization as of June 30, 2012

<b>Member Organization</b>	<b>Total Active and Offline Users</b>	<b>Registered Users</b>	<b>Users Completing One or More Course</b>	<b>Courses Completed-Total</b>	<b>Users Completing One or More Custom Activit.</b>	<b>Custom Activities Completed-Total</b>
City of Biggs	12	6	0	0	0	0
City of Colfax	17	9	3	3	2	2
City of Dorris	16	5	3	6	0	0
City of Dunsmuir	37	15	9	52	0	0
City of Etna	47	25	0	0	0	0
City of Isleton	2	1	0	0	0	0
City of Live Oak	14	2	0	0	0	0
City of Loyalton	1	1	0	0	0	0
City of Montague	2	1	0	0	0	0
City of Portola	27	8	1	2	14	14
City of Rio Dell	3	1	0	0	0	0
City of Susanville	3	2	0	0	0	0
City of Weed	2	1	0	0	0	0
Fort Jones Volunteer Fire Department	23	15	12	103	0	0
Loomis Fire Protection District	18	13	3	18	0	0
SCORE - Small Cities Organized Risk Effort	4	4	0	0	0	0
Town of Fort Jones	2	1	0	0	0	0
Town of Loomis	4	3	3	3	2	3
Weed City Fire	1	1	0	0	0	0
<b>Totals</b>	<b>235</b>	<b>114</b>	<b>34</b>	<b>187</b>	<b>18</b>	<b>19</b>



**York Risk Services Group, Inc.**  
**Jun-12**

**Client:** SCORE - Small Cities Organized Risk Effort

**Flat Rate:** \$7,895.00

<u>Member</u>	<u># of Open Claims</u>	<u>Invoice Amount</u>
City of Biggs	0	\$0.00
City of Colfax	3	\$232.21
City of Crescent City	12	\$928.82
City of Dorris	0	\$0.00
City of Dunsmuir	2	\$154.80
City of Etna	1	\$77.40
City of Ione	1	\$77.40
City of Live Oak	1	\$77.40
City of Montague	3	\$232.21
City of Mt. Shasta	18	\$1,393.24
City of Portola	5	\$387.01
City of Rio Dell	0	\$0.00
City of Shasta Lake	4	\$309.61
City of Susanville	17	\$1,315.83
City of Weed	7	\$541.81
City of Williams	5	\$387.01
City of Yreka	23	\$1,780.25
Town of Fort Jones	0	\$0.00
Town of Loomis	0	\$0.00
<b>Total</b>	<b>102</b>	<b>\$7,895.00</b>

<b>Flat Rate</b>	<b>\$7,895.00</b>	
<b>Total Invoice</b>	<b>\$7,895.00</b>	

# SCORE

## SCORE Service Calendar

AS – Alliant Insurance Service Staff  
 PA – Program Administrator  
 CA – Claims Auditor  
 FA – Financial Auditor  
 York – York Insurance Services Group Staff

BD – Board of Directors  
 RM – Risk Management  
 FC – Finance Committee  
 GA – Gilbert Associates  
 JY-Johnny Yang, Alliant Insurance  
 KC- Kim Carter, Alliant Insurance

JT- Jan Trevino, Alliant Insurance

Date	Activity	Responsible Party	Date Completed	Status/Notes
<b>January 2012</b>				
1/1/12	Obtain Electronic Loss Runs valued as of 12/31/11 from York for both WC & Liability	JY		
1/1/12	Send loss runs to Gilbert Associates for retro calculation	JY		
1/1/12	Send out PEPPIP Renewal information	KC		
1/1/12	Request agenda items from vendors	JY		Due Date Jan 13 <sup>th</sup>
1/4/12	Alliant Staff Jan Agenda Review	AS		CCALL Mike, Susan, Johnny, Joan
1/10/12	Collect Crime Program 7/1 Renewal Apps from Members and submit to ACIP	KC		
1/11/12	Alliant Staff Jan Agenda 2 <sup>nd</sup> Review	AS		
1/13/12	Request RSVP for Jan Mtg	JT		
1/15/12	Collect DE/6 Reports as of 12/31/11	KC		
1/15/12	Begin draft of next FY Budget	PA		
1/17/12	Alliant Staff Final Agenda Review	AS		CCALL Mike, Susan, Johnny, Joan
1/20/12	Post/Distribute Jan Agenda	AS		Via SCORE website
1/27/12	January Board Mtg – Gaia Anderson Hotel	BD		
(mtg)	ACI Quarterly Utilization Reports: Oct. 1, 2011 – Dec. 31, 2011	JY		
(mtg)	Quarterly Financials as of 12/31/11 - Draft	GA		
(mtg)	Equity Distribution Plan and Rate Stabilization	AS/PA		
(mtg)	Financial Audit as of 6/30/11	FA (Maze)		
(mtg)	Target Equity Presentation	AS/PA		
1/31/12	Forward all DE/6 to CJPRMA (Saima Kumar)	KC		
1/31/12	Submit loss runs to Actuary for studies in WC & Liability	JY		
1/31/12	File Audited Financial Statements w/ Secretary of State, Sacramento County and Members	GA/AS		

Date	Activity	Responsible Party	Date Completed	Status/Notes
<b>February 2012</b>				
2/1/12	Collect PEPPIP Renewal Apps from Members and Submit to AUS	KC		
2/6/12	Review To Do List from January Board Mtg	AS		
2/8/12	January Board Meeting Draft Minutes	AS		
2/14/12 – 2/17/12	PARMA Conference	PA		
2/15/12	Follow up with Gilbert Associates for retro calculation	JY		
2/15/12	Follow up on Liability & WC Claims Audits	JY		
<b>March 2012</b>				
3/2/12	Request updates for March Agenda	JY		
3/2/12	Submit Pollution Program Renewal Apps to Members (every 3 years) Expires 2012	KC		
	Workers' Compensation Claims Audit (from LAWCX)	SA		Request from Nick Cali – completed.
3/9/12	Request RSVP to members for March Mtg	JT		
3/15/12	Begin Work Draft Budget for next Fiscal Year (Review and incorporate LAWCX, ERMA, CJPRMA, & PEPPIP draft numbers into budget)	PA		
3/15/12	Vendor Contracts, Investment Policy & Internal Controls Guidelines, Conflict of Interest Code, WC/Liab Retros, Election of Officers (even years)	PA		
3/15/12	Collect drafts of WC & Liability Actuarial Studies for March Meeting	AS		
3/15/12	Collect Form 700s for Members	JT		
3/15/12	Review and Submit Crime Program Proposals to members	KC		
3/16/12	Send March Board Agenda to Members	JY		
3/16/12	Finalize # of attendees March Meeting	JT		
3/23/12	March Board Mtg – Gaia Anderson Hotel			
(mtg)	Find venue for October Strategic Planning & mgt	JT		
(mtg)	Present Liability & WC Claims Audits	AS		
(mtg)	Conflict of Interest Code (every even numbered year)	AS		

<b>Date</b>	<b>Activity</b>	<b>Responsible Party</b>	<b>Date Completed</b>	<b>Status/Notes</b>
<b>March 2012</b>				
(mtg)	CAJPA Accreditation on agenda	AS		N/A
(mtg)	Actual to Budget Comparison (CYE 12/31)	GA		March Agenda
3/26/12	Review To Do List from Board Mtg	AS		
3/31/12	Send List of Renewal Certificates to Members	KC		
<b>April 2012</b>				
4/1/12	Collect DE/6 Reports as of 03/31/11	KC		
4/1/12	Payment for Treasurer's Bond	KC		
4/6/12	Finalize and Email March Board draft meeting minutes	JY		
4/15/12	CJPRMA Certificate Renewal List	KC		
4/15/12	SCORE Certificate Renewal List Due	KC		
4/20/12	Submit CJPRMA Certificate Renewal List to CJPRMA	KC		
4/29/12	Update Draft Budget with changes from March Mtg	PA		
<b>Date</b>	<b>Activity</b>	<b>Responsible Party</b>	<b>Date Completed</b>	<b>Status/Notes</b>
<b>May 2012</b>				
5/13/12	Obtain PEPPIP Renewal Proposals	KC		
5/13/12	Obtain Quarterly Financials as of 03/31/12	AS/GA		
5/14/12	Alliant Staff First Agenda Review			CCALL Mike, Susan, Johnny, Joan
5/17/12	Obtain Final Actuarial Reports for WC & Liability for June Meeting	AS		
5/25/12	Finalize WC & Liability MOCs and Dec Pages for June Meeting	KC		
5/25/12	Request agenda items from Vendors	JY		
5/25/12	Send RSVP Requests to members	JT		

Date	Activity	Responsible Party	Date Completed	Status/Notes
<b>June 2012</b>				
6/1/12	Alliant Staff Agenda 2 <sup>nd</sup> Review	AS		CCALL Mike, Susan, Johnny, Joan
6/1/12	Follow up on October Meeting Contracts	JT		
6/13/12	Alliant Staff Agenda Final Review	AS		CCALL Mike, Susan, Johnny, Joan
6/15/12	Bind orders for PEPiP Program	KC		
6/15/12	Send June Board Agenda to Members	JY		
6/20/12	Certificates of Insurance	KC		
6/22/12	June Board Mtg – Gaia Anderson Hotel			
(mtg)	ACI Quarterly Utilization Reports: Jan. 1, 2012 – March 30, 2012	JY		
(mtg)	SCORE MOCs and Dec Pages – Signed	AS/Roger		
(mtg)	Fiscal year Budget, Vendor Contracts, MOCs, Program Renewals, Financial Audit, Actuarial Studies, Target Equity Policy, Service Calendar, Liability Claims Auditor Contract, Treasurer’s Authority, Retros, any amendments to Gov’t Docs, etc.	AS/PA		
(mtg)	Resolution for mtg dates	BD		
(mtg)	Adoption of the Budget	BD		
(mtg)	Quarterly Financials as of 03/31/12	AS/GA		
(mtg)	CAJPA Conference	BD		
(mtg)	Approval of WC & Liability MOC	BD		
(mtg)	Discuss and determine Oct Training Day topics	BD		
(mtg)	Investment Authority Approval (annually)	BD		
(mtg)	Approval of PEPiP Proposal	BD		
6/25/12	Review To Do List from Board Mtg	AS		
6/28/12	Binder for Crime Program	KC		
6/28/12	Invoice for Broker Fee, Treasurer’s Bond	KC		

Date	Activity	Responsible Party	Date Completed	Status/Notes
<b>July 2012</b>				
7/1/12	Send program invoices (ERMA, LAWCX, CJPRMA) to Gilbert Associates to pay	KC		
7/6/12	Finalize and Email June Board draft mtg minutes	JY		
7/15/12	Follow up w/ Board President regarding items that need signatures such as contracts	JY		
7/15/12	Finalize DE/6 Collection for 06/30/12	KC		
7/15/12	Follow up regarding Member deposit premium payments (coordinate with Gilbert Associates)	KC		
7/15/12	Follow up w/ ACIP members regarding premium payments	KC		
7/15/12	Follow up on payments for ERMA, LAWCX, PEPPI, CJPRMA, etc.	KC		
7/20/12	Copy and Mail all signature items to members	KC		
7/29/12	Complete and Submit LAWCX Compliance Report	AS/PA		
<b>August 2012</b>				
8/1/12	Submit LAWCX renewal apps to members in Workers' Compensation	KC		
8/4/12	Request agenda items from vendors for August Board Mtg	JY		
8/12/12	Send RSVP Requests to members	JT		
8/13/12	LAWCX Actual Payroll Audit by Class Code	KC		
8/13/12	Submit Fiscal Year Financial Information to Auditor	GA		
8/13/12	Begin Public Self/Insurers Report with State	AS/York		
8/18/12	Begin Strategic Planning Agenda	JY		
(mtg)	ACI Quarterly Utilization Reports: April 1, 2012 – June 30, 2012	JY		
(mtg)	Quarterly Financials as of June 30, 2012	GA		
(mtg)	CAJPA Conference	AS		
(mtg)	October Training Day and Board Mtg location	AS		

Date	Activity	Responsible Party	Date Completed	Status/Notes
<b>September 2012</b>				
9/2/12	Review To Do List from August Board Mtg	AS		
9/5/12	Finalize and Email August Board draft mtg minutes	JY		
9/14/12	Begin Agenda for October	JY		
9/14/12	Send RSVP Requests to Members	JT		
9/14/12	File Public Self/Insurers Annual Report with State	KC		
9/14/12	Request Agenda items from vendors for October Board mtg	JY		
9/18/12 – 9/21/12	CAJPA Conference	PA/BD		
<b>October 2012</b>				
10/1/12	Request DE/6 Payroll	KC		
	File Controllers Report with State	GA		
(mtg)	ACI Quarterly Utilization Reports: July 1, 2012 – September 30, 2012	JY		
(mtg)	PARMA Conference (Agenda Item)	AS		
(mtg)	Quarterly Financials as of 9/30/12			
10/28/12	Forward all DE/6 to CJPRMA (Saima Kumar)	KC		
10/29/12	Review To Do List from October Board Mtg	AS		

Date	Activity	Responsible Party	Date Completed	Status/Notes
<b>November 2012</b>				
11/1/12	Follow up with LAWCX regarding WC Claims Audit (Paid for by LAWCX)	AS		
11/2/12	Finalize and Email October Board draft mtg minutes	JY		
11/16/12	Send out Renewal items for Property and Crime	KC		
<b>December 2012</b>				
12/1/12	Send PEPPI Policy and Post on SCORE website	AS		
12/21/12	Request agenda items from Vendors for Jan Board mtg	JY		





Risk Control by  
SBK Risk Services  
3700 Diego Road  
Everta, CA  
916 747-JACK  
[safety.engineer@comcast.net](mailto:safety.engineer@comcast.net)

July 5, 2012

Miss Pam Russell  
City Clerk  
City of Etna  
422 Main Street  
P.O. Box 460  
Etna, CA 96027

Re: Council Meeting of May 21, 2012

Dear Pam:

Thank you for providing me with the cd of the May 21, 2012 Etna City council meeting. As you indicated verbally to me at the close of the June SCORE meeting, the first portion of the meeting was relatively uneventful.

Like you, I found the latter part of the meeting far more interesting.

It is not unusual for council members to vehemently disagree with one another, and it is similarly not uncommon for members of the council to suspect, rightly or wrongly, that city employees are not putting in a full day's work for a full day's pay. A technique that has worked well in other cities is that of, ride-alongs, originally (I believe) used in police operations, but applicable elsewhere.

For example, a council member might show (with or without advance warning) up at the public works yard shortly before the start of the work day, and accompany a member of the staff throughout the work day. There are two possible outcomes: the council member discovers that the employee is a truly hardworking, dedicated employee, or work is finished long before the end of the work day, and there is ample opportunity for improvement.

I suggest that this is a technique that Etna may find valuable.

Thank you for the opportunity to be of service. Please don't hesitate to contact me for any reason.

Sincerely,

---

Jack Kastorff, CSP, PE, ARM, ALCM, CPSI

CC: Roger Carroll, JPA President  
Susan Adams, Program Administrator

C:\2012\SCORE\RE Etna Council Meeting of May 21, 2012.wpd

**SBK RISK SERVICES, INC.**  
4521 Oxbow Ridge Place  
Fair Oaks, CA 95628  
916 967-2880 Fax: 916 967-2881  
[jack.kastorff@comcast.net](mailto:jack.kastorff@comcast.net)  
916 747-JACK (5225) cell

August 1, 2012

Ms. Susan Adams  
Alliant Insurance Services  
1792 Tribute Rd # 450  
Sacramento, CA 95815

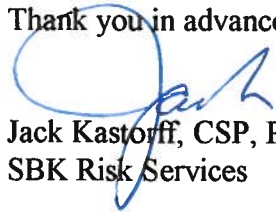
Invoice: # SCORE 7-12

Dear Susan:

Per our agreement, enclosed is my time and expense record for July, 2012. I think the format is as we discussed, but please let me know if you wish any changes.

The total is \$4412.30.

Thank you in advance,



Jack Kastorff, CSP, PE, ARM, ALCM, CPSI  
SBK Risk Services

CC: Rudy Schroeder

Jul-12		SCORE Time and Expense Record										
Location	Date	Time	Travel Time	Miles	Parking/Tolls	Meals	Lodging	Auto Rental	Misc	Description		
Etna	7/2	2.50										
Portola	7/5	0.25								listen to council meeting cd, draft letter		
Isleton	7/5	0.25								schedule visit emails		
Dorris	7/10	0.50								emails re scheduled visit		
Biggs	7/15	0.25								email re sewer damage		
Biggs	7/16	0.25								schedule appearance with council with Susan		
Etna	7/17		5.00	275		\$24.74				email re appearance with Susan		
Etna	7/18	5.00	0.75	30		\$38.00	\$89.09			travel to Yreka		
FT Jones	7/18	3.00	0.50	20						park inspection prior to festival; pd policy discussion		
Montague	7/19	1.00	0.50	14			\$84.70			discuss FD enforcement issues, more		
Weed	7/19	0.25								deliver ergonomic information		
	7/19		5.00	275						initial meeting		
	7/30	0.50								travel from Yreka		
Dorris	7/30	0.25								t/c's with Susan		
	7/31	3.75								email re fire claim		
	7/31	3.00								t/c Johnny, search for driver policy, contact York		
										claim run analysis		
Totals	20.8	11.75		614	\$0.00	\$62.74	\$173.79	\$0.00	\$0.00			
Factors	118	118.00		0.555	118	1	1	1	1			
\$ Totals	2449	1386.50		340.8	\$0.00	\$62.74	\$173.79	\$0.00	\$0.00			
Grand Total												\$4,412.30

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
MINUTES OF THE SPECIAL BOARD OF DIRECTORS  
MEETING OF JULY 25, 2012**

A special meeting of the Board of Directors of ERMA was held on July 25, 2012, via teleconference.

**BOARD MEMBERS PRESENT:** Jake O'Malley, President, MPA  
Scott Ellerbrock, Vice President, PERMA  
Craig Downs, Treasurer, VCJPA  
Debbie Stutsman, BCJPIA  
Dave Elias, CSJVRMA  
Judy Hayes, Housing Authority of Contra Costa Co.  
Florice Lewis, Oakland Housing Authority  
John Gillison, PARSAC  
Roger Carroll, SCORE

**BOARD MEMBERS ABSENT:** René Mendez, MBASIA

**ALTERNATE MEMBERS PRESENT:** Artesia Dupree, Oakland Housing Authority

**ALTERNATE MEMBERS ABSENT:** Dan Weakley, BCJPIA  
Greg Greeson, CSJVRMA  
Joseph Villarreal, Housing Authority of Contra Costa Co.  
Daniel Dawson, MBASIA  
Joe Kriskovich, MPA  
Joanne Rennie, PARSAC  
Stephanie Beauchaine, SCORE  
Min-Lee Cheng, VCJPA

**OTHERS PRESENT:** Karen Thesing, Executive Director  
Chrissy Mack, Board Secretary  
Ruth Graf-Urasaki, Litigation Manager  
Rebecca Lane, Assistant Litigation Manager  
Nancy Broadhurst, Accounting Manager  
Charlotte Hemker-Smith, Legal Counsel  
Mary Ann Reilly, Bickmore Risk Services  
Neville Vania, City of Pittsburg

1. CALL TO ORDER/ROLL CALL

The July 25, 2012, special Board of Directors meeting was called to order at 10:05 a.m by President Jake O'Malley. It was determined a quorum was established.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Scott Ellerbrock moved to approve the agenda as posted. Seconded by John Gillison. Motion passed unanimously.**

3. PUBLIC COMMENTS

None.

4. MEMBERSHIP MATTERS

A. Review of Prospective New Member Applications

Ms. Karen Thesing, Executive Director, noted for the sake of efficiency and due to the timing of the applications received from potential new members, these entities were not first reviewed by the Underwriting Committee, as is the normal process.

1. City of Oakdale (CSJVRMA)

Prior to the meeting, the Board received an application, price indication, and target ratio analysis for the City of Oakdale. Ms. Thesing informed the Board Oakdale has applied to join ERMA, through the CSJVRMA, at a \$50,000 self-insured retention (SIR).

Ms. Thesing informed the Board the City is currently reviewing the possibility of outsourcing a department which would involve staff layoffs.

Ms. Thesing noted that based on the target ratio analysis, Oakdale exceeded ERMA's target ratio for severity in the 2007/08 program year. Ms. Thesing reviewed the claim with the Board and noted it was settled in April 2011. Ms. Thesing also reviewed a second claim reported by the City of Oakdale which had a date of loss in the 2011/12 program year. Ms. Thesing noted that this year is not yet included in ERMA's target ratios, but staff did obtain information on the claim which is currently in the discovery phase. It was questioned whether this claim would exceed ERMA's target ratios if included. Ms. Nancy Broadhurst, Accounting Manager, responded that this claim currently has a low total incurred and would not likely exceed the target ratios.

The City of Oakdale's staff turnover rate was briefly discussed, and Ms. Thesing noted Oakdale indicated on their application a one percent turnover rate over the past five years.

It was questioned what is meant with the application question, "How many involuntary employment terminations have occurred in the past two years?" Ms. Thesing responded that it could indicate an employee was terminated for a variety of reasons; she noted Oakdale reported two involuntary terminations in 2011 and zero in 2010.

**Scott Ellerbrock moved to approve the City of Oakdale as a member of ERMA through CSJVRMA effective August 1, 2012, at a \$50,000 SIR. Seconded by John Gillison. A roll call vote was taken, and the motion passed unanimously.**

## 2. City of Moreno Valley (PERMA)

Prior to the meeting, the Board received the City of Moreno Valley's application, price indication, and target ratio analysis. The City of Moreno Valley, a member of PERMA, submitted an application to join ERMA at a \$250,000 SIR effective August 1, 2012.

Mr. Ellerbrock informed the Board Moreno Valley has been a member of PERMA for three years. Now that ERMA has a policy that new members joining through a JPA have a JPA experience modification factor (ex-mod) of 1.0 for the first year instead of having to join at the JPA's current ex-mod, ERMA is no longer cost prohibitive for Moreno Valley.

Ms. Thesing noted the City decreased their workforce by approximately half in 2012, mainly due to a City grant that has expired. In addition, they have had approximately 32 layoffs and some retirements.

Ms. Thesing next addressed Moreno Valley's claims with the Board and noted that due to the large total incurred of the claims reported, staff recommends conducting a mini-risk assessment if the Board approves the City for membership. Ms. Thesing stated Moreno Valley was unable to having a risk assessment conducted. Concern was expressed by the Board regarding the large total incurred amounts of the claims. It was questioned whether the City is utilizing in-house defense counsel or outside defense counsel. Staff responded they are unaware of what defense counsel was utilized; a Board member responded that approximately four years ago Moreno Valley was using in-house defense counsel, but they are unsure whether they have continued this practice. Staff noted they can contact Moreno Valley and inquire about defense counsel as well as why the claims were settled, as it appears they may have been defensible. Staff indicated they will also make it very clear to the City that ERMA will have early involvement with any employment practices liability claims reported. Mr. Ellerbrock noted that while Moreno Valley's city attorney does handle minor cases, as a member of PERMA's liability program, PERMA's defense counsel is assigned to their liability claims, and the City has been cooperative with this process.

The Board discussed deferring action on Moreno Valley until additional information can be obtained from the City. Ms. Thesing noted action can be deferred and another special

Board of Directors meeting held in early September. It was suggested ERMA conduct a risk assessment for Moreno Valley as part of the application process, in addition to having questions answered regarding the claims. The Board and staff agreed with this suggestion.

It was summarized that ERMA's Litigation Manager, Ruth Graf-Urasaki, will meet with Moreno Valley as soon as possible, along with Mr. Ellerbrock, to conduct a risk assessment and review their claims in more detail. It was clarified Ms. Graf-Urasaki will conduct a full risk assessment, not a mini risk assessment.

5. COVERAGE MATTERS

A. City of Pittsburg's (MPA) Appeal of Denial of Coverage for Failure to Comply with ERMA's Claim Reporting Requirements

Staff informed the Board that the City of Pittsburg, a member of MPA, is appealing denial of coverage in the matter entitled Cassandra Wilkerson v. Pittsburg. Ms. Thesing noted that an appeal for denial of a claim is not usually addressed during a special teleconference meeting, however, since the Board will not be holding a meeting until November, staff felt it prudent to bring this matter to the Board at this time. Ms. Thesing noted that city representative, Neville Vania, was participating in the meeting.

Ms. Graf-Urasaki informed the Board staff denied the claim as it was not reported within 30 days of receipt as required by the applicable 2010/11 ERMA Memorandum of Coverage for this claim. The City is seeking relief based on several mitigating circumstances, which Ms. Graf-Urasaki outlined as follows:

- An internal claim of sexual harassment was filed with the Pittsburg Police Department on approximately March 15, 2012. The Police Department commenced an investigation but did not initially inform the Human Resources Department or Executive Team.
- Marc Fox, former Assistant City Manager who handled all employment related claims, left the City on March 23, 2012. The duty of reporting claims was given to Mr. Vania who did not have any previous experience with ERMA nor was he provided with training on ERMA procedures.
- In April 2012, the same employee filed a workers' compensation claim for stress, which was Mr. Vania's first notice of the claim. The City received a DFEH complaint and right-to-sue letter on May 24, 2012. The Police Department retained Meyers Nave to assist with the handling of the claim, and the City was unaware that ERMA needed to be notified.
- On July 5, 2012, Mr. Vania received an email from Jake O'Malley enclosing the member-wide email regarding ERMA's reporting requirements, and he contacted Mr. O'Malley regarding the claim. Mr. O'Malley contacted ERMA staff that same day, and the City subsequently reported the claim to ERMA on July 5<sup>th</sup>.

Ms. Graf-Urasaki stated that based on those facts, the internal claim reported by the claimant should have been reported to ERMA on April 15, 2012. As a DFEH claim was filed after that date, the claim was then outside the Litigation Manager's discretion regarding whether to accept it, and the DFEH complaint should have been sent to ERMA by June 24, 2012.

Ms. Graf-Urasaki informed the Board that since the claim is relatively new, an investigation has been undertaken, and legal counsel has been retained, there does not appear to be prejudice to ERMA. In addition, Ms. Graf-Urasaki noted it appears it is being appropriately investigated. Ms. Graf-Urasaki further noted that if ERMA accepts the claim, ERMA defense counsel will be assigned.

The Board reviewed the matter, and it was noted the former Assistant City Manager had handled all ERMA matters. It was questioned, should ERMA accept the claim, whether Meyers Nave would continue as defense counsel. Mr. Neville responded that the plan would be to have ERMA defense counsel review all of the activity on the claim to-date and work with Meyers Nave to transition Meyers Nave off of the claim with ERMA's defense counsel taking over. It was questioned whether the defense costs to-date would count toward the City's SIR. Ms. Graf-Urasaki responded they would not as ERMA defense counsel has not been utilized.

Ms. Charlotte Hemker-Smith, Legal Counsel, noted that based on the new guidelines contained in the Memorandum of Coverage, this would not have been an automatic denial by the Board because it relates to a change of personnel within the city.

**Scott Ellerbrock moved to accept coverage for Cassandra Wilkerson v. Pittsburg, given that defense counsel costs to-date will not be counted toward the City's SIR. Seconded by Dave Elias. A roll call vote was taken and the motion passed by majority vote with John Gillison voting no and Jake O'Malley abstaining.**

Ms. Thesing requested clarification regarding the City's SIR. Ms. Thesing noted ERMA's new policy adopted in June indicates if a late claim is accepted by the Board, the member's SIR will be increased by at least \$25,000. Ms. Thesing questioned whether this claim will be subject to a higher SIR. It was noted that because this claim has a loss date prior to July 1, 2012, and the new policy is contained in the 2012/13 Memorandum of Coverage, this claim is not subject to an increase in the SIR. Mr. Ellerbrock noted that it was not his intent to include an increase in the SIR with his motion.

## 6. CLOSING COMMENTS

### A. Board

President O'Malley noted ERMA's legal counsel ad hoc committee will meet on Monday, July 30, 2012.



B. Staff

Ms. Thesing noted additional information will be obtained regarding the City of Moreno Valley, and she will contact ERMA's President regarding scheduling another special meeting.

7. ADJOURNMENT

The July 25, 2012, ERMA special Board of Directors meeting adjourned at 10:43 a.m. by general consent.

  
\_\_\_\_\_  
Chrissy Mack, Board Secretary



# eBrief

July 3, 2012

The LAWCX eBrief is a summary of information distributed to members electronically and posted to the website, [www.lawcx.org](http://www.lawcx.org).

Please contact Chrissy Mack at (800) 541-4591, ext. 1177 if you have any questions or comments regarding the eBrief.

**Amended Governing Documents** have been posted to the "Members Only" section of the LAWCX website. Both the Memorandum of Coverage for fiscal year 2012/13 and amended Bylaws were approved by the Board at their June 12, 2012, meeting. If you need assistance in accessing these documents, please contact Jose Mederos at [jmederos@brsrisk.com](mailto:jmederos@brsrisk.com) or Chrissy Mack at [cmack@brsrisk.com](mailto:cmack@brsrisk.com).

**Invoices** for the 2012/13 program year were mailed to all members based on the budget that was approved by the Board at their June meeting. Payment is due August 16, 2012. The budget can be found under the "Members Only" section of the LAWCX website.

**Electronic payments** are now accepted for payment of annual billings. Please visit the "Members Only" section of the website for instructions.

**Board of Directors Meetings** for the 2012/13 fiscal year will be held on Tuesday, November 13, 2012; and Tuesday, June 11, 2013, in Sacramento. As a reminder, each member is required to have a Board representative or alternate representative in attendance for at least one Board meeting each fiscal year or financial penalties will apply.

**Congratulations** to Scott Ellerbrock and Rosa Kindred-Winzer who have been elected to serve as LAWCX's President and Vice President, respectively for the term of July 1, 2012 – June 30, 2014.

**Congratulations** also to Kin Ong, PARSAC, who has been appointed by Mr. Ellerbrock to serve as LAWCX Treasurer.

**Welcome** to the newly elected Executive Committee Members At Large, Janet Hamilton, Lodi; Celeste Garrett, Vacaville; and Steve Negro, MCLAIA. Ms. Hamilton and Ms. Garrett will serve for the term of July 1, 2012 – June 30, 2014. Mr. Negro will serve for the term of July 1, 2012 – June 30, 2013.

**Thank you** to Joanne Rennie, PARSAC, who served as President of LAWCX during the period of July 1, 2010, to June 30, 2012. Ms. Rennie will now serve in the position of Past President.

**The Executive Committee** is comprised of the President, Vice President, Treasurer, three Executive Committee Members at Large, and the Past President. The Executive Committee meets three times per year, and their next meeting date and location is noted below. Executive Committee meetings are held in February, May, and September each year, and Board members are welcome to attend.

**Return to Work** is one of the focus areas for the Department of Industrial Relations this year. It's important to create transitional duty assignments to assist and enhance your self-directed return to work efforts. Feel free to contact Tammy Vitali, Claims Manager, if you have any questions in this regard.

**Risk Control Services** continue to be available to members and include phone consultations, program development, on-site training, and customized webinar development as well as unlimited access to technology based resources (e.g., blogs, answers to common questions, customizable sample programs, and webinars). For more information regarding accessing the services, visit the LAWCX website at [www.lawcx.org](http://www.lawcx.org).

**Risk Control Reimbursement Funds** are again available for the 2012/13 program year. Visit the "Members Only" section of the LAWCX website for more information.

**Webinar: LAWCX "New Member Orientation"** is available on the LAWCX website. Please visit the "Members Only" page for access.

### **Mark your calendar**

September 25, 2012 – Executive Committee Meeting, 10:00 a.m., Sacramento  
November 13, 2012 – Board of Directors Meeting, 10:30 a.m., Sacramento



All LAWCX program information, governing documents, staff contact information, service provider information, and meeting agendas and minutes are available on the LAWCX website, [www.lawcx.org](http://www.lawcx.org).<sup>46</sup>



**BOARD OF DIRECTORS MEETING**

**May 16 - 18, 2012 – 1:00 P.M.**  
**Lake Natoma Inn – Conference Center**  
**702 Gold Lake Drive**  
**Folsom, CA 95630**

**(916) 351-1500**

**Minutes**

**I. CALL TO ORDER:**

President Handy called the meeting to order at 1:03 p.m.

**II. ROLL CALL**

***PRESENT***

- |                                     |   |
|-------------------------------------|---|
| 1) Lucretia Akil, <i>Alameda</i>    | 11) Robyn Kain, <i>Richmond</i>           |
| 2) Jessica Henry, <i>Chico</i>      | 12) Stacy Haney, <i>Roseville</i>         |
| 3) Kim Greer, <i>Fairfield</i>      | 13) Anil Comelo, <i>San Rafael</i>        |
| 4) Steve Schwarz, <i>Fremont</i>    | 14) Mardell Kuntzelman, <i>Santa Rosa</i> |
| 5) Bill Henderson, <i>Livermore</i> | 15) Roger Carroll, <i>SCORE</i>           |
| 6) Janet Hamilton, <i>Lodi</i>      | 16) Teresia Haase, <i>Stockton</i>        |
| 7) Paula Islas, <i>NCCSIF</i>       | 17) Tony Giles, <i>Sunnyvale</i>          |
| 8) Ron Blanquie, <i>Petaluma</i>    | 18) Sandy Hess, <i>Vacaville</i>          |
| 9) Chris Carmona, <i>Redding</i>    | 19) Darrell Handy, <i>Vallejo</i>         |
| 10) Mark Ferguson, <i>REMIF</i>     | 20) Jeff Tonks, <i>YCPARMIA</i>           |

***ABSENT***

*San Leandro*

***OTHERS PRESENT***

- |   |  |
|---|--|
| 21) Bruce Kilday, <i>Angelo, Kilday &amp; Kilduff</i>   | 32) Craig Schweikhard, <i>CJPRMA</i>                 |
| 22) Serena Sanders, <i>Angelo, Kilday &amp; Kilduff</i> | 33) Bruce Cline, <i>Folsom</i>                       |
| 23) Craig Bowlus, <i>Aon</i>                            | 34) Roy Franco, <i>Franco Signer, LLC</i>            |
| 24) Dr. William Deeb, <i>Aon</i>                        | 35) Byrne Conley, <i>Gibbons &amp; Conley</i>        |
| 25) Michael Harmon, <i>Aon</i>                          | 36) Richard Balanos, <i>Liebert Cassidy Whitmore</i> |
| 26) Robert Lowe, <i>Aon</i>                             | 37) Janice Magdich, <i>Lodi</i>                      |
| 27) Bill Dennehy, <i>Chandler Asset Management</i>      | 38) Dominique Kurihara, <i>Petaluma</i>              |
| 28) Anna Brunkal, <i>CJPRMA</i>                         | 39) Lynette Frediani, <i>Redding</i>                 |
| 29) David Clovis, <i>CJPRMA</i>                         | 40) Lisa Achen, <i>Roseville</i>                     |
| 30) Lola Deem, <i>CJPRMA</i>                            | 41) Neal Lutterman, <i>Stockton</i>                  |
| 31) Saima Kumar, <i>CJPRMA</i>                          | 42) Rebecca Moon, <i>Sunnyvale</i>                   |

### **III. PRESENTATIONS**

- None

### **IV. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD OF DIRECTORS ON MATTERS OF BOARD BUSINESS**

### **V. COMMUNICATIONS**

- A. Board Members
- B. General Manager/Secretary
- C. Next Scheduled Meetings: Board of Directors (6/21/2012) CJPRMA Office  
Executive Committee (07/19/2012) City of Petaluma

### **VI. APPROVAL OF MINUTES**

A motion by Director Giles, seconded by Director Carroll, to approve the minutes of the Board of Directors meeting held on March 15, 2012, passed unanimously.

### **VII. CONSENT CALENDAR**

1. Additional Covered Party Certificates Approved by the General Manager
2. Status Update on General Manager's Goals and Objectives 2011-2012

A motion by Director Henderson, seconded by Director Carmona, to approve the consent calendar, passed unanimously.

### **VIII. INFORMATION CALENDAR**

3. New Board Members/Alternates
4. Business Calendar for 2012

### **IX. ACTION CALENDAR**

#### **5. Reimbursement of General Liability Training Expense Policy**

Financial Analyst, Lola Deem, provided the board with proposed changes to the Reimbursement of General Liability Training Expense Policy. She said that the original policy was adopted in January 1995. Since then, there had been changes to the program which required that the policy be revised.

She recommended the following changes to the existing policy:

1. In May 2009, the Board approved acquisition of CSRMA Online. It was determined that CSRMA would be partially funded by the liability training reimbursement program. It was also approved to discontinue the liability training reimbursement program for those members electing to participate in CSRMA. This limitation has been added to the revised policy.

2. The previous policy stated that once the allotted amount that was budgeted for training was expended, no further reimbursement would be made. This line was deleted from the revised policy.
3. Line 7 was added requiring requests be submitted within 30 days following the end of the fiscal year.

A motion by Director Kain, seconded by Director Blanquie, to approve the Reimbursement of General Liability Training Expense Policy, with the recommendation to change the request for reimbursement from 30 days to 60 days following the end of the fiscal year, passed unanimously.

## **6. Casualty and Property Insurance Renewals for Fiscal Year 2012-2013**

Dr. William Deeb and Mr. Robert Lowe of Aon were present to discuss the renewal of the casualty and property insurance programs.

Dr. Deeb explained that with regard to the property program, Aon was able to negotiate a premium for the primary property policy at \$1,699,828 and the excess property premium at \$292,155. He stated that the boiler and machinery program's annual premium would be \$260,922.

The general manager stated that both NCCSIF and SCORE had expressed interest in participating in the property program. Aon provided an estimated premium cost of \$565,647 for NCCSIF and \$193,606 for SCORE.

Dr. Deeb said that the 2012-2013 excess liability program's renewal quote provided from Munich Re was \$1,645,270, a 3% increase over 2011-2012 rate. The quote for Excess Casualty from SCOR Re is \$319,000.

He also stated that the quote received from the Hanover Insurance Company for the APD program was in the amount of \$382,515. This was an exposure based increase and the rate remained at \$ .173/\$100.

The general office package annual premium would be \$6,485. The 2011 DIC program renewal was \$10,955. The current crime program is a three year policy with a three year prepaid premium of \$8,941.

Dr. Deeb stated that he was currently working on getting all rates finalized and that he would present a status update at the June Board of Directors meeting.

A motion by Director Hamilton, seconded by Director Giles, to authorize the general manager to bind the Property, Casualty, Auto Physical Damage and Boiler & Machinery programs, passed unanimously.

A motion by Director Henderson, seconded by Director Schwarz to allow NCCSIF and SCORE to participate in the 2012-2013 property program, passed by property program participants without the City of San Leandro (absent)

## **7. Report from Investment Manager**

Mr. William Dennehy of Chandler Asset Management was present to discuss the CJPRMA investment portfolio and investment strategy.

He explained that the assets are held in CJPRMA's bank custody account managed by the Bank of New York.

He went on to explain that the investment program is divided into two parts. The Loss Payment Account is utilized to provide funds for operating expenses and the payment of losses. The Loss Payment Account invests in high grade securities with a maximum maturity of 5 years.

The Long Term Growth Account is utilized to provide long term asset growth in order to offset inflation. The maturity range of its investments is generally from five to a maximum of ten years.

Mr. Dennehy stated that as of April 30, 2012, the Loss Payment Account was valued at \$5,780,228. This was a decrease of \$4,194,771 from its valuation of \$9,974,999 on January 31, 2012. Multiple securities were sold across the Treasury, Agency, and Corporate sectors to accommodate the \$4.2 million withdrawal out of the account.

He also stated that as of April 30, 2012, the Long Term Growth Account was valued at \$85,745,424. This was a decrease of \$4,218,002 from its valuation of \$89,963,426 on January 31, 2012. Three securities were purchased across the Treasury, Agency, and Corporate sectors. The Treasury and Agency notes both had maturities in 2022 and the Corporate note matures in 2017. Four Agency securities were sold during the period, all seasoned bonds close to the 5 year maturity point, to facilitate the aforementioned purchases into the portfolio. The portfolio had net withdrawals of \$5.0 million. However the transactions to facilitate the withdrawal took place in the prior reporting period. The investments in both accounts comply with CJPRMA's investment policy.

## **8. Proposed Operating Budget for 2012-2013**

Financial Analyst, Lola Deem, presented the proposed administrative and direct program year budget for the 2012-2013 program year.

She stated that the approved administrative budget for fiscal year 2011-2012 was \$1,425,000. It was projected that expenditures for this budget would be approximately 2.2% under budget (\$31,314). She provided a budget summary with detailed information for the over/under budget projections of the current administrative budget as follows:

Personnel: 10.2% over budget (\$68,521). This was driven primarily by the requirement to record the OPEB liability of \$69,153.

Operations/Office Expenses: 32.4% under budget (\$122,222). Due primarily to the termination of the Risk 360 contract (\$22,667), reduction in risk management training (\$50,000) and the nonuse of the contingency fund (\$20,000).

Operations/Professional Services: 16.6% over budget (\$17,425). Result of unbudgeted primary member audits (\$35,000).

Capital Outlay: 52% over budget (26,000). Result of 1<sup>st</sup> e-Solutions payment of \$76,000.

Direct Program: 30.1% under budget (\$237,812). This was due primarily to less Outside-Legal payments (\$150,000) and less Other Claim Expenses (\$72,812). She explained that at the excess level, it is difficult to gauge what the direct program payments will be; this is always an approximation.

She stated that the proposed FY 2012-2013 administrative budget remained unchanged at \$1,425,000. Budget line increases were offset by reductions in other line items. The proposed budget was as follow:

Personnel: 13.6% increase (\$91,640). Due to budgeting of the OPEB liability (\$69,000) and salaries at the top of pay scale (\$34,888).

Operations/Office Expenses: 30.8% decrease (\$116,190). This was due to the elimination of office rent (\$80,000) and reduction in risk management training (\$25,000).

Operations/Professional Services: 21% increase (\$22,000). Due to primary member audits (\$35,000).

Operations/Board Related Expenses: 25.9% decrease (\$42,250). Due to a (\$36,250) negotiated reduction and credit on the CSRMA Risk Control Online fee.

Operations/Montevina Ops: 9.8% decrease (\$5,200). This was due to minimal adjustments.

Capital Outlay: 100% increase (\$50,000). This was due to 2<sup>nd</sup> e-Solutions payment of \$76,000 and the purchase of two computer servers.

Direct Program Expenses: No budgeted increase (\$790,000).

Funding: At the December 2011 board meeting, the Board approved the preliminary rates for PY 2012-2013, which included an overhead amount of \$1,425,000.

She explained that since FY 2006-2007, the administrative budget has increased only 3.6%. Since FY 2009-2010 it has remained constant at \$1,425,000.

A motion by Director Henderson, seconded by Director Carroll, to approve the administrative and direct program year budget for the 2012-2013 program year, passed unanimously.

## **9. 2012 Claims Audit**

The 2012 claims audit was conducted by Mr. Craig Bowlus, Managing Director of Aon Risk Services. Mr. Bowlus was present to discuss the results and recommendations arising out of his claims audit.

He examined 132 files during the audit which included 110 open and 22 closed files. The audit work included site visits to members, TPAs and the CJPRMA office. Mr. Bowlus also conducted a review of primary level losses for six CJPRMA members. He noted two significant improvements that have been made since the 2011 claims audits.

Those improvements included the following:

- A new risk management information system is nearing full implementation
- Reporting on employment practices claims has dramatically improved

The two recommendations arising out the 2012 claims audit are as follows:

- Once a claim is reported and accepted as an excess file by CJPRMA, automated RMIS or Excel data exchange relative to critical financial developments should be provided by all members on at least a quarterly basis
- Reporting requirements for self-administered members could still use some improvement. This should include captioned reporting on a quarterly basis (at a minimum, on watch list files). Cases with incurred values of less than \$50,000 should be subject to reduced levels of oversight at CJPRMA, and should not be subject to the captioned reporting requirements

A motion by Director Hamilton, seconded by Director Henry, to approve the 2012 claims audit, passed unanimously.

#### **10. Claims Experience Report**

Claims Administrator, Craig Schweikhard, presented an overview of the claims experience report to the Board. The report was a review of all claims that have been reported to CJPRMA beginning with program year 1997-1998 to the present.

He stated that the intent of this report was to give a high level overview of all claims, including a description of claims frequency, severity and development history. The report would also help staff in the development of risk management training programs and would be a basis for establishing baseline criteria to be included in risk management audit standards.

#### **11. Status Update on Risk Console**

The general manager provided a status update on the Risk Console implementation to the Board. He said staff is meeting weekly with the Aon eSolutions team. To date, staff has reviewed and approved the Claims, Organization, Property, Auto, Certificate of Insurance, Litigation and Certificate of Coverage specifications.

He said that the Cities of Fremont and Santa Rosa have received their data conversion quotes from AON eSolutions. Santa Rosa agreed to the proposal and is in process of scheduling their data conversion. This process will require CJPRMA to execute an amendment to the original agreement on behalf of its members. He also stated that CJPRMA will take responsibility for collecting fees from members for the data conversion.

He said staff had prepared and provided the Policy Specification Module for review. Comments and recommendations had been provided to AON for modifications required



for the module. The modified specification draft would be provided in the next few days. This would be the operational area for CJPRMA to record all of its policies and Memorandums of Coverage as they apply to each member.

## 12. Risk Management Issues

The general manager discussed the issue surrounding elimination of the Redevelopment Agencies and its effects on members. He also provided an update on the JPA and Mutual AID agreement templates that is being updated with the assistance of Greg Fox. He said that he should have a template ready in the next couple of months for members to utilize. The general manager also provided an update on his presentation at the P.O.S.T Safe Driver Campaign.

## X. CLOSED SESSION

### 1. Government Code Section 54956.8 (I)

Conference with Real Property Negotiator

**Property:** 3252 Constitution Drive, Livermore, CA 94551

**Agency Negotiator:** David Clovis, CJPRMA

**Negotiating Party:** John Hone (Colliers International)

**Under Negotiation:** Price and Terms of Payment

### 2. Government Code Section 54956.8

Conference with Real Property Negotiator (I)

**Property:** 3201 Doolan Road, Livermore, CA 94551

**Agency Negotiator:** David Clovis, CJPRMA

**Negotiating Party:** Rick Steffens (Grubb & Ellis)

**Under Negotiation:** Price and Terms of Payment

### 3. Government Code Section 54956.8 (I)

Conference with Real Property Negotiator

**Property:** 5111-5117 Johnson Drive, Pleasanton, CA 94588

**Agency Negotiator:** David Clovis, CJPRMA

**Negotiating Party:** Mark Carrigg (Colliers International)

**Under Negotiation:** Price and Terms of Payment

### 4. Government Code Section 54956.9 (a) (I)

Conference with Legal Counsel – Pending Litigation

**Name of Case:** Dagdagan v. City of Vallejo

**Court:** United States District Court, Eastern District of California, Sacramento Division

**Case No.:** 2:08-CV-00922-GEB-GGH

5. **Government Code Section 54956.9 (a) (I)**  
Conference with Legal Counsel - Pending Litigation

**Name of Case:** Cotton v. City of Eureka (REMIF)  
**Court:** Northern District of California, Oakland Division

6. **Government Code Section 54956.9 (a) (I)**

Conference with Legal Counsel - Pending Litigation

**Name of Case:** Eaton v. City of Rocklin  
**Court:** Contra United States Court of Appeal for the Ninth Circuit  
**Case No.:** 07-80144

## **XI. ACTION ON CLOSED SESSION ITEMS**

- A report was provided on the six closed session items, no authority was requested.

## **XII. ADJOURNMENT**

- President Handy adjourned the meeting at 11:20 a.m. on Friday, May 18, 2012

**UPDATE ON THE CITY OF ISLETON  
ACTION ITEM**

**ISSUE:** Staff will provide the Board with an update on their meeting with Dan Hinrichs and the City Council on August 22<sup>nd</sup> to discuss board members' concerns with the City of Isleton.

**RECOMMENDATION:** Take action recommended by the board

**FISCAL IMPACT:** Unpaid premium balance of \$31,012.

**BACKGROUND:** At the June 22<sup>nd</sup> Board of Directors meeting, the Board expressed concerns regarding the increased potential risk to the members due to the current situation in Isleton.

**ATTACHMENTS:** None

## **CITY OF CRESCENT CITY DISTRIBUTION REQUEST**

### **ACTION ITEM**

**ISSUE:** SCORE has received a formal written request from the City of Crescent City requesting release of the funds due to the city from the retrospective rating plan distributions and/or equity distribution.

**RECOMMENDATION:** Staff recommends the Board agree to release 30% of available funds for those years prior to 6/30/2002 which is an additional 4 years to the 5 years we currently do not release for any SCORE members.

**FISCAL IMPACT:** TBD – Gilbert Accounting will calculate the amounts to be returned based on the calculations approved at the 5/11/12 Board meeting.

**BACKGROUND:** SCORE's Bylaws were amended June 24, 2011 and specifically state that for members that withdraw from SCORE programs, their dividends and/or equity will remain with SCORE until program year's close.

Crescent City withdrew from SCORE 6/30/10. Crescent City requested a distribution in 2011 and the Board agreed to the request.

#### **ATTACHMENTS:**

1. August 10, 2011 Letter from Crescent City.
2. SCORE By Laws amended June 24, 2011



377 J STREET

CRESCENT CITY, CALIFORNIA 95531-4025

Administration/Finance: 707-464-7483  
Utilities: 707-464-6517

Public Works/Planning: 707-464-9506  
FAX: 707-465-4405

July 2, 2012

Small Cities Organized Risk Effort  
Alliant Insurance Services, Inc.  
1792 Tribute Road, Suite 450  
Sacramento, CA 95815

Via email and US mail

Subject: City of Crescent City – Request for release of funds and disbursement of equity/dividends due

Dear President Carroll and SCORE Board of Directors:

The City of Crescent City according to the most recent bylaw changes would like to respectfully request from the Board of Directors a release of all funds due the City of Crescent City from any reduction in equity or dividends that are being returned to all members of the JPA within the Shared risk layers. I would like to respectfully request that the Board consider our request at the next meeting.

It is my understanding that all Banking layer amounts are remitted to the City without request, but would like to request accounting records or summary information related to distributions to all members including Crescent City since the last request was made on August 10, 2011.

The City continues to support the SCORE Board and reiterates our commitment to assist with any claims above and will immediately pay any amounts or assessments due to SCORE if the occasion should arise.

If you have any questions, please feel free to contact Finance Director Ken McDonald at (707) 464-7483, extension 224 or our City Manager, Eugene M. Palazzo at extension 232.

Sincerely,

Eugene M. Palazzo  
City Manager

Kenneth McDonald  
Finance Director

# **SMALL CITIES ORGANIZED RISK EFFORT**

**(SCORE)**

**BYLAWS**

**AMENDED**

**JULY 1, 2000**

**JANUARY 26, 2007**

**JUNE 24, 2011**

## **BYLAWS**

For the regulation of the Small Cities Organized Risk Effort, except as otherwise provided by statute or the “Agreement” creating the Small Cities Organized Risk Effort, a Joint Powers “Authority.”

### **ARTICLE I** **DEFINITIONS**

The terms in these Bylaws shall be as defined herein and in the “Agreement” creating the Small Cities Organized Risk Effort Joint Powers Insurance Authority, unless otherwise specified herein.

- A. “Agreement” shall mean the Joint Powers “Agreement” creating the Small Cities Organized Risk Effort Joint Powers “Authority.”
- B. The “Authority” shall mean the Small Cities Organized Risk Effort (SCORE).
- C. “Cash Assessments” are changes levied upon the members by the Board of Directors that are intended to raise the funding of the “Authority” to a level above the minimum solvency level when the normal budgeting and member contributions are insufficient to maintain such a level of funding. “Cash Assessments” are not changes against the members because of retrospective adjustment calculations of a pooled coverage “Program.”
- D. “Mandatory Programs” are programs for which participation by all members is required.
- E. “Master Plan Document” shall mean a governing document that defines the procedures of a coverage “Program.”
- F. “Memorandum of Coverage” shall be the governing document issued by the “Authority” to Member Agencies specifying the type and amount of pooled coverage provided to each Member Agency by the “Authority.”
- G. “Program” shall mean a formal plan or procedure adopted by the Board of Directors to provide coverage against the possibility of loss or reduce the chance of loss.
- H. “Voluntary Program” shall mean a “Program” for which participation is merely voluntary by the members.

### **ARTICLE II** **OFFICES**

The principal office for the transaction of business of the “Authority” and receipt of all notices is hereby fixed and located as described in Appendix A attached hereto and incorporated herein by reference. The Board shall have the authority, with a majority vote of those present and voting at a regular or special meeting of the Board, to change the location of the principal executive office from time to time.

### **ARTICLE III** **BOARD OF DIRECTORS**

#### **Section 1 – Governing Board**

In accordance with Article X of the “Agreement,” the Board of Directors shall be the governing body of the “Authority.” Each member’s governing board shall appoint, by resolution, a director and an alternate to the Board of Directors of the “Authority.” Such appointment shall not take

effect until such resolution is received by the “Authority” at its executive office as defined in Article II above. Voting members shall be the Directors, or in the case of their absence, their Alternates.

The Board of Directors shall provide policy direction to the Committees, the Officers, and any employees or contracted service providers of the “Authority.” The Board shall have the authority to delegate any and all authority except those specifically reserved onto the Board or specifically requiring a vote by the Board of Directors. Some of those authorities reserved onto the Board are:

- A. By a three fourths vote of the entire Board of Directors:
  - 1) Accept a new member to the “Authority”
- B. By a two thirds vote of the entire Board of Directors:
  - 1) Amend these Bylaws pursuant to Article XVII of these Bylaws;
  - 2) Create or terminate any risk management, self-insurance, or group purchase insurance “Program;”
  - 3) Expel an existing member from the “Authority;” or
  - 4) Remove an Officer of the “Authority” or Committee Member; and
  - 5) Authorize a “Cash Assessment.”
  - 6) Authorize release of funds at the request of a Member Agency that has withdrawn from the “Authority”.
- C. By a simple majority of Directors voting at a regular or special meeting:
  - 1) Adopt an operating budget for each of the “Authority’s” fiscal years; or
  - 2) Authorize payment of a dividend, or charge a surcharge, under a retrospective adjustment;
  - 3) Change the location of the Principal Executive Office.

## **Section 2 – Meetings**

All regular and special meetings of the Board of Directors shall be conducted in accordance with the Ralph M. Brown Act (Government Code Section 54950) as it now exists or may be amended from time to time. The Secretary shall give notice or cause notice to be given of all meetings and prepare minutes or cause minutes to be prepared and distributed to the Board of Directors. An official set of minutes of all Board meetings shall be kept at the principal executive offices of the “Authority” as defined in Article II.

All matters duly noticed and within the purview of the Board of Directors may be decided by a simple majority of those voting at a regular or special meeting, unless the governing documents prescribe otherwise.

The Board shall have at least four regular meetings a year. The time and place of such meetings for the next calendar year shall be established by resolution of the Board adopted at the last regular Board meeting of the then current calendar year.

A special meeting of the Board of Directors may be called by the President, or in the case that the President cannot be contacted, by the Vice-President, with 24 hours notice stating the time and place of such meeting and the matter to be discussed. Such notice may be delivered personally, by way of electronic transmission (other than voice communication) or mail. Notice by mail must be received at least 24 hours prior to the meeting.

All meetings may be postponed or cancelled by the President with at least 24 hours prior notice.



## ARTICLE IV

### OFFICERS OF THE AUTHORITY

#### **Section 1 - Election**

The Board of Directors will elect the officers and committee members from among the Board's Directors and Alternates. Any Board member may nominate themselves or another Board member for any office or as a member-at-large on the Executive Committee. These nominations may be made by either prior written nomination delivered to the executive offices of the "Authority" or from the floor. The President shall announce each nominee for each office or member-at-large. Each Board member present shall cast one vote for the candidate of his/her own choice for each office or member-at-large. If more than one candidate was nominated, a roll call vote shall be taken. A plurality shall succeed to the office or as a member-at-large.

#### **Section 2- Term**

The terms of the President, Vice-President, Secretary, Treasurer and a member-at-large of the Executive Committee will be for two (2) years. The term of these offices and member-at-large will begin with the commencement of the Fiscal Year in each of the even numbered calendar years. The officers and member-at-large shall serve their term until the first one of the following events occurs:

- 1) The term expires
- 2) Until termination of employment with a member entity; or
- 3) Until removal from office or as the member-at-large by a vote of two-thirds of the entire Board of Directors.

Should a vacancy occur in any of the office or the position of member-at-large prior to the expiration of the term, the Board of Directors, at their next regular or special meeting shall elect an officer or a member-at-large to fill the vacancy until the remainder of the term expires.

#### **Section 3- Duties**

**President** – The President shall preside over all meetings of the Board of Directors. The President shall execute documents on behalf of the "Authority" as authorized by the Board and serve as the primary liaison between this "Authority" and any other organization. Jointly with the Vice-President, Secretary, or Treasurer, the President shall have authority to approve payments of warrants. The President shall have such other powers and duties as the Board of Directors may prescribe from time to time.

**Vice-President** – The Vice-President, in the absence of the President, shall have all the authority and duties of the President. The Vice-President shall, jointly with the President, Secretary, or the Treasurer, have authority to approve the payments of warrants. The Vice-President shall have such other powers and duties as the Board of Directors may prescribe from time to time.

**Secretary** – The duties of the Secretary shall be to cause minutes to be kept and distributed as specified in the "Agreement," to maintain or cause to be maintained documents pursuant to a record retention policy adopted by the Board of Directors, and to perform such other duties as the Board

may specify. Jointly with the President, Vice-President, or Treasurer, the Secretary shall have authority to approve payments of warrants.

**Treasurer** – The duties of the Treasurer shall be those specified in Sections 6505.5 or 6505.6 of the California Government Code, to maintain or cause to be maintained all accounting and other financial records of the “Authority,” to file all financial reports required of the “Authority” and other duties as specified by the Board. Jointly with the President, Vice-President, or Secretary, the Treasurer shall have the authority to approve payments of warrants.

#### **Section 4 – Other Officers**

The Board of Directors may create, by resolution, any other office of the “Authority,” and delegate such authority, that it deems appropriate, which is not inconsistent with the “Agreement” and other provisions of these Bylaws. The Board may establish a term for such office. If a term of office is not established, the term will continue until such time as the Board, by a majority vote, determines the office is no longer needed or another person is appointed to the office.

### **ARTICLE V** **COMMITTEES**

#### **Section 1 – Executive Committee**

The Executive Committee shall consist of five members, the President, Vice President, Secretary, Treasurer and one member-at-large. The Executive Committee shall have the responsibility and authority to conduct the business of the “Authority” which is necessary and, in the opinion of the President, there is no reason to call a special meeting, or wait until the next regular Board of Directors meeting. The Committee shall have all other authority as specifically granted it by the Board, including, but not limited to the following:

- A. Provide general supervision and direction to the Program Administrator.
- B. Act as Program Administrator in the absence of the Program Administrator.
- C. Review and recommend a budget to the Board no later than fifteen (15) days prior to the June meeting of the Board.
- D. Enter into contracts, within budget limits.
- E. Appoint a nominating committee for each election of officers and members of the Executive Board.

Subject only to such limitations as are expressly stated in the “Agreement,” these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the “Authority.”

Any action taken by the Executive Committee may be appealed to the Board by filing a written request with the Program Administrator within sixty (60) days, based on notice to all Board members of the Executive Committee actions. Upon receipt of such request, the Program Administrator shall place the request for appeal on the agenda of the next regularly scheduled Board meeting. The decision of the Board shall be final.

The President shall be the Chair of the Executive Committee. The President shall call the time and place of the meetings and the matter to be discussed prior to a properly noticed meeting.

## **Section 2 – Finance Committee**

The Finance Committee shall consist of five members including the Treasurer. The Treasurer will act as Chair of the committee. It is desired that one member of the committee shall be a finance or assistant finance officer of a Member Agency. The Committee shall have all other authority as specifically granted it by the Board, including, but not limited to the following:

- A. In accordance with the Investment Policy, discuss strategies with the Investment Advisors and direct overall investment strategy.
- B. On an annual basis the Finance Committee shall review cash management requirements and give direction to the accountant to make adjustments.
- C. Review the independent auditors' proposed audit scope and approach.
- D. Review the performance of the independent auditor(s).
- E. Recommend the appointment to the Board or Executive Committee of the independent auditor(s) and review audit fees.
- F. At the direction of the Board or the Executive Committee, review with counsel any legal matters that could have significant impact on the financial statements.
- G. Review and make recommendations to the Board or the Executive Committee to maintain or change the Investment Policy in accordance with California Government Code.
- H. Advise the Board and the Executive Committee on other financial matters.

All committee meetings shall be held as open meetings in accordance with the Ralph M. Brown Act. Minutes shall be kept of all committee meetings and distributed to all committee and Board members.

## **Section 3 – Other Standing Committees**

The Board of Directors may establish other standing committees and delegate authority to such committees to accomplish certain tasks. Members of the committees shall remain members of the committees until such time as the Board appoints new members to the committees or the committees are dissolved by the Board.

The Board shall appoint a chair of each committee, other than the Executive Committee and Finance Committee, who shall call the meetings.

All committee meetings shall be held as open meetings in accordance with the Ralph M. Brown Act. Minutes shall be kept of all committee meetings and distributed to all committee and Board members.

## **Section 4 – Ad Hoc Committees**

The Board of Directors may establish from time to time, ad hoc committees and delegate limited authority to such committee to accomplish certain tasks. Members of the committee shall remain members of the committee until such time as the Board appoints new members to the committee, or the committee is dissolved by the Board. The Board shall appoint a chair of each committee.

## **ARTICLE VI** **MEMBERS' RESPONSIBILITIES**

Any party to the Joint Powers "Agreement" is a member. Any governmental agency as defined by the Government Code is eligible to become a member.

The Joint Powers "Authority" is a participatory organization with the goal of reducing exposures to losses. To facilitate this goal, each Member agrees to perform the following functions in discharging its responsibilities:

1. Abide by all the rules and obligations imposed upon the member by the "Agreement," these Bylaws, any Administrative Policies and Procedures adopted, any "Master Plan Documents" and Memoranda of Coverage for any and all "Programs" to which the member participates;
2. Appoint a representative and alternate to the Board;
3. Participate in all "Mandatory Programs"
4. Remit fund contributions and other amounts due within 15 days of the date of invoice or, in the case of the deposit premiums adopted in the budget, within 15 days of the commencement of the fiscal year for which the budget applies;
5. Cooperate fully with the "Authority" in reporting on and in determining the cause of claims and in the settlement of such claims;
6. Adopt by resolution and implement the claims procedures established by the "Authority;" and
7. Upon withdrawal from the "Authority," the member shall remain responsible for any losses and any other costs which it has incurred while a Member of the "Authority."

In addition to the above, each member agrees to cooperate fully with parties or persons employed by the "Authority" to provide safety/loss control service, and each of the entities agree to permit such parties or persons access to inspect property and conditions. Each participating Member will endeavor to maintain minimum loss experience through the institution of loss control programs. In the even a participating member fails to comply with safety/loss control recommendations, after having been afforded reasonable opportunity to do so, a two-thirds majority vote of the Member entities may vote to exclude such Member from the "Authority" as of the close of the fiscal year.

Each Member entity agrees to share the cost of safety/loss control services which shall be allocated to each Member as agreed by the Board.

## **ARTICLE VII** **NEW MEMBERS**

Any California governmental agency as defined by the Government Code is eligible to be a member of this "Authority." Such agency shall become a member once they have signed the Joint Powers

“Agreement” and the Board of Directors has approved its admission to the “Authority” with a three fourth vote of the entire Board of Directors.

## **ARTICLE VIII** **WITHDRAWAL**

**Member Agencies that withdraw from SCORE’s Liability and or Worker’s Compensation plans, agree that any available funds’ allocated to them in the Shared Risk Layer, will remain with SCORE until such time as the “Program Year” is closed. This includes funds allocated to them via the “Retrospective Adjustment” or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of SCORE. Funds available from the Banking Layer to these Members are available for distribution.**

**If a “Program Year” is not yet closed and the “Participating Member” would otherwise be eligible for a distribution, a Member that has withdrawn from the “Authority” may annually, in writing, request a early release of their funds for consideration by the Board of Directors. This action will require a 2/3 approval of the Board of Directors as specified in the JPA Bylaws, Article III, Section 1, paragraph B.6.**

## **ARTICLE XI** **PROGRAMS**

### **Section 1- Formation of Programs**

The Board of Directors may establish with a two thirds vote, a risk management, self-insurance, or group purchase insurance “Program.” Such “Program” shall be designated as a Mandatory or a “Voluntary Program.” If it is Mandatory, all existing members must participate in the “Program.” The Board of Directors shall establish the rules by which a member shall commit to a new “Program.”

### **Section 2 – Administration of Programs**

For each self-insured risk pooling “Program” or any “Mandatory Program,” the Board of Directors shall adopt a “Master Plan Document” that will describe the “Program’s” purpose, procedures, and administration. Once adopted, the “Master Plan Document” may be amended as described in that document. In addition to the “Master Plan Document,” the “Authority” shall adopt a “Memorandum of Coverage” defining the scope of coverage and the rights and obligations of the participating members.

The Board of Directors may delegate authority for the establishment of policies and operations of a “Program” to a committee consisting of the Board Representative from each of the participating members or, in the case of an absence by a Board Representative, the Alternate for the participating

member. Such delegation may be part of the “Master Plan Document” for the “Program,” or where such document does not exist, by resolution of the Board.

Notwithstanding anything to the contrary, the budget, “Cash Assessments,” and retrospective adjustments or dividends for each “Program” shall be approved by the Board of Directors.

### **Section 3 – Liability Program**

The “Authority” shall offer to, and make participation mandatory of, each Member. The purpose and scope of the “Program” shall be defined in a “Master Plan Document” and the coverage provided defined in a “Memorandum of Coverage.”

## **ARTICLE IX** **ADMINISTRATION**

The general administration of the “Authority” shall be performed by those designated by the Board of Directors. The administration may be performed by an employee of the “Authority,” an employee of a member of the “Authority,” a consultant, or a corporation or other legal entity.

The Treasurer shall be responsible for maintaining the books in accordance with the General Accepted Accounting Principles (GAAP) and the standards established by the Government Accounting Standards Board (GASB).

The Treasurer shall also be responsible for causing the State Controllers Annual Report of Financial Transactions to be filed along with the audited financial reports. The Treasurer shall be responsible for causing the quarterly financial statements to be prepared and distributed to the members.

The Board of Directors shall adopt a Conflict of Interest Code, an Investment Policy and a Records Retention Policy. The Board shall review the Conflict of Interest Code every even year. The Board shall review the Investment Policy every year.

## **ARTICLE X** **BUDGET**

An annual budget shall be presented to the Board of Directors no later than thirty (30) days prior to the beginning of each fiscal year and shall be adopted no later than June 30 of each year.

The budget shall separately show the following:

- A. General and administrative costs;
- B. The actuarially projected claims and allocated claims adjustment costs, and
- C. The cash contributions allocated among the members.

**ARTICLE XI**  
**ASSESSMENTS**

Upon a two thirds vote of the entire Board, the Board shall have the authority to levy a “Cash Assessment” for any pooled coverage “Program.” There must be a finding by the Board that there are insufficient funds available to the “Program” or the “Authority” as a whole to meet its legal obligations. Insufficient funds shall be calculated by applying against the assets of the “Program,” any and all liabilities, including claims reserves, reserves for expected losses not yet recognized in the claim reserves, plus a contingency for adverse claims development.

A “Cash Assessment” shall be directed only to those members or former members that participated in the pooled coverage “Program” during the “Program” year in which the covered loss, causing the assessment, was incurred.

Any costs, including attorney fees incurred by the “Authority” in collecting any “Cash Assessment,” shall be reimbursed fully by the member against whom such collection action has been taken.

**ARTICLE XII**  
**RECEIPT AND DISBURSEMENT OF FUNDS**

Revenues of the “Authority” shall be received at its principal executive office. The Treasurer or other designee of the Board shall safeguard and invest funds in accordance with the “Authority’s” current Investment Policy.

Jointly with the President, Vice-President, or Secretary, the Treasurer shall have authority to approve payment of warrants. All disbursements, except disbursement from the Claims Trust Accounts, must have approval of signature of two individuals holding the above referenced offices.

Jointly with the President, Vice-President, or Secretary, the Treasurer shall be authorized to make all expenditures for good or services to the extent such funds have been included in the general and administrative costs budgeted and approved by adoption of such budget, or as subsequently approved by the Board.

A register of all checks issued since the last Board meeting shall be provided as part of the Treasurer’s report at the subsequent Board meeting and reviewed by the Board.

**ARTICLE XIII**  
**FINANCIAL AUDITS**

Prior to June 30 of each fiscal year, the Board of Directors shall appoint a Certified Public Accountant familiar with accounting standards practices of governmental agencies, including GAAP and GASB accounting standards, to audit the financial accounts of the “Authority.” The minimum requirements of the audit shall be those prescribed by law.

The audit report shall be made available to the members and filed with the State of California within six months of the end of the fiscal year being examined. It shall also be filed with the County in which the executive office is located.

The costs of the audit shall be charged against the administrative funds of the “Authority.”

#### **ARTICLE XIV** **EXECUTION OF CONTRACTS**

The Board of Directors may authorize any officer, employee or agent to enter into any contract or execute any instrument in the name and on behalf of the “Authority,” and such authorization may be general or specific to a certain contract or instrument.

#### **ARTICLE XV** **NOTICES**

Notices to the “Authority,” other than notices of claims under a pooled coverage “Program,” shall be in writing and delivered to the address of the executive office is stated in Article II above. Notices of claims under a Pooled Coverage “Program” shall be made in accordance with the “Master Plan Document” and/or “Memorandum of Coverage” document for the “Program” under which the claim is being noticed.

Notice from the “Authority” to the members shall be in writing and delivered to the appointed Representative or mailed to the address of record.

#### **ARTICLE XVI** **EFFECTIVE DATE**

The effective date of these amended Bylaws shall be when adopted by the Board unless specifically identified as another date. The adoption of these amended Bylaws shall supersede any prior Bylaws or amended Bylaws. These Bylaws shall supersede any resolution or any other document, other than the “Agreement” form this “Authority,” to the extent that such resolution or document is inconsistent with the Bylaws or the “Agreement.”

#### **ARTICLE XVII** **AMENDMENTS**

These Bylaws may be amended by a two thirds vote of the entire Board provided that any amendment is compatible with the purposes of SCORE, is not in conflict with the “Agreement” forming this “Authority,” and has been submitted to the Board at least thirty (30) days in advance.

Any such amendment shall be effective immediately, unless otherwise designated.



**APPENDIX A**

**PRINCIPAL EXECUTIVE OFFICE**

The principal address of the Small Cities Organized Risk Effort Joint Powers Authority for the transaction of business and receipt of all notices shall be:

1792 Tribute Road, Ste. 450  
Sacramento, CA 95815-4320

# SCORE RESOURCE CONTACT GUIDE

August 2012

<p align="center"><b>PROGRAM ADMINISTRATION</b>  <b>Alliant Insurance Services, Inc.</b>  <b>www.alliantinsurance.com</b>  <b>Main: (916) 643-2700      Fax: (916) 643-2750</b></p>																	
<b>SUBJECT</b>	<b>MAIN CONTACT</b>																
<p><b>JPA MANAGEMENT ISSUES</b> – coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant</p>	<p><b>Susan Adams</b> Joan Crossley Johnny Yang Laurence Voiculescu</p>																
<p><b>JPA ADMINISTRATIVE ISSUES</b> – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies &amp; procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.</p>	<p><b>Johnny Yang</b> Susan Adams Joan Crossley Laurence Voiculescu</p>																
<p><b>COVERAGE / RISK MANAGEMENT ISSUES</b> –</p> <ul style="list-style-type: none"> <li>➤ Certificates of coverage, additions/deletions of coverage's, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs</li> <li>➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development</li> <li>➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services &amp; audits, third party contract review</li> </ul>	<p><b>Johnny Yang</b> Susan Adams Joan Crossley Laurence Voiculescu</p>																
<table border="0"> <tr> <td>Susan Adams</td> <td>(916) 643-2704 / (916) 203-1541 (cell)</td> <td>sadams@alliantinsurance.com</td> </tr> <tr> <td>Johnny Yang</td> <td>(916) 643-2712</td> <td>jyang@alliantinsurance.com</td> </tr> <tr> <td>Joan Crossley</td> <td>(916) 643-2708</td> <td>jcrossley@alliantinsurance.com</td> </tr> <tr> <td>Mike Simmons</td> <td>(415) 403-1425 / (925) 708-3374 (cell)</td> <td>msimmons@alliantinsurance.com</td> </tr> <tr> <td>Laurence Voiculescu</td> <td>(916) 643-2702</td> <td>LVoiculescu@alliantinsurance.com</td> </tr> </table>			Susan Adams	(916) 643-2704 / (916) 203-1541 (cell)	sadams@alliantinsurance.com	Johnny Yang	(916) 643-2712	jyang@alliantinsurance.com	Joan Crossley	(916) 643-2708	jcrossley@alliantinsurance.com	Mike Simmons	(415) 403-1425 / (925) 708-3374 (cell)	msimmons@alliantinsurance.com	Laurence Voiculescu	(916) 643-2702	LVoiculescu@alliantinsurance.com
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<p><b>ACCOUNTING SERVICES</b>  Gilbert Associates, Inc.  2880 Gateway Oaks Drive, Suite 100  Sacramento, California 95833  Main: (916) 646-6464    Fax: (916) 929-6836  <a href="http://www.gilbertcpa.com">www.gilbertcpa.com</a>  Kevin Wong – <a href="mailto:kswong@gilbertcpa.com">kswong@gilbertcpa.com</a></p>	<p><b>EMPLOYEE ASSISTANCE PROGRAM</b>  ACI Specialty Benefits Corporation  5414 Oberlin Drive, Suite 240  San Diego, California 92121  Main: (858) 452-1254    Fax: (858) 452-7819  <a href="http://www.acieap.com">www.acieap.com</a>  Tori Barr – <a href="mailto:tbarr@acieap.com">tbarr@acieap.com</a></p>	<p><b>RISK CONTROL PROGRAM</b>  SBK Risk Services  4521 Oxbow Ridge Place  Fair Oaks, CA 95628  (916) 747-5225  Jack Kastorff  <a href="mailto:Jack.kastorff@comcast.net">Jack.kastorff@comcast.net</a></p>															

# SCORE RESOURCE CONTACT GUIDE

August 2012

**CLAIMS ADMINISTRATION**  
**York Risk Services Group, Inc.**  
[www.yorkrsg.com](http://www.yorkrsg.com)  
**P.O. Box 619058**  
**Roseville, CA 95661-9058**  
**Main: (916) 960-0900 Fax: (916) 783-0334**

SUBJECT	MAIN CONTACT
<b>ADMINISTRATIVE ISSUES</b> - annual contracts for services, IT issues, reports, service issues	<b>Marcus Beverly</b> – WC & Liability
<b>SUPERVISORIAL ISSUES</b> – liability claims administration management, oversight of safety & loss control services	<b>Tom Baber</b> - Liability
<b>CLAIMS ISSUES – LIABILITY</b> <i>All Members</i>	<b>Craig Wheaton</b> – Unit Manager <b>Cameron Dewey</b> – Claims Adjuster <u><b>Field Adjusters:</b></u> Shawn Millar Olivia Doney Bernard Sarmiento Ken Sloane
<b>CLAIMS ISSUES – WORKERS’ COMPENSATION</b> <i>All Members</i>	<b>Tom McCampbell</b> – VP, WC <b>Kelli Vitale-Carson</b> – AVP, WC <b>Jodi Fink</b> – Claims Examiner <b>Sara Marshall</b> – Future Med and Medical Only Claims Examiner
<b>COMPUTER SERVICES</b> <b>TRUST ACCOUNT SERVICES</b> – loss runs, special reports, check registers, bank reconciliations	<b>Chris Shaffer</b> <b>Herb McDuffee</b>

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Craig Wheaton	(916) 960-0988	<a href="mailto:craig.wheaton@yorkrsg.com">craig.wheaton@yorkrsg.com</a>