



Northern California Regional Liability Excess Fund

2355 Crenshaw Blvd, Suite 200, Torrance, CA 90501

(310) 212-3344, Fax (310) 212-0300

Executive Summary **Finance Committee Meeting** **February 3, 2017**

President:

Kimberly Dennis
Alameda County
Schools Insurance
Group

Vice President:

Brent Swanson
Tulare County
Schools Self
Insurance Authority

Secretary:

William Tucker
Organization of
Self-Insured Schools

Treasurer:

Scott Lantsberger
Washington Unified
School District

The meeting was called to order at 9:05 a.m. and was very well attended as eight (8) out of eleven (11) members were in attendance. The significant actions taken or discussion held by the Committee were:

- **Investment Report** Cary Allison provided the investment report for the period ending December 31, 2016. For the quarter, investment return was a -0.78%. From inception, the rate-of-return is 1.04% and for the calendar year the rate-of-return is 1.10%. The negative return for the latest quarter is the result of the fed increase in short-term interest rates and the impact the rate change had on the market. Interest rates are expected to go up again, possibly by June, with multiple rate increases anticipated for the year. The projected rate-of-return for 2017 is 1.1%. Since the presidential election, new job creation has been stronger than expected as well as the economic outlook. Wage inflation is low and long term rates are expected to rise minimally. Overall, the forecast for the portfolio is expected to be positive.
- **Treasurer's Report** Mary Bower from SETECH provide the latest Treasurer's Report for the period ending December 31, 2016. Assets for the period are up as we are only half way through the year and claims paid have not fully matured. For the December 31, 2016 period, Assets are \$84.5M and are offset by Liabilities of \$66.5M resulting in a net position of \$18.01M. Of the net position, the undesignated position is a positive **\$3.6M**. This is in contrast to prior years which saw the undesignated net position being reported as a negative position. Overall, the financial position of the JPA is solid.
- **Member Account Receivable** As of December 12, 2016, there are no outstanding member premiums or late fees.
- **E-Tablets** A discussion was held regarding the current state of the e-Tablets that the JPA provided to member organizations. The tablets, originally issued in 2012, are five years old and at their end of useful life. Based on the value of the e-Tablets at the time of purchase, they hold no capital assets value. The committee discussed what options were available as replacements for the current inventory. After a thorough discussion, the committee recommended to the administrator to purchase new i-Pad devices for each member organization. The current inventory will be collected by the administrator, wiped of any data, and will be declared surplus and processed as e-waste with an appropriate e-waste vendor or members will have the option to purchase for \$100.

The meeting adjourned at 9:48 a.m.

