



Northern California Regional Liability Excess Fund

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Executive Summary **Finance Committee Meeting** **August 11, 2017**

The meeting was called to order at 9:00 a.m. Six (6) out of ten (10) members were in attendance or participated via conference call. The significant actions taken or discussions held by the Committee were:

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

- **Investment Report** Cary Allison from Morgan Stanley provided the investment report for the period ending June 30, 2017. The Composite value of investments is \$56.247 Million. For the quarter, investment return was a positive 0.31%. From inception, the rate-of-return is 0.66% and for the calendar year the rate-of-return is 0.56%. It is anticipated that the Federal Reserve will raise rates possibly once more during this calendar year and possibly once during calendar 18 as well. The projected rate-of-return for 2017 is 1.5%. The stock market continues to grow and stocks are trading at an average rate of 17 times earnings, which is typical in a healthy market.
- **Treasurer's Report** Mary Boyer from SETECH provided the latest Treasurer's Report for the period ending June 30, 2017. Assets for the period are up compared to the prior year by 11.02%. Liabilities are up compared to the prior year by 10.97%. For the 2016/17 year, Total Assets are estimated at \$75.8M and are offset by Total Liabilities of \$58.1M resulting in a net position of \$17.6M. Of the net position, the undesignated position which is a negative \$54K after designated contingencies. Overall, the financial position of the JPA continues to be stable and is solid in its structure.
- **Cash Flow** No movement of cash from short or long term investments is being recommended at this time. The cash position on June 30, 2017, is \$10.8M. Most of the cash balance is in LAIF with a .92% return-on-investment.
- **Member Account Receivable** There are no member account receivables for 2016-17! The 2017-18 premium due date is August 15th at the time of the meeting there was 33% of the member contributions outstanding.
- **Preliminary Budget** The preliminary budget for 2017-18 assumes operating revenues of \$55M and operating expenses of \$53M generating an operating income/(loss) of \$2.1M. Non-operating revenues and expenditures are estimated at a negative \$818K which makes revenues in excess of expenditures \$1.3M. When added to the beginning net position, the JPA has an estimated net position for 2017/18 of \$18.9M.
- **Audit Contract** The current contract with VTD expires with the completion of the 16-17 financial audit that is currently in process. The Committee provided direction to the Manager to procure a new 3 year renewal contract from the incumbent beginning with the 17-18 financial audit for consideration at the next meeting on October 18, 2017.

The meeting adjourned at 9:40 a.m.

