



BOARD OF DIRECTORS MEETING SUMMARY

Web Conference

Wednesday, June 30, 2021
9:00 a.m. (Pacific Time)
First Meeting – 2021

Members Present

Gina Dean, PRISM
Brian Kelley, PRISM
Scott Schimke, GSRMA
Lorin Barker, Kirton McConkie
Lance Sposito, Santa Clara County
Nate Black, Sutter County
Michael Fleming

Members Absent

None

Financial Matters

- Bill Dennehy, with Chandler Asset Management, presented the **Investment Portfolio Update**. For the past 12 months, as of 5/31/21, the **liquidity portfolio** earned .14%; the **core fixed** earned .67%; and the **equity portfolio** earned 46.57%. On a combined basis, the ARC portfolios earned a **total rate of return** of 8.05% for the past 12 months.

General Business

- The Board reviewed the **preliminary 2021/22 assumed risks**, which were noted to not include the GL1 \$5M xs \$5M Corridor or the GL2 SIR to \$10M Corridor, since those placements will no longer have Corridor Retentions.
- The Board reviewed the projected surplus as of June 30, 2021, which is estimated at \$26.5M. Similar to 2020/21, the Board **set a minimum surplus threshold of \$10M** for 2021/22. This was based on the Property EQ exposure, which is not fully funded.
- The Actuary's 2021/22 investment and discount assumptions were reviewed and the Board approved setting a 2.85% investment return rate for discounting ARC's claims liabilities. However, it was noted this may be updated for further action at the October meeting if the assumptions change significantly once data as of June 30, 2021 is analyzed.
- An update was provided on the **status of the national expansion initiative**, noting that the **Arizona Schools Risk Retention Trust** will become a **GL1 participant**, as of July 1, 2021.

Future Meetings

The next regularly scheduled meeting is **Monday, October 18, 2021**, at **the Waldorf** in **Park City, Utah**.