

**PUBLIC RISK INNOVATION, SOLUTIONS, & MANAGEMENT
(PRISM)**

FINANCE COMMITTEE

MEETING SUMMARY

75 Iron Point Circle, Suite 200
Folsom, California 95630
916-850-7300

Wednesday, December 10, 2025
10:00 a.m.
Fifth Meeting – 2025

Members Present

Yolanda Comer, California Schools JPA
Jennifer Chilton, GSRMA
Frank Williamson, MPA
Matt Clutterbuck, SDRMA – Alt.
Jack Contos, Trindel Insurance Fund
Armond Sarkis, City of Vallejo
Barbara Lubben, Yolo County

Members Absent

Rebecca Craig, Napa County
Chad Rinde, Sacramento County – Alt.

PRISM Portfolio Update for September 30, 2025

Chandler Asset Management presented the Treasurer's Report to the Committee covering the period of July through November 2025 at the meeting. In addition, Chandler discussed the investment performance of both the PRISM and PRISM ARC portfolios for the period ended November 30, 2025, the current composition of the portfolios, and other pertinent investment information.

PRISM Investment Policy

Annually, the Committee examines the Investment Policy and makes revisions, as needed. PRISM's external asset manager, Chandler Asset Management, has reviewed the Policy and recommended revisions as follows:

- Update the statutory sunset date governing the temporary expanded commercial paper limits (40% allocation/397-day maturity) under California Government Code §53601(h).
- Increase the limit that PRISM may invest in authorized Local Government Investment Pools from \$75,000,000 to \$100,000,000 (e.g. CAMP).
- Clarify that limitations on ABS and mortgage-backed securities do not apply when the issuer is in the US Treasury or Federal Agency/GSE.

2025 Annual Comprehensive Financial Report (ACFR)

Staff reviewed the ACFR with the Committee including a review of the combined and individual program financial statements and the required supplementary information. Kevin Wong, with Gilbert CPAs, presented their audit opinion, which was unmodified; their Report on Internal Control, which had no recommendations or findings; and the Communication with Those Charged with Governance. The Committee approved the distribution of the ACFR for the fiscal year ending June 30, 2025, as required by PRISM's governing documents.

2025 Affiliate Risk Captive (ARC) Audit Report

Staff reviewed the ARC Audit report and Kevin Wong, with Gilbert CPAs, presented their audit opinion, which was unmodified; their Report on Internal Control, which had no recommendations or findings; and the Communication with Those Charged with Governance.

Revised Cost Allocation Methodology

The Committee approved an updated methodology for allocating General Administration and Member Services expenses, across PRISM's main programs to enhance accuracy and reduce administrative effort. The current process relies on resource-intensive monthly, weighted staff time studies averaged over three years with volatility caps. The new proposal retains a time-based approach, but simplifies it by classifying departments into Direct, Indirect, and Overhead cost groups; Direct and Indirect department salaries and benefits will be allocated based on a 5-year average of program-direct time (excluding general administration time), while Overhead department costs will be allocated proportionately to the total salaries and benefits of the Direct and Indirect departments. Additionally, the new approach eliminates weighting and the annual change cap, shifts time studies to an annual basis, and applies flat rate allocations to smaller programs (e.g., ARC, Vision, PFL, and MROCIP). A fixed ratio for the Employee Benefits Department time of 75% PRISMHealth and 25% Dental will be used in lieu of any time studies submitted prior to the withdrawal from SISC. The preceding changes should streamline the process while producing similar overall allocation results.

Other Matters

- Member Services Update – Member Services updated the Committee on the latest services available to PRISM members.
- The Committee approved a preliminary Finance Committee meeting schedule for 2026.

Future Meetings

The next regularly scheduled meeting is **Wednesday, February 11, 2026**, at **9:00 a.m.**, to be held **via Web Conference**.