



Alameda County Schools Insurance Group (ACSIG)  
 5776 Stoneridge Mall Rd., Suite 130 Pleasanton, CA 94588

MINUTES  
 Executive Committee

**Date:** Thursday, February 6, 2020  
**Time:** 9:30AM  
**Location:** Alameda County Office of Education  
 313 W. Winton Ave.  
 Hayward, CA 94544

**I. Susan Kinder called the meeting to order at 9:35am**

**II. Roll call**

**Executive Committee Members**

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Raul Parungao	Secretary	Alameda County Office of Education
Jackie Kim	Board Member	Albany USD
Suzy Chan	Board Member	Castro Valley USD
Kevin Collins	Board Member	San Leandro USD
Kimberly Dennis	Executive Director	Alameda County Schools Insurance Group
Celina Flotte	Executive Assistant	Alameda County Schools Insurance Group
Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Cary Allison	Guest	Morgan Stanley
Laurena Grabert	Guest	SETECH

**III. Acceptance of the Agenda**

It was moved by Kevin Collins and seconded by Raul Parungao to approve the agenda as presented.

Ayes: Kinder, Parungao, Kim, Collins, Chan

Nays: None

Abstain: None

**IV. Public Comment on Closed Session Agenda Items**

No public present to comment.

**Closed Session**

Closed session began at 9:36am.

**A. Settlement Authorization**

- Claim Numbers: None

**B. Settlement Notification**

- Claim Numbers:

478029	Taylor	517274	Texeira	536413	Fallon	555537	Guzman
482303	Supnet	522455	Johnson	536821	Pagni	557531	Keesee
487607	Goulet	523695	Villanueva	538692	Edwards	561424	Javeed
487985	Hunter	523869	Cheung	540240	Dawn	561561	Cheng
491308	Martins	528284	Guzman	541956	Anaya	562971	Moretti
498313	Velazquez	529062	Gordon	542339	De Jesus Ibarra	563512	Carpenter
503237	Pence	533424	Idris	543756	Baker	564034	Delgado
505313	Middleton	534669	Ostlund	545445	Holthe		
505638	Johnson	535263	Reynado	547829	Grier		
514309	Hanford	536209	Carone	554040	Shadd		

**C. CastlePoint/ Renisurance Update**

A Keenan representative gave committee an update on Castlepoint addressing that there have been no changes since our last meeting.

**Open Session**

Open session began at 9:41am.

**V. Public Comment on Open Session Agenda Items**

No public present to comment.

**VI. Report of Action Taken in Closed Session**

No action was taken.

**VII. Approval of Minutes**

The Executive Committee reviewed the meeting minutes from the November 7, 2019 Full Board Meeting and December 19, 2019 Strategic Planning Meeting.

It was moved by Kevin Collins and seconded by Raul Parungao to approve the meeting minutes.

Ayes: Kinder, Parungao, Kim, Collins, Chan

Nays: None

Abstain: None

**Workers Compensation**

**VIII. Keenan Loss Control Contract**

The Executive Director reviewed the Keenan Loss Control Contract with the Executive Committee.

It was moved by Kevin Collins and seconded by Suzy Chan to approve the Loss Control Contract.

Ayes: Kinder, Parungao, Kim, Collins, Chan

Nays: None

Abstain: None

**IX. EAP Contract**

The Executive Director presented the proposed contract with Claremont. There are 7 districts that will pilot the new program which will be paid through the JPA budget from 3/1/2020 - 6/30/2021. The districts that have volunteered to pilot the program are ACOE, Fremont, Piedmont, Pleasanton, San Leandro, San Lorenzo, and Tri Valley ROP.

It was moved by Kevin Collins and seconded by Jackie Kim to approve the EAP contract with Claremont.

Ayes: Kinder, Parungao, Kim, Collins, Chan

Nays: None  
Abstain: None

**X. Actuarial Study - Ex Mod**

The Executive Director presented the Ex-Mods as determined by the Actuary, Jack Joyce.  
The assumption that all Ex-Mods will remain between .75 and 1.25 will continue.

MEMBER	NEW EX-MOD 12/31/19	OLD EX-MOD 12/31/18
ACOE	0.750	0.750
ALAMEDA	1.250	1.250
ALBANY	1.133	0.864
CASTRO VALLEY	0.789	0.756
DUBLIN	0.750	0.750
EDEN ROP	0.750	0.750
EMERY	1.204	0.988
FREMONT	0.913	0.944
LIVERMORE	1.056	1.095
MISSION ROP	1.155	0.909
MT. HOUSE	0.750	0.750
NEWARK	1.250	1.003
NEW HAVEN	0.882	0.993
PIEDMONT	0.750	0.921
PLEASANTON	1.196	1.106
SAN LEANDRO	1.250	1.237
SAN LORENZO	1.033	1.147
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	0.851	0.751

It was moved by Kevin Collins and seconded by Raul Parungao to approve the Ex-Mods as presented.

Ayes: Kinder, Parungao, Kim, Collins, Chan, Heldman

Nays: None

Abstain: None

## XI. Preliminary 2020-2021 Workers' Compensation Rates

The Executive Director reviewed 2020-2021 preliminary worker's compensation rates with the base rate of 2.52. The workers compensation program continues to maintain a positive fund balance, therefore the committee recommends that the base rate be lowered by .10 to 2.42.

### 2020/2021 Workers' Compensation Rates

	2017/2018 Actual Payroll	2018/2019 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2020/2021 PREMIUM
ACOE	\$21,779,014	\$21,927,785	2.52	0.7500	1.89	\$414,435
ALAMEDA	\$69,969,982	\$71,889,088	2.52	1.2500	3.15	\$2,264,506
ALBANY	\$28,827,474	\$29,020,550	2.52	1.1330	2.86	\$828,583
CASTRO VALLEY	\$64,201,756	\$66,796,628	2.52	0.7890	1.99	\$1,328,104
DUBLIN	\$74,306,015	\$80,071,839	2.52	0.7500	1.89	\$1,513,358
EDEN ROP	\$4,609,783	\$4,680,262	2.52	0.7500	1.89	\$88,457
EMERY	\$6,174,196	\$6,250,379	2.52	1.2040	3.03	\$189,641
FREMONT	\$263,110,684	\$274,150,988	2.52	0.9130	2.30	\$6,307,556
LIVERMORE	\$91,199,583	\$96,850,089	2.52	1.0560	2.66	\$2,577,297
MISSION ROP	\$4,545,012	\$4,695,419	2.52	1.1550	2.91	\$136,665
MT. HOUSE	\$213,409	\$215,538	2.52	0.7500	1.89	\$4,074
NEWARK	\$42,083,492	\$41,293,776	2.52	1.2500	3.15	\$1,300,754
NEW HAVEN	\$89,417,409	\$84,804,804	2.52	0.8820	2.22	\$1,884,905
PIEDMONT	\$24,624,141	\$24,797,106	2.52	0.7500	1.89	\$468,665
PLEASANTON *	\$105,028,007	\$111,086,999	2.52	1.1960	3.01	\$3,348,073
SAN LEANDRO	\$65,160,985	\$69,210,267	2.52	1.2500	3.15	\$2,180,123
SAN LORENZO	\$77,840,991	\$79,182,774	2.52	1.0330	2.60	\$2,061,254
SUNOL GLEN	\$2,155,623	\$2,360,507	2.52	0.7500	1.89	\$44,614
TRI VALLEY ROP	\$2,430,723	\$2,192,813	2.52	0.8510	2.14	\$47,025
<b>TOTAL PREMIUMS</b>	<b>1,037,678,279</b>	<b>1,071,477,611</b>				<b>\$26,988,091</b>

Average Ex Mod

1.00000

Payrolls based upon 2018/2019 Unaudited Actuals Reports provided by ACOE

\* includes apprentice program

It was moved by Kevin Collins and seconded by Raul Parungao to approve the motion of buying down the WC base rate by \$.10.

Ayes: Kinder, Parungao, Kim, Collins, Chan, Heldman

Nays: None

Abstain: None

## XII. Information Report for the Fiscal Year End

Laurena Grabert from SETECH presented the Financial Management Information Report Ended June 30, 2019. The following numbers reflect each member's portion of the unfunded liability.

**Alameda County Schools Insurance Group**  
**Workers' Compensation**  
**Allocation Net Position - Assets/(Deficit) by Member**  
**As of 06/30/2019**

Members	Sub-Total From Page 12	Program Years								Total
		2016/2017		2017/2018		2018/2019		Pro Rata Share %	Net Assets	
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets			
Alameda COE	\$ 3,406	2.03 %	\$ 177,703	1.93 %	\$ 106,019	1.75 %	\$ 103,870	-- %	\$ --	\$ 390,998
Alameda	(314,957)	7.07	618,896	8.40	461,431	8.64	512,823	--	--	1,278,193
Albany	(16,337)	3.53	309,011	2.82	154,909	2.75	163,225	--	--	610,808
Castro Valley	(71,123)	6.27	548,866	6.85	376,286	5.57	330,604	--	--	1,184,633
Dublin	200,524	5.45	477,084	5.26	288,944	5.06	300,334	--	--	1,266,886
Eden ROP	(130,917)	0.37	32,389	0.30	16,480	0.34	20,181	--	--	(61,867)
Emery	(86,300)	0.48	42,018	0.44	24,170	0.43	25,522	--	--	5,410
Fremont	1,707,580	23.56	2,062,405	22.88	1,256,850	21.03	1,248,224	--	--	6,275,059
Livermore	95,103	9.10	796,599	8.87	487,249	9.19	545,467	--	--	1,924,418
Mission ROP	(51,691)	0.32	28,012	0.31	17,029	0.32	18,993	--	--	12,343
Mt. House	(3,647)	0.03	2,626	0.02	1,099	0.01	594	--	--	672
Newark	(233,828)	5.60	490,215	4.47	245,547	3.99	236,824	--	--	738,758
New Haven	(429,462)	8.32	728,319	9.13	501,532	9.95	590,577	--	--	1,390,966
Piedmont	(84,993)	1.90	166,323	1.85	101,625	1.80	106,838	--	--	289,793
Pleasanton	39,919	7.77	680,173	9.53	523,504	11.44	679,015	--	--	1,922,611
San Leandro	212,165	7.57	662,666	6.97	382,878	7.78	461,778	--	--	1,719,487
San Lorenzo	(609,620)	10.12	885,889	9.57	525,702	9.64	572,177	--	--	1,374,148
Sunol Glen	(9,838)	0.16	14,006	0.15	8,240	0.15	8,903	--	--	21,311
Tri Valley ROP	13,982	0.35	30,640	0.25	13,732	0.16	9,497	--	--	67,851
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--
<b>Totals</b>	<b>\$ 229,966</b>	<b>100.00 %</b>	<b>\$ 8,753,840</b>	<b>100.00 %</b>	<b>\$ 5,493,226</b>	<b>100.00 %</b>	<b>\$ 5,935,446</b>	<b>-- %</b>	<b>\$ --</b>	<b>\$ 20,412,478</b>

**XIII. Expansion of Shoes for Crews to Maintenance, Custodial & Warehouse**

The Executive Director discussed expanding the Shoes for Crews program. ACSIG has seen a reduction of injuries after the Shoes for Crews program was implemented and is now recommending the expanding to Maintenance, Custodial and Warehouse employees. The cost of steel-toed shoes is approximately \$75 and we have about 1000 if these workers within the JPA.

## General

### XIV. Second Quarter Financial Report

Laurena Grabert from SETECH presented the 2019/2020 Second Quarter Financial Report.

**Alameda County Schools Insurance Group (ACSIG)  
Treasurer's Report- Statement of Net Position  
Consolidated  
As of 06/30/2019 and 12/31/2019**

	Audited As of 06/30/2019	Activity 07/01/2019 - 12/31/2019	As of 12/31/2019
<b>Assets:</b>			
Current Assets			
Workers Compensation	\$ 24,912,827	(13,864,966)	\$ 11,047,861
Dental	5,007,585	2,713,460	7,721,045
Vision	1,532,055	216,107	1,748,162
Property and Liability	1,336,450	(1,216,934)	119,516
Operations	155,576	815	156,391
Cash and Cash Equivalents	<u>\$ 32,944,493</u>	<u>(12,151,518)</u>	<u>\$ 20,792,975</u>
Investments Morgan Stanley - current	4,595,935	(2,273,102)	2,322,833
Accounts Receivable	6,999,054	9,032,632	16,031,686
Prepaid Expense	9,360	873,306	882,666
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>44,548,842</u>	<u>(4,518,682)</u>	<u>40,030,159</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	11,863,503	7,326,077	19,189,580
Capital - Equipment, net of depreciation	<u>1,779</u>	<u>(592)</u>	<u>1,187</u>
	11,865,282	7,325,485	19,190,767
<b>Total Assets</b>	<b><u>\$ 56,414,124</u></b>	<b><u>\$ 2,806,803</u></b>	<b><u>\$ 59,220,926</u></b>
<b>Deferred Outflow of Resources:</b>			
Deferred outflow of resources - pension	<u>350,977</u>	<u>--</u>	<u>350,977</u>
<b>Liabilities:</b>			
Current Liabilities			
Accounts Payable	\$ 3,715,222	\$ 77,273	\$ 3,792,495
Prefunding deposits (2)	3,661,000	--	3,661,000
Advance Contributions	--	466,683	466,683
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	887,228	--	887,228
Current Portion of claims and claim adjustment	<u>3,620,712</u>	<u>(20,878)</u>	<u>3,599,834</u>
Subtotal Current Liabilities	<u>11,884,162</u>	<u>523,078</u>	<u>12,407,240</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	10,502,555	(2,728,663)	7,773,891
Unallocated Loss Adjustment Expense (ULAE)	<u>1,252,261</u>	<u>(344,516)</u>	<u>907,745</u>
Subtotal Noncurrent Claim Liabilities	<u>11,754,816</u>	<u>(3,073,179)</u>	<u>8,681,636</u>
Net Pension Liability (NPL)	698,554	39,593	738,147
<b>Total Liabilities</b>	<b><u>\$ 24,337,532</u></b>	<b><u>\$ (2,510,508)</u></b>	<b><u>\$ 21,827,023</u></b>
<b>Deferred Inflow of Resources:</b>			
Deferred inflow of resources - pension	<u>41,054</u>	<u>--</u>	<u>41,054</u>
<b>Net Position:</b>			
Undesignated Net Position - Net Assets/(Deficit)	32,384,736	5,317,903	37,702,639
Designated - Capital Assets	<u>1,779</u>	<u>(592)</u>	<u>1,187</u>
<b>Total Net Position</b>	<b><u>\$ 32,386,515</u></b>	<b><u>\$ 5,317,311</u></b>	<b><u>\$ 37,703,826</u></b>
<b>Total Liabilities, Deferred Pension, and Ending Net Position</b>	<b><u>\$ 56,414,124</u></b>	<b><u>\$ 2,806,803</u></b>	<b><u>\$ 59,220,926</u></b>

**Footnote:**

- (1) Interfund transfers net to zero on consolidated financial statements. This is a internal function used to transfer or allocate expense and income from one program to another without transfer of cash.
- (2) Estimated six weeks of dental claims funded by each member to maintain positive cash flow.
- (3) Morgan Stanley Smith Barney Investment shown at Fair Market Value, accrued interest shown as accounts receivable.

**Alameda County Schools Insurance Group (ACSIG)  
Workers' Compensation  
Statement of Revenues, Expenditures and Changes in Net Fund Assets  
As of 12/31/2019 and For The Six Months Then Ended**

	2018/2019		2019/2020			
	Budget	Actuals	Budget	Activity 07/01/2019 - 12/31/2019	Variance	Percentage of Budget
<b>Operating Revenue:</b>						
Premiums Paid by Members	\$ 27,959,469	\$ 26,942,763	\$ 26,993,971	\$ 13,496,986	\$ 13,496,985	50.00 %
Return of Premiums	--	--	--	--	--	--
Other Income	--	--	--	--	--	--
Total Operating Revenue	27,959,469	26,942,763	26,993,971	13,496,986	13,496,985	50.00
<b>Operating Expenditures:</b>						
Classified Salaries	63,149	69,349	70,140	33,865	36,275	48.28
Statutory Benefits	24,985	5,100	24,985	3,392	21,593	13.58
Health & Welfare	15,800	12,873	15,800	6,699	9,101	42.40
Employer Tax Expense	1,121	1,010	1,121	494	627	44.07
Net Pension Expense	15,104	59,717	20,431	23,756	(3,325)	116.27
Telephone & Internet	1,050	861	793	275	518	34.68
Supplies Office	600	322	300	105	195	35.00
Supplies - Other	600	771	400	--	400	--
Eligibility Processing	6,077	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	3,300	1,518	2,200	1,224	976	55.64
Mileage	1,275	1,068	850	603	247	70.97
Dues & Memberships	1,050	133	1,200	320	880	26.67
Postage & Meter	300	138	350	247	103	70.57
Insurance Expense-PIPS	23,583,087	19,679,728	23,006,149	10,250,661	12,755,488	44.56
Insurance Expense-PY Adj	2,000,000	(233,378)	1,000,000	476,909	523,091	47.69
Utility - Operating-Rent	--	5,535	4,843	2,839	2,004	58.62
Advertising	300	--	200	--	200	--
Contract Services - Actuarial	10,000	8,396	10,000	--	10,000	--
Contract Services - Claim Audit	--	--	20,000	--	20,000	--
Contract Services	--	--	3,125	--	3,125	--
Audit Fees	2,325	2,063	1,500	2,104	(604)	140.27
Other Services/Operating Expense	1,500	917	1,935	443	1,492	22.89
Capital Equipment/Depreciation	300	--	400	--	400	--
Repairs & Maintenance	525	--	350	--	350	--
Legal	300	--	1,000	--	1,000	--
Accounting Services	2,250	2,228	1,550	563	987	36.32
County Courier	600	581	420	--	420	--
Shredding	300	122	108	98	10	90.74
Copier & Scanner	250	553	800	229	571	28.63
Claims Admin/Consult Services	154,000	154,000	135,000	67,500	67,500	50.00
Self-Insurance Fee	325,000	337,468	431,000	2,095	(136)	100.03
Claims Paid-WC	1,750,000	1,022,116	1,250,000	9,110	860,890	31.13
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	35,000	11,180	50,000	2,695	47,305	5.39
Training	40,000	6,031	--	(5,116)	5,116	--
First-Aid Program	30,000	26,579	50,000	4,900	45,100	9.80
Food Service/Sp Ed Training	--	--	--	--	--	--
Risk Mgmt Prevention Prog	30,000	15,989	100,000	15,555	84,445	15.56
EPA Program	--	--	100,000	--	100,000	--
Safety Inspections	--	--	--	--	--	--
Bank Charge & WC Penalty Reimb	1,000	--	--	--	--	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(2,000,000)	(2,926,804)	1,000,000	(3,056,098)	4,056,098	(305.61)
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	26,101,148	18,266,164	27,307,909	8,655,467	18,652,442	31.70 %
<b>Net Increase/(Decrease) from Operations</b>	1,858,321	8,676,599	(313,938)	4,841,519	(5,155,457)	(1,542.19) %
<b>Non Operating Income/(Expense)</b>						
Interest Income	250,000	515,929	400,000	365,594	34,406	91.40
Net Increase/(Decrease) in Fair Value	--	201,303	--	(77,141)	77,141	--
Realized Gain/(Loss) on Investments	--	379	--	441	(441)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	250,000	717,611	400,000	288,894	111,106	72.22 %
<b>Net Increase/(Decrease) in Net Position</b>	2,108,321	9,394,210	86,062	5,130,413	(5,044,351)	5,961.30 %
<b>Beginning Balance Prior Year End</b>	11,018,268	11,018,268	20,412,478	20,412,478	--	100.00 %
<b>Ending Balance, as of 12/31/2019</b>	<b>\$ 13,126,589</b>	<b>\$ 20,412,478</b>	<b>\$ 20,498,540</b>	<b>\$ 25,542,891</b>	<b>\$ (5,044,351)</b>	<b>78</b>



It was moved by Raul Parungao and seconded by Jackie Kim to approve the second quarter financial report.

Ayes: Kinder, Parungao, Kim, Collins, Chan, Heldman

Nays: None

Abstain: None

## XV. Second Quarter Investment Report

Cary Allison presented the 2019/20 Second Quarter Investment Report.

### *Time Weighted Performance Summary (Net of fees) – December 31, 2019*

Total Ending Value \$21,950,284.82

#### *Rolling Periods*

Quarter to Date	0.33%
Year to Date	3.69%
Last 12 Months	3.69%
Last 3 Years	1.76%
Last 5 Years	1.42%
Since 7/12/10 Inception (annualized %)	1.34%

#### *Calendar Years*

2019	3.69%
2018	1.01%
2017	0.59%
2016	0.99%
2015	0.87%
2014	1.01%
2013	-0.03%
2012	2.44%
2011	1.91%
2010 (partial year)	0.29%

#### *Fiscal Years*

2019-20 YTD	1.09%
2018-19	1.31%
2017-18	-0.42%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

It was moved by Susan Kinder and seconded by Kevin Collins to approve the second quarter investment report.

Ayes: Kinder, Parungao, Kim, Collins, Chan, Heldman

Nays: None

Abstain: None

## XVI. 2020/2021 Budget

The Executive Director reviewed the tentative 2020/21 Budget. The budget was developed using year-to-date 2019/20 data and preliminary estimates for 2020/21 rates and costs.

It was moved by Kevin Collins and seconded by Jackie Kim to approve the budget.

Ayes: Kinder, Parungao, Kim, Collins, Chan, Heldman

Nays: None

Abstain: None

**XVII. Preliminary Property & Liability Rates 2020/ 2021**

The Executive Director reviewed 2020-2021 preliminary property and liability rates with the committee. The rates have been estimated using the latest NCR and SAFER rate estimates. We have included the adjusted property valuations and ADA estimates.

It was moved by Raul Parungao and seconded by Jackie Kim to approve the PL rates.

Ayes: Kinder, Parungao, Kim, Collins, Chan, Heldman

Nays: None

**XVIII. Strategic Planning Update**

The Executive Director updated the group with the 2020 strategic planning ideas.

**XIX. CAJPA Fall Conference 2020**

CAJPA Fall Conference will be held in South Lake Tahoe Sept 15- 18, 2020.

**XX. Future Planning**

**This meeting was adjourned by Susan Kinder at 11:06am.**