



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

MINUTES
Executive Committee

Date: Thursday, February 8, 2024
Time: 9:30AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. Kevin Collins called the meeting to order at 9:33 AM

II. Roll call

Executive Committee Members

Dr. Kevin Collins	President	San Leandro USD
Danielle Krueger	Vice President	Alameda USD
Jackie Kim	Secretary	Albany USD
Leigh Ann Blessing	Board Member	Alameda COE
Ruth Alahydoian	Board Member	Piedmont USD
Ahmad Sheikholelami	Board Member	Pleasanton USD

Kimberly Dennis Insurance	Executive Director	Alameda County Schools
Andrew Lathrop Insurance	Transitional ED	Alameda County Schools
Celina Flotte Insurance	Executive Assistant	Alameda County Schools

Ron Martin	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates

Brian Sharpes	Guest	Morgan Stanley
Laurena Grabert	Guest	SETECH

III. Acceptance of the Agenda

It was moved by Ahmad Sheikholeslami and seconded by Dani Krueger to approve the agenda as presented.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Sheikholeslami

Nays: None

Abstain: None

Ruth Alahydoian joined the meeting at 9:34am

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:34am

A. Settlement Authorization

- **Claim Numbers: None**

B. Settlement Notification

- **Claim Numbers:**

Ramirez	533380
Varne	540086
Boggs	559398
Morgan	578051
Mangini	581967
Pagan	590820
Garcia de Monge	597496
Dillon-Lundie	598429
Torres	609026
Dixon	614637
Villalta	623710

Open Session

Open session began at 9:35am

V. Public Comment on Open Session Agenda Items

No public present to comment

VI. Report of Action Taken in Closed Session

There was no action taken in closed session

VII. Approval of Minutes

It was moved by Kevin Collins and seconded by Jackie Kim to approve the meeting minutes from the October 25, 2023 Executive Committee Meeting and November 2, 2023 Full Board Meeting.

It was moved by Ruth Alahydoain and seconded by Leigh Ann Blessing to approve the agenda as presented.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydoain, Sheikholeslami

Nays: None

Abstain: None

Workers Compensation

VIII. Actuarial Study - Ex Mods

The Executive Director presented the Ex-Mods as determined by the Actuarial by Jack Joyce.

MEMBER	NEW EX-MOD 12/31/23	OLD EX-MOD 12/31/22
ACOE	0.750	0.750
ALAMEDA	1.250	1.250
ALBANY	1.073	1.241
CASTRO VALLEY	0.823	0.944
DUBLIN	0.824	0.750
EDEN ROP	0.750	0.750
EMERY	0.750	0.750
FREMONT	0.996	1.065
LIVERMORE	0.988	0.895
MISSION ROP	0.750	0.878
MT. HOUSE	1.250	1.250
NEW HAVEN	1.101	0.815
NEWARK	1.214	0.963
PIEDMONT	0.750	0.750
PLEASANTON	0.750	0.951
SAN LEANDRO	1.250	1.222
SAN LORENZO	1.250	1.227
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	0.750	1.022
WTD AVG	1.000	
CORRELATION COEFFICIENT:		0.782

It was moved by Ahmad Sheikholeslami and seconded by Dani Krueger to approve the Ex-Mods as presented.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydoain, Sheikholeslami

Nays: None

Abstain: None

IX. Actuarial Study - Ultimate Loss

The Executive Director presented Actuarial study of the ultimate loss of the self-insured portion of the ACSIG Workers Compensation program. Bay Actuarial estimates that ACSIG's liability for unpaid losses were \$3.7M on December 31, 2023. This report reflects claim payments in the amount of \$329,959 and a reduction in reserves of \$1,393,320.

It was moved by Dani Krueger and seconded by Jackie Kim to approve the Ultimate Loss Actuarial Study as presented.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydoain, Sheikholeslami

Nays: None

Abstain: None

X. EAP Update

The Executive Director discussed an update on the EAP Program with the Executive Committee. Claremont EAP is now Uprise Health and there have been some bumps in the road as they have transitioned from a local company to a national company. Due to recent staffing changes, we are looking forward to improved services.

XI. Workers Compensation Program Decisions for 2024/25

ACSIG workers' compensation program has transitioned into a surplus position, we open the discussion with the Executive Committee to have the opportunity to review existing programs and explore new ones for the 2024-2025 year. The committee has no changes to the Skechers, EAP, post offer-pre placement program or trainings and no action was taken.

XII. Preliminary Workers Compensation Rates 2024/25

The Executive Director reviewed 2024/25 preliminary worker's compensation rates with the base rate of 2.53. The workers compensation program continues to maintain a positive fund balance, therefore the committee recommends that the base rate be lowered by .27 to 2.26.

2024/25 Workers' Compensation Rates

	2021/2022 Actual Payroll	2022/2023 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2024/2025 PREMIUMS
ACOE	\$25,846,167	\$ 27,533,969	2.26	0.750	1.70	\$466,701
ALAMEDA	\$81,626,997	\$ 84,583,723	2.26	1.250	2.83	\$2,389,490
ALBANY	\$31,282,396	\$ 36,093,238	2.26	1.073	2.42	\$875,254
CASTRO VALLEY	\$73,973,265	\$ 81,024,249	2.26	0.823	1.86	\$1,507,035
DUBLIN	\$100,342,259	\$ 114,154,279	2.26	0.824	1.86	\$2,125,827
EDEN ROP	\$4,896,917	\$ 5,687,746	2.26	0.750	1.70	\$96,407
EMERY	\$6,750,148	\$ 6,844,704	2.26	0.750	1.70	\$116,018
FREMONT	\$272,798,974	\$ 317,776,392	2.26	0.996	2.25	\$7,153,019
LIVERMORE	\$108,083,228	\$ 118,879,062	2.26	0.988	2.23	\$2,654,427
MISSION ROP	\$5,064,057	\$ 5,521,654	2.26	0.750	1.70	\$93,592
MT. HOUSE	\$238,837	\$ 263,797	2.26	1.250	2.83	\$7,452
NEWARK	\$42,250,847	\$ 42,874,715	2.26	1.214	2.74	\$1,176,328
NEW HAVEN	\$88,712,003	\$ 94,835,085	2.26	1.101	2.49	\$2,359,743
PIEDMONT	\$27,932,088	\$ 30,808,732	2.26	0.750	1.70	\$522,208
PLEASANTON*	\$126,324,046	\$ 130,142,003	2.26	0.750	1.70	\$2,205,907
SAN LEANDRO	\$78,608,488	\$ 87,822,002	2.26	1.250	2.83	\$2,480,972
SAN LORENZO	\$72,417,792	\$ 80,905,449	2.26	1.250	2.83	\$2,285,579
SUNOL GLEN	\$2,637,278	\$ 2,879,355	2.26	0.750	1.70	\$48,805
TRI VALLEY ROP	\$2,778,626	\$ 2,981,618	2.26	0.750	1.70	\$50,538
TOTAL PREMIUMS	1,152,564,413	1,271,611,772				\$28,615,302

Average Ex Mod

1.00000

Payrolls based upon 2022/23 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

Executive Committee approved rate reduction of \$.27 on 8 February 2024

It was moved by Ruth Alahydoain and seconded by Ahmad Sheikholeslami to approve the motion of buying down the WC base rate by \$.27.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydoain, Sheikholeslami

Nays: None

Abstain: None

General

XIII. Second Quarter Financial Report

Laurena Grabert from SETECH presented the 2023/2024 Second Quarter Financial Report.

It was moved by Leigh Ann Blessing and seconded by Ahmad Sheikholeslami to approve the second quarter financial report.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydroain, Sheikholeslami

Nays: None

Abstain: None

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2023 and 12/31/2023

	Audited As of 06/30/2023	Activity 07/01/2023 - 12/31/2023	As of 12/31/2023
Assets:			
Current Assets			
Workers Compensation	\$ 17,399,635	(4,070,627)	\$ 13,329,008
Dental	9,486,832	710,893	10,197,725
Vision	3,682,784	(30,473)	3,652,311
Property and Liability	5,755,522	(1,853,610)	3,901,912
Operations	263,297	(76,046)	187,251
Cash and Cash Equivalents	<u>\$ 36,588,070</u>	<u>(5,319,863)</u>	<u>\$ 31,268,207</u>
Investments Morgan Stanley - current	--	139,899	139,899
Accounts Receivable	10,715,815	6,313,650	17,029,465
Prepaid Expense	8,465	1,175,387	1,183,852
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>47,312,350</u>	<u>2,309,073</u>	<u>49,621,423</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	26,625,917	755,882	27,381,800
Capital - Equipment, net of depreciation	--	--	--
	<u>26,625,917</u>	<u>755,882</u>	<u>27,381,800</u>
Total Assets	<u>\$ 73,938,267</u>	<u>\$ 3,064,956</u>	<u>\$ 77,003,223</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>555,879</u>	--	<u>555,879</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,738,789	\$ (171,098)	\$ 3,567,691
Prefunding deposits (2)	5,111,070	--	5,111,070
Advance Contributions	--	--	--
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	502,425	--	502,425
Current Portion of claims and claim adjustment	3,051,299	12,357	3,063,656
Subtotal Current Liabilities	<u>12,403,583</u>	<u>(158,741)</u>	<u>12,244,842</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	3,623,861	(61,220)	3,562,641
Unallocated Loss Adjustment Expense (ULAE)	403,295	--	403,295
Subtotal Noncurrent Claim Liabilities	<u>4,027,156</u>	<u>(61,220)</u>	<u>3,965,936</u>
Net Pension Liability (NPL)	816,289	42,521	858,810
Total Liabilities	<u>\$ 17,247,028</u>	<u>\$ (177,440)</u>	<u>\$ 17,069,588</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>202,611</u>	--	<u>202,611</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	57,044,507	3,242,396	60,286,903
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 57,044,507</u>	<u>\$ 3,242,396</u>	<u>\$ 60,286,903</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 73,938,267</u>	<u>\$ 3,064,956</u>	<u>\$ 77,003,223</u>

Footnote:

- (1) Interfund transfers net to zero on consolidated financial statements. This is an 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 12/31/2023 and For The Six Months Then Ended

	2022/2023		2023/2024			
	Budget	Actuals	Budget	Activity 07/01/2023 - 12/31/2023	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 22,060,952	\$ 22,060,954	\$ 28,057,017	\$ 14,028,509	\$ 14,028,508	50.00 %
Return of Premiums	--	318	--	--	--	--
PIPS - Accelerated Profit Commiss	--	--	--	--	--	--
Total Operating Revenue	22,060,952	22,061,272	28,057,017	14,028,509	14,028,508	50.00
Operating Expenditures:						
Classified Salaries	88,740	87,930	126,676	42,893	83,784	33.86
Statutory Benefits	19,196	10,598	24,027	4,113	19,914	17.12
Health & Welfare	15,800	7,800	18,725	3,413	15,312	18.23
Employer Tax Expense	1,362	1,278	1,662	782	880	47.04
Net Pension Expense	44,065	27,410	64,519	25,512	39,007	39.54
Telephone & Internet	1,045	834	1,110	577	533	51.98
Supplies Office	800	1,252	800	1,024	(224)	128.00
Supplies - Other	600	750	1,200	171	1,029	14.25
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,350	1,406	3,000	328	2,672	10.93
Mileage	1,200	973	1,200	375	825	31.25
Dues & Memberships	900	1,152	900	45	855	5.00
Postage & Meter	340	103	340	66	274	19.41
Insurance Expense-PIPS	22,066,667	22,134,268	24,596,271	12,298,136	12,298,135	50.00
Insurance Expense-PY Adj	500,000	657,717	1,000,000	--	1,000,000	--
Utility - Operating-Rent	5,782	3,705	5,074	1,048	4,026	20.65
Advertising	--	--	--	--	--	--
Contract Services - Actuarial	10,000	9,300	10,000	--	10,000	--
Contract Services -Claim Audit	--	--	19,200	--	19,200	--
Contract Services	--	--	5,000	--	5,000	--
Audit Fees	1,650	2,228	2,300	2,269	31	98.65
Other Services/Operating Expense	1,300	806	1,300	343	957	26.38
Capital Equipment/Depreciation	500	--	500	--	500	--
Repairs & Maintenance	500	--	500	--	500	--
Legal	500	--	500	--	500	--
Accounting Services	2,472	2,472	2,550	1,273	1,277	49.92
County Courier	152	227	280	246	34	87.86
Shredding	180	186	250	58	192	23.20
Copier & Scanner	800	488	800	241	559	30.13
Claims Admin/Consult Services	92,400	92,400	87,000	63,750	23,250	73.28
Self-Insurance Fee	300,000	558,425	650,000	331,991	318,009	51.08
Claims Paid-WC	1,000,000	400,761	1,000,000	96,081	903,919	9.61
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	20,000	6,083	20,000	--	20,000	--
Training	10,000	--	10,000	--	10,000	--
First-Aid Prog&Responder fees	35,000	2,307	35,000	2,137	32,863	6.11
Food Service/Sp Ed Training	--	--	--	--	--	--
Risk Mgmt Prevention Prog	250,000	74,708	250,000	227,500	22,500	91.00
EAP Program	200,000	165,508	200,000	87,428	112,572	43.71
Safety Inspections	--	--	--	--	--	--
Misc Bank Fees & WC Penalty Rei	1,000	--	1,000	10,248	(9,248)	1,024.80
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(1,000,000)	(1,033,262)	(600,000)	(71,331)	(528,669)	11.89
Adjustment to Prefund Deposit	--	--	--	--	--	--
Total Operating Expenditures	23,675,301	23,219,813	27,541,684	13,130,717	14,410,968	47.68 %
Net Increase/(Decrease) from Operations	(1,614,349)	(1,158,541)	515,333	897,792	(382,460)	174.22 %
Non Operating Income/(Expense)						
Interest Income	150,000	597,952	400,000	172,200	227,800	43.05
Net Increase/(Decrease) in Fair Value	--	(169,531)	--	439,660	(439,660)	--
Realized Gain/(Loss) on Investments	--	(63,467)	--	196,449	(196,449)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	150,000	364,954	400,000	808,309	(408,309)	202.08 %
Net Increase/(Decrease) in Net Position	(1,464,349)	(793,587)	915,333	1,706,101	(790,769)	186.39 %
Beginning Balance Prior Year End	35,389,069	35,389,069	34,595,482	34,595,482	--	100.00 %
Ending Balance, as of 12/31/2023	\$ 33,924,720	\$ 34,595,482	\$ 35,510,815	\$ 36,301,584	\$ (790,769)	114

XIV. Second Quarter Investment Report

Cary Allison presented the 2023/24 Second Quarter Investment Report.

Time Weighted Performance Summary (Net of fees) – December 31, 2023

Total Ending Value **\$27,714,904.40**

Rolling Periods

Quarter to Date	3.25%
Year to Date	4.69%
Last 12 Months	4.69%
Last 3 Years	0.25%
Last 5 Years	1.35%
Last 10 Years	1.12%
Since 7/12/10 Inception (annualized %)	1.17%

Calendar Years

Fiscal Years

2023 (YTD)	4.69%	2023-24 YTD	3.34%
2022	-4.11%	2022-23	0.09%
2021	-1.13%	2021-22	-4.11%
2020	3.92%	2020-21	-0.13%
2019	3.69%	2019-20	4.83%
2018	1.01%	2018-19	1.31%
2017	0.59%	2017-18	-0.42%
2016	0.99%	2016-17	-0.35%
2015	0.87%	2015-16	2.13%
2014	1.01%	2014-15	1.09%
2013	-0.03%	2013-14	1.32%
2012	2.44%	2012-13	0.48%
2011	1.91%	2011-12	1.75%
2010 (partial year)	0.29%		

It was moved by Ahmad Sheikholeslami and seconded by Ruth Alahydoain to approve the second quarter investment report.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydoain, Sheikholeslami

Nays: None

Abstain: None

XV. Budget 2024/25

This budget was developed using year- to-date 2023/2024 data and preliminary estimates for 2024/2025 rates and costs. Because all rates are not firm at this time, estimates were used for this report.

It was moved by Ahmad Sheikholeslami and seconded by Leigh Ann Blessing to approve the budget.

Ayes: Collins, Kinder, Krueger, Kim, Blessing, Alahydoain, Sheikholeslami

Nays: None
Abstain: None

XVI. Approval of 2023/ 24 Salary Schedule

In preparation for retirement, it came to our attention that the salary schedules utilized by ACSIG are not in compliance with CalPERS requirements. While the Executive Committee and Full Board have always approved any salary augmentations, the actual salary schedule was not brought as an action item.

Additionally, there is some concern from PERS that there is only 1 position on the management salary schedule that provides longevity. PERS deems that longevity as not creditable. Kimberly will continue to work with PERS to get everything into compliance prior to the May Board meeting. It should be noted that the higher salaried amount has been reported to PERS all along and both the employee and employer have been paying the appropriate percentages on that higher amount.

XVII. Cyber Breach

In the Fall of 2023, ACSIG began experiencing interruptions in services such as our telephone system and internet. ACSIG also had a fraud alert from our bank indicating that someone was trying to cash checks against our accounts. Because we have dual signatures on our checks, no money was stolen.

In late November, our systems were accessed and email was spoofed. Correspondence was sent out that to dental members from our COBRA/Dental technician indicating that ACSIG had changed it's bank and to wire money to a new bank with account numbers. Because we are all operating in the environment of cyber breaches, our dental clients promptly alerted us to this request and we were able to prevent any erroneous wire transfers. That seemed to anger the hackers who then overloaded our emails and outgoing emails were restricted by Microsoft.

ACSIG contracted with counsel recommended by SAFER, Capriani & Werner, and Charles River Associates who are forensic investigators. Medical information is very sensitive. An extensive, forensic investigation was performed. The breach was only to our email system and no sensitive information was accessed.

XVIII. Strategic Planning

The Executive Director discussed updates and action plans for the 2024-25 year with the Committee that includes Post Offer/ Preplacement Program

expansion, Human Resources connection highlighting the EAP services available, and ACSIG Board meeting electronic agenda changes.

XIX. Future Planning

XX. This meeting was adjourned by Dr. Kevin Collins at 12:25 PM