



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

MINUTES
Executive Committee

Date: Thursday, February 9, 2023
Time: 9:30AM
Location: Video Meeting
Join Zoom Meeting
[https://us02web.zoom.us/j/7358807014?
pwd=SzJEa1BUSzNNMzBYN3VzajB2UEVPQT09](https://us02web.zoom.us/j/7358807014?pwd=SzJEa1BUSzNNMzBYN3VzajB2UEVPQT09)
Meeting ID: 735 880 7014
Passcode: acsig23

I. Annette Heldman called the meeting to order at 9:30 AM

II. Roll call

Executive Committee Members

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Leigh Ann Blessing	Board Member	Alameda COE
Jackie Kim	Board Member	Albany USD
Ruth Alahydoian	Board Member	Piedmont USD
Ahmad Sheikholelami	Board Member	Pleasanton USD
Kevin Collins	Board Member	San Leandro USD
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Celina Flotte	Executive Assistant	Alameda County Schools Insurance
Ron Martin	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Mark Payne	Guest	Morgan Stanley
Laurena Grabert	Guest	SETECH

III. Acceptance of the Agenda

It was moved by Susan Kinder and seconded by Ruth Alahydoian to approve the agenda as presented.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 9:32am

A. Settlement Authorization

- **Claim Numbers: None**

B. Settlement Notification

- **Claim Numbers:**

Douglas, Felix	518266
Lal, Sheena	576992
LeMay, Teresa	574660
Rodriguez, Cynthia	582502
Wilson, Cecelia	1004184
Kiernan, Lisa	577146

C. CastlePoint Memo

Ron Martin from Keenan and Associates discussed the CastlePoint Memo and Loss Run with the Executive Committee.

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 27, 2022 Executive Committee Meeting and November 3, 2022 Full Board Meeting. Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

General

VIII. Second Quarter Financial Report

Laurena Grabert from SETECH presented the 2022/2023 Second Quarter Financial Report.

It was moved by Kevin Collins and seconded by Ahmad Sheikholeslami to approve the second quarter financial report.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2022 and 12/31/2022

	Audited As of 06/30/2022	Activity 07/01/2022 - 12/31/2022	As of 12/31/2022
Assets:			
Current Assets			
Workers Compensation	\$ 21,541,662	(4,160,739)	\$ 17,380,923
Dental	8,455,131	1,057,696	9,512,827
Vision	3,124,646	73,078	3,197,724
Property and Liability	2,269,592	(1,023,833)	1,245,759
Operations	206,026	104,688	310,714
Cash and Cash Equivalents	<u>\$ 35,597,057</u>	<u>(3,949,110)</u>	<u>\$ 31,647,947</u>
Investments Morgan Stanley - current	1,214,684	344,244	1,558,928
Accounts Receivable	10,567,278	(1,276,295)	9,290,983
Prepaid Expense	64,339	2,840,891	2,905,230
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>47,443,358</u>	<u>(2,040,270)</u>	<u>45,403,088</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	25,373,290	(523,502)	24,849,788
Capital - Equipment, net of depreciation	--	--	--
	<u>25,373,290</u>	<u>(523,502)</u>	<u>24,849,788</u>
Total Assets	<u>\$ 72,816,648</u>	<u>\$ (2,563,772)</u>	<u>\$ 70,252,876</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	487,872	--	487,872
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 6,236,531	\$ (1,833,412)	\$ 4,403,119
Prefunding deposits (2)	4,928,200	--	4,928,200
Advance Contributions	--	--	--
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	425,235	62,195	487,430
Current Portion of claims and claim adjustment	3,238,706	52,938	3,291,644
Subtotal Current Liabilities	<u>14,828,672</u>	<u>(1,718,279)</u>	<u>13,110,393</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	4,514,320	(695,974)	3,818,346
Unallocated Loss Adjustment Expense (ULAE)	561,452	(158,157)	403,295
Subtotal Noncurrent Claim Liabilities	<u>5,075,772</u>	<u>(854,131)</u>	<u>4,221,641</u>
Net Pension Liability (NPL)	339,272	--	339,272
Total Liabilities	<u>\$ 20,243,716</u>	<u>\$ (2,572,410)</u>	<u>\$ 17,671,306</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	588,658	--	588,658
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	52,472,146	8,638	52,480,784
Designated - Capital Assets	--	--	--
Total Net Position	<u>\$ 52,472,146</u>	<u>\$ 8,638</u>	<u>\$ 52,480,784</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 72,816,648</u>	<u>\$ (2,563,772)</u>	<u>\$ 70,252,876</u>

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 12/31/2022 and For The Six Months Then Ended

	2021/2022		2022/2023			
	Budget	Actuals	Budget	Activity 07/01/2022 - 12/31/2022	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 23,053,472	\$ 23,053,472	\$ 22,060,952	\$ 11,030,476	\$ 11,030,476	50.00 %
Return of Premiums	--	3,000	--	--	--	--
PIPS - Accelerated Profit Commissi	--	546,925	--	--	--	--
Total Operating Revenue	23,053,472	23,603,397	22,060,952	11,030,476	11,030,476	50.00
Operating Expenditures:						
Classified Salaries	76,787	82,294	88,740	23,176	65,564	26.12
Statutory Benefits	15,750	8,506	19,196	1,729	17,467	9.01
Health & Welfare	15,800	7,313	15,800	3,900	11,900	24.68
Employer Tax Expense	1,121	1,144	1,362	1,553	(191)	114.00
Net Pension Expense	87,405	45,451	44,065	--	44,065	--
Telephone & Internet	745	978	1,045	403	642	38.56
Supplies Office	500	60	800	69	731	8.63
Supplies - Other	850	571	600	407	193	67.83
Eligibility Processing	--	--	--	--	--	--
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--
Brokerage Fees-Dental-MD	--	--	--	--	--	--
Travel and Conferences	2,350	756	2,350	632	1,718	26.89
Mileage	1,200	975	1,200	498	702	41.47
Dues & Memberships	1,200	103	900	23	877	2.56
Postage & Meter	340	123	340	101	239	29.71
Insurance Expense-PIPS	21,929,305	21,859,934	22,066,667	11,067,134	10,999,533	50.15
Insurance Expense-PY Adj	500,000	86,069	500,000	--	500,000	--
Utility - Operating-Rent	5,848	4,945	5,782	1,873	3,909	32.39
Advertising	--	--	--	--	--	--
Contract Services - Actuarial	15,000	8,970	10,000	--	10,000	--
Contract Services -Claim Audit	--	15,750	--	--	--	--
Contract Services	5,000	--	--	--	--	--
Audit Fees	1,448	2,186	1,650	2,228	(578)	135.03
Other Services/Operating Expense	400	865	1,300	313	987	24.08
Capital Equipment/Depreciation	500	--	500	--	500	--
Repairs & Maintenance	500	--	500	--	500	--
Legal	500	--	500	--	500	--
Accounting Services	1,550	2,400	2,472	618	1,854	25.00
County Courier	620	624	152	--	152	--
Shredding	250	34	180	91	89	50.56
Copier & Scanner	800	378	800	268	532	33.50
Claims Admin/Consult Services	106,400	106,400	92,400	69,300	23,100	75.00
Self-Insurance Fee	553,082	281,372	300,000	558,425	(258,425)	186.14
Claims Paid-WC	1,200,000	537,775	1,000,000	178,910	821,090	17.89
Claims Paid-PL	--	--	--	--	--	--
Physical Abilities Testing	20,000	9,660	20,000	2,760	17,240	13.80
Training	10,000	--	10,000	--	10,000	--
First-Aid Prog&Responder fees	35,000	3,749	35,000	1,047	33,953	2.99
Food Service/Sp Ed Training	--	--	--	--	--	--
Risk Mgmt Prevention Prog	250,000	97,500	250,000	74,750	175,250	29.90
EAP Program	200,000	162,038	200,000	82,854	117,146	41.43
Safety Inspections	--	--	--	--	--	--
Misc Fees & WC Penalty Reimb	1,000	--	1,000	--	1,000	--
Cobra Premiums	--	--	--	--	--	--
Dental Insurance Premiums	--	--	--	--	--	--
Vision Insurance Premiums	--	--	--	--	--	--
Claim Development Expense	(1,000,000)	(3,054,012)	(1,000,000)	(858,965)	(141,035)	85.90
Adjustment to Prefund Deposit	--	--	--	--	--	--
Total Operating Expenditures	24,041,250	20,274,911	23,675,301	11,214,096	12,461,204	47.37 %
Net Increase/(Decrease) from Operations	(987,778)	3,328,486	(1,614,349)	(183,620)	(1,430,728)	11.37 %
Non Operating Income/(Expense)						
Interest Income	500,000	402,626	150,000	190,326	(40,326)	126.88
Net Increase/(Decrease) in Fair Value	--	(1,413,042)	--	(280,417)	280,417	--
Realized Gain/(Loss) on Investments	--	708,031	--	7,586	(7,586)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Transfer, Other Income	--	--	--	--	--	--
Total Non Operating Income/(Expense)	500,000	(302,385)	150,000	(82,505)	232,505	(55.00) %
Net Increase/(Decrease) in Net Position	(487,778)	3,026,101	(1,464,349)	(266,125)	(1,198,223)	18.17 %
Beginning Balance Prior Year End	32,362,967	32,362,967	35,389,069	35,389,069	--	100.00 %
Ending Balance, as of 12/31/2022	\$ 31,875,189	\$ 35,389,069	\$ 33,924,720	\$ 35,122,943	\$ (1,198,223)	

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IX. Second Quarter Investment Report

Cary Allison presented the 2022/23 Second Quarter Investment Report.

Time Weighted Performance Summary (Net of fees) – December 31, 2022

Total Ending Value **\$26,509,843.66**

Rolling Periods

Quarter to Date	0.82%
Year to Date	-4.11%
Last 12 Months	-4.11%
Last 3 Years	-0.49%
Last 5 Years	0.63%
Last 10 Years	0.66%
Since 7/12/10 Inception (annualized %)	0.90%

Calendar Years

2022	-4.11%
2021	-1.13%
2020	3.92%
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

2022-23 YTD	-0.68%
2021-22	-4.11%
2020-21	-0.17%
2019-20	4.74%
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 Kevin Collins and seconded by Jackie Kim to approve the second quarter investment report.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

X. Budget 2023/24

The Executive Director reviewed the 2023/24 Budget. The budget was developed using year-to-date 2022/2023 data and preliminary estimates for 2023/2024 rates and costs. Because all rates are not firm at this time, estimates were used for this report.

It was moved by Kevin Collins and seconded by Susan Kinder to approve the budget.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

XI. Preliminary Property & Liability Rates 2023/24

The Executive Director reviewed 2023/2024 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 Kevin Collins and seconded by Jackie Kim to approve the PL rates.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

XII. Strategic Planning Update

The Executive Director discussed the past strategic planning initiatives and future planning for ACSIG with the committee.

XIII. ACSIG Administering Retiree Benefits

The Executive Director discussed with the Executive Committee on having ACSIG administering retiree benefits. Based off initial research and discussions, the JPA will not administer these benefits.

XIV. Executive Director Job Description, Salary Schedule & Contract

The Executive Director presented the job description, schedule and contract of the role of ACSIG's Executive Director.

XV. Advertisement, Recruitment & Hiring of Executive Director

The Executive Director discussed advertisement, recruitment and hiring process of the Executive Director. This job posting will be advertised at Edjoin, CASBO, CAJPA, PARMA & AGRIP.

Workers Compensation

XVI. Actuarial Study - Ex Mods

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

MEMBER	NEW EX-MOD 12/31/22	OLD EX-MOD 12/31/21
ACOE	0.750	0.750
ALAMEDA	1.250	1.250
ALBANY	1.241	1.250
CASTRO VALLEY	0.944	1.030
DUBLIN	0.750	0.750
EDEN ROP	0.750	0.750
EMERY	0.750	0.750
FREMONT	1.065	1.007
LIVERMORE	0.895	0.966
MISSION ROP	0.878	0.915
MT. HOUSE	1.250	0.750
NEW HAVEN	0.815	0.750
NEWARK	0.963	1.025
PIEDMONT	0.750	0.750
PLEASANTON	0.951	1.112
SAN LEANDRO	1.222	1.204
SAN LORENZO	1.227	1.065
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	1.022	1.051

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

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins

Nays: None

Abstain: None

Leigh Ann Blessing joined this meeting at 10:36am

XVII. 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 \$5.4M on December 31, 2022. Based on this report, the claims development has improved by \$509,748 with an additional \$143,666 in payments.

It was moved by Ruth Alahydoian and seconded by Kevin Collins to approve the Ultimate Loss Actuarial Study as presented.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins, Blessing

Nays: None

Abstain: None

XVIII. Workers Compensation Program Decisions for 2023/24

The Executive Director discussed continuing the EAP program, with a possible addition of another JPA. Consideration of adding Paraeducators to the Skechers distribution and expansion of the post offer - pre placement program.

XIX. Preliminary Workers Compensation Rates 2023/24

The Executive Director reviewed 2023/24 preliminary worker's compensation rates with the base rate of 2.69. The workers compensation program continues to maintain a positive fund balance, therefore the committee recommends that the base rate be lowered by .25 to 2.44.

2023/24 Workers' Compensation Rates

	2020/2021 Actual Payroll	2021/2022 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2022/2024 PREMIUM
ACOE	\$24,204,831	\$25,846,167	2.69	0.7500	2.02	\$521,446
ALAMEDA	\$77,453,833	\$81,626,997	2.69	1.2500	3.36	\$2,744,708
ALBANY	\$28,685,620	\$31,282,396	2.69	1.2410	3.34	\$1,044,297
CASTRO VALLEY	\$69,839,350	\$73,973,265	2.69	0.9440	2.54	\$1,878,448
DUBLIN	\$95,706,292	\$100,342,259	2.69	0.7500	2.02	\$2,024,405
EDEN ROP	\$4,823,674	\$4,896,917	2.69	0.7500	2.02	\$98,795
EMERY	\$6,416,558	\$6,750,148	2.69	0.7500	2.02	\$136,184
FREMONT	\$263,695,056	\$272,798,974	2.69	1.0650	2.86	\$7,815,281
LIVERMORE	\$102,013,460	\$108,083,228	2.69	0.8950	2.41	\$2,602,158
MISSION ROP	\$4,608,998	\$5,064,057	2.69	0.8780	2.36	\$119,604
MT. HOUSE	\$218,004	\$238,837	2.69	1.2500	3.36	\$8,031
NEWARK	\$40,749,658	\$42,250,847	2.69	0.9630	2.59	\$1,094,496
NEW HAVEN	\$84,525,644	\$88,712,003	2.69	0.8150	2.19	\$1,944,878
PIEDMONT	\$27,024,006	\$27,932,088	2.69	0.7500	2.02	\$563,530
PLEASANTON *	\$112,084,790	\$126,324,046	2.69	0.9510	2.56	\$3,231,609
SAN LEANDRO	\$72,628,288	\$78,608,488	2.69	1.2220	3.29	\$2,584,002
SAN LORENZO	\$77,805,758	\$72,417,792	2.69	1.2270	3.30	\$2,390,243
SUNOL GLEN	\$2,269,057	\$2,637,278	2.69	0.7500	2.02	\$53,207
TRI VALLEY ROP	\$2,480,366	\$2,778,626	2.69	1.0220	2.75	\$76,389
TOTAL PREMIUMS	1,097,233,243	1,152,564,413				\$30,931,712

Average Ex Mod 1.00000

Payrolls based upon 2021/22 Unaudited Actuals Reports provided by ACOE

* includes apprentice program

It was moved by Kevin Collins and seconded by Ahmad Sheikholeslami to approve the motion of buying down the WC base rate by \$.25.

Ayes: Heldman, Kinder, Kim, Alahydoian, Sheikholeslami, Collins, Blessing

Nays: None

Abstain: None

XX. EAP Update

The Executive Director provided an update on the EAP Program with the Executive Committee. As usage has gone up, we still need to work on advertising to employees for utilization.

XXI. Future Planning

XXII. This meeting was adjourned by Annette Heldman at 11:12 AM