



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

MINUTES Executive Committee

Date: Thursday, February 17, 2022
Time: 1:00PM
Location: Video Meeting
Join Zoom Meeting
[https://us02web.zoom.us/j/7358807014?
pwd=OWtmZkdmZmVwT0hCZklsNXA4RURXUT09](https://us02web.zoom.us/j/7358807014?pwd=OWtmZkdmZmVwT0hCZklsNXA4RURXUT09)
Meeting ID: 735 880 7014
Passcode: acsig20

I. Annette Heldman called the meeting to order at 1:00PM

II. Roll call

Executive Committee Members

Annette Heldman	President	New Haven USD
Jackie Kim	Board Member	Albany USD
Ruth Alahydoian	Board Member	Piedmont USD
Kevin Collins	Board Member	San Leandro USD
Madeline Gabel	Board Member	San Lorenzo 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
Dave Kundert	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 Jackie Kim to approve the agenda as presented.

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 1:02pm

A. Settlement Authorization

- **Claim Numbers: None**

B. Settlement Notification

- **Claim Numbers:**

41057	54709
7 Cvecko	5 Ghadimi
47974	56011
0 Ghadimi	3 Baksh
49903	56524
9 Holt	7 Davila
51536	58018
9 Holt	9 Arroyo
51658	58598
4 Barrett-Tafoya	9 Kirby
54601	59365
6 Holt	7 Byrd

Open Session

Open session began at 1:12pm

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 Madeline Gabel to approve the meeting minutes from the October 28, 2021 Executive Committee Meeting and November 4, 2021 Full Board Meeting.

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

General

VIII. Second Quarter Financial Report

Laurena Grabert from SETECH presented the 2021/2022 Second Quarter Financial Report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2021 and 12/31/2021

	Audited As of 06/30/2021	Activity 07/01/2021 - 12/31/2021	As of 12/31/2021
Assets:			
Current Assets			
Workers Compensation	\$ 26,528,298	(6,373,449)	\$ 20,154,850
Dental	7,267,399	2,010,865	9,278,264
Vision	2,743,178	(85,263)	2,657,915
Property and Liability	2,425,090	(1,015,716)	1,409,374
Operations	247,859	(23,958)	223,901
Cash and Cash Equivalents	<u>\$ 39,211,824</u>	<u>(5,487,521)</u>	<u>\$ 33,724,304</u>
Investments Morgan Stanley - current	111,295	754,931	866,226
Accounts Receivable	8,185,017	4,747,463	12,932,480
Prepaid Expense	8,785	961,903	970,688
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	<u>47,516,921</u>	<u>976,777</u>	<u>48,493,698</u>
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	22,474,368	(891,208)	21,583,160
Capital - Equipment, net of depreciation	595	(595)	--
	<u>22,474,963</u>	<u>(891,803)</u>	<u>21,583,160</u>
Total Assets	<u>\$ 69,991,884</u>	<u>\$ 84,974</u>	<u>\$ 70,076,858</u>
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	<u>375,108</u>	--	<u>375,108</u>
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,020,547	\$ 165,239	\$ 3,185,786
Prefunding deposits (2)	4,276,600	--	4,276,600
Advance Contributions	--	--	--
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	510,869	--	510,869
Current Portion of claims and claim adjustment	3,570,825	(821)	3,570,004
Subtotal Current Liabilities	<u>11,378,841</u>	<u>164,418</u>	<u>11,543,259</u>
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	6,919,552	(431,874)	6,487,678
Unallocated Loss Adjustment Expense (ULAE)	728,177	--	728,177
Subtotal Noncurrent Claim Liabilities	<u>7,647,729</u>	<u>(431,874)</u>	<u>7,215,855</u>
Net Pension Liability (NPL)	755,022	48,964	803,986
Total Liabilities	<u>\$ 19,781,592</u>	<u>\$ (218,492)</u>	<u>\$ 19,563,100</u>
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	<u>6,684</u>	--	<u>6,684</u>
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	50,578,121	304,061	50,882,182
Designated - Capital Assets	595	(595)	--
Total Net Position	<u>\$ 50,578,716</u>	<u>\$ 303,466</u>	<u>\$ 50,882,182</u>
Total Liabilities, Deferred Pension, and Ending Net Position	<u>\$ 69,991,884</u>	<u>\$ 84,974</u>	<u>\$ 70,076,858</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 12/31/2021 and For The Six Months Then Ended									
	2020/2021		2021/2022						
	Budget	Actuals	Budget	Activity 07/01/2020 - 12/31/2021	Variance	Percentage of Budget			
Operating Revenue:									
Premiums Paid by Members	\$ 25,917,135	\$ 25,917,134	\$ 23,053,472	\$ 11,526,736	\$ 11,526,736	50.00	%		
Return of Premiums	--	--	--	--	--	--	--		
Other Income	--	--	--	--	--	--	--		
Total Operating Revenue	25,917,135	25,917,134	23,053,472	11,526,736	11,526,736	50.00			
Operating Expenditures:									
Classified Salaries	70,140	77,693	76,787	34,991	41,796	45.57			
Statutory Benefits	24,985	9,279	15,750	2,784	12,966	17.68			
Health & Welfare	15,800	19,512	15,800	3,413	12,387	21.60			
Employer Tax Expense	1,121	1,151	1,121	518	603	46.21			
Net Pension Expense	20,431	(45,843)	87,405	29,378	58,027	33.61			
Telephone & Internet	793	968	745	299	446	40.13			
Supplies Office	300	981	500	33	467	6.60			
Supplies - Other	400	220	850	226	624	26.59			
Eligibility Processing	--	--	--	--	--	--	--		
Brokerage Fees-Dental-ACSIG	--	--	--	--	--	--	--		
Brokerage Fees-Dental-MD	--	--	--	--	--	--	--		
Travel and Conferences	2,200	426	2,350	295	2,055	12.55			
Mileage	850	908	1,200	450	750	37.50			
Dues & Memberships	1,200	328	1,200	58	1,142	4.83			
Postage & Meter	350	311	340	37	303	10.88			
Insurance Expense-PIPS	23,006,149	22,078,042	21,929,305	10,929,967	10,999,338	49.84			
Insurance Expense-PY Adj	1,000,000	584,688	500,000	--	500,000	--			
Utility - Operating-Rent	4,843	6,288	5,848	2,318	3,530	39.64			
Advertising	200	--	--	--	--	--	--		
Contract Services - Actuarial	10,000	8,770	15,000	--	15,000	--			
Contract Services - Claim Audit	20,000	--	--	--	--	--	--		
Contract Services	3,125	--	5,000	--	5,000	--			
Audit Fees	1,500	2,145	1,448	--	1,448	--			
Other Services/Operating Expense	1,935	485	400	564	(164)	141.00			
Capital Equipment/Depreciation	400	--	500	--	500	--			
Repairs & Maintenance	350	--	500	--	500	--			
Legal	1,000	--	500	--	500	--			
Accounting Services	1,550	2,325	1,550	1,200	350	77.42			
County Courier	420	--	620	624	(4)	100.65			
Shredding	108	98	250	17	233	6.80			
Copier & Scanner	800	623	800	173	627	21.63			
Claims Admin/Consult Services	135,000	135,000	106,400	--	106,400	--			
Self-Insurance Fee	431,959	388,794	553,082	281,372	271,710	50.87			
Claims Paid-WC	1,250,000	936,718	1,200,000	331,457	868,543	27.62			
Claims Paid-PL	--	--	--	--	--	--	--		
Physical Abilities Testing	50,000	3,403	20,000	4,140	15,860	20.70			
Training	--	--	10,000	--	10,000	--			
First-Aid Program	50,000	1,208	35,000	--	35,000	--			
Food Service/Sp Ed Training	--	--	--	--	--	--	--		
Risk Mgmt Prevention Prog	100,000	27,610	250,000	97,500	152,500	39.00			
EAP Program	100,000	119,315	200,000	117,003	82,997	58.50			
Safety Inspections	--	--	--	--	--	--	--		
Bank Charge & WC Penalty Reimb	--	--	1,000	--	1,000	--			
Cobra Premiums	--	--	--	--	--	--	--		
Dental Insurance Premiums	--	--	--	--	--	--	--		
Vision Insurance Premiums	--	--	--	--	--	--	--		
Claims Development Expense	1,000,000	(1,305,544)	(1,000,000)	(431,203)	(568,797)	43.12			
ACA Fees	--	--	--	--	--	--	--		
Total Operating Expenditures	27,307,909	23,055,902	24,041,250	11,407,614	12,633,636	47.45	%		
Net Increase/(Decrease)									
from Operations	(1,390,774)	2,861,232	(987,778)	119,122	(1,106,900)	(12.06)	%		
Non Operating Income/(Expense)									
Interest Income	400,000	363,284	500,000	174,002	325,998	34.80			
Net Increase/(Decrease) in Fair Value	--	(235,208)	--	(873,247)	873,247	--			
Realized Gain/(Loss) on Investments	--	22,087	--	643,201	(643,201)	--			
Cumulative effect of GASB 68	--	--	--	--	--	--	--		
Interfund Transfer, Other Income	--	--	--	--	--	--	--		
Total Non Operating Income/(Expense)	400,000	150,163	500,000	(56,044)	556,044	(11.21)	%		
Net Increase/(Decrease)									
in Net Position	(990,774)	3,011,395	(487,778)	63,078	(550,856)	(12.93)	%		
Beginning Balance Prior									
Year End	29,351,572	29,351,572	32,362,967	32,362,967	--	100.00	%		
Ending Balance, as of									
12/31/2021	\$ 28,360,798	\$ 32,362,967	\$ 31,875,189	\$ 32,426,045	\$ (550,856)				

It was moved by Kevin Collins and seconded by Jackie Kim to approve the second quarter financial report.
Ayes: Heldman, Kim, Alahydoian, Collins, Gabel
Nays: None
Abstain: None

IX. Second Quarter Investment Report

Cary Allison presented the 2021/22 Second Quarter Investment Report.

Time Weighted Performance Summary (Net of fees) – December 31, 2021

Total Ending Value **\$22,554,842.03**

Rolling Periods

Quarter to Date	-0.26%
Year to Date	-1.13%
Last 12 Months	-1.13%
Last 3 Years	2.13%
Last 5 Years	1.60%
Last 10 Years	1.33%
Since 7/12/10 Inception (annualized %)	1.34%

Calendar Years

2021 YTD	-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

2021-22 YTD	-0.56%
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 Madeline Gabel to approve the second quarter investment report.

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

X. Information Report for the Fiscal Year End

Laurena Grabert from SETECH presented the Financial Management Information Report Ended June 30, 2021. 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 06/30/2021

Members	Sub-Total From Page 14	Program Years								Total
		2020/2021								
		Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	Pro Rata Share %	Net Assets	
Alameda COE	\$ 547,538	1.54 %	\$ 38,519	-- %	\$ --	-- %	\$ --	-- %	\$ --	\$ 586,057
Alameda	2,026,016	8.39	209,851	--	--	--	--	--	--	2,235,867
Albany	904,159	3.07	76,787	--	--	--	--	--	--	980,946
Castro Valley	1,636,310	4.92	123,059	--	--	--	--	--	--	1,759,369
Dublin	1,776,142	5.61	140,318	--	--	--	--	--	--	1,916,460
Eden ROP	(27,417)	0.33	8,254	--	--	--	--	--	--	(19,163)
Emery	88,036	0.70	17,508	--	--	--	--	--	--	105,544
Fremont	8,678,299	23.36	584,281	--	--	--	--	--	--	9,262,580
Livermore	2,802,320	9.55	238,865	--	--	--	--	--	--	3,041,185
Mission ROP	72,698	0.51	12,756	--	--	--	--	--	--	85,454
Mt. House	3,783	0.02	500	--	--	--	--	--	--	4,283
Newark	1,257,926	4.82	120,558	--	--	--	--	--	--	1,378,484
New Haven	1,971,366	6.98	174,584	--	--	--	--	--	--	2,145,950
Piedmont	461,388	1.74	43,521	--	--	--	--	--	--	504,909
Pleasanton	3,057,316	12.41	310,400	--	--	--	--	--	--	3,367,716
San Leandro	2,441,135	8.08	202,097	--	--	--	--	--	--	2,643,232
San Lorenzo	2,034,251	7.63	190,842	--	--	--	--	--	--	2,225,093
Sunol Glen	38,620	0.17	4,252	--	--	--	--	--	--	42,872
Tri Valley ROP	91,876	0.17	4,253	--	--	--	--	--	--	96,129
Pleasanton Apprentice	--	--	--	--	--	--	--	--	--	--
Totals	\$ 29,861,762	100.00 %	\$ 2,501,205	-- %	\$ --	-- %	\$ --	-- %	\$ --	\$ 32,362,967

XI. Preliminary Property & Liability Rates 2022/23

The Executive Director reviewed 2022/2023 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, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

XII. Budget 2022/23

The Executive Director reviewed the 2022/23 Budget. The budget was developed using year-to-date 2021/22 data and preliminary estimates for 2022/23 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 Madeline Gabel to approve the budget.

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

XIII. Strategic Planning Update

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

Workers Compensation

XIV. Actuarial Study - Ex Mods

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

Recommendation: For action

MEMBER	NEW EX-MOD 12/31/21	OLD EX-MOD 12/31/20
ACOE	0.750	0.750
ALAMEDA	1.250	1.250
ALBANY	1.250	1.250
CASTRO VALLEY	1.030	0.920
DUBLIN	0.750	0.765
EDEN ROP	0.750	0.750
EMERY	0.750	0.788
FREMONT	1.007	0.996
LIVERMORE	0.966	1.042
MISSION ROP	0.915	1.250
MT. HOUSE	0.750	0.750
NEW HAVEN	0.750	0.750
NEWARK	1.025	1.119
PIEDMONT	0.750	0.750
PLEASANTON	1.112	1.169
SAN LEANDRO	1.204	1.178
SAN LORENZO	1.065	0.922
SUNOL GLEN	0.750	0.750
TRI VALLEY ROP	1.051	1.167
	1.000	
CORRELATION COEFFICIENT:		0.882

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

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

XV. 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 \$6.1M on December 31, 2020. Based on this report, the claims development has improved by \$2,079,000 with an additional \$653,314 in payments.

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

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

XVI. Preliminary Workers' Compensation Rates 2022/23

The Executive Director reviewed 2022/23 preliminary worker's compensation rates with the base rate of 2.26. The workers compensation program continues to maintain a positive fund balance, therefore the committee recommends that the base rate be lowered by .25 to 2.01.

2022/23
Workers' Compensation Rates

	2019/2020 Actual Payroll	2020/2021 Actual Payroll	Base Rate	Ex Mod	Rate per \$100 Payroll	2022/2023 PREMIUM
ACOE	\$23,013,025	\$24,204,831	2.26	0.7500	1.70	\$410,272
ALAMEDA	\$73,235,466	\$77,453,833	2.26	1.2500	2.83	\$2,188,071
ALBANY	\$28,970,283	\$28,685,620	2.26	1.2500	2.83	\$810,369
CASTRO VALLEY	\$68,569,271	\$69,839,350	2.26	1.0300	2.33	\$1,625,720
DUBLIN	\$86,662,231	\$95,706,292	2.26	0.7650	1.73	\$1,654,666
EDEN ROP	\$4,674,800	\$4,823,674	2.26	0.7500	1.70	\$81,761
EMERY	\$6,153,910	\$6,416,558	2.26	0.7500	1.70	\$108,761
FREMONT	\$270,385,548	\$263,695,056	2.26	1.0070	2.28	\$6,001,225
LIVERMORE	\$98,354,797	\$102,013,460	2.26	0.9660	2.18	\$2,227,117
MISSION ROP	\$4,654,797	\$4,608,998	2.26	0.9150	2.07	\$95,309
MT. HOUSE	\$204,965	\$218,004	2.26	0.7500	1.70	\$3,695
NEWARK	\$40,846,774	\$40,749,658	2.26	1.0250	2.32	\$943,966
NEW HAVEN	\$84,015,046	\$84,525,644	2.26	0.7500	1.70	\$1,432,710
PIEDMONT	\$25,066,747	\$27,024,006	2.26	0.7500	1.70	\$458,057
PLEASANTON *	\$113,900,632	\$112,084,790	2.26	1.1120	2.51	\$2,816,825
SAN LEANDRO	\$71,450,786	\$72,628,288	2.26	1.2040	2.72	\$1,976,245
SAN LORENZO	\$78,379,049	\$77,805,758	2.26	1.0650	2.41	\$1,872,707
SUNOL GLEN	\$2,449,817	\$2,269,057	2.26	0.7500	1.70	\$38,461
TRI VALLEY ROP	\$2,457,806	\$2,480,366	2.26	1.0510	2.38	\$58,915
TOTAL PREMIUMS	1,083,445,750	1,097,233,243				\$24,804,851

Average Ex Mod 1.00000

Payrolls based upon 2020/21 Unaudited Actuals Reports provided by ACOE

*includes apprentice program

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

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

XVII. Newfront Claims Audit Contract

The Executive Director presented the new claims audit contract to the committee.

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

Ayes: Heldman, Kim, Alahydoian, Collins, Gabel

Nays: None

Abstain: None

XVIII. Future Planning

XIX. This meeting was adjourned by Annette Heldman at 2:08PM