



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

MINUTES Executive Committee

Date: Thursday, May 14, 2020
Time: 12:00 PM
Location: Video Meeting
Join Zoom Meeting
<https://us04web.zoom.us/j/232470722>
Meeting ID: 232 470 722

I. Annette Heldman called the meeting to order at 12:02 PM

II. Roll call

Executive Committee Members

Annette Heldman	President	New Haven USD
Susan Kinder	Vice President	Livermore USD
Jackie Kim	Board Member	Albany USD
Marcus Battle	Board Member	Fremont USD
Dr. Kevin Collins	Board Member	San Leandro USD

Kimberly Dennis	Executive Director	ACSIG
Celina Flotte	Executive Assistant	ACSIG

Ron Martin	Guest	Keenan & Associates
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley
Jack Joyce	Guest	Bay Actuarials

III. Acceptance of the Agenda

It was moved by Kevin Collins and seconded by Susan Kinder to approve the agenda as presented.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

IV. Public Comment on Closed Session Agenda Items

No public present to comment.

Closed Session

Closed session began at 12:07pm

A. Settlement Notification

● Claim Numbers:

Howard	471036	Pintal	535328	Wooden	553001	Gomez	563691
Dahl	478543	Lal	538939	Lembesis	553740	Green	564207
Dahl	490927	Pasillas	541429	Bower	555222	Crisologo	567942
Dahl	490928	Sierras	543279	Bower	555222	Subramanian	568128
Barros	509777	Turner	545257	Bravo	558951	Manrique	568467
Sierras	511034	Stewart	547061	DeGuzman	560376	Chakrabarti	573980
Stewart	515512	Ferrier	548793	Vaccaro	560764	Dahl	2206171
Gilroy	530955	Segundo	550405	Singh	563419		

B. Settlement Authorization

● Claims Numbers: None

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 12:30pm.

V. Public Comment on Open Session Agenda Items

No public present to comment.

VI. Report of Action Taken in Closed Session

None

VII. Approval of Minutes

It was moved by Kevin Collins and seconded by Jackie Kim to approve the February 6, 2020 Executive Committee Meeting minutes.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

General

VIII. Third Quarter Investment Report

Cary Allison of Morgan Stanley reviewed the 2019/20 third quarter investment report with the Executive Committee.

Time Weighted Performance Summary (Net of fees) – March 31, 2020

Total Ending Value	\$22,502,021.15
--------------------	-----------------

Rolling Periods

Quarter to Date	2.51%
Year to Date	2.51%
Last 12 Months	5.12%
Last 3 Years	2.49%
Last 5 Years	1.75%
Since 7/12/10 Inception (annualized %)	1.57%

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	3.63%
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 Marcus Battle and seconded by Kevin Collins to recommend approval of the third quarter investment report as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

IX. Third Quarter Financial Report

Laurena Grabert from SETECH presented the 2019/2020 third quarter financial report.

Alameda County Schools Insurance Group (ACSIG)
Treasurer's Report- Statement of Net Position
Consolidated
As of 06/30/2019 and 03/31/2020

	Audited As of 06/30/2019	Activity 07/01/2019 - 03/31/2020	As of 03/31/2020
Assets:			
Current Assets			
Workers Compensation	\$ 24,912,827	(9,195,142)	\$ 15,717,685
Dental	5,007,585	(901,917)	4,105,668
Vision	1,532,055	(87,310)	1,444,745
Property and Liability	1,336,450	(863,661)	472,789
Operations	155,576	(39,372)	116,204
Cash and Cash Equivalents	\$ 32,944,493	(11,087,402)	\$ 21,857,091
Investments Morgan Stanley - current	4,595,935	51,853	4,647,788
Accounts Receivable	6,999,054	8,804,724	15,803,778
Prepaid Expense	9,360	418,209	427,569
Interfund Receivable/(payable) (1)	--	--	--
Subtotal Current Assets	44,548,842	(1,812,616)	42,736,226
Noncurrent Assets			
Investments @ FMV - Morgan Stanley (3)	11,863,503	5,565,091	17,428,594
Capital - Equipment, net of depreciation	1,779	(592)	1,187
	11,865,282	5,564,499	17,429,781
Total Assets	\$ 56,414,124	\$ 3,751,883	\$ 60,166,007
Deferred Outflow of Resources:			
Deferred outflow of resources - pension	350,977	--	350,977
Liabilities:			
Current Liabilities			
Accounts Payable	\$ 3,715,222	\$ (399,636)	\$ 3,315,586
Prefunding deposits (2)	3,661,000	--	3,661,000
Advance Contributions	--	122,396	122,396
Other Claim Liabilities - Castlepoint Reinsurance Insolvency	887,228	--	887,228
Current Portion of claims and claim adjustment	3,620,712	(33,834)	3,586,878
Subtotal Current Liabilities	11,884,162	(311,074)	11,573,088
Noncurrent Liabilities			
Unpaid claims and claim adjustment expenses less current	10,502,555	(2,842,361)	7,660,194
Unallocated Loss Adjustment Expense (ULAE)	1,252,261	(344,516)	907,745
Subtotal Noncurrent Claim Liabilities	11,754,816	(3,186,877)	8,567,939
Net Pension Liability (NPL)	698,554	59,389	757,943
Total Liabilities	\$ 24,337,532	\$ (3,438,562)	\$ 20,898,970
Deferred Inflow of Resources:			
Deferred inflow of resources - pension	41,054	--	41,054
Net Position:			
Undesignated Net Position - Net Assets/(Deficit)	32,384,736	7,191,037	39,575,773
Designated - Capital Assets	1,779	(592)	1,187
Total Net Position	\$ 32,386,515	\$ 7,190,445	\$ 39,576,960
Total Liabilities, Deferred Pension, and Ending Net Position	\$ 56,414,124	\$ 3,751,883	\$ 60,166,007

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.

It was moved by Kevin Collins and seconded by Susan Kinder to recommend approval of the third quarter financial report as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

X. Budget 2020/2021

The Executive Director reviewed the 2020/21 Budget with the Executive Committee.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
2020/2021 Budget

	Budget 2020/2021	Allocations	Change in Accruals		2019/2020 Budget	2018/2019 Actuals	2017/2018 ACTUAL
Audited - Beginning Net Position, as of 07/01/2019				\$ 56,228,355			
Beginning Cash	\$ 56,400,815				\$ 56,400,815	\$ 21,774,574	34,318,790
Operating Revenue:							
Premiums Paid by Members	\$ 162,868,036	\$ --	\$ --	\$ 162,868,036	\$ 163,422,112	\$ 158,713,739	164,546,182
Total Operating Revenue	162,868,036	--	--	162,868,036	163,422,112	158,713,739	164,546,182
Operating Expenditures:							
Classified Salaries	328,018	--	--	328,018	278,593	295,213	286,178
Statutory Benefits	50,460	--	--	50,460	88,316	22,941	31,954
Health & Welfare	56,750	--	--	56,750	51,190	42,912	47,510
Employer Tax Expense	5,510	--	--	5,510	4,769	4,550	4,443
Net Pension Expense	76,494	--	--	76,494	76,494	199,053	(191,171)
Telephone & Internet	9,280	--	--	9,280	7,926	5,739	6,102
Supplies Office	4,500	--	--	4,500	3,000	2,148	1,885
Supplies - Other	8,500	--	--	8,500	4,000	5,141	3,276
Eligibility Processing	210,000	--	--	210,000	210,000	203,801	218,600
Brokerage Fees-Dental-ACSIG	299,000	--	--	299,000	325,000	279,662	293,050
Brokerage Fees-Dental-MD	500,000	--	--	500,000	500,000	470,289	410,333
Travel and Conferences	20,975	--	--	20,975	22,000	10,118	10,458
Mileage	11,050	--	--	11,050	8,500	7,119	6,756
Dues & Memberships	11,400	--	--	11,400	12,000	885	1,635
Postage & Meter	10,180	--	--	10,180	8,500	2,764	3,875
Insurance Expense-PIPS&NCR	25,471,893	--	--	25,471,893	24,818,844	21,043,123	21,028,823
PIPS payroll adjustment	1,000,000	--	--	1,000,000	1,000,000	1,000,000	780,122
Utility - Operating-Rent	48,536	--	--	48,536	48,536	31,366	36,395
Advertising	--	--	--	--	1,800	5,535	--
Contract Services	28,000	--	--	28,000	28,000	18,096	8,272
Contract Services -actuarial	20,000	--	--	20,000	10,000	--	--
Contract Services	5,000	--	--	5,000	3,125	--	15,570
Audit Fees	22,000	--	--	22,000	15,700	13,750	13,500
Other Services/Operating Expenses	12,025	--	--	12,025	26,813	6,137	5,614
Capital Equipment/Depreciation	9,500	--	--	9,500	5,535	--	--
Repairs & Maintenance	4,100	--	--	4,100	3,550	--	--
Legal	6,500	--	--	6,500	9,350	928	--
Accounting Services	15,900	--	--	15,900	14,950	14,850	14,420
County Courier	4,400	--	--	4,400	5,330	3,872	3,567
Shredding	1,180	--	--	1,180	1,392	813	848
Copier & Scanner	17,900	--	--	17,900	16,008	11,058	10,277
Claims Administration Services	173,819	--	--	173,819	155,000	166,650	166,909
Self-Insurance Fee	553,082	--	--	553,082	431,959	337,468	297,811
Claims Paid-WC	1,200,000	--	--	1,200,000	1,250,000	1,022,116	1,001,753
Claims Paid-PL	200,000	--	--	200,000	100,000	57,219	53,650
	--	--	--	--	--	--	--
Safety Inspection	18,819	--	--	18,819	12,445	12,445	12,445
Physical Ability Testing	20,000	--	--	20,000	50,000	6,031	26,449
First-Aid Program	35,000	--	--	35,000	50,000	26,579	28,559
Risk Management Prevention Program	250,000	--	--	250,000	100,000	15,989	--
EAP	200,000	--	--	200,000	100,000	--	--
Bank Charge & WC Penalty Reimb	6,000	--	--	6,000	25,000	1,943	21,071
Cobra Premiums	250,000	--	--	250,000	270,000	224,938	246,832
Dental Insurance Premiums	127,979,036	--	--	127,979,036	127,979,036	122,360,987	129,945,472
Vision Insurance Premiums	4,450,000	--	--	4,450,000	4,375,000	4,234,168	4,066,932
Claim Development Expense	(818,000)	--	--	(818,000)	1,000,000	(2,823,823)	(357,335)
Prior Year Adjustment	--	--	--	--	--	--	--
Total Operating Expenditures	162,786,806	--	--	162,786,806	163,507,662	149,344,572	158,562,839
Net Increase/(Decrease)							
from Operations	81,230	--	--	81,230	(85,550)	9,369,167	5,983,343
Non Operating Income/(Expense)							
Interest Income	640,000	--	--	640,000	574,500	681,271	499,738
Change in FMV	--	--	--	--	--	342,202	(341,266)
Realized Gain/(Loss)	--	--	--	--	--	--	644
GASB 68	--	--	--	--	--	--	--
Total Non Operating Income/(Expense)	640,000	--	--	640,000	574,500	1,023,473	159,116
Ending Cash	\$ 57,122,045	--	--				
Net Increase/(Decrease)							
in Net Position	\$ --	\$ --	\$ --	721,230	\$ 488,950	\$ 10,392,640	6,142,459

It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of the budget to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XI. ACSIG Salaries & Benefits

The Executive Director presented a schedule increase proposal for the ACSIG staff of 2.14% off the salary schedule. The overall cost for this increase would total \$7911.93.

It was moved by Kevin Collins and seconded by Jackie Kim to approve ACSIG salaries and benefits as presented.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

Workers Compensation

XII. Actuarial Study - Ultimate Loss

Jack Joyce of Bay Actuarials 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 \$10M on December 31, 2019 and project that it will be \$9.5M on June 30, 2020.

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

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XIII. Workers Compensation Premium Modification

The Executive Director discussed moving ACSIG Workers Compensation premium to be billed biannually in November and April with due dates being December and May.

It was moved by Kevin Collins and seconded by Susan Kinder to approve the WC Premiums to be billed in November and May.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

Dental

XIV. Dental Rates 2020/2021

The Executive Director presented the 2020/2021 Dental Rate recommendations to the Executive Committee. The recommendation is for a rate pass for 2020/21.

It was moved by Kevin Collins and seconded by Marcus Battle to recommend approval of Dental Rates to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

Vision

XV. Vision Rates 2020/2021

The Executive Director presented the 2020/21 Vision rates with a recommendation as a flat renewal with an increase of frame allowance to a minimum of \$150.

It was moved by Marcus Battle and seconded by Kevin Collins to recommend approval of the Vision rates as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

Property & Liability

XVI. Property & Liability Rates 2020/2021

The Executive Director presented the 2020/21 Property and Liability rates. We have firmer numbers for renewal at this time and have been able to decrease the “worst case scenario” rates that we published in February.

It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of the Property & Liability rates as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XVII. PLCA Agreement Renewal

The Executive Director reviewed the amendment for Property and Casualty Claims Administration Services.

It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of the PLCA Amendment to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

Administrative

XVIII. Investment Policy

The Executive Committee conducted the annual review of the written investment policy and found no changes necessary.

It was moved by Susan Kinder and seconded by Marcus Battle to recommend approval the Investment Policy as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XIX. Conflict of Interest Code

The Executive Committee conducted the annual review of the Conflict of Interest Code and found no changes necessary.

It was moved by Susan Kinder and seconded by Marcus Battle to recommend approval the Conflict of Interest Code as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XX. Authorization of Signatures

The Executive Committee conducted the annual review of the Authorization of Signatures and found no changes necessary.

It was moved by Susan Kinder and seconded by Marcus Battle to recommend approval the Authorization of Signatures as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XXI. Meeting Calendar

The Executive Committee reviewed the 2020/21 calendar.
It was moved by Kevin Collins and seconded by Jackie Kim to recommend approval of the draft meeting calendar as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XXII. Posting and Mailing Address

The Executive Committee conducted the annual review of the Posting and Mailing Address for ACSIG and found no changes necessary.

It was moved by Susan Kinder and seconded by Marcus Battle to recommend approval the Posting and Mailing address as presented to the Full Board.

Ayes: Heldman, Kinder, Kim, Battle, Collins

Nays: None

Abstain: None

XXIII. Future Planning

XXIV. This meeting was adjourned at 1:53pm.