



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

MINUTES Executive Committee

Date: Thursday, November 2, 2017
Time: 9:00AM
Location: Alameda County Office of Education
313 W. Winton Ave.
Hayward, CA 94544

I. This meeting was called to order at 9:04 AM

Executive Committee Members

Raul Parungao	Vice Present	Fremont USD
Susan Kinder	Secretary	Livermore Valley Joint USD
Bryan Richards	Board Member	Newark USD
Kimberly Dennis Insurance	Executive Director	Alameda County Schools
Celina Flotte Insurance	Executive Assistant	Alameda County Schools
Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Ron Martin	Guest	Keenan & Associates
Michael Clark	Guest	Keenan & Associates
Dave Kundert	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley

II. Acceptance of the Agenda

It was moved by Bryan Richards and seconded by Susan Kinder to approve the agenda as presented.

III. Public Comment on Closed Session Agenda Items

No public present to comment.

IV. Closed Session

Closed session began at 9:05 AM.

Open Session

Open session began at 9:09 AM.

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 due to no settlement authorizations at this time.

A. Settlement Authorization

- **Claim Numbers:**
None

B. Settlement Notification

- **Claim Numbers:**

431321	Lyndon	487950	Bowser	503338	Jones	511030	Ingalls	526190	Ebner
455475	Mahmoud	489928	Lawrence	504510	Ramirez	511303	Sullivan	527596	Thomas
458496	Fletcher	490915	Herendeen	504682	Perez	512645	March	528282	Rodriguez
467083	Pina	498093	Newell	505786	Moya	514173	Jones	533071	Cota
471706	DeCarli	498313	Velazquez	505802	Zamora	515144	Briones	534620	Ortega
475099	Cota	499122	Senter	506200	Fong	515261	Jones	535794	He Wu
475545	Cabrera	500270	Edwards	508380	Nunez	515711	Chamberlain	537552	He Wu
476693	Atwell	501334	Cunha	509976	O'Neill	516381	Lovelady	2205039	Sweeney
480280	Atwell	501662	Larsen	510492	Cabrera	516818	Weeks	2510219	Sharma

VII. Approval of Minutes

The Executive Committee reviewed meeting minutes from the Executive Committee meetings from May 11, 2017 and the Full Board minutes from May 25, 2017.

It was moved by Bryan Richards and seconded by Susan Kinder to approve the Executive Committee Meeting minutes from May 11, 2017 and the Full Board minutes from May 25, 2017.

Ayes: Kinder, Parungao and Richards.

Nays: None.

Abstain: None.

General Business

VIII. Recruitment to Executive Committee

The Executive Committee has suggested recruiting Dublin USD and San Leandro USD to the Executive Committee.

IX. Election of Officers

Although Executive Committee members service a term of 2 years each, an officer's term is only for one year.

It was moved by Raul Parungao and seconded by Susan Kinder to elect Annette Heldman as President, Susan Kinder as Vice President, and Bryan Richards as Secretary for the 2017/18 term.

Ayes: Kinder, Parungao and Richards.

Nays: None.

Abstain: None.

X. Calendar

A few changes were made to the 2017/18 Calendar. The February 15, 2018 Executive Committee meeting was moved to February 8, 2018 at 9:30am. All future Executive Committee meetings will be held at 9:30am instead of 9:00am.

XI. ACOE Endorsement

It was moved by Bryan Richards and seconded by Susan Kinder to approve the endorsement of the ACOE Charter.

Ayes: Kinder, Parungao and Richards.

Nays: None.

Abstain: None.

XII. 2016/17 Fourth Quarter Financials

Laurena Grabert from SETECH presented the 2016/17 4th quarter financials.

Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Fiscal Year Ended 06/30/2017

	Cash Activity		Change in	Balance			Percentage
	07/01/2016		Accruals	Year	2016/2017	Variance	of
	06/30/2017	Allocations		to Date	Budget		Budget
Audited - Beginning Net Position, as of 07/01/2016				\$ 7,729,244			
Beginning Cash	\$ 30,401,138				\$ 7,729,244		
Operating Revenues:							
Premiums Paid by Members	\$ 158,177,835	\$ --	\$ (12,723)	\$ 158,165,112	\$ 147,391,011	\$ 10,774,101	107.31 %
Other Income	34,814	(34,567)	--	247	--	247	--
Total Operating Revenue	158,212,649	(34,567)	(12,723)	158,165,359	147,391,011	10,774,348	107.31
Operating Expenditures:							
Classified Salaries	126,531	125,091	(14,479)	237,143	236,778	365	100.15
Statutory Benefits	14,372	56,508	(57)	70,823	55,498	15,325	127.61
Health & Welfare	27,946	18,632	460	47,037	39,000	8,037	120.61
Employer Tax Expense	--	3,915	--	3,915	3,411	504	114.79
Net Pension Expense	--	(47,757)	--	(47,757)	--	(47,757)	--
Telephone & Internet	6,488	--	(108)	6,380	5,250	1,130	121.52
Supplies Office	1,675	--	--	1,675	5,250	(3,575)	31.90
Supplies - Other	1,946	--	--	1,946	5,250	(3,304)	37.07
Eligibility Processing	208,279	--	--	208,279	252,000	(43,721)	82.65
Brokerage Fees-Dental-ACSIG	271,257	--	--	271,257	276,000	(4,743)	98.28
Brokerage Fees-Dental-MD	402,435	--	--	402,435	300,000	102,435	134.15
Travel and Conferences	16,098	6,829	(168)	22,759	21,000	1,759	108.38
Mileage	5,370	--	--	5,370	8,925	(3,555)	60.17
Dues & Memberships	6,635	--	--	6,635	1,575	5,060	421.27
Postage & Meter	6,929	--	336	7,265	3,400	3,865	213.67
Insurance Expense-PIPS&NCR	20,585,426	--	--	20,585,426	23,989,931	(3,404,505)	85.81
Insurance Expense-PIPS Adj	2,212,707	--	--	2,212,707	1,500,000	712,707	147.51
Utility - Operating-Rent	92,983	(49,380)	(9,948)	33,655	35,420	(1,765)	95.02
Advertising	--	--	--	--	2,100	(2,100)	--
Contract Services	12,650	5,000	--	17,650	8,426	9,224	209.47
Contract Services -Claim Audit	--	--	--	--	--	--	--
Contract Services	--	--	--	--	10,000	(10,000)	--
Audit Fees	13,250	--	--	13,250	14,175	(925)	93.47
Other Services/Operating Expenses	2,499	--	--	2,499	5,250	(2,751)	47.60
Capital Equipment/Depreciation	--	--	592	592	2,550	(1,958)	23.22
Repairs & Maintenance	--	--	--	--	4,800	(4,800)	--
Legal	--	--	--	--	2,550	(2,550)	--
Accounting Services	9,800	4,200	--	14,000	15,750	(1,750)	88.89
County Courier	--	--	--	--	3,675	(3,675)	--
Shredding	625	157	--	782	1,575	(793)	49.64
Copier & Scanner	10,712	255	(39)	10,928	15,000	(4,072)	72.85
Claims Administration Services	174,342	--	4,725	179,067	190,000	(10,933)	94.25
Self-Insurance Fee	261,221	--	--	261,221	245,000	16,221	106.62
Claims Paid-WC	1,115,280	--	165,227	1,280,507	3,000,000	(1,719,493)	42.68
Claims Paid-PL	42,495	--	(15,000)	27,495	80,000	(52,505)	34.37
Physical Abilities Testing	9,800	--	245	10,045	22,445	(12,400)	44.75
Training	--	--	--	--	5,000	(5,000)	--
First-Aid Program	20,894	--	3,051	23,945	10,000	13,945	239.45
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	10,000	(10,000)	--
Bank Charge & WC Penalty Reimb	26,826	--	--	26,826	15,000	11,826	178.84
Cobea Premiums	188,075	--	--	188,075	250,000	(61,925)	75.23
Dental Insurance Premiums	124,695,138	--	(2,377,551)	122,317,587	113,877,908	8,439,679	107.41
Vision Insurance Premiums	3,664,754	--	12,936	3,677,690	2,758,000	919,690	133.35
Claim Development Expense	--	--	(1,819,353)	(1,819,353)	(2,430,000)	610,647	74.87
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	154,235,438	123,450	(4,049,131)	150,309,757	144,867,892	5,441,865	103.76 %
Net Increase/(Decrease) from Operations	3,977,211	(158,017)	4,036,408	7,855,602	2,523,119	5,332,483	311.34 %
Non Operating Income/(Expense)							
Interest Income	322,130	(18)	16,119	338,231	218,250	119,981	154.97
Net Increase/(Decrease) in Fair Value	(337,414)	--	--	(337,414)	--	(337,414)	--
Realized Gain/(Loss) on Investments	19,201	--	--	19,201	--	19,201	--
Cumulative effect of GASB 68	--	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	193,348	--	(193,348)	--	--	--	--
Total Non Operating Income/(Expense)	197,265	(18)	(177,229)	20,018	218,250	(198,232)	9.17 %
Ending Cash	\$ 34,575,614	(158,035)					
Net Increase/(Decrease) in Net Position		\$ (158,035)	\$ 3,859,179	7,875,620	\$ 2,741,369	\$ 5,134,251	287.29 %
Audited - Ending Net Position, as of 06/30/2017				\$ 15,604,864	\$ 10,470,613	\$ 5,134,251	

XIII. 2016/17 Audit

The Executive Director reviewed the 2016/17 Audit with the Executive Committee. This was the fifth year with Christy White Associates and the audit went very smoothly with no findings. No action was taken.

XIV. 2017/18 First Quarter Financials

Laurena Grabert from SETECH presented the 2017/18 first quarter financials. No action was taken.

Alameda County Schools Insurance Group (ACSIG) Consolidated Statement of Revenues, Expenditures and Changes in Net Position For The Three Months Ended 09/30/2017						
	2016/2017		2017/2018			
	Budget	Audited Actuals	Budget	Actuals 07/01/2017 - 9/30/2017	Variance	Percentage of Budget
Operating Revenue:						
Premiums Paid by Members	\$ 147,391,011	\$ 158,165,112	\$ 156,427,872	\$ 43,391,348	\$ 113,036,524	27.74 %
Other Income	--	247	--	--	--	--
Total Operating Revenue	147,391,011	158,165,359	156,427,872	43,391,348	113,036,524	27.74
Operating Expenditures:						
Classified Salaries	236,778	237,143	251,051	64,171	186,880	25.56
Statutory Benefits	53,498	70,823	56,532	15,377	41,175	27.19
Health & Welfare	39,000	47,037	39,000	14,865	24,135	38.12
Employer Tax Expense	3,411	3,915	3,477	1,016	2,461	29.23
Net Pension Expense	--	(47,757)	39,345	--	39,345	--
Telephone & Internet	5,250	6,380	7,350	755	6,595	10.28
Supplies Office	5,250	1,675	4,200	349	3,851	8.31
Supplies - Other	5,250	1,946	2,625	151	2,474	5.74
Eligibility Processing	252,000	208,279	240,000	51,239	188,761	21.35
Brokerage Fees-Dental-ACSIG	276,000	271,257	288,000	70,375	217,625	24.44
Brokerage Fees-Dental-MD	300,000	402,435	350,000	99,831	250,169	28.52
Travel and Conferences	21,000	22,759	23,100	818	22,282	3.54
Mileage	8,925	5,370	8,925	2,584	6,341	28.95
Dues & Memberships	1,575	6,635	1,575	835	740	53.02
Postage & Meter	3,400	7,265	8,350	1,098	7,252	13.15
Insurance Expense-PIPS&NCR	23,989,931	20,585,426	25,192,893	5,257,206	19,935,687	20.87
Insurance Expense-PY Adj	1,500,000	2,212,707	2,000,000	--	2,000,000	--
Utility - Operating-Rent	35,420	33,655	39,388	8,985	30,403	22.81
Advertising	2,100	--	600	--	600	--
Contract Services	8,426	17,650	26,275	--	26,275	--
Contract Services -Claim Audit	--	--	20,000	--	20,000	--
Contract Services	10,000	--	6,375	--	6,375	--
Audit Fees	14,175	13,250	15,540	6,625	8,915	42.63
Other Services/Operating Expense	5,250	2,499	10,500	1,278	9,222	12.17
Capital Equipment/Depreciation	2,550	592	2,625	--	2,625	--
Repairs & Maintenance	4,800	--	3,675	--	3,675	--
Legal	2,550	--	2,100	--	2,100	--
Accounting Services	15,750	14,000	15,750	3,605	12,145	22.89
County Couriers	3,675	--	4,200	--	4,200	--
Shredding	1,575	782	1,574	274	1,300	17.42
Copies & Scanner	15,000	10,928	15,000	1,744	13,256	11.63
Claims Administration Services	190,000	179,067	154,000	4,951	149,049	3.21
Self-Insurance Fee	245,000	261,221	290,000	--	290,000	--
Claims Paid-WC	3,000,000	1,280,507	2,500,000	267,436	2,232,564	10.70
Claims Paid-PL	80,000	27,495	50,000	37,980	12,020	75.96
Physical Abilities Testing	10,000	10,045	25,000	3,185	21,815	12.74
Training	5,000	--	20,000	--	20,000	--
First-Aid Program	10,000	23,945	10,000	5,697	4,303	56.97
Food Service Training	10,000	--	5,000	--	5,000	--
Special Ed Training	10,000	--	15,000	--	15,000	--
Safety Inspections	12,445	--	12,445	--	12,445	--
Bank Charge & WC Penalty Reimb	15,000	26,826	17,200	6,893	10,307	40.08
CoSra Premiums	250,000	188,075	242,000	46,967	195,033	19.41
Dental Insurance Premiums	113,877,908	122,317,587	123,000,000	34,777,402	88,222,598	28.27
Vision Insurance Premiums	2,758,000	3,677,690	3,340,000	1,192,549	2,147,451	35.71
Claim Development Expense	(2,430,000)	(1,819,353)	(2,510,000)	(201,664)	(2,308,336)	8.03
ACA Fees	--	--	--	--	--	--
Total Operating Expenditures	144,867,892	150,309,757	155,850,690	41,744,577	114,106,113	26.78 %
Net Increase/(Decrease) from Operations	2,523,119	7,855,602	577,182	1,646,771	(1,069,589)	285.31 %
Non Operating Income/(Expense)						
Interest Income	218,250	338,231	231,500	105,701	125,799	45.66
Net Increase/(Decrease) in Fair Value	--	(337,414)	--	(22,700)	22,700	--
Realized Gain/(Loss) on Investments	--	19,201	--	92	(92)	--
Cumulative effect of GASB 68	--	--	--	--	--	--
Interfund Trans, Other Inc/Exp	--	--	--	--	--	--
Total Non Operating Income/(Expense)	218,250	20,018	231,500	83,093	148,407	35.89 %
Net Increase/(Decrease) in Net Position	\$ 2,741,369	\$ 7,875,620	\$ 808,682	\$ 1,729,864	\$ (921,182)	213.91 %
Beginning Balance Prior Year End	\$ 7,729,244	\$ 7,729,244	\$ 15,604,864	\$ 15,604,864	\$ --	100.00 %
Unaudited Ending Balance, as of 09/30/2017	\$ 10,470,613	\$ 15,604,864	\$ 16,413,546	\$ 17,334,728	\$ (921,182)	

XV. 2016/17 Fourth Quarter Investment Report

Cary Allison of Morgan Stanley presented the 2016/17 Fourth Quarter Investment Report.

No action was taken.

Time Weighted Performance Summary (Net of fees) – June 30, 2017

Total Ending Value	\$16,198,635.43
--------------------	-----------------

Rolling Periods

Quarter to Date	0.38%
Year to Date	0.72%
Last 12 Months	-0.35%
Last 3 Years	0.95%
Last 5 Years	0.93%
Since Inception (annualized %)	1.17%

Calendar Years

2017 (ytd)	0.72%
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

2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

XVI. 2017/18 First Quarter Investment Report

Cary Allison of Morgan Stanley presented the 2017/18 First Quarter Investment Report.

No action taken.

Time Weighted Performance Summary (Net of fees) – September 30, 2017

Total Ending Value	\$16,243,278.19
--------------------	-----------------

Rolling Periods

Quarter to Date	0.28%
Year to Date	1.00%
Last 12 Months	0.02%
Last 3 Years	1.07%
Last 5 Years	0.80%
Since Inception (annualized %)	1.17%

Calendar Years

2017 (ytd)	1.00%
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

2017-18	0.28%
2016-17	-0.35%
2015-16	2.13%
2014-15	1.09%
2013-14	1.32%
2012-13	0.48%
2011-12	1.75%

XVII. Annual Report

The Executive Director presented the 2016/17 Annual Report. The report will be presented to the Full Board at the meeting on November 9, 2017.

Workers Compensation

XVIII. 2017/18 Service Plan

Tara Salaiz of Keenan reviewed the 2017/18 Service Plan with the Executive Committee. The service team consists of Tara Cooper-Salaiz as Account Manager, Michael Clark as Claims Analyst, Dave Kundert as Loss Control Consultant, Patrice Grant as Claims Manager, and Ron Martin as Account Executive. The Service Plan is a tool to show what the team wants to complete within the upcoming year. The team has chosen 5 focus districts, including Alameda USD, Fremont USD, Newark USD, and Dublin USD, and Castro Valley USD.

XIX. Company Nurse Update

Michael Clark of Keenan presented the Executive Committee with an update on the Company Nurse program expansion. Aside from Alameda USD—most of the larger districts have joined the program.

XX. Workers Compensation Claims History

The Executive Director reviewed the Workers Compensation Claims History with the Executive Committee. As resources are dedicated to improve

frequency and severity of injuries within ACSIG, it is important to review claims data to evaluate the effectiveness of programs. Through analysis, we can identify trends within the districts.

XXI. Workers Compensation Claims Auditor Selection

The Executive Director and Executive Committee agreed that Wells Fargo would perform the 2017 claims audit.

XXII. Potential Exposure from Reinsurer Insolvency

The Executive Director reviewed the current insolvency issue with a prior year reinsurer. ACSIG still has open claims affected by our policy with Castlepoint. We anticipate the assets of the company will pay the outstanding balances of these claims.

XXIII. Future Planning

XXIV. The meeting was adjourned at 10:26 am.