



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

Minutes
Full Board

Date: Thursday, November 6, 2014
Time: 12:00PM
Location: Alameda County Office of Education
 313 W. Winton Ave.
 Hayward, CA 94544

I. Candi Clark called the meeting to order 12:20PM

II. Members Present

Candi Clark	Vice President	Castro Valley Unified School District
Marie Dela Cruz	Secretary	Mission Valley ROP
Jeff Potter	Alternate	Alameda County Office of Education
Teresa Kapellas	Alternate	Alameda County Office of Education
Movetia Salter	HR Representative	Alameda County Office of Education
Robert Clark	Board Member	Alameda Unified School District
Allan Garde	Board Member	Albany Unified School District
Beverly Heironimus	Board Member	Dublin Unified School District
Lydia Lotti	Guest	Dublin Unified School District
Mark Bonnett	Board Member	Emery Unified School District
Raul Parungao	Board Member	Fremont Unified School District
Akur Varadarajan	Board Member	New Haven Unified School District
Bryan Richards	Board Member	Newark Unified School District
Song Chin-Bendib	Board Member	Piedmont Unified School District
Julie Duncan	Board Member	Tri-Valley ROP
Kimberly Dennis	Executive Director	Alameda County Schools Insurance
Desiree Endert	Admin Assistant	Alameda County Schools Insurance

Tara Cooper-Salaiz	Guest	Keenan & Associates
Patrice Grant	Guest	Keenan & Associates
Ron Martin	Guest	Keenan & Associates
Arcenio Reyes	Guest	Keenan & Associates
Chris Stout	Guest	Keenan & Associates
Kyle McKibbin	Guest	Keenan & Associates
Laurena Grabert	Guest	SETECH
Cary Allison	Guest	Morgan Stanley
Heather Daud	Guest	Christy White & Associates

Acceptance of the Agenda

It was moved by Mark Bonnett and seconded by Raul Parungao to accept the agenda as presented.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

III. Public Comment on Open Session Agenda Items

No public present to comment.

Consent Agenda

- **Minutes from May 15, 2014 Executive Committee Meeting**
- **Minutes from May 22, 2014 Full Board Meeting**
- **Minutes from July 21, 2014 Strategic Planning Meeting**
- **2013/2014 Fourth Quarter Financials**
- **2013/2014 Fourth Quarter Investment Report**
- **2014/2015 Service Plan**
- **Strategic Plan Report**
- **Accreditation Update**
- **Bylaw Revisions**
- **Policy & Procedures Revisions**

It was moved by Akur Varadarajan and seconded by Marie Dela Cruz to accept the Consent Agenda as presented.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

General Business

IV. 2013/14 Audit

Heather Daud from Christy White Associates reviewed page 1 & 2 of the 2013/14 Audit Report. She stated that there were no findings from the ACSIG audit and wanted to add that although the net position shows a negative, it has improved drastically.

It was moved by Beverly Heironimus and seconded by Bryan Richards to accept the 2013/14 Audit.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

V. 2014/15 First Quarter Financials

Laurena Grabert from SETECH presented the 2014/15 First Quarter Financials to the Board. It was noted that 4 years ago the deficit was at 19 million dollars and has decreased dramatically.

**Alameda County Schools Insurance Group (ACSIG)
Consolidated
Statement of Revenues, Expenditures and Changes in Net Position
For The Three Months Ended 09/30/2014**

	Cash Activity 07/01/2014 09/30/2014	Allocations	Change in Accruals	Balance Year to Date	2014/2015 Budget	Variance	Percentage of Budget
Audited - Beginning Net Position, as of 07/01/2014				\$ (192,670)			
Beginning Cash	\$ 27,617,852				\$ (192,670)		
Operating Revenue:							
Premiums Paid by Members	\$ 31,191,536	\$ (15,614)	\$ 2,832,395	\$ 34,023,931	\$ 128,003,769	\$ (93,979,838)	26.58 %
Total Operating Revenue	31,191,536	(15,614)	2,832,395	34,023,931	128,003,769	(93,979,838)	26.58
Operating Expenditures:							
Classified Salaries	43,298	--	(10,843)	32,455	169,000	(136,545)	19.20
Statutory Benefits	16,998	--	--	16,998	58,617	(41,619)	29.00
Health & Welfare	5,975	--	--	5,975	20,992	(15,017)	28.46
Employer Tax Expense	12,965	--	--	12,965	57,561	(44,596)	22.52
Telephone & Internet	1,462	--	(603)	859	8,000	(7,141)	10.74
Supplies Office	712	--	--	712	20,000	(19,288)	3.56
Supplies - Other	363	--	--	363	5,500	(5,137)	6.60
Eligibility Processing	44,891	--	--	44,891	180,000	(135,109)	24.94
Brokerage Fees-Dental-ACSIG	64,514	--	--	64,514	258,000	(193,486)	25.01
Brokerage Fees-Dental-MD	57,605	--	--	57,605	183,600	(125,995)	31.38
Travel and Conferences	7,268	--	(931)	6,337	15,000	(8,663)	42.25
Mileage	1,792	--	--	1,792	7,000	(5,208)	25.60
Dues & Memberships	835	--	--	835	1,000	(165)	83.50
Postage & Meter	680	--	--	680	5,000	(4,320)	13.60
Insurance Expense-PIPS&NCR	5,418,169	--	--	5,418,169	19,323,300	(13,905,131)	28.04
Insurance Expense-PIPS Adj	--	--	--	--	--	--	--
Utility - Operating-Rent	20,290	(15,614)	--	4,677	25,000	(20,324)	18.71
Advertising	--	--	--	--	--	--	--
Contract Services	--	--	--	--	12,500	(12,500)	--
Contract Services -PL-Investigation	--	--	--	--	--	--	--
Contract Services	--	--	--	--	6,000	(6,000)	--
Audit Fees	11,475	--	--	11,475	15,000	(3,525)	76.50
Other Services/Operating Expenses	(948)	--	--	(948)	10,000	(9,948)	(9.48)
Capital Equipment/Depreciation	--	--	--	--	7,500	(7,500)	--
Repairs & Maintenance	--	--	--	--	2,000	(2,000)	--
Legal	--	--	--	--	2,000	(2,000)	--
Accounting Services	3,250	--	(3,250)	--	13,000	(13,000)	--
County Courier	--	--	--	--	2,500	(2,500)	--
Shredding	376	--	(123)	253	1,500	(1,247)	16.87
Copier & Scanner	3,601	--	--	3,601	10,000	(6,399)	36.01
Claims Administration Services	89,696	--	(2,042)	87,654	194,000	(106,346)	45.18
Self-Insurance Fee	--	--	--	--	280,000	(280,000)	--
Claims Paid-WC	474,816	--	(45,060)	429,756	3,100,000	(2,670,244)	13.86
Claims Paid-PL	32,076	--	5,766	37,842	75,000	(37,158)	50.46
Physical Abilities Testing	1,243	--	--	1,243	5,000	(3,757)	24.86
Training	--	--	--	--	10,000	(10,000)	--
First-Aid Program	3,590	--	--	3,590	15,000	(11,410)	23.93
Food Service Training	--	--	--	--	10,000	(10,000)	--
Special Ed Training	--	--	--	--	20,000	(20,000)	--
Bank Charge & WC Penalty Reimb	2,573	--	--	2,573	12,000	(9,427)	21.44
Cobra Premiums	37,270	--	--	37,270	240,000	(202,730)	15.53
Dental Insurance Premiums	24,789,960	--	2,000,000	26,789,960	103,200,000	(76,410,040)	25.96
Vision Insurance Premiums	709,241	--	--	709,241	2,044,000	(1,334,759)	34.70
Claim Development Expense	--	--	(379,407)	(379,407)	(2,810,000)	2,430,593	13.50
ACA Fees	--	--	--	--	--	--	--
Total Operating Expenditures	31,856,036	(15,614)	1,563,507	33,403,930	126,814,570	(93,410,641)	26.34 %
Net Increase/(Decrease) from Operations	(664,500)	--	1,268,888	620,001	1,189,199	(569,197)	%
Non Operating Income/(Expense)							
Interest Income	307,413	--	(264,227)	43,186	265,750	(222,564)	16.25
Net Increase/(Decrease) in Fair Value	(67,070)	--	--	(67,070)	--	(67,070)	--
Realized Gain/(Loss) on Investments	1,796	--	--	1,796	--	1,796	--
Net, Interfund Transfer	--	--	--	--	33,450	(33,450)	--
Total Non Operating Income/(Expense)	242,139	--	(264,227)	(22,088)	299,200	(321,288)	(7.38) %
Ending Cash	\$ 27,195,491	--	--	--	--	--	--
Net Increase/(Decrease) in Net Position	\$ --	\$ --	\$ 1,004,661	597,913	\$ 1,488,399	\$ (890,485)	%
Unaudited - Ending Net Position, as of 09/30/2014				\$ 405,243	\$ 1,295,729	\$ (890,485)	

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It was moved by Raul Parungao and seconded by Song Chin-Bendib to accept the 2014/15 First Quarter Financials.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

VI. 2014/15 First Quarter Investment Report

Cary Allison presented the 2014/15 First Quarter Investment Report to the Board.

Portfolio Highlights

Date of Report:	6/30/14
Inception date:	7/12/10
Net Invested Capital:	\$15,000,000.00
Portfolio Appreciation:	\$711,381.44
Total Ending Value:	\$15,711,381.44
Current Month Return	(0.09%)
Current Quarter	0.46%
Current Year	0.73%
Last 12 Months	1.32%
Last 3 Years (annualized %)	1.19%
Year 2010	0.29%
Year 2011	1.91%
Year 2012	2.44%
Year 2013	(0.02%)
Year 2014 YTD	0.73%
Since Inception (annualized %)	1.34%
Corporate bonds as percentage of portfolio:	29.27%
Duration:	2.51 years

It was moved by Beverly Heironimus and seconded by Akur Varadarajan to accept the 2014/15 First Quarter Investment Report.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

VII. Annual Report

The Executive Director reviewed the 2013/14 Annual Report with the Board. The Annual Report will be available on the ACSIG website.

VIII. Declaration of Rebate from Dental Fund

The Executive Director asked the Board to declare a \$2.5 million rebate from the Dental Fund to be distributed according to the revised policy to help reduce the deficit of the Workers Comp and Property & Liability funds. The \$2.5 million amount was determined as the most fiscally responsible due to leaving a remaining \$5 million balance in the dental fund after meeting the Capital Target.

It was moved by Akur Varadarajan and seconded by Raul Parungao to approve the Declaration of Rebate from Dental Fund.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

IX. Distribution of Rebate

The Executive Director reviewed the rebate distribution with the Board. The distribution of the rebate funds will help to reduce a portion of the Workers Compensation and Property & Liability fund deficits.

It was moved by Raul Parungao and seconded by Akur Varadarajan to approve a rebate distribution of \$50,000 to Property & Liability fund and \$2,450,000 to the Workers Compensation fund.

Ayes: Bonnett, Chin-Bendib, C. Clark, R. Clark, Dela Cruz, Duncan, Garde, Heironimus, Kapellas, Parungao, Potter, Richards, Salter and Varadarajan.

Nays: None.

Abstain: None.

Workers Compensation

X. Company Nurse Update

The Executive Director presented the Board with an update on the Company Nurse program expansion. Fremont has now joined the program and the opportunity is still available to join if a district is interested. Alameda, Albany, Dublin, and Livermore all expressed interest in joining.

XI. Future Planning

The Executive Director informed the Board that there are two Executive Committee positions open and we are looking for volunteers to fill those positions at the next Board Meeting.

XII. Candi Clark adjourned the meeting at 12:50pm.