

CSAC EXCESS INSURANCE AUTHORITY

FINANCE COMMITTEE

MEETING SUMMARY

CSAC Excess Insurance Authority
75 Iron Point Circle, Suite 200
Folsom, California 95630
916-850-7300

Tuesday, May 23, 2019
10:30 a.m.
Third Meeting – 2019

Members Present

Roobik Galoosian, City of Carson
Darrel Pyle, City of Hanford
Frank Williamson, Municipal Pooling Authority
Bianca Harrison, Plumas County
Monica Fugitt, Shasta County
C. Paul Frydendal, Special District Risk
Management Authority
Nathan Black, Sutter County

Members Absent

Mike James, City of Lemon Grove
Scott Mann, City of Sunnyvale

2019/20 Proposed Budget

Staff presented the proposed budget for fiscal year 2019/20. Staff reviewed the highlights from each program with the Committee. The Committee recommended approval of the fiscal year 2019/20 budget to the Executive Committee and Board of Directors.

Other Post Employment Benefit (OPEB) – Use of Split Rate to Discount Future Projected Benefits

For fiscal year ending June 30, 2018, the EIA implemented Governmental Accounting Standards Board (GASB) 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. EIA's current policy is to prefund only the explicit subsidy liability, creating an unfunded liability for the implicit OPEB liability. When implementing GASB 75 for fiscal year end 2018, EIA used a blended rate of expected rate of return and Municipal Bond rate to discount future projected benefits. Our OPEB actuary, MacLeod Watts, has suggested using a split discount rates to develop the explicit and implicit subsidy portion of the liabilities separately. Staff recommends using a "split" discount rate in the Total OPEB liability calculation for GASB reporting.

March 31, 2019 Treasurer's Report

Bill Dennehy from Chandler Asset Management, presented an economic update as of April 30, along with the Treasurer's report and portfolio performance with supporting schedules for both the EIA and EIO as of March 31, 2019. Mr. Dennehy answered the Committee's questions on material presented.

Other Matters

- Staff updated the Committee on the EIA internal audit/risk assessment project with Moss Adams.
- Staff reviewed with the Committee the highlights of the April Spring Retreat.

Future Meetings

The next regularly scheduled meeting is Thursday ***September 26, 2019***, at ***10:30 a.m. via WebEx.***