

# anthem

community council

## Committee Reports

Fiscal and Resource Management  
March 21, 2018  
Civic Building Vision Room  
1:00 pm

### MEETING MINUTES

#### **Members Present:**

Richard Yennerell (Chair)  
Mark Senn  
Lynne Kirkman  
Glenn Klinksiek  
Carolyn Hiron  
Bonnie Hirshberg

#### **Members Absent:**

Robert Hebert

#### **Others Present:**

Doug Greenstein, CFO  
Cindy Gosselin – ACC Financial Analyst  
Lauren Cameron – ACC Financial Analyst  
Michael Hanratty – BlackRock Director  
Francisco Tort – Morgan Stanley Advisor  
Terry Mullarkey – ACC Treasurer

#### **CALL TO ORDER**

The meeting was called to order at 1:00pm. A quorum was achieved.

#### **ADOPT AGENDA**

Agenda was adopted.

#### **APPROVE MEETING MINUTES**

- A. Meeting Minutes from January were previously approved by Email.

#### **NEW BUSINESS**

##### **A. Introduction of ACC Financial Analysts**

Chairperson Yennerell and CFO Greenstein introduced Ms. Lauren Cameron and Ms. Cindy Gosselin, who recently joined the ACC staff as part-time Financial Analysts. CFO Greenstein advised FaRM on the general scope of their responsibilities.

##### **B. Investment Review - BlackRock**

BlackRock Fixed Income Director Michael Hanratty provided the FaRM Committee with his semi-annual report on the performance of the ACC's investments with BlackRock. He advised that in the intervening six months, the portfolio's yield improved approx. 70 basis points, as a result of adding T-Bill investments, maturing investments that have been re-invested in higher yielding securities, general impact of market performance, and several other factors. Mr. Hanratty stressed that the laddering of the ACC portfolio was a key element in overall improved performance and that the BlackRock opinion was to continue to ladder investments and continue to favor shorter duration investments for at least another year. Mr. Hanratty shared BlackRock's expectations on interest rate changes and other factors which could impact the ACC portfolio. Mr. Hanratty indicated that the current ACC Investment Policy Guidelines were properly positioned for the current market conditions and did not recommend any additional modifications to the Investment Policy at this time.

##### **C. Investment Review – Morgan Stanley**

Morgan Stanley Financial Advisor Francisco Tort spoke to the investment performance of the ACC's other investments, including the Eaton Vance Municipal Account, current CDs, current T-Bill investments, and other investment funds held with Morgan Stanley. His comments essentially echoed Michael Hanratty. He emphasized that any new investment funds should favor laddered T-Bills until the Fed finishes its projected two (2) rate increases in 2018.

**D. Business Insurances**

Chairperson Yennergell asked Member Glenn Klinksiek to speak to his understanding of the current business insurance marketplace and what the ACC should expect as to renewal premiums. Member Klinksiek advised that Wells Fargo / USI advised that general insurances would rise approx. 2.5% on the renewal, and Glenn suggested that the increase was appropriate and that the ACC should not market the policies for this renewal. Glenn stressed the importance of maintaining a strong relationship with carriers who have historically provided competitive coverages. Glenn advised that single digit premium increases should be expected in many policies (auto, D&O) as a function of claims activity over the past two years. CFO Greenstein added that the ACC Workers Comp renewal had a reduced EMOD factor, which would positively affect premiums. He also noted that the ACC has not bidding insurance brokers this year, as the ACC generally goes out to bid for brokers every second year.

**E. Reserve Study**

Chairperson Yennergell led a discussion on the recent Reserve Study Kickoff Meeting held between the ACC and Criterium Kessler Engineers, who was selected to perform the 2018 Reserve Study. FaRM Members and staff shared expectations as to roles and impact. CFO Greenstein advised that FaRM would be expected to next review the first draft report from the Reserve Engineers, which would be in May, as well as the Final Report prior to submission to the Board of Directors in August. Chairperson Yennergell stressed the importance of accurate estimates of future costs using realistic inflation rates and realistic earned interest rates so that the funding levels were not inflated or conversely, unrealistic. FaRM stressed that overall Reserve Fund levels were in excess of 100% currently and should remain high and comfortable even with the addition of approx. \$8 million in newly added common assets. Chairperson Yennergell stressed the importance of realistic results so that current assessments were not burdened with reserve funding levels that were over-inflated.

**G. Organizational Changes**

CFO Greenstein advised FaRM of recent ACC organizational changes, including the resignation of CEO Jenna Kohl, the promotion of COO Neal Shearer to the CEO position, and the promotion of CFO Doug Greenstein to a combined CFO/COO position.

**H. Audit Update**

CFO Greenstein advised FaRM that the annual field work for the 2017 Certified Audit had been completed in mid-March and was accomplished in 1.5 days of on-site field work. Greenstein advised that during field work, the auditors did not make note of any material concerns within the accounts based on their review. The final certified audit report will be presented to the Board of Directors at the May, 2018 Open Meeting.

**I. February Financial Statements**

CFO Greenstein presented the February financial statements for FaRM consideration and review. There were no questions as to content or condition. Chairperson Yennergell discussed the 2018 Budget briefly. He raised some concerns over the number of vacant, unfilled positions and what impact those would have on employee performance, future financial performance, and organizational continuity.

**OLD BUSINESS**

- NONE

**ADJOURNMENT**

- There being no further business to discuss, the meeting adjourned at 2:45 pm

Respectfully Submitted,  
Douglas Greenstein