



**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 16, 2015 AND FRIDAY APRIL 17, 2015
CITY OF BURBANK – COMMUNITY SERVICES BUILDING
150 N. THIRD STREET, ROOM 104
BURBANK, CA 91502**

MEMBERS PRESENT

Dave Nunley, City of Anaheim
Betsy Dolan, City of Burbank
Beverly Jensen, City of Modesto
Rhonda Combs, City of Monterey
Ann Richey, City of Ontario
Sandra Blanch, City of Palo Alto
Patty Haymond, City of Santa Cruz
Deb Hossli, City of Santa Monica
Charlotte Dunn, City of Visalia
Jena Covey, City of Bakersfield
Mark Howard, City of Santa Barbara

MEMBERS ABSENT

Claudia Koob, City of Mountain View

GUESTS AND CONSULTANTS

Conor Boughey, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Vadim Livshits, Alliant Insurance Services
Tim Thompson, Carl Warren & Company
Kelly Ogle, Carl Warren & Company

A. CALL TO ORDER

President Ann Richey called the meeting to order on Thursday, April 16, 2015 at 2:30 p.m.
President Ann Richey called the meeting to order on Friday, April 17, 2015 at 8:40 a.m.

B. CONSENT CALENDAR

B1. Approval of Minutes from the February 11, 2015 Board Meeting

A motion was made to approve the minutes.

MOTION: Mark Howard **SECOND:** Dave Nunley **MOTION CARRIED**



	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X		X	X	X	X	X	X	X
Nay											
Abstain											

C. GENERAL RISK MANAGEMENT ISSUES

Board Members held a round table to discuss risk management issues. Each Board Member discussed an issue they are having at their City. All Board Members discussed and shared any knowledge that they may have.

Sandra Blanch asked if any other Member Cities use a third party handle their online sales. Deb Hossli replied that Santa Monica does, and that she will forward some information to Sandra.

Rhonda Combs asked if anyone has any info or knowledge on diversity training. Ann Richey said that she has some information she can provide. Jena Covey said she can provide some information as well.

D1. President’s Report

D1a. Appointment of Nominating Committee

Ann Richey explained that every year a Nominating Committee is formed during the April Board Meeting to survey the Board for nominations for officers to serve on the Executive Committee. Betsy Dolan and Sandra Blanch are appointed to be on the Nominating Committee this year. They will poll the pool and report back at the June meeting.

D2. CLAIMS COMMITTEES

D2a. The ACCEL Board of Directors entered into Closed Session pursuant to Government Section Code 54956.95

A motion was made to enter into closed session at 3:55 p.m. pursuant to Government Section Code 54956.95.

MOTION: Charlotte Dunn **SECOND:** Sandra Blanch **MOTION CARRIED**



	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

A motion was made to come out of closed session at 5:05 p.m.

MOTION: Patty Haymond **SECOND:** Deb Hossli **MOTION CARRIED**

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

There was no reportable action taken during the closed session.

D2b. Claims Handling Policy and Procedure

Deb Hossli has edited the Claims Handling Policy and Procedure. She explained that the goal is to have the policy be consistent with the bylaws, MOC and JPA Agreement.

The Board discussed when they believe a claim should be reported. A consensus was reached that each Member should use their best judgment.

Claims committee would like to have an item at the next meeting, time allowing, to update the MOC to match the updated policy and procedure.

The Board agreed that decisions regarding hiring of outside legal counsel for a coverage opinion should be deferred to the Program Administrators, Board President, or Claims Committee Chair. Two out of the three would have authority to make the decision, and a Party can't participate in the decision if their City has a conflict.

Motion to adopt the changes agreed to in this meeting and prepare a clean copy for the consent calendar for approval at the June Board of Directors Meeting. Administrators will clean up the policy and included changes requested by the Boar. Additionally, Litigation Procedures will be eliminated.



MOTION: Rhonda Combs **SECOND:** Mark Howard **MOTION CARRIED**

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

D2c. Carl Warren & Co. Scope of Service and Contract

Conor Boughey reminded the Board that at the February meeting, the Board agreed to make some small revisions to clean up the Scope of Services, and present it at this meeting for approval.

The Board would like to change to a monthly loss run history provided by Carl Warren. The Board would also like to combine items 2a and 2b of the Scope of Services, and make c and d sub-items of that item.

Administrators will call Tim Thompson with comments on how the board would like to have claims presented. Cause of action, more specific details on things such as trivial defect, etc.

Jena would like to have Tim Thompson come visit their City so he could get a better understanding of how their City works. Administrators will ask Tim to reach out to each individual City to see if they would like to have him come visit.

A motion was made to authorize the President to enter into the Contract with Carl Warren with the amended Scope of Services.

MOTION: Mark Howard **SECOND:** Rhonda Combs **MOTION CARRIED**

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											



D2d. Liability Claims Audit Status

Conor Boughey updated the Members on the status of liability claims audits and reminded them to please complete their exit forms. He reminded Members that have yet to submit their exit forms to the Administrators to do so at their earliest convenience.

D3. FINANCIAL AND TREASURER’S REPORT

Conor updated the board on the financial statements.

Motion to approve financial items.

MOTION: Rhonda Combs **SECOND:** Dave Nunley **MOTION CARRIED**

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

D4. PROGRAM ADMINISTRATORS REPORT

D4a. Account Time Tracking

Conor Boughey explained the account time tracking spreadsheet. The spreadsheet identifies those involved with ACCEL’s account, and the hours they spend working on it. Conor explained that the composite rate has stayed relatively flat. Hours are up very slightly this year. Hours were up last year slightly because of the retro program and training.

E1. ACCEL Excess Liability Program Renewal

Conor Boughey reported the Excess Liability Program renewal. He explained that Starr Indemnity Liability Company (SILC) is no longer serving the California market, so some others are stepping in. Amtrust is one of the carriers considering the account.

Michael Simmons reported that CSAC-EIA was able to provide SANDPIPA with lower rates at low attachment points, and may be able to take on ACCEL.

No action taken.



E2. Optional Excess Workers’ Compensation Program

Conor Boughey explained the Excess Workers’ Compensation Program renewal for those members that participate in the program. Estimates as of March are provided. There is a small increase expected in this year’s renewal.

No action needed, this is an information item.

E3. Member Coverage Endorsements

Last year, ACCEL issued two coverage endorsements. One to the City of Anaheim for their Community Care Response Unit (CCRU) program and the other, an exclusion, to the City of Bakersfield, for a construction project requiring out temporary renting out of homes. Conor Boughey explained that this item is being brought forward for action for reissuing these endorsements again for FY 2015-16.

Michael Simmons stated that any action taken can’t commit the requirement of the new excess carrier to honor these. It is unlikely that will be the case, but possible.

Motion to renew the endorsements subject to excess approval.

MOTION: Patty Haymond **SECOND:** Beverly Jensen **MOTION CARRIED**

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye		X	X	X	X	X	X	X	X	X	X
Nay											
Abstain	X										

TIME CERTAIN 2:45 P.M.

F1. Approval of the 2015 Actuarial Report

John Alltop, ACCEL’s Actuary, presented the Actuarial Report. He explained that their study is based on losses as of 12/31/14 and predicts losses to 6/30/15. The study provides recommendations for the 2015-16 Program Year.

John stated that losses continue to be discounted at 3% per year. Conor asked if the result of the actuarial was typical for the year, and if it matches other Pools. John explained that it is a bigger decrease, so it is similar but ACCEL did better.



Members asked if a 3% discount rate is still the most appropriate? John explained that most Pools are at 1.75% or 2%. 3% is on the high side for a Liability Pool.

Deb Hossli asked if the decrease in projected losses is enough to offset the discount rate? John explained that there will be an increase in the outstanding. He explained that the discount rate is usually looked at every 3 years or so, unless something happens in the meantime necessitating another look.

Conor and John clarified that the discount rate assumed that ACCEL has the outstanding liability amount on the books, but if ACCEL has more funds this additional amount of interest could be used to justify the higher discount rate.

Michael Simmons added that he believes it is prudent to stay at 3% for another year.

A motion was made to Approve the Actual report. Members would like to continue discussion regarding the discount rate at the October meeting.

MOTION: Mark Howard **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

F2. Actuarial Report's Implication on Renewal

Conor Boughey explained the effects of the results of the actuarial report on the renewal for the upcoming years and explained a chart in the Agenda Item illustrating rates.

Michael Simmons explained that they would like the group to understand the chart. It is looking to be a flat renewal. CSAC-EIA could be very competitive, and the group is looking at \$.75 for traditional excess.

Conor explained that carriers have their own actuaries and do their own studies. He believes that a carrier might offer the Pool a deal just based on trying to get a sale, meaning pricing would be beneficial to ACCEL.

F3. Draft Administrative Budget

Conor Boughey reported the draft administrative budget. Some changes include Carl Warren changing to a flat fee, resulting in a reduction of about 15%. Additionally, the legal budget was



increased in the previous fiscal year for a bill review. This year that expenses is unneeded, so the legal budget can be reduced. This is a draft, but will be incorporated into excess year programing.

Rhonda asked if the renewal credit can be added into the budget, as a footnote. Conor confirmed this would be shown on the June budget.

No action was taken; the Budget will be approved at the June Board Meeting.

F4. Draft Retrospective Rating Calculation

Conor Boughey reported that last year \$1,900,000 was taken from the Retro by Members. He explained that due to claims activity, there was a drop of about \$2,000,000 available this year.

Administrators will email a copy of the chart to all Members.

Conor explained that all years prior to 2001-02 have now been closed with the closing of the Schmidlin claim. Also, Administrators would like to close all years 06-07 and before, and then freeze all percentages owed.

No action was taken; the retro calculation will be approved at the June Board Meeting.

F5. Investment Policy – Annual Review

Conor Boughey reported that the policy has been reviewed since the December meeting. Previously the board allowed only 10% of the portfolio to be securities. Chandler would like it to be at 20%. They would also like the cap of Supernationals to be at 15%, up from the previously approved amount of 10%.

The consensus among the Board Members is that they do not want securities to be at 20%.

Administrators will let Chandler know that the changes to the investment policy will not be approved.

Motion to approve the review of the investment policy without any changes

Motion: Charlotte Dunn

Second: Rhonda Combs

MOTION CARRIED



	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

F6. Check Signers for ACCEL

Conor Boughey stated that Ann Richey and Mary Akin were check signers for the Board previously. Claudia Koob is the backup. Due to the departure of Mary Akin, a new check signer is needed as that position (and secretary) is vacant.

Motion to designate Rhonda Combs as check signer, and appoint her as Board Secretary.

Motion: Mark Howard **Second:** Patty Haymond

MOTION CARRIED

	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

F7. Next Two Meetings Schedule

The next meeting scheduled to take place in Monterey, CA, on June 11th and 12th, the following meeting will be held in Santa Barbara on October 15th and 16th.

Mark Howard will not be in attendance. Excess pricing will need to be discussed by June 5th or after the 17th. Rhonda would like Administrators to hold the 11th and 12th open before and after the meeting for consultations.

A motion was made to adjourn the meeting on Thursday April 16, 2015 at 5:10 p.m. and continue Friday, April 17, 2015 at 8:30 a.m.

Motion: Patty Haymond **SECOND:** Charlotte Dunn

MOTION CARRIED

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.

Corporation Insurance License No. 0C36861

100 Pine Street, 11th Floor, San Francisco, CA 94111



	Dave Nunley	Betsy Dolan	Beverly Jensen	Rhonda Combs	Ann Richey	Sandra Blanch	Patty Haymond	Deb Hossli	Charlotte Dunn	Jena Covey	Mark Howard
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

Ann Richey adjourned the meeting on Friday, April 17, 2015 at 11:30 a.m.