



**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING**

**THURSDAY, OCTOBER 13, 2016 AT 3:00 PM &
FRIDAY, OCTOBER 14, 2016 AT 8:30 AM**

**CITY OF VISALIA
City Administration Building
220 N. Santa Fe, Visalia, CA 93292**

MEMBERS PRESENT:

Dave Nunley, City of Anaheim
Jena Covey, City of Bakersfield
Betsy McClinton, City of Burbank
Beverly Jensen, City of Modesto
Michael Andersen, City of Monterey
Ann Richey, City of Ontario
Sandra Blanch, City of Palo Alto
Mark Howard, City of Santa Barbara
Deb Hossli, City of Santa Monica
Charlotte Dunn, City of Visalia

MEMBERS ABSENT:

Claudia Koob, City of Mountain View
Patty Haymond, City of Santa Cruz

GUESTS AND CONSULTANTS:

Michael Simmons, Alliant
Daniel Howell, Alliant
Conor Boughey, Alliant
Lorissa Huey, Alliant
Ken Maiolini, RMS
Charles Raibley, Crowe-Horwath (*October 14th only*)

A. CALL TO ORDER

Mark Howard called the meeting to order at 3:00 PM.



B. Consent Calendar

B1. Approval of Minutes for the June 16 & 17, 2016 Board of Directors Meeting

A motion to approve the minutes for the June 16 & 17, 2016 Board Meeting with the correction to Beverly’s last name in Item C and to update code 897 in Item D1.

MOTION: Ann Richey **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

C. General Risk Management Issues

Jena Covey asked if FMLA starts running after 4850 time is paid. The board discussed this item and agreed that it should start running after 4850.

The Board discussed Carve Out Workers Compensation programs. Dave Nunley asked if any members have experienced actual savings, because Anaheim has looked into the issue and there was limited progress with some departments. Betsy McClinton also noted that the City of Burbank is considering Carve Outs and the City Manager is pushing for them at the City.

D. REPORTS

D1. President’s Report

D1a. Introductions

Mark Howard introduced Michael Andersen from the City of Monterey and the Board Members introduced themselves to Michael.

D1 b. Committee Assignments

The Executive Committee has assigned the Board Members to the Committee positions. Since Michael Andersen is new, he volunteered to be part of the Finance Committee. Conor Boughey pointed out that the Claims Committee has elected Charlotte Dunn as Claims Chair.



D1c. Worker’s Compensation Fraud Conviction of SBPD Officer

Mark Howard discussed a recent Worker’s Compensation Fraud conviction of a SBPD Officer.

D2. Claims Committee’s

D2a. Closed Session – Pursuant to Gov’t Code 54956.95

Motion to enter Closed Session pursuant to Gov’t Code 54956.95

MOTION: Ann Richey **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

The Board entered closed session at 3:49 PM.

A motion was made to come out of closed session at 4:34 PM.

MOTION: Ann Richey **SECOND:** Beverly Jensen **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

Charlotte Dunn announced that direction was given to the Claims Administrator regarding one of the aged claims, while the Board authorized settlement of another claim.



D2b. Liability Claims Administrator and Litigation Manager RFP and Contract

Conor reported that at the June Board meeting, the Board delegated authority to the Claims Committee to issue, review and recommend a Claims Administrator to the Board by the October Board Meeting. Charlotte Dunn reported that the Committee took action at the Claims Committee meeting to recommend Ken Maiolini, RMS.

Ann Richey asked if anyone has any concerns/issues with Ken. The Board discussed that Ken's summaries are easier to read and appreciate that he is present at meetings. Bakersfield wants Ken to meet the city attorney soon to build a good relationship and Modesto, Palo Alto, Burbank wants to be in line as well. Ken has agreed to visit the cities by March 1, 2017.

Mark Howard will discuss with Ken on how ACCEL would like the Claims Watch List to be presented. Dan Howell offered for Alliant to assist with the template and formatting.

A motion to approve the contract with Ken Maiolini, RMS and delegate authority to the President to execute the proposed agreement.

MOTION: Ann Richey **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										



D3. Financial and Treasurer’s

D3a-e. Financial Items

Conor Boughey walked through the financial items paying particular attention to the Member Account Summary report. Members discussed the reports and questions were answered.

A motion to approve all the reports, assign the Finance Committee to review the Profit Loss Report, assign to Program Administrator to remove from view the \$500,000 excess layer on the MAS Report and at the June Board Meeting report on what we are actually requesting to administratively close.

MOTION: Ann Richey **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										



D3f. Financial Audit as of June 30, 2016

Charles Raibley of Crowe-Horwath presented the Financial Audit. Charles reported that the Management Discussion and Analysis (MD&A) was prepared by Alliant, that the audit is in the agenda packet is complete and contains no misrepresentations and no changes to the numbers are expected.

Charles reported that there were no outstanding issues.

A motion was made to approve the final audit and direction was given to Alliant to distribute the audit within 5 business days.

MOTION: Betsy McClinton **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D4. Underwriting Committee’s

D4a. ACCEL’s Memorandum of Coverage – Unmanned Aerial Vehicles

Conor reported that ACCEL excludes Aircraft and that Unmanned Aerial Vehicles (UAVs, commonly referred to as drones) are considered Aircraft by the FAA. Due to the increased desire for municipalities to use drones, and to contract with firms who use drones, ACCEL may want to consider amending the MOC to include UAV coverage.

The Board discussed that the proposed language is very restrictive and to fix the word “manor” to “manner” on the first page of the MOC.

The Underwriting Committee was assigned the task to make the wording less restrictive, focus on size, not compliance, and to present the revised wording at the December Board meeting.



D5. Program Administrator’s

D5a. Signature Stamps for ACCEL Checks

Conor reported that ACCEL continues to issue more checks due to changes in administrative procedure regarding the Travel Policy, along with an increased frequency of claims penetrating the ACCEL layer. Issuing a check currently takes 4-5 days. To expedite and streamline this process Conor Boughey proposed the use of Signature stamps (or ‘plates’) so that once the approval for the check run is received by authorized signatures, the checks can be processed and issued to the respective parties within 24 hours.

A motion to approve the new procedure.

MOTION: Ann Richey **SECOND:** Deb Hossli **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D5b. Summary of Coverage

Conor reported that each year the Program Administrators create a summary of insurance for each Member. Jena Covey recommended that we delete the ‘Not Purchased’ sections for each individual city summary of coverage because if they provide this document in a lawsuit there will be questions on why the city did not purchase excess coverage.

No action was taken.

D5c. Long Range Planning & December Agenda

Conor reported that ACCEL traditionally holds a Long Range Planning (LRP) meeting every other year during the December Board meeting. ACCEL’s last meeting was in 2015, and the next regularly scheduled LRP is 2017.

The Board agreed to continue this schedule.



E. UNFINISHED BUSINESS

E1. Historical Compensation Disclosure

In a letter dated July 26, 2016, sent to Mark Howard and Deb Hossli, information was provided that disclosed an error in the collection by accident of an extra 1% commission on the \$10M xs \$5M layer. This resulted in Alliant’s compensation exceeding Alliant’s agreed to contractually rate of 4%. The error started July 1, 2007 and continued until July 1, 2015. It was corrected for the 7/1/16 renewals. The Board agreed that the Executive Committee would develop a recommendation.

A motion was made to approve the reimbursement to ACCEL of \$127,778 in two installments. Interest will be added to the second installment of \$62,899 at the rate of investment income ACCEL would have earned for the period 7/1/17 – 6/30/18 as agreed by the ACCEL Treasurer. The payment installment dates are 7/1/2017 and 7/1/2018. Further, the Administrators will work with the Finance Committee to review and improve the Workers Compensation Insurance language in the Program Administration Contract so that Alliant cannot try to collect any unearned compensation from the workers compensation program.

MOTION: Dave Nunley **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										



E2. ACCEL Workers Compensation Pooling Evaluation

Michael Simmons reported that the Board instructed the Program Administrators to budget funds to work with a Workers Compensation actuary to evaluate the feasibility of creating an ACCEL shared risk workers compensation layer. Mujtaba Datoof of Aon created a proposal for WC actuarial study. The Board decided to create an Ad Hoc Committee which consists of Deb Hossli, Betsy McClinton, Jena Covey, Beverly Jensen and Dave Nunley.

A motion to approve the proposal from Aon.

MOTION: Ann Richey **SECOND:** Betsy McClinton **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3. 2016 Retrospective Rating Plan – Refund Requests

Members are reminded that if they would like to withdraw funds, they need to submit the request in writing to the Treasurer or Program Administrators what amount they would like refunded, and indicate which Program Years to apply the payment to. None of the members present requested a retro refund.



E4. ACCEL’s Declarations Page – Anaheim’s CCRU

Conor reported that the City of Anaheim was able to obtain primary coverage for the Community Care Response Unit (CCRU) through the CSAC EIA Med Mal program, which provides coverage to \$5,000,000. In order to protect the ACCEL layer, and allow the city’s primary coverage to attach directly to excess, the City has asked ACCEL to remove coverage arising out of the CCRU.

A motion to amend the declaration page as of 7/1/2016.

MOTION: Ann Richey **SECOND:** Deb Hossli **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

F. NEW BUSINESS

F1. ACCEL’s Claims Reporting

Due to recent large losses affecting the ACCEL’s layer of coverage it is agreed the Board would begin preparing for a detailed discussion of risk analysis for pending litigation, police use of force, adding items to the Closed Session list, and excess claims: 10 year history by member.

A motion to have Claims Committee Chair, Charlotte Dunn to give direction to Ken to send the projected Claims Watch List 30 days prior to meeting.

MOTION: Beverly Jensen **SECOND:** Ann Richey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										



F2. 2017 Proposed Calendar of Meetings

A motion was made to approve the 2017 Proposed Calendar of Meetings as presented.

MOTION: Beverly Jensen **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Ann Richey	Sandra Blanch	Mark Howard	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

F2a. PARMA Conference Board Meeting Date

The February 15, 2017 Board meeting during the PARMA Conference will have lunch at 11:30 AM in the meeting room and the meeting will start at 12:15 PM.

F3. Next Two Meetings Schedule

The next two meetings are scheduled to be held at the City of San Francisco and City of Anaheim.

G. CORRESPONDENCE AND INFORMATION

G1. PARMA Conference Information

No discussion on this item.

H. PUBLIC COMMENTS

No Public Comments were made.

ADJOURNMENT

Mark Howard adjourned the meeting 11:36 AM.