



**MINUTES OF THE  
ACCEL BOARD OF DIRECTORS MEETING  
DECEMBER 10, 2015 AT 2:30 PM  
AND DECEMBER 11, 2015 AT 8:30 AM  
MEETING LOCATION:  
ALLIANT INSURANCE SERVICES, INC.  
100 PINE STREET, 11<sup>th</sup> FLOOR  
SAN FRANCISCO, CA 94111**

**MEMBERS PRESENT**

Dave Nunley, City of Anaheim  
Beverly Jensen, City of Modesto  
Rhonda Combs, City of Monterey  
Claudia Koob, City of Mountain View  
Ann Richey, City of Ontario  
Sandra Blanch, City of Palo Alto  
Mark Howard, City of Santa Barbara  
Patty Haymond, City of Santa Cruz  
Deb Hossli, City of Santa Monica

**MEMBERS ABSENT**

Jena Covey, City of Bakersfield  
Betsy Dolan, City of Burbank  
Charlotte Dunn, City of Visalia

**GUESTS AND CONSULTANTS**

Conor Boughey, Alliant Insurance Services, Inc.  
Vadim Livshits, Alliant Insurance Services, Inc.  
Daniel Howell, Alliant Insurance Services, Inc.  
Tim Thompson, Carl Warren & Co.  
Brandon Schlenker, Carl Warren & Co.  
Dave Bomberger, City of Santa Monica

**A. CALL TO ORDER**

Mark Howard called the meeting to order at 2:33 p.m. on Thursday, December 10, 2015  
Mark Howard called the meeting to order at 8:37 a.m. on Friday, December 11, 2015

**B. CONSENT CALENDAR**

**B1. Approval of the Minutes of the October 15 & 16, 2015 Board Meeting**



**B2. Approval of Changes to the Claims Reporting Procedure**

**B3. Authorization of Agreement with Byrne Conley**

**B4. Approval of the Final 2014/15 Audit**

Motion to approve the Consent Calendar.

**MOTION:** Sandra Blanch    **SECOND:** Dave Nunley    **MOTION CARRIED**

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

**C. GENERAL RISK MANAGEMENT ISSUES**

Mark Howard asked if other Cities require insurance or an additional insured endorsement for encroachment. Most cities answered that they do not, they only require an indemnity agreement.

Dave Nunley inquired how other Member Cities claims system conversions are progressing? Santa Monica is close to reaching a deal. Daniel Howell added that there are only really three companies responding to RFPs.

Ann Richey recommends that all City employees are trained on where to go in case of an emergency. They should also be trained to respond to an active shooter by running, hiding or fighting, in that order.

The City of Mountain View is considering an agreement with the United States Air Force whereas the City would provide assistance to the Air Force in the event of some sort of emergency at Moffett Field. Claudia would like to make sure there are no exclusions in the MOC that would prevent ACCEL from providing coverage for this event. The Board has no issues with this service, noting that it is in essence a mutual aid agreement just like the ones that all Member Cities are part of.

**D. REPORTS**

**D1. Presidents Report**

None.



### D2. Claims Committee's

#### D2a. Report from the October 15, 2015 Claims Committee Meeting

There was no report from the Claims Committee.

#### D2b. Closed Session

Motion to enter closed session.

**MOTION:** Ann Richey      **SECOND:** Claudia Koob      **MOTION CARRIED**

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

The Board entered Closed Session at 4:27 p.m.

Motion to exit Closed Session.

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

No reportable action was taken during closed session.

### D3. Financial and Treasurers

#### D3a. Ratification of Disbursements

##### D3a1. Month Ending October 31, 2015

##### D3a2. Month Ending November 30, 2015

#### D3b. Report of Investments

##### D3b1. Month Ending October 31, 2015

##### D3b2. Month Ending November 30, 2015

#### D3c. Quarterly Financial Report as of September 30, 2015



**D3d. Member Account Summary as of September 30, 2015**

**D3e. ACCEL Projected Cash Flow Obligations as of September 30, 2015**

Conor Boughey reported items D3a-D3e.

Motion to accept the financial report.

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

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

**D4a. 2016 State of the Marketplace Report**

This discussion item has been moved to the February Board of Directors Meeting.

**D4b. Alliant Disclosure Presentation**

Conor Boughey explained that this report has been given since 2011 for the purposes of transparency. He detailed how much the broker and administration fee are, and what commission Alliant is allowed to earn, and on what types of placements. Alliant earns about half of the standard commission on the excess workers compensation placements and first excess liability policy.

**E. UNFINISHED BUSINESS**

**E1. Super Bowl Coverage Issues**

Conor Boughey recapped the discussion regarding this item from previous meetings.

The administrators wrote a letter to the City of Palo Alto, and other nearby Cities, who are involved in the Super Bowl, about the preferred language in the 2018 double-badging agreement.

Only Palo Alto was able to renegotiate their contract, because they are housing one of the Super Bowl teams that will be practicing in their City in the lead-up to the game. The City of Mountain View decided to terminate their agreement with the City of Santa Clara as the City of Santa Clara would not agree to amend the previously signed contract. The Administrators worked with the City of Palo Alto, which addressed the Board’s concerns as best as they could. The new



contract is deemed favorable, and will be presented before the City Council of Palo Alto for approval on December 14, 2015.

The Board determined that because no exclusions in the ACCEL Memorandum of Coverage regarding this event exist, action is not necessary for this item. Sandra Blanch of the City of Palo Alto was agreeable to this determination. President Mark Howard asked that all Members present at the meeting agreed individually that no exclusions exist. No Members raise any issues.

No action was taken.

### **E2. IRS Tax Reporting Memorandum of Coverage (MOC) Revision**

Conor Boughey explained that at the Claims Committee met on October 15<sup>th</sup> to discuss potential changes to the MOC, that meeting resulted in direction to amend the MOC to change ACCEL from a ‘pay on behalf of’ to a reimbursement policy. This item is to approve the change to the MOC.

Motion to approve the revision retroactive to July 1, 2015.

**MOTION:** Ann Richey

**SECOND:** Deb Hossli

**MOTION CARRIED**

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### **E3. ICRMA Update**

Conor Boughey reported that in addition to Dave Nunley and Ann Richey communicating with the City of Fullerton, he had a call with Beth Lyons, the current Program Administrator for ICRMA. ICRMA issued a Request for Proposal for Program Administration, and there were several responses, which they are evaluating. Dave reported that the Cities of Culver City and Azusa are withdrawing and the City of Fullerton is currently non-committal. Currently there may be a few members that are prospects for ACCEL, but too much remains unknown to be certain at this time.

### **F. NEW BUSINESS**



### F1. ACCEL's Minutes Distribution Timeline

Conor Boughey informed the Board that the Board President requested the Administrators agree to a timeline for distributing the minutes. In order to institute the timeline, the Board would have to take action by resolution, provide direction for the next contract renewal or approve an amendment of the Program Administration contract.

A motion was made to amend the current Program Administration Contract and add language to the Scope of Work for any future contract. The Amendment will include language requiring the Program Administrator to distribute minutes electronically to all Board Members within two weeks after a meeting. All committee meeting draft minutes will also be drafted and distributed on the same timeline to all Board Members.

**MOTION:** Ann Richey      **SECOND:** Rhonda Combs      **MOTION CARRIED**

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

### F2. Program Administration Contract

Conor Boughey explained that the current Program Administration Contract is structured as three-year contract with two one-year contract extension option. He explained that the contract can now be renewed, extended for one year, or the Pool can issue an RFP for Program Administration Services. To renegotiate a contract an Ad hoc committee would have to be formed for substantive intervening review.

The Program Administrators were excused for the Board to discuss this item.

The Board discussed the Contract and noted that there are some things that they would like to see administratively, but overall the comments were positive. The Board would like a one-year extension at 2%, (\$225,500) and will come up with an administrative evaluation procedure. They would also like to issue an RFP as a due diligence.

The Administrator selection process will be held for a July 1, 2017 start date.

The Administrators will provide a draft Program Administration Contract to use as a model.



Motion to extend program admin contract for one year with a fee of \$225,500.

**MOTION:** Ann Richey      **SECOND:** Patty Haymond      **MOTION CARRIED**

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

The Ad hoc committee is Sandra Blanch, Rhonda Combs, Ann Richey and Beverly Jensen.

### F3. ACCEL: 30 Years of Success

Conor explained that July 1, 2016 is the 30 year anniversary of ACCEL and asked if the Board wants to do anything to celebrate or recognize the success of ACCEL. The Board would like some kind of marketing tool, such as a nicely printed pamphlet that explains what ACCEL is, the cost savings it provides, and backup saying what it means for each Member City, including savings, etc. Dave Nunley suggests adding what it would have cost if the members went to the marketplace excess their SIR.

This item will be brought back at the February Board of Directors meeting as a rough draft. Things like claims control, etc., will be motioned. This will be a rough draft of the content to be included. At minimum, the packet will include a cover, basic information about the authority, financial charts and the Member’s city seals.

The pamphlet should note, that what makes pools special, is that they aren’t tied to the insurance market and can offer very broad coverage.

**MOTION:** Rhonda Combs      **SECOND:** Ann Richey      **MOTION CARRIED**

	Dave Nunley	Beverly Jensen	Rhonda Combs	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X
Nay									
Abstain									

## **F4. Next Two Meetings Schedule**

Direction to Program Administrators to add estimated start times to meetings on the next two meeting schedule item.

## **G. LONG RANGE PLANNING**

### **G1. Target Equity Ratios**

Conor Boughey presented to the Board on Target Equity Ratios, which outlined the financial condition of ACCEL. For the current year, ACCEL reached all of the self-imposed goals of the organization. Conor also showed a quick review of ICRMA, which did not meet any of its goals.

### **G2. Alliant Connect vs. ACCEL Member Website**

The Board gave direction to remove the old “Members” section from the ACCEL website and replace it with a link to AlliantConnect. Vadim Livshits will work with Member Cities to make sure everything is up and running.

### **G3. Liability Pool Funding and Potential Offset of Quota Share Layer**

Daniel Howell presented on Liability Pool Funding.

The Board gave direction to the administrators to present a comparison of coverage at the February Board Meeting.

Administrators will invite the underwriter to the February Board Meeting at PARMA.

### **G4. Underwriting Standards Recap**

Members discussed the Underwriting Exposure Questionnaire. Question 8 and 15 are too similar. Question 8 should be eliminated. Question 17 should be the first or second question. 11 and 12 should be combined.

Direction to add this item to the next Underwriting Committee Meeting for review and consolidation.

### **G5. New Member Marketing**

Conor explained that this is an item that is always on the LRP agenda. This item is so that Members are aware that quality new members would be an asset to the pool, and current Members should be aware of any potential members and bring them to the attention of the Pool.

Direction to invite City of Carlsbad to the February meeting. Also note that there is an open invitation to any ACCEL Board Meeting.





## **G6. Actuarial Study**

Conor explained that the actuarial study is provided annually. He explained why the data used by the actuary is the data that is used.

Conor further explained the financial considerations included in the study, such as discount rate, confidence levels and ACCEL's history on selecting funding targets.

The Board reviewed the financial information and did not give direction to make any changes to the report or funding.

## **G7. Insurance Requirements in Contracts (IRIC) Presentation**

Daniel Howell presented an IRIC update with some of the new areas of concern that will be included in the next IRIC update, including cyber liability coverage requirements for vendors.

## **G8. Additional Topics of Interest**

At the April Board Meeting Members will discuss the first question and incorporate it into the 30 year report. A request was made to add to the 30 year report how the Board acts as peer support for the Risk Management profession, and Members are able to gather and discuss risk management issues that are facing similar entities.

Mark Howard adjourned the meeting on Friday, December 11, 2015 at 12:00 p.m.