



MINUTES OF THE ACCEL BOARD OF DIRECTORS MEETING

Thursday, March 22, 2018 at 1:00 PM

Friday, March 23, 2018 at 8:30 AM

**The Community Services Building - Room #104
150 N. Third Street, Burbank, CA 91502**

MEMBERS PRESENT:

Dave Nunley, City of Anaheim
Jena Covey, City of Bakersfield
Betsy McClinton, City of Burbank
Norma Santoyo, City of Modesto
Michael Andersen, City of Monterey
Jeannette Chavez, City of Ontario
Patty Haymond, City of Santa Cruz
Deb Hossli, City of Santa Monica
Charlotte Dunn, City of Visalia

MEMBERS ABSENT:

Claudia Koob, City of Mountain View
Sandra Blanch, City of Palo Alto

GUESTS AND CONSULTANTS:

Oles Gordeev, City of Santa Monica
Scott Carpinteri, Swiss Re (*Thursday, March 22, 2018 only; arrived at 4:00 PM and left at 5:00 PM*)
Mike Harrington, Bickmore (*Friday, March 23, 2018 only; arrived at 8:30 AM and left at 9:30 AM*)
Mark Howard, City of Santa Barbara (*joined via teleconference on Friday, March 23, 2018 at 9:40 AM*)
Michael Simmons, Alliant Insurance Services
Daniel Howell, Alliant Insurance Services (*Thursday, March 22, 2018 only; left at 4:15 PM*)
Lorissa Huey, Alliant Insurance Services
Ken Maiolini, Risk Management Services (*Thursday, March 22, 2018 only*)

A. CALL TO ORDER

Dave Nunley called the meeting to order at 1:00 PM on Thursday, March 22, 2018.
Dave Nunley called the meeting to order at 8:30 AM on Friday, March 23, 2018.

B. CONSENT CALENDAR

B1. Approval of Minutes for the December 14 and 15, 2017 Board Meeting



- B2. Approval of Minutes for the January 9, 2018 Special Board Meeting**
- B3. Approval of Minutes for the February 22, 2018 Special Board Meeting**
- B4. Executive Committee Job Descriptions**
- B5. Accounting Guide – December 2017**
- B6. Investment Policy – December 2017**

A motion was made to approve the consent calendar with the corrections to the December 14 and 15, 2017 Board Meeting minutes, (1) change Deb Hossli from “Aye” to “Nay for Item D2b., and (2) take out the word “of” in the first paragraph, line four, after “...to the Board...” in Item D5a.

MOTION: Jena Covey **SECOND:** Michael Andersen **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

C. GENERAL RISK MANAGEMENT ISSUES

Jena Covey mentioned that the City of Bakersfield is performing PTSD training for the police department and eventually will have training for the fire department. The City has recently started the ShotSpotter Program, which is a technology that pinpoints where shots are being fired. She also reported that the City is utilizing body worn cameras in the pilot program contracted through LensLock. Also, Jena asked if other member cities have a written Voluntary Respiratory Program.

Patty Haymond stated that the City of Santa Cruz recently opened a homeless campground. It is a gated area where you can only arrive by a city shuttle. Also, the camp feeds the residents once a day, and veterinary services are provided.

Jeannette Chavez reported that the City of Ontario is undergoing Cal OSHA inspections. She asked members who has had experience in this and members provided feedback.

Dave Nunley inquired about what are the other members’ confidence funding levels for workers’ compensation and liability at their respective cities.



D. REPORTS

D1. President’s Report

D1a. New Representatives’ Introductions

Dave Nunley on behalf of the ACCEL Board gave a warm welcome to the two new representatives from the City of Ontario and City of Modesto.

Jeannette Chavez, City of Ontario and Norma Santoyo, City of Modesto each provided a brief introduction about themselves.

D1b. Appointment of Nominating Committee

Charlotte Dunn and Jeannette Chavez were nominated to be the Nominating Committee and will survey the Board for Officer Nominations for the following fiscal year and then report those nominations at the June 2018 Board Meeting.

D1c. Updating 2017-18 Committee Assignments

Dave Nunley reported that there are currently vacancies on the Claims Committee, Finance Committee and Underwriting Committee. The Claims Committee currently has four members, and reaching a quorum is easiest with one more member on the Committee.

A motion was made to add Jeannette Chavez to the Claims Committee.

MOTION: Jena Covey **SECOND:** Norma Santoyo **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

D1d. Legislative Update

There was no discussion on this item.



D2. Claims Committee's Report

D2a. CLOSED SESSION – Pursuant to Gov't Code 54956.95

A motion was made to enter into Closed Session at 3:10 PM.

MOTION: Michael Andersen **SECOND:** Patty Haymond **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

A motion was made to come out of Closed Session at 3:42 PM.

MOTION: Charlotte Dunn **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

Deb Hossli, Claims Committee Chair reported that there was nothing to report out of Closed Session.

D2b. Risk Management Services - 2018 AmTrust Claims Audit

Ken Maiolini, Risk Management Services reported that AmTrust has completed a claims audit, and the results are attached in the agenda packet. Ken discussed his response to the AmTrust claims audit.

No reportable action took place.



D2c. Report from Claims Committee – Liability Claims Auditor RFP

Deb Hossli reported that the Claims Committee interviewed three firms: (1) Bickmore, (2) Farley Consulting Services, and (3) Praxis Claims Consulting on March 22, 2018 right before the Board Meeting.

The Claims Committee took action to make a recommendation to the Board to hire Praxis Claims Consulting as ACCEL’s Liability Claims Auditor. The audit schedule will start in the fall this year and stay on a fall cycle.

A motion was made to authorize the ACCEL President to sign the contact with Praxis Claims Consulting.

MOTION: Betsy McClinton **SECOND:** Patty Haymond **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												



D3a-e. Financial and Treasurer's Report

Jena Covey and Michael Simmons walked through the financial items.

Betsy McClinton mentioned that Conor Boughey created a net position report for Burbank in the past and found it helpful to show to others, such as the City's Financial Director, if they ask why being part of a risk sharing pool such as ACCEL is better than buying insurance. The Board requested that the Program Administrators prepare a net position report for all the member cities after July 1, 2018 for the September 2018 Long Range Planning.

A motion was made to approve the financial items.

MOTION: Michael Andersen **SECOND:** Patty Haymond **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Char/lotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

D4. Program Administrator's Report

D4a. New Member Marketing

Michael Simmons provided a brief verbal report regarding two cities, City of Salinas and the City of Beverly Hills who have expressed interest in considering membership to a risk sharing organization, but have not previously shared risk.

This Item will be agendized on the September 11, 2018 Long Range Planning agenda for further discussion.



D4b. Amgen Tour of California

Michael Simmons reported that Alliant is working with many of the host sites for the 2018 Amgen Tour of California to try to improve the contract language with respects to insurance requirements and obligations of the host site. This year a number of risk management professionals have taken the time to clearly document the appropriate and necessary changes to protect the public agencies involved, and hope to have a uniform response to Amgen, and have all the agreements updated with the proposed changes.

The Program Administrators recommend to the members to keep this contract in their files in case Amgen comes through their cities in the future.

D5. Underwriting Committee’s Report

D5a. ACCEL’s Memorandum of Coverage – Proposed Amendments to Exclusion O.

Dave Nunley reported that the Underwriting Committee met on February 15, 2018 to discuss the best way to add language to Exclusion O. to address limiting coverage for code enforcement. Byrne Conley, ACCEL’s Legal Counsel attended to answer any questions to ensure that additional exposures are not unintentionally excluded.

The Committee made a motion to recommend to the Board to accept the color coded language as shown in the Agenda Packet, right after “land use regulation” in Exclusion O., “Code Enforcement, the adoption or administrative application of any ordinance, resolution or regulation, rent control, or zoning”.

A motion was made to approve as presented effective 7/1/2018.

MOTION: Jena Covey **SECOND:** Norma Santoyo **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												



D5b. New Exposure Questionnaire

Dave Nunley reported that at the February 15, 2018 Underwriting Committee Meeting, the Committee reviewed the revised format of the New Exposure Questionnaire that Deb Hossli volunteered to revise. The Committee took action to make a recommendation to the Board to accept as presented.

A motion was made to approve as presented

MOTION: Michael Andersen **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

D5c. Ontario Airport Services

Dave Nunley reported that the City of Ontario has completed the New Exposure Questionnaire regarding the new exposure of the City providing police, fire, human resources, and information technology services to Ontario International Airport Authority (OIAA, a separate legal entity). The Underwriting Committee met on March 8, 2018 to discuss the agreements related to these services.

After review and discussion with the City, the Underwriting Committee took action to direct the City of Ontario to amend the contracts to be more in line with coverage and to clarify the intent of coverage. OIAA purchases insurance coverage for airport operations, and the agreements should reference that coverage, and not indemnification from the City.

The information technology contract needs to eliminate the obligation of indemnity which Conor Boughey and Michael Simmons will discuss. Also, they will work on amending the human resources contract.

No reportable action took place.



E. UNFINISHED BUSINESS

E1. Board Member Job Description

Dave Nunley reported that at the December 2017 Board Meeting, direction was given to the Program Administrators to circulate a draft for a Board Member Job Description to the members for review. The Program Administrators received feedback from the members and included in the agenda packet is the final draft.

A motion was made was made to accept and file.

MOTION: Jena Covey **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

E2. September Long Range Planning Location and Scheduling

Michael Simmons reported that the Long Range Planning (LRP) will be held in Folsom at CSAC EIA’s office on Tuesday, September 11, 2018. To accommodate everyone’s needs, mostly everyone will fly into the Sacramento airport by 10:00 AM at the latest. The LRP may start around 11:00 AM or 12:00 PM depending on flights, which the Program Administrators will look into. The LRP will end around 4:00 PM, and anyone who is attending the CAJPA conference (September 12 – 14, 2018) will carpool to South Lake Tahoe.

Michael reminded the Board to let the Program Administrators know if there is anything they will like to add to the LRP agenda. At the June 2018 Board Meeting, a draft of the LRP agenda will be presented.

No reportable action took place.

F. NEW BUSINESS

F1. 2018 Actuarial Report Approval

Mike Harrington, ACCEL's Actuary presented the 2018 Liability Actuarial Report. The actuarial report has been prepared based on the December 31, 2017 member loss runs and will be used for the June 30, 2018 liability rates.

The Board discussed with Mike Harrington different scenarios such as, if Anaheim, Bakersfield, Santa Monica each or all went to a \$2M SIR, and the rest of the members stay at \$1M, and how the rates would be affected.

Michael Simmons will send a very specific email to Mike Harrington detailing the different scenarios the Board is requesting. Direction was given to Mike Harrington to revise the actuarial report with the requested scenarios by the June 2018 Board Meeting.

The various scenarios will be agendaized for further discussion at the September 2018 Long Range Planning so members will have time to think about it over the summer.

F2. Swiss Re: Preparing for the Future

Scott Carpinteri, Swiss Re presented to the Board a new insurance product: parametric product coverage. Unlike traditional insurance products relying on financial denominated loss, parametric product coverage is triggered when specified events take place. These parametric products were originally targeted to insurers and reinsurers, but are now being crafted for larger public entity risks.

Members asked questions, which were addressed.

F3. Excess Liability Program Renewal Expectations

Daniel Howell reported that for the ACCEL Excess Liability Program renewing July 1, 2018, all the applications are out and Alliant is discussing renewal terms with the incumbent markets. Dan discussed the various predictions of premium increases due to the substantial year over year loss development. This increase is partly due to ACCEL's Third Party Administrator, Risk Management Services accurately reflecting claim reserves sooner rather than later.

Daniel mentioned that Ironshore which is currently on the \$10M xs \$30M layer, recently was bought by Liberty Mutual and is coming off this layer because they have decided not to insure municipals in California. On the flip side, other markets have expressed interest in this layer.

No reportable action took place.



F4. Optional Excess Workers' Compensation Renewal

Michael Simmons discussed that ACCEL's members have the option to join CSAC-EIA through a 'group purchase' (ACCEL has no risk sharing for Workers Compensation). Each member is able to select their individual SIR and can be billed directly by CSAC-EIA. The CSAC-EIA Excess Workers Compensation Program renews on July 1, 2018 for the 10 members who participate. The estimated renewal pricing attached in the agenda packet are as of March 2018.

F5. Member Declarations Page – Additional Named Parties

Michael Simmons reported that the Board annually reviews their Additional Named Parties on their declaration pages. Michael reminded the Board to be aware of when the Redevelopment Agency may be divested, which is when all the properties are sold, and to notify the Program Administrators when that occurs.

A motion was made to accept as presented for the issuance of the declaration pages effective July 1, 2018 subject to the confirmation from the three absent member cities: City of Mountain View, City of Palo Alto, and City of Santa Barbara. The Program Administrators will email these cities to confirm by May 1, 2018. If there are any changes, members should let the Program Administrators know by May 1, 2018, and if the cities do not respond by then, the Program Administrators will issue the declaration pages as presented.

MOTION: Michael Andersen **SECOND:** Norma Santoyo **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Char/otte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												

F6. Draft Administration Budget

Michael Simmons presented the draft administration budget. Michael asked the members who thinks they will be attending the CAJPA conference and stated that it will cost about \$1,000 each person. This expense goes under the Member Training category, which the Program Administrators have increased by \$4,000 as reflected in the draft. The Banking Fee category has been increased due to increasing Union Bank fees. Also, the Program Administration and Claims Administration fees have been adjusted to match the current term of each contract.

He also reminded the Board that the budget gets adopted at the June Board meeting.



Direction was given to the Program Administrators to change the claims audit budget from \$48,000 to \$51,000.

F7. Draft Retrospective Rating Calculation

Michael Simmons walked through the 2018 Retrospective Rating Calculation draft and reminded the Board that at the June 2017 Board Meeting, the Board took action to administratively freeze fiscal years up to 2007/08, and this year’s retro calculation shows the prior funds on account, rolling forward to the 2008/09 year.

Also, at the June 2017 Board Meeting, the Board took action to establish a \$4M restricted reserve applying \$1M to four years. In the draft, the Program Administrators unrestricted the funds and returned it to those four years.

Members asked questions and discussed. No reportable action took place.

F8. Conflict of Interest Code – Biennial Review

Michael Simmons reported that every other year ACCEL is required to readopt the Conflict of Interest Code. At the June 2017 Board Meeting, direction was given to the Program Administrators to amend the language in Appendix A that clarifies who is a Section 87200 filer, and agendaize for the Spring 2018 Board Meeting.

A motion was made to approve the proposed wording as presented in the agenda packet: “It has been determined that the positions listed below manage public investments and will file Statements of Economic Interest Pursuant to Government Code 87200:”.

MOTION: Deb Hossli **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Norma Santoyo	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli	Charlotte Dunn
Aye	X	X	X	X	X		X			X	X	X
Nay												
Abstain												



F9. Schedule of the Next Two Board of Directors Meetings

The next Board Meeting will be in San Jose, CA on June 21 and 22, 2018. The meeting will start at 1:00 PM on Thursday and 8:30 AM on Friday unless otherwise stated.

The Long Range Planning will be held in Folsom, CA at the CSAC EIA office on September 11, 2018. The start time will be contingent upon schedules of flights and what is on the agenda.

G. CORRESPONDENCE / INFORMATION

G1. Active Shooter Risk Management Resources – No discussion on this item was made.

G2. State of the Market Property – January 2018 – No discussion on this item was made.

G3. EIA Annual Report – No discussion on this item was made.

H. PUBLIC COMMENTS – No public comments were made.

ADJOURNMENT

Dave Nunley adjourned the meeting at 5:00 PM on Thursday, March 22, 2018.

Dave Nunley adjourned the meeting at 11:37 AM on Friday, March 23, 2018.