

## ACCEL BOARD OF DIRECTORS MEETING

**Day 1 - Thursday, March 21, 2024 at 12:00 PM**

**Day 2 - Friday, March 22, 2024 at 8:30 AM**

### LOCATION:

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

### MEMBERS PRESENT:

Tracey Matthews, City of Anaheim (*arrived at 12:34 PM on Thursday, March 21, 2024*)

Jena Covey, City of Bakersfield

Alvaro Valdez, City of Burbank Alternate

Christina Alger, City of Modesto Alternate

Rafaela King, City of Monterey

Derek Rampone, City of Mountain View

(*arrived at 12:02 PM on Thursday, March 21, 2024; arrived at 8:37 AM on Friday, March 22, 2024*)

Numeya Williams, City of Ontario (*arrived at 12:02 PM on Thursday, March 21, 2024*)

Sandra Blanch, City of Palo Alto

Rhonda Combs, City of Salinas (*arrived at 12:02 PM on Thursday, March 21, 2024*)

Mark Howard, City of Santa Barbara

(*arrived at 12:08 PM on Thursday, March 21, 2024; arrived at 8:50 AM on Friday, March 22, 2024*)

Ross Brandon, City of Santa Cruz

Oles Gordeev, City of Santa Monica

Andrew Guzman, City of Visalia

### MEMBERS ABSENT:

None

### GUESTS AND CONSULTANTS:

Mike Harrington, Bickmore (*Thursday, March 21, 2024 only, arrived at 1:45 PM, left at 2:25 PM*)

Steve Brower, Brower Law Group (*Thursday, March 21, 2024 only, arrived at 2:50 PM, left at 3:15 PM*)

Gina Dean, PRISM (*Friday, March 22, 2024 only, left at 9:50 AM*)

Ben Oram, George Hills Company

David Trautz, George Hills Company (*Thursday, March 21, 2024 only*)

John Chaquica, George Hills Company (*Thursday, March 21, 2024 only, left at 3:51 PM*)

Chris Shaffer, George Hills Company (*Thursday, March 21, 2024 only, left at 3:51 PM*)

Daniel Howell, Alliant Insurance Services

Conor Boughey, Alliant Insurance Services

Lorissa Huey, Alliant Insurance Services

Thomas Joyce, Alliant Insurance Services (*left at 3:51 PM on Thursday, March 21, 2024*)



**A. CALL TO ORDER**

Jena Covey called the meeting to order on Thursday, March 21, 2024 at 12:00 PM.  
 Jena Covey called the meeting to order on Friday, March 22, 2024 at 8:30 AM.

**B. CONSENT CALENDAR**

- B1. Approval of Minutes for the January 18 and 19, 2024 Board Meeting**
- B2. Approval of Minutes for the March 4, 2024 Special Board Meeting**
- B3. ACCEL Bylaws – Amended and Restated – January 18, 2024**
- B4. ACCEL’s Investment Policy and Procedure – Amended January 18, 2024**
- B5. ACCEL 23-24 \$4M excess of \$1M Memorandum of Coverage – Amended 3-5-24**

A motion was made to approve the consent calendar.

**MOTION:** Ross Brandon **SECOND:** Sandra Blanch **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
|---------|-----------------|------------|---------------|-----------------|--------------|---------------|-----------------|---------------|--------------|-------------|--------------|--------------|---------------|
| Aye     |                 | X          | X             | X               | X            |               |                 | X             |              |             | X            | X            | X             |
| Nay     |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |
| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

**C. GENERAL RISK MANAGEMENT ISSUES**

Conor Boughey, Alliant asked if the Members have a policy and procedure for employee driving standards. The City of Monterey has a policy sample and it will be posted on the ACCEL Website Discussion Forum.

Rhonda Combs, City of Salinas inquired if other Cities offer rewards to individuals who turn in illegal fireworks.

Oles Gordeev, City of Santa Monica will submit a New Exposure Questionnaire regarding Ambulance Transport.

Jena Covey, City of Bakersfield asked if any of the Members have best practices for handling the exposure of bed bugs for employees such as the Police Service and Code Enforcements who move items in homeless camps. Other Members reported that they outsource to a hazmat company.



Jena also reported that Medicare has changed its reimbursement program by allowing street health outreach to be reimbursable. Vendors such as Kern Behavior Health and Clinica Sierra Vista will be providing health care to the unhoused at the riverbed in the City of Bakersfield every week. There are about ten vendors requesting the City to allow them to reserve the City parks. The County of Kern and other medical providers will be there to help sign the unhoused for MediCal.

### D. REPORTS

#### D1. President’s Report

##### D1a. Appointment of Nominating Committee

Jena Covey, ACCEL’s President nominated herself to be the Nominating Committee and will survey the Board on interest on serving as an Officer. Jena will report back at the June Board Meeting.

Included in the agenda packet were job descriptions to provide some background on the responsibilities of each of the Officer positions.

##### D1b. Updating 2023-24 Committee Assignments

Lorissa Huey reported that there is a vacancy on the Finance Committee. Rafaela King, City of Monterey would like to participate on the Finance Committee.

A motion was made to appoint Rafaela to the Finance Committee.

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

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|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
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| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

#### D2. Executive Committee’s Report – None

#### D3a-e. Financial and Treasurer's Report

Thomas Joyce and Oles Gordeev walked through the financial items.

Thomas noted that in the Chandler February 2024 Statement, the beginning values as of February 1, 2024 and end values as of February 29, 2024 increased by \$12,000,000 because at the January 2024 Board Meeting, the Board authorized a \$12,000,000 transfer from its short term account with Local



Agency Insurance Fund (LAIF) to its long term account with Chandler. The transfer was effective February 12, 2024.

He also pointed out that ACCEL received \$1,813,513 of interest income through the first half of the fiscal year.

A motion was made to accept the financial and treasurer’s report.

**MOTION:** Mark Howard **SECOND:** Ross Brandon **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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### D4. Finance Committee’s Report

#### D4a. Draft FY 24/25 Administration Budget

Thomas Joyce reported that at the Spring Board Meeting, the Draft Administration Budget is presented to the Board and then adopted at the June Board Meeting.

The Draft FY 24/25 Administrative Budget was reviewed by the Finance Committee (FC) at its March 4, 2024 Meeting. The FC took action to make a recommendation to the Board to increase the Meetings Expense Budget from \$9,000 to \$12,000.

A motion was made to accept the draft as presented.

**MOTION:** Mark Howard **SECOND:** Andrew Guzman **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
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**D5. Underwriting Committee’s Report – None**

**D6. Ad Hoc Committee’s Report**

**D6a. ACCEL’s Legal Counsel Response to Hallmark Cut Through Endorsement**

The Board was reminded that at the January 2024 Board Meeting, the Board gave authority to engage with Steve Brower, from Brower Law Group, which is part of ACCEL’s attorney panel to review the Hallmark Cut Through Endorsement Issue.

Steve presented to the Board the memorandum written in response to Hallmark, which was included as a handout to the agenda packet.

No reportable action took place.

**D7. Claims Committee's Report**

**D7a. Proposed Changes: ACCEL Claims Reporting and Handling Policy and Procedure**

Lorissa Huey reported that there were three proposed changes to ACCEL’s Claims Reporting and Handling Policy and Procedure. The first proposed change discusses if an occurrence is open and certain claims are resolved which exceed \$1,000,000, how additional reimbursements for defense costs and fees will be processed. The second is defining the process of when a coverage opinion is obtained to give direction to the Claims Administrators. The third is adding language to the current prefunding request language that the request must be from the Members’ Finance Director or Risk Manager.

1<sup>st</sup> motion

A motion was made to approve the new bullet point in Section VIII. Claims Reimbursements Requests, “If reimbursement has been approved for an occurrence that remains open, any additional reimbursements for defense costs and fees will be processed when bills exceed \$250,000.”

**MOTION: Jena Covey SECOND: Andrew Guzman MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafacla King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
| Nay     |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |
| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |



### 2<sup>nd</sup> motion

A motion was made to accept the proposed changes that documents the coverage opinion process.

**MOTION:** Mark Howard **SECOND:** Ross Brandon **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafacla King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
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| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

### 3<sup>rd</sup> motion

A motion was made to accept the proposed changes that states the prefunding request must come from either the Member’s Finance Manager or Risk Manager.

**MOTION:** Ross Brandon **SECOND:** Alvaro Valdez **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafacla King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
| Nay     |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |
| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

### **D7b. Litigation Management Discussion with George Hills**

John Chaquica and Chris Shaffer, George Hills presented to the Board a PowerPoint on claims and litigation data.

Members asked questions, which were addressed by the George Hills team.

This item will be a continuation at the June 2024 Board Meeting as an action item to address the immediate need for staffing. Then, at the Strategic Planning the Board will discuss the long term alternate service model types with George Hills.



**D7c. CLOSED SESSION – Pursuant to Gov't Code 54956.95**

A motion was made to enter into Closed Session at 3:51 PM.

**MOTION:** Sandra Blanch **SECOND:** Derek Rampone **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
| Nay     |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |
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A motion was made to come out of Closed Session at 4:50 PM.

**MOTION:** Mark Howard **SECOND:** Tracey Matthews **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
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| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

Conor Boughey reported out of Closed Session that no reportable action took place.

**D8. Program Administrator’s Report**

**D8a. ACCEL’s Retained Layer**

Conor Boughey reported that since 2021, ACCEL’s claims continue to develop, with higher frequency of claims excess of \$1,000,000 and higher severity of claims, with several examples reaching over \$10,000,000. As a result of ACCEL’s continued claims development and a hesitant insurance market, the Board should continue consideration of higher attachment points to the excess insurance market.

Members requested to agendize at the Strategic Planning to analyze whether payroll should be collected at 12/31 instead of 3/31. The Program Administrators will also review ACCEL’s governing documents to confirm whether those discuss when payroll is collected.

## **D8b. Workers' Compensation Program 4850 Coverage Buyback Option**

Conor Boughey reported that in 2008, ACCEL reviewed PRISM Excess Workers' Compensation (EWC) Coverage 4850 Buyback Option and conducted a 4850 Evaluation. None of the Members who participate in the PRISM EWC Program buy back 4850.

The City of Anaheim requested a quote.

The Members would like to revisit this every other year at the Strategic Planning.

## **D8c. Cyber State of the Market and Adequate Safeguards**

Thomas Joyce provided the Board an informational PowerPoint on the state of the cyber market.

Also, included in the agenda packet was a summary of system security standards needed by the markets in order to obtain a quote.

Members asked questions, which were addressed.

## **E. UNFINISHED BUSINESS**

### **E1. Excess Liability Program Renewal Expectations**

Daniel Howell reported that the ACCEL Excess Liability Program is renewing July 1, 2024, most of the applications have been received and Alliant is discussing renewal terms with the incumbent markets.

All Members participate in a purchased Excess Liability Program to \$60,000,000.

Daniel verbally provided an update on what to expect for the liability renewal this year.

No reportable action took place.

### **E2. Optional Excess Workers' Compensation Renewal**

Lorissa Huey discussed that ACCEL's Members have the option to join PRISM through a 'group purchase' (ACCEL has no risk sharing for Workers' Compensation). Each Member is able to select its individual self-insured retention (SIR) and is billed directly by PRISM. The PRISM Excess Workers' Compensation Program renews on July 1, 2024 for the eleven Members who participate. The February 2024 premium estimates were sent to each Member separately. The estimates also include a Loss Performance Summary for each Member.

She reminded the Board that if Members are considering changing the SIR, requests must need to be in by April 14<sup>th</sup>, with a decision by May 1<sup>st</sup>.





**E3. ACCEL Banking Partners**

Conor Boughey reminded the Board that at the January 2024 Board Meeting, it gave direction to the Program Administrators to find a new bank. Conor provided a verbal report of the findings.

At the next review of the Accounting Guide Policy and Procedure, the proposed language will be reviewed by the Finance Committee that describes how Alliant is adhering to ACCEL’s Accounting Guide Policy and Procedures to the best of its abilities, and cannot control what the bank does.

No reportable action took place.

**F. NEW BUSINESS**

**F1. 2024 Actuarial Report Approval**

Mike Harrington, ACCEL’s Actuary, presented the 2024 Actuarial Report. The Actuarial Report has been prepared based on the December 31, 2023 loss runs and will be used for the June 30, 2024 liability rates.

A motion was made to accept the actuarial report and select the discount rate of 2.75%. The prior discount rate was 2%.

**MOTION:** Derek Rampone    **SECOND:** Oles Gordeev    **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafacla King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
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| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

**F2. PRISM Presentation**

Gina Dean from PRISM presented to the Board about what PRISM is and the various resources and training it provides. ACCEL has been a Member of PRISM since 2002 through the Excess Workers’ Compensation Program. She reported that PRISM recently partnered with Concern EAP First Responder Program which is available to firefighters, police officers, and dispatchers.

Members asked questions which were addressed.

### **F3. Draft Retrospective Rating Plan Calculation**

Lorissa Huey and Conor Boughey presented the draft 2024 Retrospective Rating Plan Calculation. The calculation includes verification of claims data from Members, retro payments owed or assessments, the Actuary's Incurred By Not Reported (IBNR) and Allocated Loss Adjustment Expense (ALAE) as of December 31, 2023.

Lorissa reminded the Board that at the June 2023 Board Meeting, the Board took action to restrict 100% of the retro. The draft that was included in the agenda packet, the Program Administrators unrestricted the funds and returned it.

The final retro number will be presented at the June 2024 Board Meeting. If Members who are in an assessment position, cannot pay the amount in full, a payment plan can be requested. For any payment plan requests, the Member must submit to the Program Administrators in writing by June 1, 2024 so that it can be placed on the June 2024 Board Meeting's Agenda for the Board's consideration.

Also, if the test year balance is greater than the negative result, the Member can request in writing that the assessment be postponed for one year and the Board must approve the request.

No reportable action took place.

### **F4. ACCEL Retro - Administratively Suspending Years**

Conor Boughey reported that the Program Administrators collected data from Members of any open claims prior to FY 2014-15 that over \$500K and have exposure excess of \$1,000,000. There are current matters open in FY 2013-14 and FY 2014-15.

The Board requested to bring this item back to the June 2024 Board Meeting to administratively suspend FY 2008-09 to FY 2012-13.

### **F5. Member Declarations Page – Additional Named Parties**

Lorissa Huey reported that the Board annually reviews its Additional Named Parties on the Members' Declaration Pages in preparation for the July 1 renewal at the Spring Board Meeting and then at the June Board Meeting, the Board takes action to adopt.

No reportable action took place.

### **F6. ACCEL's 2024 Meeting Calendar Amendment**

Lorissa Huey reported that the 2024 Meeting Calendar was adopted by the Board at the October 2023 Board Meeting. There is a conflict with the current June 2024 Board Meeting dates.

A motion was made to amend the June 2024 Board Meeting dates from June 13 and 14, 2024 to June 20 and 21, 2024.



**MOTION:** Oles Gordeev **SECOND:** Tracey Matthews **MOTION CARRIED**

|         | Tracey Matthews | Jena Covey | Alvaro Valdez | Christina Alger | Rafaela King | Derek Rampone | Numeya Williams | Sandra Blanch | Rhonda Combs | Mark Howard | Ross Brandon | Oles Gordeev | Andrew Guzman |
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| Aye     | X               | X          | X             | X               | X            | X             | X               | X             | X            | X           | X            | X            | X             |
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| Abstain |                 |            |               |                 |              |               |                 |               |              |             |              |              |               |

**F7. 2024 Strategic Planning**

Lorissa Huey reported that the Strategic Planning (SP) is currently scheduled for October 17, 2024 at 8 AM to Noon in conjunction to the October 17 and 18, 2024 Board Meeting.

Included in the agenda packet was a list of items to be discussed at the SP.

If Members have any additional items they want to add to the SP agenda, they are instructed to reach out to the Program Administrators.

Direction was given to the Program Administrators to survey the Board on finding new dates for the October 2024 SP and Board Meeting.

**F8. Foreign Travel International Advantage Executive Assistance Services**

Thomas Joyce discussed that the Foreign Travel policy offers International Advantage Assistance Services, which provides county specific facts and information regarding safety risk, culture, travel needs, medical information and alerts. Attached is a brochure for Members to pass along to those at their agencies that are traveling abroad to sister cities.

**F9. ACH/Wire Payments from Members**

Conor Boughey discussed with the Board the benefits of using ACH/Wire Payments instead of paper checks.

No reportable action took place, as this was an informational item.

**F10. Schedule of the Next Two Board of Directors Meetings**

The next Board Meeting will be held in the City of Monterey on Thursday and Friday, June 20 and 21, 2024. The meeting will start at 12:00 PM on Thursday at 8:00 AM on Friday, unless otherwise stated.



If the Program Administrators are not able to find a hotel in the City of Monterey due to hotel rates, they will look for hotels in the City of Santa Cruz.

The October 2024 Strategic Planning and Board Meeting dates are currently October 17 and 18, 2024, and the Board requested that a survey be sent out to reschedule a different week due to the National Workers' Compensation Conference held the same week.

### **G. CORRESPONDENCE / INFORMATION**

**G1. A Short History of PARMA** – There was no discussion on this item.

**G2. PRISM Annual Report** – There was no discussion on this item.

**G3. CAJPA Conference 2023 Schedule**

**G3i. 2024 Conference: September 10-13 in South Lake Tahoe**

There was no discussion on this item.

### **H. PUBLIC COMMENTS**

There were no public comments.

### **ADJOURNMENT**

Jena Covey adjourned the meeting on Thursday, March 21, 2024 at 4:52 PM.

Jena Covey adjourned the meeting on Friday, March 22, 2024 at 11:19 AM.