



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

WEDNESDAY, FEBRUARY 15, 2017 AT 12:00PM

**Disneyland Hotel
Frontier Tower
Ground Level - Frontier Board Room
1150 West Magic Way
Anaheim, CA 92802**

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
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:

Charlotte Dunn, City of Visalia

GUESTS AND CONSULTANTS:

Michael Simmons, Alliant
Conor Boughey, Alliant
Lorissa Huey, Alliant
Ken Maiolini, RMS
Kathy Garozzo, City of Ontario
Dan Roberts, Cota Law Firm
Tracey Matthews, City of Anaheim
Gregg Audet, City of Anaheim
Brendan Falvey, Evanston

A. CALL TO ORDER

Ann Richey called the meeting to order at 12:03 PM.



B. Consent Calendar

B1. Approval of Minutes for the December 15 & 16, 2016 Board of Directors Meeting

A motion to approve the consent calendar.

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

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

C. General Risk Management Issues

Beverly Jensen discussed how CSAC EWC will allocate future medical contributions. If you have a claimant that has multiple claims and wrapping it up they want you to allocate to future medical claims.

Dave Nunley discussed about Anaheim’s Fire and Police department carve outs and potentially buying some earthquake insurance this year.

Jena Covey discussed that Bakersfield’s Fire Department fleet mechanics need to have a special certification because of NFPA 1071. Jena asked the members if they have any policies in place that limit physical activity. The Bakersfield’s fire chief wants to ban recreational sports that involve balls at the fire station when on duty. Ann Richey said that Ontario has banned roller hockey. Mark Howard said that Santa Barbara has banned all sports.

Betsy McClinton discussed that Burbank has a General Liability Internal Services Fund that funds all their insurance and claims and is trying to reassess how they reallocate those costs throughout the city. She asked the members what their cities’ processes are.

Michael Andersen asked about quick settlement funds. Ann Richey advised she always hands them a claim form and do not ever give anyone a check. Mark Howard stated that the City of Santa Barbara’s City Attorney said the only way the city should pay money is if you have a contract and a claim file. Otherwise if you don’t have a contract it is a gift a funds and that is illegal.



D. REPORTS

D1. President’s Report

Mark Howard reported about hiring vendors to do credit card processing. The vendors provide certificates, Additional Insured endorsements and after the contract they want to add limitation of liability. If there is a cyber breach, the average cost is \$4M and it puts that in the middle of the ACCEL pool.

The Board requested that the Program Administrators bring to the next BOD meeting, cyber liability claims scenarios and presentation from PARMA.

D2. Claims Committee’s

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

Motion to enter Closed Session pursuant to Government Code 54956.95

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

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

The Board entered closed session at 2:12 PM.



A motion was made to come out of closed session at 3:28 PM.

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

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

Action was taken and direction was given to the Claims Administrator to increase the reserves on two claims.

D2b. Cota Law Firm – Dennis Cota

Dan Roberts from Cota Law Firm presented a computer generated animation tool of a case used in the courtroom. Members asked questions, which were addressed.

D2c. Markel Claim Audit of RMS

Conor Boughey reported Markel completed a file audit of RMS and the audit attached in the agenda packet is a redacted form to remove detailed claims information. Markel is in their first year of writing reinsurance of ACCEL’s pooled layer, reinsuring the \$2M xs. \$3M layer. This was their first claims audit of RMS.

Jena Covey and Mark Howard requested that the Program Administrators send them a copy of the un-redacted report.



D3. Financial and Treasurer’s Report

D3a-e. Financial Items

Conor Boughey walked through the financial items. A quick reminder that for Chandler Asset Management reports we are only showing the holding reports and the consolidated monthly reports because they now have a long term and short term accounts.

Members discussed the reports and questions were answered.

A motion to approve all reports.

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

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											



D3f. Proposed Changes to ACCEL’s Investment Policy

Conor Boughey reported each year the Program Administrators ask Chandler Asset Management to review the Authority’s investment policy and advise the Board of any suggested changes. At the December Board meeting, the members were instructed to go back to their respective agency and see if their Financial Directors or appropriate person will be comfortable with the recommend change by Chandler Asset Management that *“mutual funds and money market mutual funds can be held up to 20% of the portfolio.”*

A motion to instruct the Program Administrators to discuss with Chandler that the Board voted no on their recommended change and will keep the mutual funds at 10% because the government code precludes it (attach what Dave Nunley sent in his email).

MOTION: Ann Richey **SECOND:** Dave Nunley **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

D4. Program Administrator’s

D4a. New Member Marketing

Michael Simmons gave a verbal update on the JPA Membership and trends affecting other California cities. ACCEL does not need a new member to be a quality organization so we do not need to market a new member.

Ann Richey suggested we should just have other cities approach ACCEL if they want to join.

No reportable action took place.

D5. Underwriting Committee’s

None.



E. UNFINISHED BUSINESS

E1. Unmanned Aerial Vehicles (UAVs) Guidelines

Conor Boughey reported at the December Board meeting the Board took action to amend the MOC (effective 1/1/17) regarding UAV coverage. The Board also directed the Program Administrators to draft UAV Guidelines that could be shared with the member agencies to provide a simple framework for appropriate use of UAVs. The draft guidelines aim to restate Part 107 in a more user friendly manner.

A motion to amend the last sentence under STATEMENT: of the Administrative Guidelines to delete, “should” to “summarize the FAA regulations and are suggested to.”

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

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											



F. NEW BUSINESS

F1. Adoption of ACCEL’s Memorandum of Coverage with Evanston Certificate of Reinsurance

Conor Boughey reported that effective July 1, 2016 ACCEL purchased reinsurance for the Memorandum of Coverage (MOC). Evanston/Markel reinsure the \$2M xs \$3M layer and follow-form the ACCEL MOC.

Michael Simmons explained that Facultative reinsurance is when they individually price a policy/layer and come in just for a limited amount of time on a per specific policy attachment.

The Program Administrators will send an email and post on the ACCEL website the complete policy packet that will contain in the following order, Member Dec Pages, Member Endorsements, ACCEL’s MOC, and Evanston Certificate of Casualty Facultative Reinsurance Dec Page and Endorsement after it gets signed by Evanston.

A motion to approve the Evanston certificate and endorsements.

MOTION: Ann Richey **SECOND:** Dave Nunley **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Beverly Jensen	Michael Andersen	Claudia Koob	Ann Richey	Sandra Blanch	Mark Howard	Patty Haymond	Deb Hossli
Aye	X	X	X	X	X	X	X	X	X	X	X
Nay											
Abstain											

F2. Excess Liability Program Renewal Expectations

Conor Boughey reported that ACCEL’s Excess Liability program renews July 1, 2017. Currently ACCEL self-funds the layer from \$1,000,000 to \$3,000,000 and purchases reinsurance on the \$3,000,000 to \$5,000,000 layer. All Members participate in a purchased Excess Liability insurance program to \$45,000,000 excess of \$5,000,000 report and market outlook for the July renewals. Due to many variables in the excess market, and large increases in ACCEL’s claims activity, we are unable to provide a strong indication for renewal, but would budget at least a 20% increase in excess premiums.

No reportable action took place.



F3. Optional Excess Workers' Compensation Renewal

Conor Boughey 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 Options Excess Workers' Compensation Program renews on July 1, 2017 for the 10 members who participate. The estimated renewal pricing attached in the agenda packet are as of December 2016.

The following cities are requesting for a quote to increase their SIR: Anaheim from \$1M to \$1.5M SIR; Modesto from \$500K to \$750K SIR; and Santa Monica from \$750 SIR to \$1M. Palo Alto has already requested for a quote to increase their SIR from \$500K to \$750K.

F4. Next Two Meetings Schedule

The next two meetings are scheduled to be held at the City of Monterey for the April meeting and City of Santa Monica, with Ontario as the backup for the June meeting.

G. CORRESPONDENCE / INFORMATION

None.

H. PUBLIC COMMENTS

No public comments were made.

ADJOURNMENT

Mark Howard adjourned the meeting 3:29 PM.