



ACCEL BOARD OF DIRECTORS MEETING

Day 1 - Wednesday, March 17, 2021 at 9:00 AM

Day 2 - Thursday, March 18, 2021 at 9:00 AM

LOCATION:

Teleconference

Day 1 –

Link: <https://alliantinsurance.zoom.us/j/91375432803?pwd=ZzFzSWw5bnFGUVdrMGtJSEFnOWd3Zz09>

Dial: (669) 900-6833

Meeting ID: 913 7543 2803

Passcode: 492797

Day 2 –

Link: <https://alliantinsurance.zoom.us/j/94731728289?pwd=STgyTUJzNTZzUkRLYjgwYUdkc0V6Zz09>

Dial: (669) 900-6833

Meeting ID: 947 3172 8289

Passcode: 123751

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim

Jena Covey, City of Bakersfield (*excused from the meeting at 9:30 AM and re-joined at 10:10 AM on Wednesday, March 17, 2021*)

Betsy McClinton, City of Burbank (*left at 10:22 AM on Thursday, March 18, 2021*)

Jiles Smith, City of Modesto

Rafael Albarran, City of Monterey Alternate

Claudia Koob, City of Mountain View

Kathy Garozzo, City of Ontario Alternate (*Wednesday, March 17, 2021 only*)

Sandra Blanch, City of Palo Alto

Mark Howard, City of Santa Barbara

Ross Brandon, City of Santa Cruz Alternate

Oles Gordeev, City of Santa Monica (*left at 9:30 AM and re-joined at 11:05 AM on Thursday, March 18, 2021*)

Charlotte Dunn, City of Visalia

MEMBERS ABSENT:

Rhonda Comb, City of Salinas

GUESTS AND CONSULTANTS:

Ginny Gennaro, City of Bakersfield City Attorney (*joined at 10:10 AM and left at 11:10 AM on Wednesday, March 17, 2021*)

Chris Huot, City of Bakersfield Assistant City Manager (*joined at 10:10 AM and left at 11:10 AM on Wednesday, March 17, 2021*)

Heather Cohen, Marderosian & Cohen (*joined at 10:10 AM and left at 11:10 AM on Wednesday, March 17, 2021*)

Mick Marderosian, Marderosian & Cohen (*joined at 10:10 AM and left at 11:10 AM on Wednesday, March 17, 2021*)



Byrne Conley, Gibbons & Conley *(joined at 9:30 AM and left at 11:43 AM on Wednesday, March 17, 2021)*
 Theresa St. Peter, City of Ontario *(Thursday, March 18, 2021 only)*
 Ken Maiolini, Risk Management Services
 Sandy Manzoni, George Hills Company *(Wednesday, March 17, 2021 only)*
 Mike Harrington, Bickmore Actuarial *(Thursday, March 18, 2021 only, left at 9:38 AM)*
 Greg Beaulieu, Bickmore Actuarial *(Thursday, March 18, 2021 only, left at 9:38 AM)*
 Michael Simmons, Alliant Insurance Services
 Daniel Howell, Alliant Insurance Services *(left at 10:25 AM and re-joined at 12:14 PM on Thursday, March 18, 2021)*
 Conor Boughey, Alliant Insurance Services
 Lorissa Huey, Alliant Insurance Services
 Marcus Beverly, Alliant Insurance Services

A. CALL TO ORDER

Jena Covey called the meeting to order at 9:00 AM on Wednesday, March 17, 2021.
 Jena Covey called the meeting to order at 9:00 AM on Thursday, March 18, 2021.

B. CONSENT CALENDAR

B1. Approval of Minutes for the January 21 and 22, 2021 Board Meeting

B2. ACCEL Claims Auditor Contract Renewal

A motion was made to approve the consent calendar.

MOTION: Mark Howard **SECOND:** Oles Gordeev **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

C. GENERAL RISK MANAGEMENT ISSUES

Betsy McClinton, City of Burbank asked the Board if anyone utilizes software to manage e-mails for discovery requests. She also inquired about insurance requirements for contract instructors for the Park and Recreations Department.

Jena Covey, City of Bakersfield asked if other Members have a contract for social media monitoring.



D. REPORTS

D1. President's Report

D1a. Appointment of Nominating Committee.

Jena Covey, ACCEL’s President asked the Board for volunteers to be appointees to the Nominating Committee.

Sandra Blanch and Betsy McClinton were appointed to the Nominating Committee.

The Nominating Committee will survey the Board for officer nominations for the next fiscal year and then report those nominations at the June 2021 Board Meeting.

D2. Executive Committee’s Report

D2a. ACCEL Program Administration Contract

Mark Howard reported that the Executive Committee met twice in February 2021 to negotiate the Program Administration Contract. Mark noted that the proposed contract contains the following terms and updates: (1) a five-year contract starting July 1, 2021 of a flat fee for one-year (FY 21/22) and then an increase at 2.5% annually for the following four periods (FY 22/23, FY 23/24, FY 24/25, and FY 25/26) with two one-year options to extend, (2) a reduction of the excess liability brokerage commission rate from 10% to 9% excess of \$10,000,000 attachment, (3) a new item under the Scope of Work, to document the Program Administrators’ goal of providing thoughtful advice to the Board, and (4) removal of Mike Simmons under Key Personnel, due to his retirement.

A motion was made to approve the contract as presented in the agenda packet.

MOTION: Mark Howard **SECOND:** Jiles Smith **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X		X		X	X		X
Nay													
Abstain													



D3. Claims Committee's Report

D3a. CLOSED SESSION – Pursuant to Gov't Code 54956.95

A motion was made to enter into Closed Session at 9:17 AM.

MOTION: Jena Covey **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

A motion was made to come out of Closed Session at 12:12 PM.

MOTION: Jena Covey **SECOND:** Oles Gordeev **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

Oles Gordeev, Claims Committee Chair reported out of Closed Session that action was taken on an agendized claim to set up a Special Board Meeting in the beginning of May 2021.

D3b. Claims Reporting and Handling Policy and Procedure - Proposed Changes

Conor Boughey reminded the Board that at the January 2021 Board Meeting, the Claims Committee was asked to establish an attorney defense panel and work with Ken, ACCEL’s Claims Administrator to make recommendations. The Program Administrators have surveyed the Board on which attorney firms and rates that the Members use.

The Claims Committee met on March 2, 2021 and did not reach a consensus on including an attorney defense panel, but instead would like Ken to have a “Reference Attorney List.” Also, included in the agenda packet were the Committee’s proposed changes in redlined to the Claims Reporting and



Handling Policy and Procedure. The Board also discussed requesting the excess carriers’ attorney panel to see what the rates are.

A motion was made to adopt the changes to the Claims Reporting and Handling Policy and Procedure starting from the middle of page 5 of 14, Section VII. Claims Reimbursements, bullet point 1) and below. For the language in the last paragraph on page 4 of 14 and the first paragraph on page 5 of 14, direction was given to the Claims Committee to review and bring back a recommendation for the June 2021 Board Meeting.

MOTION: Betsy McClinton **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X		X	X	X	X	X	X		X	X	X	X
Nay													
Abstain		X											

D4a-e. Financial and Treasurer's Report

Conor Boughey presented the financial items.

He noted that the Member Account Summary Report as December 31, 2020 is the second quarter of the current fiscal year. The report shows that no retros were taken, allocated loss adjustment expenses were applied to two claims, and the interest earned in the second quarter.

A motion was made to approve the financial items.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X		X		X	X		X
Nay													
Abstain													

D5. Finance Committee’s Report – None



D6. Underwriting Committee's Report

D6a. Survey of Members' Gas and Electric Operations

Conor Boughey reminded the Board that the Program Administrators sent a survey out to the Board regarding Gas and Electric Operations as directed from the January 2021 Board Meeting. The results were attached to the agenda packet.

No reportable action took place.

D7. Program Administrator's Report

D7a. ACCEL Website Updates

Lorissa Huey demonstrated to the Board how the new Discussion Forum works on the ACCEL Website.

Also, she showed the Board that there is a new link in the Members' only section that goes directly to the PRISMtv website. Marcus Beverly discussed with the Board what PRISMtv entails.

No reportable action took place.

D8. Ad Hoc Committee's Report

D8a. ACCEL's Rating Plan Calculation Methodology and Discussion

Conor Boughey reminded the Board that at its January 2021 Board Meeting, the Board formed an Ad Hoc Committee with key players from the Underwriting and Finance Committees along with a large and small Member. The Ad Hoc Committee met on February 24, 2021 and discussed the following, (1) Mark Howard is the Ad Hoc Committee Chair, (2) invite Mike Harrington, ACCEL's Actuary to the next Ad Hoc Committee Meeting, (3) create a demo that includes the City of Salinas where the Ad Hoc Committee will evaluate, and have a follow up meeting, (4) prepare a demo and the new methodology for the Board, and (5) establish that the Committee's goal is to review for small revisions and tweaks (if necessary), not an overhaul of the methodology.



E. UNFINISHED BUSINESS

E1. Excess Liability Program Renewal Update

Daniel Howell reported that the Excess Liability Program is renewing July 1, 2021, 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 \$45,000,000 excess of \$5,000,000 (except the City of Salinas purchased to \$30,000,000) with some Members purchasing additional limits.

Dan noted that as we approach renewal, the liability market is very turbulent due to the number of high value claims paid in the last several years. This year’s renewal will face challenges at attachment point, aggregate limits, and pricing. He walked through the ten-year claims history chart that was included in the agenda packet.

E2. Optional Excess Workers’ Compensation Renewal

Conor Boughey 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, 2021 for the eleven Members who participate. The estimated renewal pricing was sent separately as handout is as of March 2021.

F. NEW BUSINESS

F1. 2021 Actuarial Report Approval

Mike Harrington, ACCEL’s Actuary presented the 2021 Actuarial Report. The Actuarial Report has been prepared based on the December 31, 2020 loss runs and will be used for the June 30, 2021 liability rates. Included in this year’s report were rates for the corridor retention.

A motion was made to accept the report as presented.

MOTION: Mark Howard **SECOND:** Sandra Blanch **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X		X		X	X	X	X
Nay													
Abstain													



F2. Draft FY 21/22 Administration Budget

Conor Boughey presented the draft FY 21/22 Administration Budget. The draft budget is presented at the March Board Meeting and brought back to the June Board Meeting for adoption as final.

Conor noted that the Program Administration and Claims Auditor Contracts remained flat, while the Claims Administration Contract fees were adjusted to match the current term. The budget has a slight decrease overall which is primarily due a decrease in the Board Member Travel Budget.

A motion was made to approve the draft budget as presented.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Rafael Albarran	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X		X		X	X	X	X
Nay													
Abstain													

F3. Draft Retrospective Rating Calculation

Conor Boughey presented the draft 2021 Retrospective Rating Calculation. He stated that at the June 2017 Board Meeting, the Board took action to administratively freeze fiscal years up to 2007/08, and the calculation shows the prior funds on account, rolling forward to the 2008/09 year.

Conor reminded the Board that at the June 2020 Board Meeting, the Board took action to restrict 100% of the retro. In the draft included in the agenda packet, the Program Administrators unrestricted the funds and returned it.

The final 2021 Retrospective Rating Calculation will be presented at the June 2021 Board Meeting and will be updated with the final Incurred But Not Report (IBNR) from ACCEL’s Actuarial Study.

Direction was given to the Claims Committee to determine how to allocate the Allocated Loss Adjustment Expenses for a Santa Monica claim.



F4. Member Declarations Page – Additional Named Parties

Conor Boughey reported that the Board annually reviews its Additional Named Parties on the Members' Declaration Pages.

Conor reminded Members if they would like to make any additions or remove any entities, please report these to Alliant as soon as possible.

No reportable action took place.

F5. Updates of the Insurance Requirements in Contracts (IRIC) Manual

Marcus Beverly presented a PowerPoint on the recent updates to the IRIC Manual. Members asked questions which were addressed as they arose.

Direction was given to the Program Administrators to send out the IRIC Manual Version 2021.1 in a PDF to the Board.

F6. Schedule of the Next Two Board of Directors Meetings

Direction was given to the Program Administrators to change the schedule for the June 2021 Board of Directors Meeting to be held virtually via Zoom on Tuesday, June 15, 2021 and Wednesday, June 16, 2021, starting at 9:00 AM both days. The Board requested that the Excess Liability Renewal Item be agendized with a time certain for the first day of the June 2021 Board Meeting.

The following Board of Directors Meeting will be held virtually via Zoom on Thursday, October 14, 2021 and Friday, October 15, 2021. The meeting times will be determined at the June 2021 Board Meeting in accordance with any COVID-19 related restrictions.

G. CORRESPONDENCE / INFORMATION – None

H. PUBLIC COMMENTS – There were no public comments.

ADJOURNMENT

Jena Covey adjourned the meeting at 12:14 PM on Wednesday, March 17, 2021.

Jena Covey adjourned the meeting at 12:17 PM on Thursday, March 18, 2021.