

**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 8th and 9th, 2009 AT 2:30 PM & 8:30 AM
CITY OF VISALIA – VISALIA MARRIOTT
VISALIA, CA**

MEMBERS PRESENT

Tom Vance, City of Anaheim
Betsy Dolan, City of Burbank
Ralph Korn, City of Bakersfield
Mary Akin, 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
Brad Landreth, City of Santa Barbara
Kris Kamandulis, City of Santa Cruz
Deb Hossli, City of Santa Monica
Charlotte Dunn, City of Visalia

MEMBERS ABSENT

None

GUESTS AND CONSULTANTS

Keyan Aghili, Carl Warren & Company
Conor Boughey, Alliant Insurance Services
Daniel Howell, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Matthew Nethaway, Perry-Smith
Charles Raibley, Perry-Smith

A. CALL TO ORDER

President Tom Vance called the meeting to order at 2:30 PM

B. CONSENT CALENDAR

B1. Approval of Minutes from the June 25 and 26, 2009 Board of Directors Meeting

A motion was made to approve the minutes with one correction.

MOTION: Ralph Korn **SECOND:** Brad Landreth **MOTION CARRIED**

C. REPORTS

C1. President's Report

President Tom Vance introduced Deb Hossli from the City of Santa Monica to the Board.

C2. Claims Committee's Report

C2a. The ACCEL Board of Directors entered into Closed Session pursuant to Government Section Code 54956.95

A motion was made to enter into closed session at 2:40 PM pursuant to Government Section Code 54956.95.

MOTION: Brad Landreth **SECOND:** Charlotte Dunn **MOTION CARRIED**

A motion was made to come out of closed session at 5:10 PM.

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

Tom Vance reported that the Board voted to extend an offer to the City of Modesto regarding the Modesto v. ACCEL, ICSOP claim.

C3. Financial and Treasurer's Report

C3a. Ratification of Disbursements for months ending June 30, 2009

Betsy Dolan, ACCEL's Treasurer, reported that the ratification of disbursements included the retro payments as well as the insurance premium payments.

A motion was made to approve the Ratification of Disbursements.

MOTION: Ralph Korn **SECOND:** Ann Richey **MOTION CARRIED**

C3b. Adopting the Member Account Summary as of June 30, 2009

Conor Boughey reported that the fourth quarter Member Account Summary has been completed. The fourth quarter saw an increase in investment income of \$124,512 and claims payments totaling \$19,696

A motion was made to approve the Member Account Summary as of June 30, 2009.

MOTION: Ralph Korn **SECOND:** Ann Richey **MOTION CARRIED**

C3c. Investment Report – Pursuant to Government Section Code 53646(b)(1) for Months Ending June 30, 2009, July 31, 2009 & August 31, 2009

A Motion was made to receive and file the Investment Report.

MOTION: Ralph Korn **SECOND:** Ann Richey **MOTION CARRIED**

C3d. Quarterly Financial Report as of June 30, 2009

Conor Boughey reported that the fourth quarter compilation had been completed by James Marta and Company. Conor further reported that investment income has continued to grow resulting in larger Net Assets.

A motion was made to receive and file the report.

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

C3f. ACCEL Projected Cash Flow Obligations as of June 30, 2009

Conor Boughey reported that the worksheet displays the estimated expenses and revenues in ACCEL's short term future. Conor explained this worksheet helps strategize our estimated needs to organize where our funds should be allocated. Currently, ACCEL has a well balanced portfolio at about 80% long term investments and 20% short term.

Mike Simmons reported that the ACCEL's current balance is ideal, and that no action should be necessary.

No Action was taken.

Tom Vance adjourned the meeting at 5:45 PM.

Tom Vance reconvened the meeting at 8:30 Am on Friday October 9, 2009.

E1. Policy and Procedure – Restricted Net Assets

Conor Boughey reported that ACCEL recently changed financial auditors; and this chance resulted in a very thorough audit in which the auditors tested the controls put in place to protect the authority, payroll calculations for many different years, and a review of the Policies and Procedures. As a result, the Program Administrators would like to know if the Board would like to adopt a new Net Asset Policy and Procedure or continue without one. As ACCEL is currently structured, all funds in excess of liabilities will be shown as a Net Asset to the Authority until they become eligible for the retrospectively rated refund calculation.

The Board discussed the options presented and concluded that a Policy and Procedure was not needed at this time.

A motion was made to continue without adopting the proposed Policy and Procedure.

MOTION: Kris Kamandulis **SECOND:** Charlotte Dunn **MOTION CARRIED**

C3e. Financial Audit as of June 30, 2009

Tom Vance introduced Matthew Nethaway and Charles Raibley of Perry-Smith.

Matthew Nethaway of Perry-Smith conducted ACCEL’s Financial Audit as of June 30, 2009. Matthew reported this was the first year he worked with ACCEL. Matthew walked through the audit addressing any questions as they arose. Matthew explained that an increase in Net Assets was realized since last years audit. This change was a result of the Retrospective Rating Calculation and claim reserves. Because ACCEL does not have a Policy and Procedure which states an intended Net Assets figure, all funds in excess of the liabilities are a Net Asset to the Authority and not the Member agencies until they are declared by the Retrospective Rating Calculation.

In addition, because ACCEL’s Financial Audit is a two year audit, Perry-Smith felt it was necessary to restate the prior financial audit to have a consistent approach on the calculation of Net Assets year over year.

A motion was made to approve the Financial Audit as of June 30, 2009 with no substantive changes.

MOTION: Kris Kamandulis **SECOND:** Ann Richey **MOTION CARRIED**

C4. Program Administrator's Report

None

C5. Underwriting Committee's Report

Deb Hossli requested that the Underwriting Committee review ACCEL's current reporting requirements prior to the December Board of Directors Meeting.

D. Unfinished Business

D1. Resolution of County of Santa Clara v. Driver Alliant Insurance Services

Mike Simmons reported that the County of Santa Clara v. Driver Alliant Insurance Services lawsuit has been finalized, and payment has been made to ACCEL for \$4,641.66.

A motion was made to apply these funds to the FY 2009-10 budget under contingency.

MOTION: Kris Kamandulis **SECOND:** Ann Richey **MOTION CARRIED**

D2. Policy and Procedure – Member Travel to Committee & Board Meetings

Conor Boughey reported that a proposed Member Travel to Committee & Board Meetings Policy and Procedure had been presented at the June 25, 2009 Board of Directors Meeting but no action was taken.

Members discussed whether or not they would like to instate the Member Travel Policy that would allow the JPA to cover the cost to attend regularly scheduled Board Meetings, Board approved Committee Meetings and Member travel to one instate Risk Management Conference.

A motion was made to adopt the Member Travel to Committee & Board Meetings Policy and Procedure with an annual cap for training of \$2,000 per member agency, and these funds can not be applied to more than 2 conferences. Additionally, direction was given to remove the 'within California' limitation on the training section.

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

D3. Accounting Structure and Fees

Mike Simmons reported that the contract with James Marta and Company to provide quarterly compilations ended June 30, 2009 and if the Board would like to continue for an additional quarter, we would need to sign a new letter of agreements.

Conor Boughey reported that James Marta and Company billed ACCEL \$1,105 for services that went beyond the scope of work agreed to and that action was needed to direct the Program Administrators to pay the invoice.

A motion was made to direct the Program Administrators to request a letter of engagement for a quarterly compilation to be completed for September 30, 2009 and to have Alliant provide the quarterly compilations beyond September 30, 2009 for an annual fee of \$6,700. Further to the

motion, the Program Administrators were given direction to pay the one time invoice in the amount of \$1,105 for services rendered that went beyond the original scope of work outlined in the original agreement with James Marta and Company.

MOTION: Ralph Korn **SECOND:** Ann Richey **MOTION CARRIED**

D4. ACCEL Member Coverage Summary

Conor Boughey reported that the Member Coverage Summary was first presented at the October 2007 Board Meeting, and that this is a report that would be produced and presented annually at the October Meeting. The report is provided as a quick reference guide as a snapshot of current coverage in place.

No action was taken.

E. New Business

E2. Premium Discount for CAJPA Accreditation Status

Michael Simmons reported that CSAC-EIA has issued a credit to ACCEL for their participation in the Excess Workers Compensation Program while being Accredited with Excellence from CAJPA. The Board will need to decide how to apply these funds.

Members discussed the credit received by CSAC-EIA whether they should apply these funds to the Authority or to disburse them to the Member Agencies.

A motion was made to apply the \$7,500 credit received from CSAC-EIA to the FY 2009-10 Administrative Budget for Legal Council.

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

E3. 2009 Proposed Calendar of Meeting

Conor Boughey presented a calendar of meetings as follows:

| LOCATION | DATE(S) |
|---|--|
| <i>Sacramento (PARMA 16th – 19th)</i> | <i>Friday, February 19th, 2010</i> |
| <i>Santa Monica</i> | <i>Thursday and Friday, April 15th and 16th, 2010</i> |
| <i>Monterey</i> | <i>Thursday and Friday, June 24th and 25th, 2010</i> |
| <i>Burbank</i> | <i>Thursday and Friday, October 7th and 8th, 2010</i> |
| <i>San Francisco</i> | <i>Thursday and Friday, December 2nd and 3rd, 2010</i> |

After the Board discussed the calendar, the following schedule of meetings was proposed:

| LOCATION | DATE(S) |
|---|--|
| Sacramento (PARMA 16 th – 19 th) | Tuesday, February 16 th , 2010 |
| Santa Monica | Thursday and Friday, April 15 th and 16 th , 2010 |
| Monterey | Thursday and Friday, June 24 th and 25 th , 2010 |
| Modesto | Thursday and Friday, October 7 th and 8 th , 2010 |
| San Francisco | Thursday and Friday, December 2 nd and 3 rd , 2010 |

A motion was made to adopt the newly proposed 2010 calendar of meetings.

MOTION: Charlotte Dunn **SECOND:** Ann Richey **MOTION CARRIED**

E4. Next Two Board Meetings Schedule

Conor Boughey reported that the next two Board Meetings would be held at Program Administrators office in San Francisco and then at the PARMA Conference in Sacramento.

No action was taken.

E5. Executive Committee Report

Tom Vance Reported that the Executive Committee met prior to the Board of Directors Meeting to discuss the Committee Assignments for the 2010-11 program year. The following assignments have been proposed:

| ACCEL COMMITTEES | |
|---|-------------|
| 2009-2010 | |
| Committee Assignments | |
| EXECUTIVE COMMITTEE: | |
| President | Tom Vance |
| Vice President | Ralph Korn |
| Treasurer | Betsy Dolan |
| Secretary | Mary Akin |
| CLAIMS COMMITTEE: | |
| <i>Claims Committee Chair is chosen by the Claims Committee</i> | |
| Ralph Korn | |
| Brad Landreth | |
| Claudia Koob | |
| Kris Kamandulis | |
| Deb Hossli | |
| Dave Nunley | |
| UNDERWRITING COMMITTEE: | |

| |
|---|
| <i>Chaired by Vice President</i> |
| <i>President is an automatic member, per Bylaws</i> |
| |
| Ralph Korn - Chair |
| Rhonda Combs |
| Kris Kamandulis |
| Ann Richey |
| Sandra Blanch |
| Tom Vance – President |
| FINANCE COMMITTEE: |
| <i>Chaired by Treasurer</i> |
| |
| Betsy Dolan - Chair |
| Charlotte Dunn |
| Ann Richey |
| Sandra Blanch |
| Deb Hossli |

Additionally, the Claims Committee will need to meet telephonically to elect a Claims Committee Chair.

F. CORRESPONDENCE / INFORMATION

There was no discussion on this issue.

G. PUBLIC COMMENTS

There were no public comments.

H. GENERAL RISK MANAGEMENT ISSUES

There were no issues discussed.

ADJOURNMENT

A motion was made to adjourn the meeting at 11:30 PM

MOTION: Charlotte Dunn **SECOND:** Ann Richey **MOTION CARRIED**