



**Agenda Item B1
Board of Directors
June 21 & 22, 2007**

**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 19, 2007, 2:00 P.M.
OFFICES OF THE ACCEL PROGRAM ADMINISTRATORS
SAN FRANCISCO, CA**

MEMBERS PRESENT

Mary Akin, City of Modesto
Sandra Blanch, City of Palo Alto
Charlotte Dunn, City of Visalia
Sherrell Freeman, City of Monterey
Ann Garcia, City of Ontario
Kris Kamandulis, City of Santa Cruz
Claudia Koob, City of Mountain View
Ralph Korn, City of Bakersfield
Jim Patricola, City of Burbank
Tom Phillips, City of Santa Monica
Tom Vance, City of Anaheim

GUESTS AND CONSULTANTS

Keyan Aghili, Carl Warren & Company
Janelle Aldea, Alliant Insurance Services
David Garthe, Boornazian, Jensen & Garthe
Daniel Howell, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services

MEMBERS ABSENT

Brad Landreth, City of Santa Barbara

A. CALL TO ORDER

President Tom Vance called the meeting to order at 2:04 p.m.



B. CONSENT CALENDAR

B1. Approval of Minutes – February 13, 2007 Board of Directors Meeting

A motion was made to accept the minutes as submitted.

MOTION: Ralph Korn **SECOND:** Mary Akin **MOTION CARRIED**

C. REPORTS

C1. President's Report

C1a. Appointment of Nominating Committee

Tom Vance requested participation in the upcoming elections by appointing a Nominating Committee to discuss officer positions to be effective in July 2007. Ann Garcia and Ralph Korn were appointed to the Nominating Committee.

C1b. Program Administration Performance Measures for FY 2006-2007

Tom Vance reminded members that on an annual basis, ACCEL Members have the opportunity to complete an evaluation of the Program Administrators. Members were asked to complete the ACCEL Performance Measures Form and returning the forms directly to the President by May 18, 2007. Tom Vance will share the results at the next Board Meeting.

C1c. Long Range Planning Items

There was no discussion on the following items.

- i) Addition of a New ACCEL Member
- ii) Receiving the Financial Audit on Schedule

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 2:29 p.m. pursuant to Government Section Code 54956.95.

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

A motion was made to come out of closed session at 5:34 p.m.



MOTION: Sandra Blanch **SECOND:** Jim Patricola **MOTION CARRIED**

Claims Committee Chair, Tom Phillips has nothing to report from closed session.

C2b. Excess Liability Claims Administration Contract Fee for 2007-2008

Tom Phillips advised that the Claims Administration Agreement with Carl Warren & Company is in its third of a three year term, expiring June 30, 2008. Carl Warren was asked to provide a budget for the Service Fee expense at the April Board Meeting. The Claims Committee met on March 22, 2007 to discuss the proposed contract fee for 2007-2008 and recommend renewal of their contract fee as proposed.

A motion was made to accept the service fee as discussed.

MOTION: Sherrell Freeman **SECOND:** Charlotte Dunn **MOTION CARRIED**

C2c. FY 2006/2007 ACCEL Service Performance Survey for the Excess Liability Claims Administrator

Tom Phillips mentioned that it has been over two years since an evaluation was performed on the Excess Claims Administrator, Carl Warren & Company. Members agreed that this process should be done on an annual basis as is the Program Administrators' Evaluation. The Program Administrators prepared a draft 2007 Evaluation Form, which is the same as what was completed in 2005. Members agreed to have the evaluation done in [REDACTED]. The Program Administrators will send a reminder email on [REDACTED].

C2d. Status of Liability Claims Audit Process and Proposed Revision to the 2006/2008 Contract – Farley Consulting Services

Some members have not yet been contacted by Tim Farley regarding scheduling an on-site for the audit. Tom Phillips will follow up with Tim on this issue. Tom Phillips advised that Tim Farley's contract needed to be amended to include additional services to reconcile claims, which the previous auditor, Leo Heyenrath, did in the past. A draft amendment was included in the agenda, and additional changes were made.

A motion was made to approve the amendment to the Claims Auditor Contract as corrected.

MOTION: Ralph Korn **SECOND:** Mary Akin **MOTION CARRIED**

C2e. Occurrence/Claims Reporting and Handling Policy

There was no discussion or action taken on this item.

The meeting was adjourned and will reconvene at 8:30 a.m. tomorrow.



(CONTINUED)
MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
FRIDAY, APRIL 20, 2007, 8:30 A.M.
OFFICES OF THE ACCEL PROGRAM ADMINISTRATORS
SAN FRANCISCO, CA

MEMBERS PRESENT

Mary Akin, City of Modesto
Sandra Blanch, City of Palo Alto
Charlotte Dunn, City of Visalia
Sherrell Freeman, City of Monterey
Ann Garcia, City of Ontario
Kris Kamandulis, City of Santa Cruz
Claudia Koob, City of Mountain View
Ralph Korn, City of Bakersfield
Jim Patricola, City of Burbank
Tom Phillips, City of Santa Monica
Tom Vance, City of Anaheim

GUESTS AND CONSULTANTS

Janelle Aldea, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services

MEMBERS ABSENT

Brad Landreth, City of Santa Barbara

The meeting was reconvened at 9:00 a.m.

C3. Financial and Treasurer's Report

Treasurer, Sherrell Freeman, presented the following items for discussion and/or action.

**C3a. Ratification of Disbursements for Months ending January 31, 2007,
February 28, 2007 and March 31, 2007**

There was no discussion on this item.



C3b. Report of Investments – Pursuant to Gov't Section Code 53646(b)(1)

There was no discussion on this item.

C3c. Estimated Interest Earnings Report for Months Ending December 31, 2007 and March 31, 2007.

There was no discussion on this item.

C3d. Financial Statement Ending as of March 31, 2007

The Program Administrators were asked to clarify and/or correct the fee of the Liability Claims Audit.

C3e. FY 2006/2007 Budget through March 31, 2007

There was no discussion on this item.

A motion was made to receive and file Agenda Items C3a, C3b, C3c, C3d and C3e.

MOTION: Jim Patricola **SECOND:** Ralph Korn **MOTION CARRIED**

C3f. ACCEL Financial Audit as of June 30, 2007

Sherrell Freeman advised members that the Finance Committee met on April 12, 2007 to discuss the engagement letter received from Brown Armstrong, ACCEL's financial auditor since 1991. The Finance Committee recommends Brown Armstrong to perform the June 30, 2007 financial audit and for Sherrell Freeman, Treasurer, to sign the acknowledgement of the Engagement Letter.

A motion was made to accept the Finance Committee's recommendation.

MOTION: Jim Patricola **SECOND:** Ralph Korn **MOTION CARRIED**

C3g. ACCEL Financial Plan – Revised February 13, 2007

A final approved copy of the Financial Plan was included in the agenda. Additional typographical errors were noted.

C3h. Short Term Investment Strategy to Meet On-going Obligations

Mike Simmons reported that he, along with Carl Warren and Chandler Asset Management had discussions a few weeks ago regarding any cash flow needs as respects expected claims



payments for the next 6 to 12 months. The Program Administrators are making no recommendation to move additional funds long term at this time.

A motion was made to direct the Finance Committee to re-evaluate the 3/31 quarterly position and make any recommendations to the full Board at their June meeting based on updated information that impacts the movement of funds from Short Term to longer term investment opportunities.

MOTION: Jim Patricola **SECOND:** Ralph Korn **MOTION CARRIED**

C4. Program Administrator's Report

C4a. Account Time Tracking

Mike Simmons presented the Account Time Tracking report for the 12 month period from April 1, 2006 through March 31, 2007. The report shows a comparison from the prior year. Hours are up from what was budgeted. This report is provided to members annually, or upon request. Program Administrators' hours continue to increase beyond those projected. Mike Simmons also noted that senior service staff hours have remained relatively constant, while administrative staff service hours have significantly increased. For example, Janelle Aldea's hours are up about 150 over projected with Conor Boughey's hours adding significantly to this total with approximately 250 more. New hours for accounting remain relatively constant, and below original estimates.

Mike Simmons added that the Program Administrators have spent 454 hours on the redesign of the Retrospective Rating Plan. These hours have been captured separately on the record as a special project; the only one in this category this year. The majority of this work was performed by Conor Boughey. Mike Simmons noted that although this is not a reoccurring task, and will reduce staff time a few years from now, it clearly became an extra value added service to ACCEL during 06/07.

C4b. CAJPA Accreditation Renewal

Janelle Aldea reported that she is waiting for John Wilson to schedule an on-site to audit the ACCEL files to complete the review process of the re-accreditation. Janelle has no additional updates on this item.

C5. Underwriting Committee's Report

C5a. Items of Interest to the Underwriting Committee

Underwriting Committee Chair, Sandra Blanch, had nothing to report from the Underwriting Committee.



D. UNFINISHED BUSINESS

D1. ACCEL Excess Liability Program Renewal

Current pricing was distributed at the meeting. Mike Simmons indicated that numbers will be updated to members via email through June and that for budgeting purposes, rates should remain flat.

D2. Optional Excess Workers Compensation Program Renewal

Janelle Aldea had no updates from CSAC-EIA since the last meeting and will update members as information is received from CSAC.

D3. Notification to Amend the ACCEL Bylaws and Approval of Resolution 06/07-01 Amending the Bylaws

Janelle Aldea reported that an amendment to the Bylaws was necessary since there was a name change for the Program Administrators from “Driver Alliant Insurance Services” to “Alliant Insurance Services. Additional changes were made due to the adoption of the new Rating Plan Calculation. Janelle referred members to handwritten pages 99, 105 and 106.

A motion was made to accept the changes to the Bylaws as proposed and to adopt Resolution 06/07-01 Amending the Bylaws.

MOTION: Ann Garcia **SECOND:** Mary Akin **MOTION CARRIED**

E. NEW BUSINESS

E1. Estimated Retrospective Rating Plan Calculations

Janelle Aldea distributed draft figures. These figures will continue to be updated and sent via email. Janelle noted that some members have not yet provided their loss data. Janelle will follow up with these members next week.

E2. Next Two Meetings Schedule

Janelle Aldea advised that she received two hotel quotes from hotels in Santa Barbara. Janelle is still negotiating the room rate with Hotel Oceana. The other hotel is located on State Street which is noisy. The October Board Meeting is scheduled to be held in the City of Palo Alto. Sandra Blanch will send hotel recommendations to Janelle soon to start making the arrangements.

F. CORRESPONDENCE/INFORMATION



PARMA Hotel Information for 2008 was distributed. There was no discussion on the following informational items:

- F1. CAJPA Journal Newsletter Winter 2007
- F2. PeriScope Newsletter March 2007
- F3. The Risk Report February 2007
- F4. The Risk Report March 2007

G. PUBLIC COMMENTS

There were no public comments.

H. GENERAL RISK MANAGEMENT ISSUES

There were issues discussed.

ADJOURNMENT

A motion was made to adjourn the meeting at 10:33 a.m.

MOTION: Ralph Korn **SECOND:** Sandra Blanch **MOTION CARRIED**