



**Item No. B.1  
Board of Directors  
April 14 & 15, 2011**

**MINUTES OF THE  
ACCEL BOARD OF DIRECTORS MEETING  
WEDNESDAY, FEBRUARY 9, 2011  
DISNEYLAND CONVENTION CENTER  
ANAHEIM, CA**

**MEMBERS PRESENT**

Tom Vance, City of Anaheim  
Ralph Korn, City of Bakersfield  
Betsy Dolan, City of Burbank  
Rhonda Combs, 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  
Barbara Choi, City of Santa Cruz  
Deb Hossli, City of Santa Monica  
Charlotte Dunn, City of Visalia

**MEMBERS ABSENT**

Mary Akin, City of Modesto

**GUESTS AND CONSULTANTS**

Conor Boughey, Alliant Insurance Services  
Michael Simmons, Alliant Insurance Services  
Daniel Howell, Alliant Insurance Services  
Monica Sandbergen, Alliant Insurance Services  
Shawn Kraatz, Alliant Insurance Services  
John Alltop, Bickmore Risk Services  
Dan Berry, California Association of Joint Powers Authority  
Keyan Aghili, Carl Warren & Company

**A. CALL TO ORDER**

President Tom Vance called the meeting to order at 12:15 p.m.

**B. CONSENT CALENDAR**



**B1. Approval of the Minutes - December 2<sup>nd</sup> & 3<sup>rd</sup>, 2010 Board Meeting**

A motion was made to approve the minutes.

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

**C. REPORTS**

**C1. President's Report**

Tom Vance advised that ACCEL is working on a contract renewal for Program Administration Services with Alliant. He informed the Board that two options exist in regards to the renewal. The first option would be for ACCEL to pursue an RFP for pool management services beginning July 1, 2011. The second option would be to extend or renew the existing contract. Michael Simmons recommended that Alliant Insurance Services present a 5 year renewal.

A motion was made for ACCEL to continue with Alliant as ACCEL's Program Administrator.

**MOTION:** Ann Richey    **SECOND:** Mark Howard    **MOTION CARRIED**

After some further discussion, it was decided that Alliant Insurance Services will present a proposed up-to-date 5 year contract with a flat rate for the 2011 – 2012 program year. If the Board does not approve the 5 year proposed contract, then they will move to extend the current contract or renew the existing contract.

Rhonda Combs expressed a desire for future evaluations of the Program Admin services provided by Alliant to be based on provisions in the contract and if Alliant is meeting all of those provisions. As a result, Tom Vance, Ann Richey, Deb Hossli and Betsy Dolan formed a Program Administration Contract Renewal Ad Hoc Committee.

**C2. Claims Committees**

**C2a. A motion was made to enter into Closed Session at 12:45 p.m. pursuant to Gov't Code 54956.95.**

**MOTION:** Ann Richey    **SECOND:** Mark Howard    **MOTION CARRIED**

A motion was made to come out of closed session at 1:45 p.m.

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

No reportable action was taken during closed session.

**C2b. Medicare Reporting – Carl Warren and Company**



Keyan Aghili from Carl Warren and Company advised that he will continue the registration process using ACCEL's RRE Pin number. Tom Vance reported that the proposed contract will also need to be updated to reflect ACCEL as the contracting party.

No action was taken.

### **C3. Financial and Treasurer's Report**

#### **C3a. Ratification of Disbursements for Month Ending December 31, 2010**

ACCEL's Treasurer, Betsy Dolan, reported on the Disbursements for the month ending December 31, 2010.

A motion was made to approve the Ratification of Disbursements.

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

#### **C3b. Adopting the Member Account Summary as of December 31, 2010**

Conor Boughey reported that the second quarter for Program Year 2010-11 has been completed and advised that what is included in the agenda packet is the 2<sup>nd</sup> quarter account summary.

The following is a summary of significant events of the second quarter:

1. Claims Payments of \$749,483 for the Alexander v. Anaheim claim
2. Retro Payments of \$500,000 to the City of Ontario
3. Interest Earned of \$143,961

Conor advised that the reserves and IBNRs will be updated for the 3<sup>rd</sup> Quarter.

A motion was made to receive and file the Member Account Summary as of December 31, 2010

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

#### **C3c. Investment Report – Pursuant to Gov't Section Code 53646(b)(1) for Months Ending November 30, 2010 and December 31, 2010.**

Betsy Dolan reported that on page 42 is the summary for the month of November the Maturity Distribution has shifted to short-term. ACCEL is still in compliance with investment policies.

A motion was made to receive and file the Investment Reports.

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



**C3d. Quarterly Financial Report as of December 31, 2010**

A motion was made to receive and file the report.

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

**C3e. ACCEL Projected Cash Flow Obligations as of December 31, 2010**

A motion was made to receive and file the report.

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

**C3f. ACCEL's Investment Policy – Chandler Recommended Changes**

Michael Simmons reported that Chandler Asset Management, ACCEL's Investment Manager recommended that the Authority revise the Investment Policy to allow for the shortening of the duration of the portfolio to less than 90% of the benchmark to take advantage of higher yield, shorter term instruments, without being in violation of our current Investment Agreement language.

A motion was made to approve the change to ACCEL's Investment Policy retroactive to January 18, 2011.

**MOTION:** Ann Richey **SECOND:** Betsy Dolan **MOTION CARRIED**

**C4. Program Administrator's**

**C4a. Fiduciary Liability Coverage through ANML**

Shawn Kraatz of Alliant Insurance Services gave a presentation to the Board on Fiduciary Liability Coverage that is currently being offered to members through ANML. He advised the member cities that the cost to purchase a Claims-Made Fiduciary Liability policy through ANML with a \$500K Aggregate Limit and a \$5K Deductible would cost approximately \$1,800 per city. Mr. Kraatz further reported that the cost to purchase a policy with a \$1M Aggregate Limit and a \$5K Deductible would cost approximately \$2,800 per city.

No action necessary.

**C5a. Underwriting Committees**

**D. UNFINISHED BUSINESS**

**D1. ACCEL's Accreditation**

Dan Berry from CAJPA presented the Board with their Certificate showing that ACCEL was awarded with Accreditation with Excellence through CAJPA's review program. Dan Berry advised that 45 of the 100 JPA's in California are accredited with excellence.

No action necessary.

## **E. NEW BUSINESS**

### **E1. Status Report on Excess Liability Program Renewal**

Dan Howell provided a status report and market outlook for the July renewals. Mr. Howell advised that the insurance market is still soft and that he's not sure if a decrease in premium will be seen. Alliant Insurance Services will be marketing ACCEL's excess insurance with Ironshore Insurance Ltd., AWAC, ACE, and Munich Re in addition to the incumbent carriers to ensure the most favorable terms and pricing are obtained.

### **E2. Optional Excess Workers' Compensation Renewal Effective July 1, 2011**

Conor Boughey advised that the first round of estimates are included in the agenda packet and the premium allocation methodology has been changed to a more loss sensitive distribution. Mr. Boughey further advised that the pricing for the 2011 program year will be based on 80 percent of the old methodology and 20 percent of the new methodology.

No action necessary.

### **E3. Approval of the 2011 Liability Actuarial Study**

John Alltop, ACCEL's Actuary, reported on the 2011 Liability Actuary Study. The Actuary Study has been prepared based on the December 31, 2010 Member Loss runs and will be used for the June 30, 2011 Liability Rates. John walked through the report addressing any concerns as they arose.

Direction was given to the program administrators to agendaize the Actuarial Study for the April Board meeting for approval.

### **E4. City of Burbank – Transit Exposure**

Betsy Dolan advised that they have a 'Got Wheels!' program that serves the youth 3 hours a day and all during the summer. The City was originally designed the program as a Dial a Ride program, but it is called a fixed route transit online. The 'Got Wheels!' Program drives on a loop within the city but does not have any federal funding, fair boxes and does not stop at bus stops. The Program uses 21 passenger small busses. The stops are at parking lots behind libraries. Mike Simmons advised that ACCEL has no exclusion for fixed route transit. Tom Vance wanted to know what type of training the drivers get. Ms. Dolan advised that the drivers must have their commercial license.

Mr. Simmons advised that the ANML form has an exclusion for fixed route transit, but Alliant was able to get ANML and other carriers to cover exposure for Burbank.

The Board agreed that this is a covered exposure.



## **E5. UBOC Account Reporting Service**

Conor Boughey reported that ACCEL has several different bank accounts for different needs. There is a custodial account, checking account and sweep account with UBOC. UBOC has very limited services as far as checking balances. It would cost \$90 a month to receive statements. Because of an accounting error between the bank and the program administrators, a charge was given to the account as an overdraft. Alliant is working with UBOC to rectify the situation. In order to prevent such instances from occurring again in the future, Alliant is recommending that ACCEL enroll in the optional service for \$90 a month.

Mike Simmons advised that he would like the Board to approve \$90 a month so that they can go online and check the balance and make sure there were no holds placed on any checks. It would cost ACCEL \$30 to call UBOC to check the balance.

A motion was made to approve the Account Reporting Service which will increase ACCEL's monthly banking fee with Union Bank of California by \$90.

**MOTION:** Deb Hossli    **SECOND:** Sandra Blanch    **MOTION CARRIED**

## **E6. Utility Exposures at Member Agencies**

Michael Simmons advised that the City of Burbank has two power generation facilities, Olive 1 and Olive 2. When the City of Burbank withdrew from ACCEL and entered CAMEL, CAMEL excluded power generation. Mr. Simmons advised that ANML is willing to underwrite this risk. When the City of Burbank became a member of ACCEL after withdrawing from CAMEL, they excluded the payroll for these two power plants. Burbank currently has a General Liability policy covering these plants. Mr. Simmons stated that he would like the Board to determine the rate for this exposure and asked the Board if they would approve covering these two power plants under its MOC.

No action necessary. Alliant advised that they will get back to the Board on the estimated premium charge.

## **E7. Board of Directors Meetings Frequency and Scheduling**

Mark Howard raised a concern regarding the Board's meeting frequency and scheduling and posed the question about whether it is truly necessary to have 2 day meetings, 5 times a year. Mr. Howard further advised that his superior Director has raised questions about the amount of time spent at meetings especially with the reduction in their staff. The Board discussed the issue in length and determined that due to travel time and meeting material, two day board meetings are necessary.



### **E8. Schedule of the Next Two Board of Directors Meetings**

<b>LOCATION</b>	<b>DATES(S)</b>
Santa Monica	Thursday and Friday, April 14 <sup>th</sup> and 15 <sup>th</sup> , 2011
Modesto	Thursday and Friday, June 23 <sup>rd</sup> and 24 <sup>th</sup> , 2011

The City of Ontario will be used as a backup location for the April 14<sup>th</sup> and 15<sup>th</sup> meeting if Alliant is unable to secure a reasonable hotel rate in Santa Monica. Tom Vance advised that \$160 is the highest acceptable hotel rate to the Board.

### **F. CORRESPONDENCE/INFORMATION**

There was no discussion on this item.

### **F1. Risk Report**

The members were presented with the February, 2011 Risk Report.

### **G. PUBLIC COMMENTS**

There were no public comments.

### **H. GENERAL RISK MANAGEMENT ISSUES**

There was no discussion on this item.

### **ADJOURNMENT**

A motion was made to adjourn the meeting at 4:17 p.m.

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