

ACCEL BOARD OF DIRECTORS MEETING

Day 1 - Thursday, June 15, 2023 at 12:00 PM

Day 2 – Friday, June 16, 2023 at 8:00 AM

LOCATION:

Dream Inn

175 W Cliff Drive

Santa Cruz, CA 95060

Meeting Room: Beach View

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim

Jena Covey, City of Bakersfield

Betsy McClinton, City of Burbank

Joe Rodriguez, City of Modesto (*arrived at 1:51 PM on Thursday*)

Rafaela King, City of Monterey (*arrived at 8:58 AM on Friday*)

Sheila Shanahan, City of Monterey Alternate (*left at 3:26 PM on Thursday*)

Sheryl Higa, City of Mountain View

Numeya Williams, City of Ontario Alternate

Sandra Blanch, City of Palo Alto

Rhonda Combs, City of Salinas (*arrived at 12:46 PM on Thursday*)

Marisa Kahn, City of Santa Barbara Alternate

Ross Brandon, City of Santa Cruz

Oles Gordeev, City of Santa Monica

Charlotte Dunn, City of Visalia

MEMBERS ABSENT:

None

GUESTS AND CONSULTANTS:

Ben Oram, George Hills Company

David Trautz, George Hills Company

Daniel Howell, Alliant Insurance Services (*arrived at 3:01 PM on Thursday*)

Conor Boughey, Alliant Insurance Services

Lorissa Huey, Alliant Insurance Services

Thomas Joyce, Alliant Insurance Services (*left at 3:26 PM on Thursday*)

A. CALL TO ORDER

Jena Covey called the meeting to order on Thursday, June 15, 2023 at 12:00 PM.

Jena Covey called the meeting to order on Friday, June 16, 2023 at 8:01 AM.



B. CONSENT CALENDAR

B1. Approval of Minutes for the March 30 and March 31, 2023 Board of Directors Meeting

B2. ACCEL \$4M excess of \$1M Memorandum of Coverage (MOC) retroactive to July 1, 2022

A motion was made to approve the consent calendar.

MOTION: Betsy McClinton **SECOND:** Oles Gordeev **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X		X	X	X	X		X	X	X	X
Nay													
Abstain													

C. GENERAL RISK MANAGEMENT ISSUES

Betsy McClinton, City of Burbank reported that the City has an animal shelter and the veterinarians there are City employees. The question is whether there is coverage through ACCEL for veterinarians or should the City have separate medical malpractice or professional liability coverage. Direction was given to bring this item to the Underwriting Committee. The Program Administrators will survey the Board regarding whether the Member Entities have a veterinarian exposure.

Oles Gordeev, City of Santa Monica asked the Members around the table, how their property renewal pricing is for the renewal because the City’s property premium increased.

Charlotte Dunn, City of Visalia stated that the City’s Fire Department has a Medical Director. Charlotte requested that Alliant provide a medical director insurance application.

Marisa Kahn, City of Santa Barbara asked if any of the Members are purchasing earthquake coverage because the City is trying to find a new market or might not purchase the coverage.

Numeya Williams, City of Ontario inquired about what other Members are doing for reviewing and managing certificates. Members reported that they utilize Ebix.

Joe Rodriguez, City of Modesto reported that the City has been working with Colin Finn who is part of the Alliant Structured Settlement team.



D. REPORTS

D1. Nominating Committee’s Report

D1a. Election of Officers for FY 23/24

The Nominating Committee is composed of Numeya Williams, City of Ontario from Southern California and Joe Rodriguez, City of Modesto from Northern California. The Committee’s task is to survey the Board for Executive Committee nominations and at today’s meeting the Committee reported the results.

A motion was made to elect the slate of officers as follows:

- President: Jena Covey
- Vice President: Ross Brandon
- Treasurer: Oles Gordeev
- Secretary: Sandra Blanch

MOTION: Rafaela King **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X		X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain		X											

D2. President's Report

D2a. Indicated Interest for FY 23/24 Committee Assignments

The Board Members stated which of the three Committees: Claims, Finance, and Underwriting they are interested in participating in for FY 23/24. The Executive Committee will convene in July 2023 to finalize the committee assignments.

Betsy McClinton, City of Burbank is willing to step off the Claims Committee due to transition at the City.

Numeya Williams, City of Ontario is interested in the Claims Committee.

Mark Howard, City of Santa Barbara is the former Underwriting Chair. The Program Administrators will confirm if Mark still wants to participate on the Underwriting Committee.



D3. Executive Committee’s Report – No items to report for this meeting.

D4a-d. Financial and Treasurer's Report

Thomas Joyce and Oles Gordeev walked through the financial times.

The Member Account Summary as of March 31, 2023 indicated that there were no claim payments in the third quarter. Also, for the past two quarters, ACCEL has been earning more interest because the \$15,000,000 of funds that were transferred in 2022 to the long term account are invested at higher rates.

A motion was made to receive and file the financial reports items D.4.a-d. Direction was given to the Program Administrators to fix the formatting on the demand sheet for the check runs.

MOTION: Oles Gordeev **SECOND:** Marisa Kahn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

D4e. ACCEL Projected Cash Flow Obligations as of March 31, 2023

Conor Boughey reported that the Board wanted to discuss at fiscal year, whether to transfer additional money to its long term account, as bond rates continue to rise.

A motion was made to transfer \$10,000,000 from the short term account to the long term account after July 1, 2023 once all the renewal invoices have been paid.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



D4f. Short and Long Term Investment of Funds

Conor Boughey explained that ACCEL may considering moving funds shorter or longer term depending on forthcoming loss payments, deposit premiums paid, and investment market considerations.

He walked through the options that the Board can take and action was taken on the prior item D.4.e.

D5. Claims Committee’s Report

D5a. Litigation Update

Ben Oram, ACCEL’s Litigation Manager presented a Litigation Update on pertinent case law. This item is presented to the Claims Committee quarterly and was deferred to today’s meeting.

Members asked question, which were addressed.

D5b. FY 23/24 Liability Claims Audit Schedule Memo

Lorissa Huey reminded the Board that Rob Powers, ACCEL’s Claim Auditor will begin the Liability Claims Audit on July 1, 2023. The memo from Rob outlines when he will be contacting each Member for the audit.

D5c. ACCEL’s Claims Auditor

Lorissa Huey reported that the Board has requested to discuss the Claims Auditor’s agreement and services at the June 2023 Board Meeting. The Board authorized the last one year extension on Rob Power’s contract at the January 2023 Board Meeting.

A motion was made to direct the Program Administrators to work with Rob Powers on a new contract for a duration of three years at a flat rate.

MOTION: Betsy McClinton

SECOND: Tracey Matthews

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



D5d. Proposed Services for Legal Counsel

The Program Administrators reported that at the Spring 2023 Board Meeting, the Board gave authority to issue a Request for Quote (RFQ) to diversify legal counsel. They sent out a solicitation for General and/or Coverage Counsel in May 2023. The responses received so far were provided as a handout to the Board. Legal Counsel is currently under the Underwriting Committee’s purview, but the solicitation being discussed is a Claims Committee related item in response to claims related work. The Board can choose to create an Ad Hoc Committee composed of Members from the Claims and Underwriting Committees.

A motion was made to approve an Ad Hoc Committee composed of the following:

1. Mark Howard
2. Jena Covey
3. Tracey Matthews
4. Sandra Blanch

MOTION: Jena Covey **SECOND:** Rafaela King **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D5e. Excess Claims Reporting Process

Conor Boughey explained that when a Member claim is reported to ACCEL, Ben Oram/David Trautz at George Hills reviews the claim file and may request an ACCEL reserve be placed on the file. Additionally, Ben and David reports the claim to ACCEL’s excess insurance partners.

The Claims Committee will review the Claims Reporting Handling Policy and Procedure again to ensure that the reporting criteria matches the excess carrier’s reporting requirements.



D5f. CLOSED SESSION – Pursuant to Gov’t Code 54956.95

A motion was made to enter into Closed Session at 3:27 PM.

MOTION: Sandra Blanch **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	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 4:41 PM.

MOTION: Sheryl Higa **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

Conor Boughey reported out of Closed Session that direction was given to ACCEL’s Claims Administrator.

D6. Finance Committee’s Report – No items to report for this meeting.

D7. Underwriting Committee’s Report – No items to report for this meeting.

D8. Program Administrator’s Report

D8a. A.M. Best Downgrade: Hallmark Insurance Group

Daniel Howell reported that Core Specialty Group had acquired the renewal rights to Hallmark’s business and planned to offer renewals on Core’s Starstone National Insurance Company. In recent weeks, Hallmark’s AM Best rating has deteriorated to a rating of B++ (very good) on May 5, 2022, and further to C++ (marginal) on May 9, 2023, as of the date the agenda item was drafted (May 30, 2023).



Hallmark participates on the ACCEL Excess Liability Program coverage towers currently and in past years.

Alliant was given direction to seek resolution with Hallmark about what it can and cannot get whether it is a cut-through endorsement or a cancel rewrite policy with Starstone. Depending on what the outcome is, Alliant will explore the opportunity to buy a replacement policy to fill in the gaps. Alliant will bring back to the Board which Members purchased the excess liability layers with Hallmark and the premium paid.

D8b. ACCEL Financial Audit Presentation Format

Conor Boughey verbally reported that ACCEL’s financial auditor, Crowe has moved its office to West Hartford, Connecticut and wants to attend Board Meetings virtually to present the Financial Audit, otherwise, a travel fee will be incurred.

Direction was given to the Program Administrators to review whether the Crowe contract stipulates it is a requirement to attend in person, and negotiate with Crowe on attending in person.

E. UNFINISHED BUSINESS

E1. ACCEL’s June 30, 2023 Actuarial Update

Lorissa Huey stated that the Actuarial Study is based on December 31, 2022 loss information. The Financial Audit will audit the financials as of June 30, 2023 and as a result, the Reserves and Incurred But Not Reported (IBNR) requires an update to accurately reflect the ACCEL’s outstanding liabilities. Since the Actuarial Study presented at the March 2023 Board Meeting, the outstanding liabilities were reduced by \$5,000,000.

A motion was made to accept the actuarial update report as presented.

MOTION: Ross Brandon **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														



E2. FY 23/24 Administration Budget & Resolution 23/24-01

Thomas Joyce reported that the FY 23/24 Administration Budget was presented at the March 2023 Board Meeting. Since that meeting, the Profit and Loss Report as of March 31, 2023 indicates that ACCEL was slightly over budget for the banking fee. It was recommended that the Board increase the banking fee budget from \$4,000 to \$5,000. The Final Administration Budget is annually adopted at the June Board Meeting.

A motion was made to approve the Administration Budget as final, subject to increasing the banking fee from \$4,000 to \$5,000 and the resolution 23/24-01.

MOTION: Oles Gordeev **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														

E3. ACCEL FY 23/24 Excess Liability Program Renewal

Dan Howell reported that ACCEL’s Excess Liability program renews July 1, 2023. Currently ACCEL self-funds the layer from \$1,000,000 to \$9,000,000. All Members participate in a purchased Excess Liability Program to \$55,000,000.

Alliant distributed as a handout to the Board the excess liability budget which showed premium quotes all the way up to the \$55,000,000 limit. The other handout that was provided was the ANML/Great American E&S policy form changes in great detail.

1st motion

A motion was made to adopt the pool rate of \$1.522 for the \$4,000,000 excess \$1,000,000 layer.

MOTION: Betsy McClinton **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														



2nd motion

A motion was made to adopt the pool rate of \$0.489 for the \$5,000,000 excess \$5,000,000 layer.

MOTION: Betsy McClinton

SECOND: Tracey Matthews

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														

3rd motion

A motion was made to approve the allocation of the Administration Budget.

MOTION: Tracey Matthews

SECOND: Betsy McClinton

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														

4th motion

A motion was made to bind the Terrorism with Beazley, which is a two year policy.

MOTION: Tracey Matthews

SECOND: Betsy McClinton

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														



5th motion

A motion was made to bind coverage for all Members up to the \$55,000,000 limit not to exceed \$21,500,000. Also, to adopt using the 2018 Great American Form for the ACCEL Memorandum of Coverage \$5,000,000 excess \$5,000,000 layer.

MOTION: Rhonda Combs

SECOND: Tracey Matthews

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														

6th motion

A motion was made to bind \$5,000,000 excess of \$55,000,000 only if the premium does not exceed \$350,000 for all Members and the policy is follow form.

MOTION: Betsy McClinton

SECOND: Oles Gordeev

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X		X	X	X	X	X	X	X	X	X
Nay														
Abstain														

E4. Approval of ACCEL’s Declarations Page and Endorsement #2 – Reinstatement of Excess Aggregate Limits

Lorissa Huey reported that each year the Program Administrators present a draft form of the Declarations Page and a list of the Additional Named Covered Parties for the Board’s approval. She also reminded the Board that starting the July 1, 2021 renewal, every year, it adopts the Endorsement #2 – Reinstatement of Excess Aggregate Limits that that defines the aggregate treatment of ACCEL’s retained layer. ACCEL’s obligation is \$25,000,000.

Rhonda Combs, City of Salinas disclosed that the City has leased a building, currently in the form of a motel to help with low income housing and the address the unhoused crisis. The City is aware that this is a risky operation. Direction was given to bring it to the Underwriting Committee for review.



A motion was made to approve the Declarations Page, list of Additional Named Covered Parties, and the Endorsement #2 – Reinstatement of Excess Aggregate Limits that states ACCEL’s obligation is \$25,000,000 for the July 1, 2023 renewal.

MOTION: Charlotte Dun **SECOND:** Sandra Blanch **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X		X	X	X	X	X	X	X	X
Nay														
Abstain														

E5. ACCEL’s 2023 Retrospective Rating Plan Calculation

E5a. Resolution 23/24-02, Adopting the 2023 Retrospective Rating Plan Calculation

Conor Boughey stated that the draft retro was presented at the March 2023 Board Meeting. Since that meeting, the retro has been reviewed for any updated IBNR (Incurred but Not Reported) and reserves. The results show that the 2023 retro has a negative balance of (\$1,866,225), which is an improvement from the March draft results of (\$5,013,938).

In June 2022, the Board took action to restrict the 2022 Retro by 100%. This money has now been returned in full for the current year’s retro.

A motion was made to approve the 2023 Retro Calculation of (\$1,866,225) and Resolution 23/24-02 as presented in the agenda packet.

Members requested that the retro assessment be included on the excess liability renewal invoice as a new line item, except for the City of Salinas.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X		X	X	X	X	X	X	X	X
Nay														
Abstain														



E5b. Retrospective Rating Plan Calculation Funds Restriction

Conor Boughey explained that ACCEL’s Financial Plan allows the Board to restrict the amount available for return to Members through the application of a restriction. The Board reviewed this year’s Retro results, the financial position of the Authority, along with the expected ‘test year’ results to determine the appropriate amount to restrict.

A motion was made to restrict 100% of the 2023 Retro.

MOTION: Ross Brandon **SECOND:** Oles Gordeev **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X		X	X	X	X	X	X	X	X
Nay														
Abstain														

E5c. Members’ Assessments and Retrospective Rating Plan Payment Plan Requests

Conor Boughey reminded the Board that per the Financial Plan, ACCEL may issue an assessment invoice to any Member in an assessment position. Members that want to request a payment plan have until June 1st to submit the request. The Board may not consider any proposed payment plan with a duration greater than three years and the plan shall include interest calculated at a reasonable rate established by the Board.

The City of Modesto has made a request to use a payment plan for its retro assessment. Joe Rodriguez reported that the City does not plan to take a payment plan because the final retro number is lower than the original projection.

A motion was made to approve the payment plan request subject to whether the City of Modesto wants to utilize it or not.

MOTION: Ross Brandon **SECOND:** Marisa Kahn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X		X		X	X	X	X	X	X	X	X
Nay														
Abstain				X										

E5d. ACCEL Negative Net Position Surcharge

Conor Boughey reported that the Board will know more about its net position at the October 2023 Board Meeting because that is when the Financial Audit as of June 30, 2023 will be completed.

There was no reportable action that took place.

E6. Foreign Travel Quote

Thomas Joyce reported that Alliant obtained quotes for Kidnap & Ransom from Chubb and Hiscox. He walked through the difference of coverage and pricing.

Direction was given to Alliant to bring back additional options for a full foreign travel policy that has general liability, non-owned and hired auto, voluntary comp, travel accident (medical and short term hospital), medical/political evacuation, traveler's assistance, trip interruption, and repatriation of remains.

E7. Optional Excess Workers' Compensation Program Renewal

Lorissa Huey reported that eleven of the thirteen ACCEL Members participate in the Excess Workers' Compensation (EWC) Program through PRISM. A year over year summary of the payroll and premium changes, and the Self Insured Retentions were included in the agenda packet.

Since those eleven ACCEL Members are members of PRISM, the renewal will be automatic.

F. NEW BUSINESS

F1. PRISM Excess Workers' Compensation Loss Portfolio Transfer

Conor Boughey reported that insurance carriers invest funds and when yields rise, there are opportunities to transfer liabilities to insurers at a reduced cost. While a City can discount claims subject to the California Investment Code, an insurer is likely to achieve a higher rate of return than the California Investment Code.

As a result, there is an opportunity for an insurance carrier to accept a Loss Portfolio Transfer (LPT), invest the funds, and outperform the entities' projections. In this scenario, the insurer benefits from a large cash payment, and the entity benefits from an improved financial position. The improved financial position is a result of selling outstanding liabilities at price lower than the City's recorded liability.

The Cities of Bakersfield, Burbank and Santa Monica were interested.



F2. Miscellaneous Insurance Renewals:

F2a. Public Employee Dishonesty Insurance

F2b. Trustees Errors & Omissions Insurance

F2c. Alliant Deadly Weapon Response Program

Lorissa Huey presented the Public Employee Dishonesty, Trustees Errors & Omissions (E&O), and the Alliant Deadly Weapon Response Program (ADWRP) proposals for the July 1, 2023 renewal.

Lorissa explained that if a Member ever falsified invoices and ACCEL accidentally paid it, the Public Employee Dishonesty policy would respond and reimburse ACCEL for the loss, subject to policy provisions.

Lorissa explained that the E&O policy is meant to cover the defense costs if a there was a Board Member dispute and the Member is suing a Board Member in name or the ACCEL Board.

Lorissa explained that the intent of the ADWRP is to provide quick and effective access to counseling and crisis management services if there was an active shooter event, while also providing insurance coverage for property damage and business interruption.

A motion was made to bind the miscellaneous insurance renewals as presented in the agenda packet.

MOTION: Oles Gordeev **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafacla King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X		X	X	X	X	X	X	X	X
Nay														
Abstain														

F3. 3 Year Cost Projection Letters and Members Webinar

Lorissa Huey reported that starting in 2020 the Program Administrators have been providing three year costs projection letters. This year’s letters will be sent after July 1, 2023 with the actual costs for FY 23/24 and estimates for two years in the future.

In addition, the Program Administrators have provided a recording of ACCEL’s recovery plan each year and the Board Members have distributed it to their Finance Directors and other City Department Heads. This year’s recording will be sent after July 1, 2023 before the October 2023 Board Meeting.



F4. Schedule of the Next Two Board of Directors Meetings

The October 2023 Board Meeting is scheduled for the 12th and 13th in Modesto. The first day will start at 12 PM and the second day will start at 8:00 AM, unless otherwise stated.

The proposed meeting dates for the following Board Meeting are January 18 and 19, 2024 in San Francisco at the Program Administrators’ Office. The meeting calendar will be presented at the October 2023 Board Meeting to discuss the 2024 meeting dates and locations.

A motion was made to amend the October 12 and 13, 2023 meeting location to Santa Cruz as the first choice, Monterey as the second choice, and then Modesto as the third choice depending on hotel availability.

MOTION: Charlotte Dunn **SECOND:** Marisa Kahn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Joe Rodriguez	Rafaela King	Sheila Shanahan	Sheryl Higa	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X		X	X	X	X	X	X	X	X
Nay														
Abstain														

G. CORRESPONDENCE / INFORMATION

G1. Wildland Fire Season 2023: Risk Outlook and Preparation Guide – There was no discussion on this item.

G2. CAJPA Conference 2022 Schedule and 2023 Preliminary Program – There was no discussion on this item.

G3. 2024 PARMA Conference – 50th Anniversary – There was no discussion on this item.

H. PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Jena Covey adjourned the meeting on Thursday, June 15, 2023 at 5:05 PM.
 Jena Covey adjourned the meeting on Friday, June 16, 2023 at 10:41 AM.