**MINUTES OF THE**

**ACCEL BOARD OF DIRECTORS MEETING**

**THURSDAY, JUNE 16, 2016 AT 2:30 PM &**

**FRIDAY, june 17, 2016 at 8:30 AM**

**DOUBLETREE ONTARIO**

**222 N. Vineyard Ave, Ontario CA 91764**

**MEMBERS PRESENT:**

Dave Nunley, City of Anaheim

Jena Covey, City of Bakersfield

Betsy Dolan, City of Burbank

Beverly Jensen, City of Modesto

Claudia Koob, City of Mountain View

Ann Richey, City of Ontario

Sandra Blanch, City of Palo Alto

Mark Howard, City of Santa Barbara

Patty Haymond, City of Santa Cruz

Deb Hossli, City of Santa Monica

Charlotte Dunn, City of Visalia

**MEMBERS ABSENT:**

Jimmy Forbis, City of Monterey (April 9th)

**GUESTS AND CONSULTANTS:**

Michael Simmons, Alliant

Daniel Howell, Alliant

Conor Boughey, Alliant

Ken Maiolini, RMS

Tim Farley, Farley Consulting Services

Fred Treffinger, CSAC EIA

**A. CALL TO ORDER**

Mark Howard called the meeting to order at 2:30 PM.

**B. Consent Calendar**

**B1. Approval of Minutes for the April 7 & 8, 2016 Board of Directors Meeting**

**B2. Approval of 2016 Actuarial Study**

A motion to approve the consent calendar.

**MOTION:** Charlotte Dunn **SECOND:** Claudia Koob **MOTION CARRIED**

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**C. General Risk Management Issues**

Mark Howard opened the floor for introductions and thanked Patty for the well run meeting in Santa Cruz.

Michael Simmons provided a brief report on staffing challenges in the Bay Area market, and that Alliant has been unable to fill the vacant position on the ACCEL account.

Betsy Dolan asked members if they have Alternative Dispute Resolutions at their cities. Mark Howard and Dave Nunley reported that they would send Betsy feedback from their agencies.

Beverly Jenson requested information regarding quick settlements for clear at fault liability claims. The board discussed and agreed that there is a conflict of interest in doing so, and that the claimant must sign a release of liability in order to receive funds.

Mark Howard reported that the City of Santa Barbara is on track to bring their desalination plant into operation.

**D. REPORTS**

**D1. President’s Report**

Mark Howard reported that SB885 is still an active bill, and asked the Board if their cities have taken a position on opposing the bill. No cities appear to be stating an opposition, but other entities, such as the league of cities, are considering their position.

**D2. Claims Committee’s**

**D2a. Closed Session – Pursuant to Gov’t Code 54956.95**

Motion to enter Closed Session pursuant to Government Code 54956.95

**MOTION:** Dave Nunley  **SECOND:** Claudia Koob **MOTION CARRIED**

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The Board entered closed session at 3:30 PM.

A Motion was made to come out of closed session at 4:30 PM.

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

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Charlotte reported that action was taken and direction given to the Claims Administrator on several agendized claims.

**D2b. 2016 Liability Claims Audit**

Tim Farley presented the draft Liability Claims Audit.

Tim reported that excess claims reporting is an ongoing area of concern and it will be an area of concern until there is 100% performance.

Tim noted that improvements were needed at the City of Burbank. Betsy Dolan reported that the City of Burbank has identified the issue, and has already added the staff that was noted by the report. Betsy further thanked Tim for his help with the City, and reported that the audit was very valuable to the City of Burbank.

Motion to accept the report.

**MOTION:** Ann Richey  **SECOND:** Jena Covey **MOTION CARRIED**

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**D2c. Claims Administration Contract with RMS**

Conor reported that effective June 1st ACCEL has transferred control of claims to Risk Management Services (RMS). Carl Warren & Company (CWC) is under contract until June 30th but is no longer working the files. The proposed RMS Agreement is for six months, expiring November 28, 2016. During this period the Claims Committee and Board will issue a Request for Proposal and conduct interviews for a 3+ year contract to be in effect prior to December 1st.

The Claims Committee reviewed the draft Agreement and recommends the board approve the contract with one correction made to the contract in the agenda packet. Removing the Claims Administrator’s right to reject a claims audit.

A motion was made to approve the contract with RMS.

**MOTION:** Ann Richey  **SECOND:** Deb Hossli **MOTION CARRIED**

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**D2d. Liability Claims Administrator Request for Proposal (RFP)**

Conor reported that at the April Board Meeting the Board gave direction to the administrators to work with Risk Management Services (RMS) to work on a short term contract from June 1 and draft an RFP for a long term solution. A draft of the RFP is included in the agenda packet and has been reviewed by the Claims Committee. The RFP included in the packet requires some administrative clean up, but is substantively approved by the Claims Committee.

A motion was made to approve the RFP and delegate authority to the Claims Committee during the selection process, with a Board approving the selection at the October Board Meeting.

**MOTION:** Ann Richey  **SECOND:** Patty Haymond **MOTION CARRIED**

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**D3. Financial and Treasurer’s**

**D3a-e. Financial Items**

Conor Boughey walked through the financial items.

Motion to receive and file.

**MOTION:** Betsy Dolan **SECOND:** Beverly Jensen **MOTION CARRIED**

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**D4. Program Administrator’s**

No Report

**D5. Underwriting Committee’s**

No Report

**D6. Nominating Committee’s**

**D6a. Election of Officers**

Deb Hossli and Betsy Dolan reported on their efforts as the Nominating Committee. They reported that a slate of President Mark Howard, Vice President Ann Richey, Treasurer Dave Nunley and Secretary Sandra Blanch had been proposed by the Board Members.

A motion was made to approve the nominations for the 2016-17 Program Year.

**MOTION:** Charlotte Dunn **SECOND:** Claudia Koob **MOTION CARRIED**

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**E. UNFINISHED BUSINESS**

**E1. ACCEL’s June 30, 2016 IBNR**

Conor reported that there was a change in Outstanding Liability from $17,215,914 to $18,363,000 due to lack of claims payments. However, do to this same lack of claims activity, the ultimate losses were reduced from $64,719,542 to $63,577,542. Conor reminded the Board that these updated figures would be included in the Financial Audit.

A motion was made to direct the Program Administrators to request an updated loss run from RMS and provide to BRS.

**MOTION:** Jena Covey **SECOND:** Betsy Dolan **MOTION CARRIED**

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**E2. 2016 Retrospective Rating Plan Adjustment Calculation**

Conor reported that the Retro Calculation has been reviewed since the April Board meeting and that the total amount available for return has not changed, but due to some claims updates from the Tim Farley report, the allocation among members has changed slightly. Conor further reported that the report was updated with new IBNR and Reserves.

A motion was made to approve the 2016 Retro Calculation as presented.

**MOTION:** Jena Covey **SECOND:** Betsy Dolan **MOTION CARRIED**

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**E3. ACCEL FY16/17 Excess Liability Program**

Daniel Howell reported on the status of marketing the excess liability insurance for ACCEL. Dan noted that the lead layer is in the second year or a two year rate guarantee, and we were able to use that flat renewal to the benefit of the remaining excess layers. The market is constricting with most accounts receiving increases, and ACCEL is insulated from these market swings due to the rate guarantee and relatively good loss history.

Additionally, ACCEL has been presented an option to reinsure the pooled layer by Markel. Markel attended the February Board Meeting and has presented an option to offset the $2,000,000 excess of $3,000,000 layer for less than the self-funding guidelines established by ACCEL’s actuary. As a result, this is a financially beneficial arrangement and should be considered.

Members took action on the following items:

*1. Adoption of a pool layer rate*

Motion to self-fund and not purchase excess and adopt a pool rate of $.512 to be fully funded by ACCEL.

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

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*2. Pool Administration Fee*

Motion to adopt the Pool Administration Fee

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

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*3. Excess Liability Renewal*

Motion to bind with rate guarantee with limits purchased last year as quoted.

**MOTION:** Dave Nunley **SECOND:** Ann Richey **MOTION CARRIED**

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*4. Additional limits*

Administrators will continue to work with Visalia to confirm if they would like to increase their limit to $50,000,000 and continue to work with Palo Alto and Santa Monica regarding the new optional layer excess of $150,000,000.

*5. Pooled Layer Reinsurance Option*

A motion was made to Bind Option B as presented, and if any issues arise regarding current reserves, delegate authority to Sandra Blanch to Bind this option if beneficial to ACCEL.

**MOTION:** Dave Nunley **SECOND:** Ann Richey **MOTION CARRIED**

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**E4. Optional Excess Workers Compensation Program**

Conor Boughey explained the Excess Workers Compensation renewal through CSAC EIA. Everyone who participates has received their proposal, and no action is needed.

**E5. Contract for Program Administration**

Michael Simmons reported that Alliant worked with the Ad Hoc Committee of Mark Howard, Sandra Blanch and Dave Nunley to draft a renewal of the Program Administration Contract. Many changes to the contract have been made to be sure the contract properly reflects the work performed by Alliant.

The Ad Hoc Committee reported that they recommend the Board approve the proposed five year agreement with Alliant Insurance Services for performing Program Administration Services and Insurance Brokerage Services.

A motion was made to approve the proposed contract with Alliant for Program Administration and Brokerage Services.

**MOTION:** Dave Nunley **SECOND:** Ann Richey **MOTION CARRIED**

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**E6. Adopting the 2016/17 Administration Budget & Resolution 1617\_01**

Conor Boughey explained that every Member will be charged for Administrative Expenses, but then given a credit for said expenses. This budget contains some updates since the Draft presented at the April Board Meeting.

Motion to accept the budget.

**MOTION:** Charlotte Dunn **SECOND:** Deb Hossli **MOTION CARRIED**

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**F. NEW BUSINESS**

**F1. Retrospective Rating Plan Refund Requests**

Conor Boughey reminded the Board that they have until December 31, 2015 to make a request. No members requested funds.

**F2. Approval of ACCEL’s Declarations Page**

Conor Boughey explained that declarations pages are adopted annually. Specific underlying and named entities are listed. Dave asked why the CCRU is listed for Anaheim. Conor explained that it is this way because it is the only public document that shows that it is revisited every year.

Motion to approve declarations pages with removing Got Wheels from Burbank, updates to addresses and adding the Successor Agency to the Modesto Redevelopment agency.

**MOTION:** Patty Haymond **SECOND:** Ann Richey **MOTION CARRIED**

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**F3. Other Insurance Renewals**

**F3a. Public Employee Dishonesty Insurance**

Conor reported that the renewal for crime is flat at $950. There are no changes to the Policy.

Motion to renew the policy.

**MOTION:** Dave Nunley **SECOND:** Charlotte Dunn **MOTION CARRIED**

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**F3b. Trustees Errors & Omissions Insurance**

Conor reports that this renewal is flat. No changes from last year.

Motion to approve.

**MOTION:** Beverly Jenson **SECOND:** Ann Richey **MOTION CARRIED**

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**F4. ACCEL’s Liability Actuary**

Conor reported that John Alltop has accepted a position with CSAC EIA and Bickmore has proposed a revised service team of Derek Burkahalter, Mike Harrington and David Kim. While John was the lead actuary for ACCEL, both Derek and David are familiar with the ACCEL account and have performed peer review (Derek) and the account servicing (David) for many years. Mike Harrington is new to the ACCEL team, but works with several member agencies.

No action necessary.

**F5. CSAC EIA Presentation**

Fred Treffinger, from CSAC EIA’s Data & Analytics department, provided a report on efforts being made by EIA to provide benchmarking data based on the data received during the renewal marketing.

**F6. Next Two Meetings Schedule**

The next two meetings are scheduled to be held at the City of Visalia and City of San Francisco.

**G. Correspondence and Information**

No discussion on these items.

**H. PUBLIC COMMENTS**

No Public Comments were made.

**ADJOUNRMENT**

Mark Howard adjourned the meeting at 12:00 PM.