

**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 15, 2010
Burbank Community Services Building
City of Burbank, 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
Sandra Blanch, City of Palo Alto
Mark Howard, City of Santa Barbara
Kris Kamandulis, City of Santa Cruz
Deb Hossli, City of Santa Monica
Charlotte Dunn, City of Visalia

MEMBERS ABSENT

Ann Richey, City of Ontario
Claudia Koob, City of Mountain View

GUESTS AND CONSULTANTS

Keyan Aghili, Carl Warren & Company
Conor Boughey, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services

A. CALL TO ORDER

President Tom Vance called the meeting to order at 3:00 PM

B. CONSENT CALENDAR

B1. Approval of Minutes from the February 16, 2010 Board of Directors Meeting

A motion was made to approve the minutes as presented.

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

C. REPORTS

C1. President's Report

C1a. Appointment of Nominating Committee

President Tom Vance Appointed Kris Kamandulis to the Nominating Committee and notified Board Members that Kris Kamandulis would be contacting the Member Agencies requesting nominations for the Executive Committee.

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 3:10 PM pursuant to Government Section Code 54956.95.

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

A motion was made to come out of closed session at 3:35 PM.

MOTION: Rhonda Combs **SECOND:** Ralph Korn **MOTION CARRIED**

Ralph Korn reported that Carl Warren and Company gave a report on the claims listed on the agenda and no action or direction was taken.

C2b. Claims Administrator Annual Budget Proposal

Conor Boughey reported that Carl Warren is required to provide a budget for the Service Fee expenses at the April Board of Directors meeting each year. The attached contract proposal contains the same hourly fee structure as last year, with an increase in the budgeted Service Fee of \$5,000. The proposal contains a fixed \$12,000 Administrative Fee and a variable \$85,000 Service Fee. The Service Fee varies year to year depending on case demands.

Tom Vance requested that Carl Warren and Company provide the annual budget proposal to the Claims Committee for review prior to the Board meeting if the contract includes any changes in

terms or compensation.

A motion was made to approve the Annual Budget Proposal as presented.

MOTION: Rhonda Combs **SECOND:** Mary Akin **MOTION CARRIED**

C3. Financial and Treasurer's Report

C3a. Ratification of Disbursements for months ending January 31, 2010, February 28, 2010 & March 31, 2010

A motion was made to approve the Ratification of Disbursements.

MOTION: Mary Akin **SECOND:** Kris Kamandulis **MOTION CARRIED**

C3b. Investment Report – Pursuant to Government Section Code 53646(b)(1) for Months Ending January 31, 2010, February 28 2010 & March 31, 2010

A Motion was made to receive and file the Investment Report. The President directed the Treasurer to present only the Summary, Holdings and Compliance sections of the Investment Reports. Members can request full Investment Reports from the Program Administrators.

MOTION: Mary Akin **SECOND:** Charlotte Dunn **MOTION CARRIED**

C3c. ACCEL Financial Audit as of June 30, 2010

Betsy Dolan, ACCEL's Treasurer, reported that ACCEL is in the second year of a three year contract for Financial Audit Services with Perry Smith. In this agreement, Matthew Nethaway is the Engagement Partner and lead on the account, and David Becker was assigned as his Concurring Review Partner. Recently, David Becker has moved to a new firm and Perry Smith is proposing Tina Treis become the new Concurring Review Partner.

No action was taken.

C3d. ACCEL's Projected Cash Flow Obligations as of March 31, 2010

Betsy Dolan reported that the attached spreadsheet shows an estimate of ACCEL's cash flow needs anticipated over the next 2 years. Members should remember that these numbers are based on assumptions and estimates, and should only be used as a guideline. ACCEL's long term goal is to keep approximately 80% of its investments in long term holdings and 20% in short term holdings.

No action was taken. Direction was given to Carl Warren and Company to include the claims mentioned in the Projected Cash Flow Obligations sheet in closed session.

C4. Program Administrator's Report

C4a. Account Time Tracking as of December 31, 2009

Michael Simmons reported that Alliant's Account Time Tracking is provided as an information item and that Alliant's contract with ACCEL for Program Administration is not based on the hours provided in this item.

Rhonda Combs requested that Alliant provide an analysis of Program Administration fees, rates and services provided to other excess pools.

Tom Vance requested that the Finance Committee review the results of this analysis prior to the December Board of Directors Meeting.

No action was taken.

C5. Underwriting Committee's Report

None

D. Unfinished Business

D1. Travel Expense Policy and Procedure (and Revised Claim Form)

Conor Boughey reported that there have been inconsistent filings for Member reimbursements. Some Members appear to be filing their reports as though it is a per diem policy while others are filing reports for reimbursement. The policy is currently written as a reimbursement policy.

Tom Vance reported that he had a preference towards the policy being a reimbursement policy. Ralph Korn reported that his City's philosophy is a per diem and that would be his preference for ACCEL's policy as well.

A motion was made to change the policy to be a per diem with respects to meals and expenses under five dollars while continuing as a reimbursement policy for hotels, travel and other miscellaneous expenses.

MOTION: Ralph Korn **SECOND:** Rhonda Combs

AYES: Betsy Dolan, Rhonda Combs, Kris Kamandulis and Ralph Korn

NAYS: Tom Vance, Mary Akin, Sandra Blanch, Mark Howard, Deb Hossli, and Charlotte Dunn

MOTION FAILED

A motion was made to keep the policy and procedure as currently written but allow expenses under five dollars to be expensed without a receipt but with a short explanation of expenses incurred.

MOTION: Mark Howard **SECOND:** Deb Hossli **MOTION CARRIED**

D2. Medicare Reporting Agent – Carl Warren and Company

Tom Vance requested that Carl Warren prepare a presentation for the June Board Meeting and that this item be postponed until the June Board Meeting.

No action was taken.

A motion was made to adjourn the meeting at 5:00 PM

MOTION: Rhonda Combs **SECOND:** Mary Akin **MOTION CARRIED**

Tom Vance reconvened the meeting at 8:30 AM.

D3. ACCEL Excess Liability Program Renewal

Michael Simmons reported that ACCEL's excess liability program renews July 1, 2010 and that Alliant has been actively marketing the excess coverage with multiple carriers in and outside of the ANML and CLIP programs.

A motion was made to market ACCEL's excess liability program to CV Starr outside of the ANML program if ANML decides to renew coverage with another agency.

MOTION: Kris Kamandulis **SECOND:** Mary Akin **MOTION CARRIED**

D4. Optional Excess Workers Compensation Program Renewal

Conor Boughey reported that ACCEL's Optional Excess Workers' Compensation Program renews July 1, 2010 with CSAC Excess Insurance Authority. The current estimates are as of March 19, 2010, and contain estimates that include the rates established by the actuary. These estimates will be finalized through June 30th. Staff will provide updates as they are received from the EIA.

No Action was taken

D5. Approval of the 2010 Actuarial Report

Conor Boughey reported that John Alltop presented a summary of the 2010 Liability Actuarial Study at the February 2010 Board Meeting. At that time, the complete report was not available for review by the Board of Directors. The complete Actuarial Report contains the same rate and funding figures as presented in the summary at the February Board Meeting.

Direction was given to Staff to present the 2010-11 pooled rate funding at the 80% confidence level.

A motion was made to approve the 2010 Actuarial Report as presented subject to review of the ULAE with John Alltop.

MOTION: Mark Howard **SECOND:** Ralph Korn **MOTION CARRIED**

D6. Ad Hoc Committee Report

Ralph Korn reported that he, Tom Vance and Kris Kamandulis had met with Conor Boughey to review ACCEL's current philosophy on collecting Member Contracts and if a change in procedure needs to be established to review Contracts at Member Agencies. The Ad Hoc Committee considered requesting that all Member Agencies submit all contracts where the city is performing functions outside the city limits or involved in city operations that would not be considered typical.

A motion was made to have the Ad Hoc Committee formulate a request in email on what types of contracts would be collected. Upon review of the contracts listed in the Member responses, the Committee will present the next step to this project at the June Board Meeting.

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

AYES: Betsy Dolan, Kris Kamandulis, Ralph Korn, Mary Akin, Sandra Blanch, Deb Hossli, and Charlotte Dunn

NAYS: Rhonda Combs, Mark Howard and Tom Vance

MOTION CARRIED

E. New Business

E1. ACCEL’s Memorandum of Coverage – Airport None Owned Auto

Michael Simmons reported that ACCEL’s Memorandum of Coverage does not fully address the issue of Auto Liability with respects to City vehicles on and off airport premises. City vehicles that operate at a city owned airport are covered by that Airport Policy for on premise Auto Liability, and are typically not covered when they leave the Airport. Therefore, Michael recommends the Board review the MOC for the intent of coverage and consider taking action to amend the MOC.

After some discussion Tom Vance assigned this item to the Underwriting Committee.

E2. Investment Policy

Conor Boughey reported that each year the Program Administrators asks Chandler Asset Management to review the Investment Policy and advise the Board of any suggested changes. This year, Ted Piorkowski recommended two changes to the Investment Policy as noted on the attached P&P. Ted’s recommendations are to remove “Demand Deposit” from the title of section 5.9. The term Demand Deposit has a defined meaning in investment banking which does not apply to LAIF and to raise the LAIF limit from \$40,000,000 to \$50,000,000 to correspond with LAIF’s new program limit.

A motion was made to amend the Investment Policy as recommended by Ted Piorkowski.

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

E3. Conflict of Interest Code

Conor Boughey reported that The Political Reform Act requires every multi-county agency to review its Conflict of Interest Code biennially and submit notice to the Fair Political Practices Commission.

A motion was made to give Michael Simmons the authority to sign and file the FPPC notice with ACCEL’s Conflict of Interest Code.

MOTION: Mark Howard **SECOND:** Betsy Dolan **MOTION CARRIED**

E4. Target Safety Contract with CSAC-EIA

Conor Boughey reported that the CSAC-EIA Target Safety Platform was originally rolled out as a heavily subsidized program and is now changing over to a user based payment system. Because of this, Members of ACCEL requested more information on the fee structure of the new payment system as presented in the agenda packet.

No action was taken.

E5. Member Expulsion

Tom Vance reported that the Agenda Item Member Expulsion has been removed from the Agenda.

E6. Resolution 0910-1 – Contributions of Brad Landreth

Tom Vance reported that Brad Landreth had retired from the City of Santa Barbara and that Brad had been one of the original founding Members of ACCEL and contributed heavily to the formation and management of the Authority. Because of this, a resolution has been proposed to acknowledge his contributions to the pool.

A motion was made to adopt Resolution 0910-1 recognizing the contributions of Brad Landreth to the Authority.

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

E7. Board of Directors Meeting Calendar – Next Two Board Meetings

Conor Boughey reported that the April Board Meeting was moved from the City of Santa Monica to the City of Burbank due to rate restraints in the Santa Monica area. The board may elect to move the location of the October Board Meeting to another Member City due to the fact that it was scheduled to occur at the City of Burbank.

A motion was made to move the October Board Meeting to the City of Bakersfield.

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

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 11:45 AM

MOTION: Mark Howard **SECOND:** Ralph Korn **MOTION CARRIED**