

**MINUTES OF THE  
ACCEL BOARD OF DIRECTORS MEETING  
THURSDAY, APRIL 5, 2001**

**MEMBERS PRESENT:**

Tom Vance, City of Anaheim  
Don Norris, City of Modesto  
Ben Bankard, City of Modesto  
Karen Thesing, City of Mountain View  
Loron Cox, City of Ontario  
Sandra Blanch, City of Palo Alto  
Brad Landreth, City of Santa Barbara  
Erwin Young, City of Santa Cruz  
Tom Phillips, City of Santa Monica  
Charlotte Dunn, City of Visalia

(@ 10:35 a.m.)

**MEMBERS ABSENT**

City of Bakersfield  
City of Monterey

**GUESTS AND CONSULTANTS**

Craig Schweikhard, Carl Warren & Company  
Robert Powers, Carl Warren & Company  
Dan Howell, Driver Risk Services  
Rob Leong, Driver Risk Services  
Mike Simmons, Driver Risk Services  
Janelle Tsujiuchi, Driver Risk Services  
Martin Helfin, Robert F. Driver Co.  
Malynda Yates, Robert F. Driver Co.  
Michael Fleming, CSAC Excess Insurance Authority

Time Certain Presentation  
Time Certain Presentation  
Time Certain Presentation

**A. CALL TO ORDER**

Karen Thesing called the meeting to order at 10:00 a.m.

**B. CONSENT CALENDAR**

**B1. Approval of Minutes – February 13, 2001 Board of Directors Meeting**

The minutes were reviewed with no changes made. A motion was made to approve the Consent Calendar as submitted.

**MOTION:** Tom Phillips    **SECOND:** Sandra Blanch    **MOTION CARRIED**

**C. REPORTS**

**C1. President's**

*C1a. Appointment of Nominating Committee*

Karen Thesing appointed Mary Sue Baker and Sandra Blanch to the Nominating Committee.

**C2. Claims Committee's**

At 10:07 a.m., a motion was made to convene to Closed Session pursuant to Government Code 54956.95 to discuss pending claims agendized.

**MOTION:** Ben Bankard    **SECOND:** Sandra Blanch    **MOTION CARRIED**

The meeting was reconvened at 10:35 a.m. Closed Session announcement included the instructions on the Los Altos case and confidential direction was provided to the Claims Committee Chair.

*Charlotte Dunn joined the meeting at 10:35 a.m.*

**E. NEW BUSINESS**

*E1. CSAC EIA – Creation of a New JPA Facility*

Michael Fleming, General Manager and Treasurer of CSAC EIA, provided a 45-minute presentation regarding the formation of the new CSAC EIA JPA, which is open to non-county members. He described in detail the information on the Primary Workers' Compensation Program. Any members who are interested in receiving additional information should contact the Driver staff in San Francisco.

## **C. REPORTS**

### **C2. Claims Committee's**

#### ***C2b. 2001 Service Fee for Carl Warren & Company***

The Carl Warren & Company contract was presented for renewal. There were no changes to the contract wording, however, Carl Warren proposed an increase in the Claims Handling fees from \$41,000 to \$43,000, while the Administrative fee remains at \$10,000 per year.

A motion was made to approve the new three-year contract, including the increase in fee.

**MOTION:** Tom Vance      **SECOND:** Sandra Blanch

Tom Vance rescinded his motion to approve the Carl Warren Contract as proposed. There was discussion that this item should have been originally presented to Claims Committee prior to the Board of Directors' approval. This item will be revisited after the Claims Committee reviews the contract information and makes a recommendation to the Board of Directors. It is expected that this item will be revisited at the June Meeting. No further action was made at this time.

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

#### ***C3a. Ratification of Disbursements – Union Bank***

##### *C3a1. Month ending December 31, 2000*

The ending balance as of December 31, 2000 of the checking account is \$136,333.

##### *C3a2. Month ending January 31, 2001*

The ending balance as of January 31, 2001 of the checking account is \$122,937. Mike Simmons explained a reimbursement to his name in the amount of \$2,167, which represented the amount placed on his personal credit card to reserve hotel rooms for the June 2001 Board Meeting.

#### ***C3b. Report of Investments – Pursuant to Government Section Code 53646(b)(1)***

##### *C3b1 and C3b2. Months Ending January 31, 2001 and February 28, 2001*

These two items were reviewed with no comments.

**C3c. Estimated Earnings Report as of September 30, 2000 and December 31, 2000**

Mike Simmons passed out the reports at the meeting and explained that a “Y2K Glitch” was discovered in the accounting program, which was utilized to calculate these reports. This “glitch” caused the delay of the September report. The problem has been fixed and all reports are in order.

**C3e. Budget Year to Date**

This item was reviewed with no comments.

**C3f. Draft 2001/2002 Budget**

The Draft Budget was reviewed and the following changes are to be made:

- Claims Administration to be amended from \$51,000 to \$53,000 (per contract)
- Investment Services to be amended from \$14,000 to \$13,000 (per contract)
- CIPRA – amount of \$4,000 to be eliminated from the budget. *Tom Vance mentioned that CIPRA will be rolling into CAJPA and this separate funding is no longer needed. Mike Simmons is to check into this further and follow up.*
- Ind. Member Cities Travel - \$1,000 per member - Eliminate Modesto and Bakersfield as participants.

A Motion was made to approve items C3a, C3b and C3f (with changes listed above). No action was necessary for C3c or C3e.

**MOTION:** Charlotte Dunn **SECOND:** Tom Vance **MOTION CARRIED**

Item Number “C3d. Financial Statements” was removed from the agenda as requested by Scott Manzer, as this is a duplicate item already included in the April agenda packet.

**C4. Executive Committee’s – None**

**C5. Program Administrator’s**

***C5a. Optional Excess Workers' Compensation Renewal***

Program Administrators is requesting the current members of the program submit estimated 2001/2002 Payroll and Loss Runs valued as of 3/31/2001. AIG rates will be same as last year, as this policy was written with a 3-year rate guarantee. Program administrators will be providing quotes to Cities of Santa Barbara, Modesto and Palo Alto.

**D. UNFINISHED BUSINESS**

***D1. Incidental Medical Malpractice Coverage***

Attachments were handed out at the meeting for this follow-up item from the February Meeting. Dan Howell discussed this item in detail. The ACCEL group had options to do one of the following:

1. The underwriter has offered to affirmatively extend coverage to the City of Monterey's physical therapist at a \$1,000,000 SIR; and
2. The ACCEL Board could elect to allow the coverage terms to remain as is and expect a favorable coverage determination if there is a claim.

***D2. Investment Policy Review***

The Investment Policy was presented in Draft form. It was agreed that additional consideration should be given to changes. Loren Cox will provide the Program Administrators with comments and the policy will return for action in June.

This item will be presented in draft form at the June Board Meeting, red-line strike out format.

**E. NEW BUSINESS**

***E2. Investment Services Contract Renewal (City of Monterey)***

A motion was made to approve the Investment Services Contract Renewal, with the following changes:

1. Annual fee will be \$13,000 including safe keeping and bank charges; and
2. Two year agreements

**MOTION:** Tom Vance      **SECOND:** Charlotte Dunn      **MOTION CARRIED**

***E3. Estimated Retrospective Rating Plan Calculation***

Mike Simmons addressed to the Board that the Preliminary Calculations will be presented at the June Meeting.

***E4. Legal Services Contract Renewals – Garthe and Spradlin***

A motion was made to approve the Garthe Contract and to discontinue the Spradlin Contract.

**MOTION:** Tom Vance      **SECOND:** Sandra Blanch      **MOTION CARRIED**

***E5. 2001 ACCEL Actuarial Analysis (Draft)***

Mike Simmons discovered numerous errors in the Draft Report so this item was not discussed. There was discussion of putting out an RFP for the next actuarial analysis process.

***E6. Next Two Meetings Schedule***

Members received information on the next two meetings.

***E7. Teleconference Meeting Procedure (Expenses)***

After a brief discussion of this item, Program Administrators were asked to re-visit this item at the next meeting to discuss Meeting Participation and Telephonic Meeting Procedures. Members agreed that where there is a normal meeting place and members chose to join telephonically, those members will not be reimbursed by ACCEL for the call.

**F. CORRESPONDENCE**

***F1. CAJPA Journal – Winter 2000-2001 Issue***

***F2. Letter from Tom Vance – “Definition of Risk Analysis”***

There was no discussion on items F1 and F2. Karen Thesing handed out information on an article “PERB Proposes New Regulations for Public Agencies Covered by the MMBA”.

**G. GENERAL RISK MANAGEMENT ISSUES**

Dan Howell mentioned that he received notice that he received the renewal Liability Policy from AIG and will transmit to all members soon. No other items were discussed.

The meeting was adjourned at 2:45 p.m.