

**MINUTES OF THE  
ACCEL BOARD OF DIRECTORS MEETING  
BAKERSFIELD, CA  
THURSDAY, OCTOBER 10, 2002, 3:00 PM**

**MEMBERS PRESENT:**

Tom Vance, City of Anaheim  
Patrick Flaherty, City of Bakersfield  
Ben Bankard, City of Modesto  
Mary Sue Baker, City of Monterey  
David Clovis, City of Mountain View (Telephonically)  
Ann Garcia, City of Ontario  
Sandra Blanch, City of Palo Alto  
Brad Landreth, City of Santa Barbara  
Erwin Young, City of Santa Cruz (Telephonically)  
Tom Phillips, City of Santa Monica  
Charlotte Dunn, City of Visalia

**GUESTS AND CONSULTANTS**

Joan Anderson, Brown Armstrong CPAs  
Craig Schweikhard, Carl Warren & Company  
Mike Simmons, Driver Alliant Insurance Services  
Janelle Cabanding, Driver Alliant Insurance Services  
Leo Heyenrath, Heyenrath & Associates  
Jim Patricola, City of Burbank (Telephonically)

**A. CALL TO ORDER**

The meeting was called to order by President Tom Vance at 3:00 p.m. The Claims Committee Reports were discussed at a Time Certain of 3:00 P.M.

**B. CONSENT CALENDAR**

**B1. Approval of Minutes – June 20 and 21, 2002 Board of Directors Meeting**

A motion was made to approve the Minutes as submitted.

**MOTION:** Mary Sue Baker                    **SECOND:** Ann Garcia                    **MOTION CARRIED**

**C1. PRESIDENT'S REPORT -NONE**

**C2. CLAIMS COMMITTEE**

The ACCEL Board of Directors entered into Closed Session pursuant to Government Section Code 54956.95.

A motion was made to go into Closed Session at 3:02 p.m.

**MOTION:** Mary Sue Baker           **SECOND:** Sandra Blanch   **MOTION CARRIED**

A motion was made to reconvene from Closed Session at 3:28p.m.

**MOTION:** Ben Bankard           **SECOND:** Patrick Flaherty   **MOTION CARRIED**

Claims Committee Chair Brad Landreth reported that the watch list was reviewed and direction was given to the Claims Administrator to contact AIG with regard to a claim discussed in Closed Session.

***C2b. Liability Claims Audit***

Leo Heyenrath joined the meeting to present his report. He thanked all members for being cooperative during his process of the audit. Leo reviewed the recommendations from his report and the following two items were discussed.

- The office of the City Attorney for the City of Santa Monica needs to provide better status reports to both the Risk Management Division as well as ACCEL. Tom Phillips reminded members that he requested assistance from ACCEL at the October 2001 Meeting regarding this issue. Tom assured that he keeps a close eye on the claims management side. Tom reported the Committee that claims management in the City has been the best the City has been in the past 10 years.
- Modesto Claim No. 00-9975 – A question arose whether back wages were covered by AIG since a heavy portion of the incurred amount was attributable to loss of wages. The Committee directed the Program Administrators to research this issue and report back to the Board in December.

A motion was made to file and accept the Liability Claims Audit as presented.

**MOTION:** David Clovis   **SECOND:** Sandra Blanch   **MOTION CARRIED**

***C2c. Draft Minutes from the July 11, 2002 Claims Committee Meeting***

The minutes were submitted as information only and no action was taken. These minutes will be reviewed and approved at the next upcoming Claims Committee meeting.

**C3. FINANCIAL AND TREASURER'S**

Joan Anderson from Brown Armstrong CPAs attended the meeting to present the Draft ACCEL Financial Audit.

Joan Anderson introduced herself to the ACCEL Board, explained her background and experience working with ACCEL. Ms. Anderson advised that as well as being ACCEL's auditor for seven years, she is also the City of Santa Barbara and the City of Bakersfield's Financial Auditor. She is proud to inform us that she was promoted a few years ago to *Audit Manager* for Brown Armstrong and is pleased to continue her working relationship with ACCEL.

Ms. Anderson mentioned that the ACCEL Audit is in compliance with GAGAS and other new governmental accounting policies. Prior to the audit being finalized, the ACCEL Board is hoping for a letter that indicates that their audit will not include a management letter. Ms. Anderson also stated that the audit will be issued in final form once she receives an audit confirmation from Daley and Heft and William Nagle. Program Administrators were directed follow up with the attorneys and to assist in getting the information submitted to complete the audit.

President Tom Vance, on behalf of the ACCEL Board, thanked Joan for taking the time to meet the group and presenting her report. If anyone has any questions, they are directly to contact Joan. Her contact information is as follows:

Joan Anderson  
Brown Armstrong CPAs  
4200 Truxtun Avenue Suite #300  
Bakersfield, CA 93309  
Toll-free (888) 565-1040  
Fax (661) 324-4997  
Email [jmanderson@barrcpa.com](mailto:jmanderson@barrcpa.com)  
[www.barrcpa.com](http://www.barrcpa.com)

A motion was made to accept and file draft Financial Audit.

**MOTION:** Mary Sue Baker    **SECOND:** Charlotte Dunn    **MOTION CARRIED**

Treasurer Patrick Flaherty reported on all financial reports.

A motion was made to accept and file financial reports C3a through C3f.

**MOTION:** Brad Landreth    **SECOND:**    Mary Sue Baker    **MOTION CARRIED**

President Tom Vance on behalf of the ACCEL Board thanked Patrick Flaherty for continuing to do an excellent job as Treasurer for the Authority.

The meeting was adjourned at 5:31 p.m. and was scheduled to reconvene at 8:30 a.m. the next day.

**(CONTINUED)**  
**MINUTES OF THE**  
**ACCEL BOARD OF DIRECTORS MEETING**  
**BAKERSFIELD, CA**  
**FRIDAY, OCTOBER 11, 2002, 8:30 AM**

**MEMBERS PRESENT**

Tom Vance, City of Anaheim  
Patrick Flaherty, City of Bakersfield  
Ben Bankard, City of Modesto  
Mary Sue Baker, City of Monterey  
Ann Garcia, 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

**GUESTS AND CONSULTANTS**

Beverly Jensen, City of Mountain View (Telephonically)  
Mike Simmons, Driver Alliant Insurance Services  
Janelle Cabanding, Driver Alliant Insurance Services

President Tom Vance reconvened the meeting at 8:30 a.m.

**C4. PROGRAM ADMINISTRATOR'S**

***C4a. ACCEL Website Update***

Program Administrators provided an update to the ACCEL Board. The ACCEL website is continually updated with its current information. Archive documents are still in the process of being reformatted and uploaded to the Members Section of the new website. Members hope for archive documents to be available on-line soon. Program Administrators continue to research the possibility of an automatic certificate issuance feature on the website.

***C4b. Request for Membership – City of Concord***

Initial discussions took place by the Underwriting Committee Meeting held Thursday, October 10, 2002 at 2:00 p.m.

Program Administrators provided a brief background on the City of Concord. Concord is currently a member of CCCMRMIA and is looking for liability insurance options, with an effective date of July 1, 2003. Concord is currently obligated to provide a notice by December 31, 2002 if it wishes to withdraw from its current program. Concord has applied for membership into CJPRMA. A copy of their application was provided in the agenda packet, handwritten page 60.

Concord wishes to apply for membership into ACCEL. It was agreed that Concord has not taken the initial steps in officially applying for membership into the Authority. This item has been agendaized for the December meeting for Board members to discuss. The Board may also decide if it wishes to consider Concord as a viable member for the Authority at this time.

Tom Phillips spoke on behalf of the Underwriting Committee (as Chair). He reported that the Committee was reluctant to consider entertaining the idea of Concord as a potential member into the Authority.

A discussion arose among members and staff. Board members expressed that they feel Concord is not a viable member based the following:

- Concord might not accept a self-insured retention of \$1,000,000;
- Concord currently does not have a full time Risk Manager;
- Concord currently is receiving many program benefits of their current program such as Safety Control Services and a Third Party Administrator. If Concord were to withdraw from their current program, finding replacement staff and services may become a potential problem with structure.

#### ***C4c. Underwriting Packet Update***

Program Administrators included this information in the agenda for members' review and comments on the process of a potential member joining. The ACCEL Board was asked by staff to review the packet and provide feedback and comments.

It was discovered that the Underwriting Standards Policy & Procedure needs to be amended to read as "Financially able to accept a minimum self insured retention of \$1,000,000" in lieu of \$500,000. Program Administrators were directed to have this corrected by Resolution and submitted for approval at the next Board Meeting.

Members discussed targeting certain Cities, which would be viable potential members of ACCEL. Program Administrators suggested that letters targeting cities for ACCEL membership be mailed out under the President's signature.

Cities that have inquired about joining ACCEL are:

- Concord
- Pomona
- Newport Beach
- Thousand Oaks

Staff will send a New Membership Kit to Thousand Oaks following the October Board Meeting.

## **C5. UNDERWRITING COMMITTEE'S**

### ***C5a. ACCEL Workers' Compensation Shared Risk Pool***

Tom Phillips spoke on behalf of the Underwriting Committee (as Chair). Tom reported that it is the recommendation of the Underwriting Committee to hold back on pursuing the development and study of an ACCEL Workers' Compensation Shared Risk Pool Program.

The Underwriting Committee met twice since the June Meeting to discuss and implement a process and timeframe for this project. After discussions with the Workers' Compensation Actuary, John Alltop comparing facts and figures, it was decided that the Underwriting Committee would not recommend the program development and design. As indicated on handwritten page 89, the Underwriting Committee does not believe that significant benefits exist to create a program that would lead to greater stability currently offered.

Members reviewed the CPEIA Workers' Compensation Draft Documents included as a separate item in the agenda. Staff reminded ACCEL Workers' Compensation Program participants that they have a requirement to enter into the Memorandum of Understanding, which is to be signed by the ACCEL President. Staff stressed that nothing be signed at this time because this document is currently in the process of being amended.

Tom Vance asked Staff if CPEIA is going to schedule a "members information" orientation meeting for participants. Staff advised that the meeting is scheduled in November this year but will confirm the details and follow up with members.

***C5c. Draft Minutes from the Underwriting Committee Meeting from August 29, 2002 and September 26, 2002.***

These minutes were submitted as information only and no action was taken. These minutes will be approved at the next Underwriting Committee meeting.

**C6. EXECUTIVE COMMITTEE'S**

***C6a. Draft Minutes – July 2, 2002, Executive Committee Meeting***

The minutes were submitted as information only and no action was taken. These minutes will be approved by the Executive Committee at the next upcoming Executive Committee meeting by the Executive Committee.

**D. UNFINISHED BUSINESS - NONE**

**E. NEW BUSINESS**

**E1. ACCEL Liability Actuarial Study – Request for Proposal (RFP)**

Underwriting Committee Chair, Tom Phillips, presented this item. He brought the ACCEL Board up to date on the RFP Process. Staff prepared an Actuarial Evaluation of all proposals received. It was distributed as a handout to members at the meeting. Tom Phillips thanked the Program Administrators for doing an excellent job in meeting all deadline requirements in order to present this item at the October Meeting.

More details of this item can be reviewed in the Minutes of the Underwriting Committee Meeting dated October 10, 2002.

After discussion and review, it was the recommendation of the Underwriting Committee to select Bickmore Risk Services as its Liability Actuary.

A motion was made to select Bickmore Risk Services as ACCEL's Liability Actuary, with the condition that the Second Year update as part of their Schedule of Fees is to be at a cost of \$1,500.

**MOTION:** Mary Sue Baker                      **SECOND:** Tom Vance                      **MOTION CARRIED**

**E2. Federal Express Account**

Staff was asked to research the cost and process of establishing a Federal Express Account for ACCEL. This was initially brought up at the June Meeting due to need for checks to be sent over night to various locations for signatures. Staff reported that there is no cost to open the account. However, a credit card has to be on file with Federal Express for billing purposes.



It was agreed that FedEx expenses may be reimbursed back to Members by ACCEL. Members were requested to send all invoice and shipment information along with a request for reimbursement to Treasurer Patrick Flaherty.

### **E3. 2003 Proposed Calendar of Meetings**

The calendar of meetings was reviewed and discussed by members. It was agreed by members that the February 18, 2003 meeting (PARMA Conference in Palm Springs) will be scheduled as a one-day meeting, starting at 10:00 a.m. All other dates were accepted.

<b>LOCATION</b>	<b>DATE(S)</b>
Palm Springs (PARMA)	Tuesday, February 18 <sup>th</sup> , 2003 – 10:00 A.M.
San Francisco	Thursday and Friday, April 24 <sup>th</sup> and 25 <sup>th</sup> , 2003
Santa Barbara	Thursday and Friday, June 19 <sup>th</sup> and 20 <sup>th</sup> , 2003
Monterey	Thursday and Friday, October 2 <sup>nd</sup> and 3 <sup>rd</sup> , 2003
Santa Monica	Thursday and Friday, December 4 <sup>th</sup> and 5 <sup>th</sup> , 2003

### **E4. Next Two Meetings Scheduled**

Program Administrators provided a list of Palo Alto hotels to members for the December meeting. Members reviewed all information provided. Due to scheduling conflicts with three Board Members, it was agreed that the meeting will be rescheduled as follows:

- December 12, 2002, 1:00 p.m.
- December 13, 2002, 8:30 a.m. with a Time Certain finish at 11:00 a.m.

Program Administrators were directed to secure a meeting room and hotel accommodations at Hyatt Rickey's in Palo Alto.

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

There was no discussion on items that were included in the agenda packet.

### **G. PUBLIC COMMENTS**

There were no public comments.

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

There was a motion to adjourn the meeting.

**MOTION:** Ben Bankard      **SECOND:** Ann Garcia      **MOTION CARRIED**

The meeting was adjourned at 10:51 a.m.