

**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 7, 2006, 3:00 P.M.
COURTYARD MARRIOTT
RANCHO CUCAMONGA, CA**

MEMBERS PRESENT

Sandra Blanch, City of Palo Alto
Sherrell Freeman, City of Monterey
Ann Garcia, City of Ontario
Claudia Koob, City of Mountain View
Ralph Korn, City of Bakersfield
Jim Patricola, City of Burbank
Tom Phillips, City of Santa Monica
Tom Vance, City of Anaheim

MEMBERS ABSENT

Mary Akin, City of Modesto
Barbara Choi, City of Mountain View
Brad Landreth, City of Santa Barbara
Charlotte Dunn, City of Visalia

GUESTS AND CONSULTANTS

Keyan Aghili, Carl Warren & Company
Janelle Aldea, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services

A. CALL TO ORDER

President Tom Vance called the meeting to order at 3:01 p.m.

B. CONSENT CALENDAR

B1. Approval of Minutes – October 5 and 6, 2006 Board of Directors Meeting

A motion was made to approve the minutes.

MOTION: Ralph Korn **SECOND:** Jim Patricola **MOTION CARRIED**

C. REPORTS

C1. President's Report

C1a. Long Range Planning Items

The following 2005 Long Range Planning Items were discussed at today's meeting.

1. Stabilization of an Excess Insurance Carrier

Members agreed that they have accomplished this, having maintained a relationship with C.V. Starr through the transition from Insurance Company of the State of Pennsylvania to ANIMAL (Everest Insurance Company) for the July 1, 2006-2007 policy term. Mike Simmons does not know whether C.V. Starr will handle claims in-house or outside. Tom Vance also inquired about the renewal policies and when will they be sent out. Mike Simmons replied that the primary policy with ANIMAL has not yet been received. Mike will follow up with the ANIMAL representatives for a status. Program Administrators were asked to remove this item from future agendas.

2. Addition of a new ACCEL Member

With the potential change in risk sharing formula, members agreed it may be difficult to market ACCEL. Jim Patricola mentioned that the City of Glendale expressed interest. Jim will follow up. Mike Simmons reminded members that the City of Ventura has always expressed interest but they are hard to follow up with.

3. Exploring options for Excess Workers' Compensation

Mike Simmons mentioned that he will keep an eye out on Wexford. Still, not many carriers can compete with CSAC-EIA's Excess Workers' Compensation Program, especially because of the program services included.

4. Receiving the Financial Audit on schedule

Program Administrators will work with the Finance Committee on this issue.

5. Stabilization of the liability pool rate

This will be an on going topic.

6. Improvement of claims reporting procedures

The Policy & Procedure has been discussed and amended at prior meetings. Tom Phillips will talk with Brad Landreth on Best Practices item (Item 2B).

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 3:23 p.m. pursuant to Government Section Code 54956.95.

MOTION: Jim Patricola **SECOND:** Ann Garcia **MOTION CARRIED**

A motion was made to come out of closed session at 4:83 p.m.

MOTION: Ann Garcia **SECOND:** Sherrell Freeman **MOTION CARRIED**

Claims Committee Chair, Tom Phillips, has nothing to report from closed session.

C2b. Development of Best Practices

There was no discussion on this item.

The meeting was adjourned and will reconvene at 8:30 a.m. tomorrow.

(CONTINUED)
**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
FRIDAY, DECEMBER 8, 2006, 8:30 A.M.
COURTYARD MARRIOTT
RANCHO CUCAMONGA, CA**

MEMBERS PRESENT

Sandra Blanch, City of Palo Alto
Sherrell Freeman, City of Monterey
Ann Garcia, City of Ontario
Claudia Koob, City of Mountain View
Ralph Korn, City of Bakersfield
Jim Patricola, City of Burbank
Tom Phillips, City of Santa Monica
Tom Vance, City of Anaheim

MEMBERS ABSENT

Mary Akin, City of Modesto
Barbara Choi, City of Mountain View
Brad Landreth, City of Santa Barbara
Charlotte Dunn, City of Visalia

GUESTS AND CONSULTANTS

Janelle Aldea, Alliant Insurance Services
Mike Simmons, Alliant Insurance Services

The meeting reconvened at 8:35 a.m.

C3. Financial and Treasurer's Report

Treasurer, Sherrell Freeman, presented the following reports.

C3a. Ratification of Disbursements for Months Ending September and October 2006

There was no discussion on this item.

C3b. Investment Report – Pursuant to Government Section Code 53646(b)(1) for Months Ending September 30 and October 31, 2006

Members requested the summary of the reports and not to include detail in the agenda.

C3c. Estimated Earnings Report as of June 30, 2006 and September 30, 2006

There was no discussion on this item.

C3d. Financial Statement Ending September 30, 2006

There was no discussion on this item.

C3e. Administrative Budget 2006/2007 as of October 2006

The budget will be amended to include City of Modesto's Travel Reimbursement Budget amount of \$1,500.

C3f. Ratification of Financial Statements for FY Ending June 30, 2006.

There was no discussion on this item.

A motion was made to receive and file Agenda Items C3a, C3b, C3c, C3d, C3e and C3f.

MOTION: Tom Phillips **SECOND:** Jim Patricola **MOTION CARRIED**

C3g. DE6 Payroll Issue

Sherrell Freeman reported that she has received DE6 payroll information from various members and based on the information received, indicated that members are reporting PIT wages differently, as much as a 10% difference. The Finance Committee was directed to meet and come with a recommendation at the next Board meeting.

C4. Program Administrator's Report

The Program Administrators are to amend the Bylaws to reflect their name change from Driver Alliant to Alliant Insurance Services and bring back to the next meeting. The Action List needs to be sent via email to members when the minutes are done. Lastly, the Program Administrators need to get in touch with Tim Farley to have him complete the reconciliation assignment in January next year. Tim Farley's contract may need to be amended to reflect this reconciliation as part of next year's audit.

C5. Underwriting Committee's Report

Underwriting Committee Chair, Sandra Blanch, reported the following items.

C5a. Retrospective Rating Formula Review

Sandra Blanch mentioned that the Underwriting Committee has had several meetings this year to discuss the retrospective rating formula and potential changes to the formula that may be effective July 1, 2007. Sandra reported that the Underwriting Committee has not been able to develop a recommendation for any modifications to the Retrospective Rating Plan. As a result, consideration to extend notice of withdrawal is agendized for discussion and consideration. As indicated in the ACCEL Joint Powers Agreement, if a member would like to withdraw its membership, it must provide six months advance notice.

Mike Simmons reminded members that JPA Agreement is difficult to amend and the withdrawal provision does not discuss any possibility of rescinding notice to withdraw. In the past by motion, the Board has agreed on a rescinding notice date. In this case the Board may wish to take action to mutually postpone the deadline for notice and address this issue further after the Underwriting Committee's recommendation has been reviewed.

The Underwriting Committee recommends that the notice of withdrawal be agreeably extended until such time that a Retrospective Rating Plan recommendation is presented and approved by the Board at their February 13, 2007, Board Meeting.

A motion was made to accept the recommendation from the Underwriting Committee on this issue of withdrawal.

MOTION: Sherrell Freeman **SECOND:** Ann Garcia **MOTION CARRIED**

D. UNFINISHED BUSINESS - None

E. NEW BUSINESS

E1. Approval of Amendments to CSAC-EIA Excess Workers' Compensation Memorandum of Understanding

Mike Simmons reported that at the CSAC EIA Board of Directors Meeting on October 6, 2006, amendments to the CSAC-EIA Excess Workers' Compensation Memorandum of Understanding (MOU) were approved. These amendments were primarily a result of the EIA restructure to incorporate the public entity membership, but also to clean up the document and create uniformity with other EIA documents. Because ACCEL is a member of the CSAC-EIA Excess Workers' Compensation, it is required at this time that ACCEL execute the Excess Workers' Compensation MOU.

A motion was made to approve the amendments to the CSAC EIA Excess Workers' Compensation MOU as attached hereto, and authorize the President to execute the MOU on behalf of ACCEL as requested by the EIA.

MOTION: Ralph Korn **SECOND:** Jim Patricola **MOTION CARRIED**

C2. CAJPA Accreditation Renewal

Janelle Aldea reported that the accreditation status of ACCEL will expire on April 27, 2007. Program Administrators are in the process of processing the necessary re-accreditation forms and working on the submittal data as required. Program Administrators will provide frequent updates during this process. The consultant reviewing ACCEL's submission is John Wilson of John Wilson Consulting Services.

C3. 2007 Calendar of Meetings

The Program Administrators included the 2007 Calendar of Meetings which was approved at the last Board of Directors Meeting.

- February 13, 2007 – City of Monterey (PARMA)
- April 19 and 20, 2007 – San Francisco (Program Administrator's Office)
- June 21 and 22, 2007 – City of Santa Barbara
- October 4 and 5, 2007 – City of Palo Alto
- December 6 and 7, 2007 – City of Anaheim

Members agreed to schedule the February meeting at a start time of 12:00 p.m. with lunch at 11:30 a.m.

F. CORRESPONDENCE / INFORMATION

F1. 2007 PARMA Conference Information

There was no discussion on this issue.

F2. October Chandler Market Review

Members requested this to be emailed to members as received.

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 10:34 a.m.

MOTION: Ann Garcia **SECOND:** Ralph Korn **MOTION CARRIED**