



MINUTES OF THE ACCEL BOARD OF DIRECTORS MEETING

Thursday, June 21, 2018 at 1:00 PM

Friday, June 22, 2018 at 8:30 AM

**Alliant San Jose Office
177 Park Avenue, 3rd Floor, San Jose, CA 95113
Meeting Room: Skyscraper**

MEMBERS PRESENT:

Dave Nunley, City of Anaheim
Jena Covey, City of Bakersfield
Cathy Talongwa, City of Modesto
Michael Andersen, City of Monterey
Claudia Koob, City of Mountain View
Jeannette Chavez, City of Ontario
Sandra Blanch, City of Palo Alto (*arrived at 1:08 PM on Thursday, June 21, 2018*)
Mark Howard, City of Santa Barbara
Oles Gordeev, City of Santa Monica Alternate
Charlotte Dunn, City of Visalia

MEMBERS ABSENT:

Betsy McClinton, City of Burbank
Patty Haymond, City of Santa Cruz
Deb Hossli, City of Santa Monica

GUESTS AND CONSULTANTS:

Steve Schwarz, City of Fremont (*Thursday, June 21, 2018 only; left at 2:40 PM*)
Norma Santoyo, City of Modesto Alternate
Gina Dean, CSAC EIA (*Friday, June 22, 2018 only, arrived at 8:30 AM and left at 9:05 AM*)
Charles Raibley, Crowe LLP (*Friday, June 22, 2018 only, arrived at 9:00 AM and left at 9:30 AM*)
Jen Aras, Crowe LLP (*Friday, June 22, 2018 only, arrived at 9:00 AM and left at 9:30 AM*)
Michael Simmons, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Daniel Howell, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Ken Maiolini, Risk Management Services (*Thursday, June 21, 2018 only*)

A. CALL TO ORDER

Mark Howard called the meeting to order at 1:00 PM on Thursday, June 21, 2018.
Mark Howard called the meeting to order at 8:32 AM on Friday, June 22, 2018.



B. CONSENT CALENDAR

- B1. Approval of Minutes for the March 22 and 23, 2018 Board of Directors Meeting**
- B2. Approval of Minutes for June 6, 2018 Special Board of Directors Meeting**
- B3. Board Member Job Description**
- B4. ACCEL Memorandum of Coverage (MOC) effective 7/1/2018**

A motion was made to approve the consent calendar.

MOTION: Jena Covey **SECOND:** Cathy Talongwa **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

C. GENERAL RISK MANAGEMENT ISSUES

Jena Covey, City of Bakersfield inquired whether other Member Cities have a tattoo policy for their employees and if their Fire Departments are utilizing cooling vests, which helps maintain the cardiovascular system. Members were not familiar with the vest.

Charlotte Dunn, City of Visalia asked if other Members permit their City’s Arson Investigators to carry firearms. Members provided feedback, the majority of members do not allow Arson Investigators to carry firearms.

Oles Gordeev reported that the Santa Monica Blue Bus won a transportation award for safety standards.

Claudia Koob, City of Mountain View reported there are now 420 RVs that park on the City’s streets. Some people are renting their RVs to others. Also, there are 3 churches that allow 4 vehicles to park in their parking lot at night and then the RVs go back on the streets, Mountain View is considering how to address this exposure during a housing crises.



D. REPORTS

D1. President’s Report

D1a. New Representatives’ Introductions

Mark Howard introduced the two new representatives, Cathy Talongwa from the City of Modesto who is the Primary Board Member, and Oles Gordeev from the City of Santa Monica who is the Alternate Board Member.

D1b. Guest Introduction

Mark Howard introduced Steve Schwarz the Risk Manager from the City of Fremont to the Board. Steve provided a brief introduction about himself. The Board welcomed Steve to the meeting.

D1c. July Executive Committee Meeting

Mark Howard stated that annually the Executive Committee meets after the June Board Meeting to appoint individuals to the three standing committees: Claims, Finance and Underwriting. He surveyed the Board to see who is interested in participating in any of the committees. Oles Gordeev and Jeannette Chavez expressed interest in the Claims Committee. Dave Nunley wants to appoint Tracey Matthews, Anaheim’s Alternate to the Claims Committee. Cathy Talongwa expressed interested in the Underwriting Committee. Michael Andersen stated he is open to be on any of the committees.

D1d. Other Items of General Interest – None.

D2. Claims Committee's Report

D2a. CLOSED SESSION – Pursuant to Gov't Code 54956.95

A motion was made to enter into Closed Session at 2:46 PM.

MOTION: Sandra Blanch **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



A motion was made to come out of Closed Session at 3:58 PM.

MOTION: Mark Howard **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

Charlotte Dunn, Claims Committee Chair reported out of Closed Session that direction was given to the Claims Administrator on 1 agendized claim and Program Administrators on 2 agendized claims.

D2b. Praxis Liability Claims Auditor Contract Approval

Conor Boughey reported that at the March 2018 Board Meeting, the Board took action to approve the recommendation from the Claims Committee to enter into a contract with the new Claims Auditor, Praxis. The Program Administrators reviewed the Praxis Contract and noticed that Praxis is requesting mutual indemnification. In the Request for Proposal (RFP), ACCEL requested full indemnification from the consultant. Brian Stiefel at Praxis has stated that he typically has mutual indemnification from his other clients.

Conor added that prior to the meeting, Deb Hossli suggested the Scope of Work be added as an exhibit to the contract to ensure that Praxis acknowledges the Scope of Work.

A motion was made to approve as presented.

MOTION: Jena Covey **SECOND:** Michael Andersen **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



D3a-e. Financial and Treasurer's Report

Jena Covey and Conor Boughey walked through the financial items.

Jena reported on the ratification of disbursements, investment reports and budget to date.

Conor Boughey explained that the goal of the Projected Cash Flow Obligations report is to let the Board know when they should instruct Chandler Asset Management to release long term assets when they mature back into a LAIF account, for liquidity, so ACCEL can make a quick claim payment. If any of the Estimated Future Period Balances go negative, that triggers the Board to give direction to the Program Administrators to instruct Chandler to start releasing long term liabilities. ACCEL continues to maintain a large balance in LAIF but that continues to be declining due to claims activity.

A motion was made to approve the financial items.

MOTION: Charlotte Dunn **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

D4. Program Administrator's Report

D4a. Confidential Closed Session Materials

Michael Simmons reported that for Closed Session, the Claims Administrator sends out Confidential Closed Session Watch Lists via email. The Program Administrators wanted to remind each Board Member to never save them on their computers and to always shred them or hand them to the Program Administrators if printed.



D5. Underwriting Committee’s Report – None.

D6. Nominating Committee’s Report

D6a. Election of Officers

Every year at the Spring Board Meeting, a Nominating Committee is created to survey the Board for Executive Committee nominations. Charlotte Dunn and Jeannette Chavez, the Nominating Committee reported the survey results at this meeting.

Mark Howard opened the floor for nominations.

A motion was made to approve the new slate of officers: Dave Nunley as President; Mark Howard as Vice President; Jena Covey as Treasurer; and Sandra Blanch as Secretary.

MOTION: Claudia Koob **SECOND:** Michael Andersen **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

E. UNFINISHED BUSINESS

E1. September Long Range Planning (LRP) Agenda

Mark Howard reported that the Long Range Planning will be held on September 11, 2018 in conjunction with CAJPA. He reminded the Board to let the Program Administrators know if there is anything they would like to add to the LRP agenda by the end of June 2018.

Sandra Blanch requested the Program Administrators to come up with 10 questions/ideas to send to the Board prior to the LRP regarding the topic: “What more do you as a Member, want out of ACCEL?” so the Board has time to think about it.

A motion was made to change the LRP location back to Folsom at the CSAC EIA office, and direct the Program Administrators to come up with 10 questions/ideas regarding the topic: “What more do you as a Member, want out of ACCEL?” and survey the Board prior to the LRP.



MOTION: Michael Andersen **SECOND:** Oles Gordeev **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

E2. ACCEL’s Revised 2018 Actuarial Study

Michael Simmons reminded the Board that at the March 2018 Board Meeting, the Board gave direction to Mike Harrington, ACCEL’s Actuary to incorporate various scenarios in the Actuarial Study on how the rates would change if either Anaheim, Bakersfield or Santa Monica increased their SIR to \$2M while the rest of the Members stay at \$1M.

A motion was made accept the report as presented and to ask Mike Harrington to attend the Long Range Planning held on September 11, 2018 in Folsom at the CSAC EIA office.

MOTION: Jena Covey **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



E3. ACCEL’s June 30, 2018 IBNR

Conor Boughey reported that the Actuarial Study is based on December 31, 2017 loss information. The Financial Audit will audit the financials as of June 30, 2018 and as a result, the IBNR requires an update to accurately reflect the Authority’s outstanding liabilities.

A motion was made to accept the IBNR report as presented.

MOTION: Michael Andersen **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

E4. 2018 Retrospective Rating Plan Adjustment Calculation & Resolution 1819-01

Conor Boughey reported that the draft Retro was presented at the March 2018 Board Meeting, and since that meeting, the Retro has been updated with new IBNR and reserves.

Also, at the June 2017 Board Meeting, the Board took action to administratively freeze fiscal years up to FY 2007/08, and this year’s Retro calculation shows the prior funds on account, rolling forward to the FY 2008/09 year.

A motion was made to approve the 2018 Retro Calculation and Resolution 1819-01.

MOTION: Michael Andersen **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



E5. ACCEL FY 18/19 Excess Liability Program Renewal

Dan Howell provided the Board with an update regarding the excess liability program renewal.

Dan reported that Markel has offered reinsurance of \$2.5M xs \$5M, where the ANML policy would attach at \$7.5M. Dan Howell and Michael Simmons explained the pros and cons between the current structure and Markel’s reinsurance option.

For the \$50M xs \$150M layer with Lloyds which Santa Monica and Palo Alto purchases, the minimum premium is \$100,000. If Palo Alto decides not to purchase this layer this year, the carrier will not reduce the premium for Santa Monica because of the minimum premium. The Program Administrators will confirm with these two Members whether they will continue to purchase these limits.

Michael Simmons presented a new insurance product, Alliant Deadly Weapon Response Program (ADWRP). Alliant was able to provide a quote based on the Total Insured Values that they obtained from the Members who participate in the Alliant Property Insurance Program (APIP). The Program Administrators will reach out to the Members who do not participate in APIP, which are Bakersfield, Burbank, and Visalia for their Statement of Values (coverage is tied to the SOV).

A motion was made to decline the Markel offer for the FY 18-19 and to further discuss at the Long Range Planning; and renew as expiring with the purchase of the Alliant Deadly Weapon Response Program (ADWRP) as a group.

MOTION: Jena Covey **SECOND:** Sandra Blanch **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

E6. Optional Excess Workers Compensation Program Renewal

Conor Boughey explained the Excess Workers Compensation renewal through CSAC EIA. Everyone who participates has received their proposal.

No reportable action took place.



E7. Adopting the 2018/19 Administration Budget & Resolution 1819-02

Conor Boughey reported that at the March 2018 Board Meeting the draft budget was presented and annually at the June Board Meeting the budget is adopted. There are some slight changes to the contracted fees to match the estimate costs in the FY 18-19 term. Since the March 2018 Board Meeting, the budget for Claims Auditor increased to \$51,000 from \$48,000.

A motion was made to approve as presented.

MOTION: Charlotte Dunn **SECOND:** Michael Andersen **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

E8. Conflict of Interest Code – FPPC’s Proposed Language

Michael Simmons reported that the Fair Political Practices Commission (FPPC) has reviewed the Conflict of Interest Code and came back with a revision to include language regarding electronic filing as indicated in redline in the agenda packet.

A motion was made to approve as presented.

MOTION: Charlotte Dunn **SECOND:** Jena Covey **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



F. NEW BUSINESS

F1. CSAC EIA Presentation

Gina Dean, CSAC EIA gave a brief introduction about CSAC EIA, and ACCEL’s historical participation in the Excess Workers Compensation Program. She also walked through the different services that CSAC EIA provides for Risk Management.

Members asked questions which were addressed.

F2. Crowe LLP New Managing Partner Introduction

Charles Raibley, Crowe LLP introduced Jen Aras as the New Managing Partner for ACCEL’s Financial Audit for the 2018 and 2019 audit years.

Members asked questions which were addressed.

F3. Retrospective Rating Calculation Funds Restriction

Conor Boughey explained that ACCEL’s Financial Plan allows the Board to restrict the amount available for return to Members through the application of a restriction. At the June 2017 Meeting the Board voted to restrict \$4M. The Board reviewed this year’s RPC results, the financial position of the Authority, along with the expected ‘test year’ results to determine the amount appropriate to restrict.

A motion was made to restrict \$6M from the 2018 Retro calculation.

MOTION: Jena Covey **SECOND:** Michael Andersen **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



F4. Retrospective Rating Plan Refund Requests

Conor Boughey reported that the Retrospective Rating Plan for the 2018 calculation is final and asked Members if they want to withdraw any Retro funds. Conor reminded the Board that Members are able to withdraw funds from the Authority after the July 1, 2018 deposit is paid.

The City of Palo Alto requests \$500,000 of the Retro.

F5. Alliant Performance Review Discussion

Conor Boughey reported that the last Alliant Performance Review was conducted in 2017 and the results were presented at the October 2017 Board Meeting. The Program Administrator’s contract does not specifically state how often a performance review needs to be completed. Alliant asked the Board how often they would like to conduct performance reviews on an ongoing basis.

A motion was made to conduct a performance review every other year at the January Board Meeting, so the next one would be January 2019.

MOTION: Charlotte Dunn **SECOND:** Oles Gordeev **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X		X		X	X
Nay												
Abstain							X					



F6. Approval of ACCEL’s Declarations Page

Conor Boughey reported each year the Program Administrators present a draft form of the Declarations page and a list of the Additional Named Covered Parties for the Board to review and approve. Conor reminded the Members that if there is anything that they would want to add to the Additional Named Covered Parties, it is best to tell the Program Administrators at the Board Meeting so other Members are aware what is being added.

A motion was made to approve as presented.

MOTION: Sandra Blanch **SECOND:** Jeannette Chavez **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

F7. Insurance Renewals

F7a. Public Employee Dishonesty Insurance

Conor Boughey reported that ACCEL’s Crime coverage was bound effective July 1, 2017 for two years through Alliant’s Crime Insurance Program (ACIP). Included in the agenda packet is the 18-19 annual premium installment invoice.

No reportable action took place.



F7b. Trustees Errors & Omissions Insurance

Conor Boughey presented the Trustee’s Errors & Omissions proposal. The renewal remains flat with the same limits and deductibles.

A motion was made approve as presented.

MOTION: Jena Covey **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												

F8. Schedule of the Next Two Board of Directors Meetings

The Long Range Planning will be held in Folsom, CA at the CSAC EIA office on September 11, 2018 starting at 11:00 AM.

A motion was made to change the October 11 and 12, 2018 Board Meeting location from Visalia to Bakersfield. The meeting will start at 1:00 PM on Thursday and 8:30 AM on Friday unless otherwise stated.

MOTION: Michael Andersen **SECOND:** Charlotte Dunn **MOTION CARRIED**

	Dave Nunley	Jena Covey	Betsy McClinton	Cathy Talongwa	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X		X	X
Nay												
Abstain												



G. CORRESPONDENCE / INFORMATION

G1. CAJPA Conference (2017 Schedule) - No discussion on this item was made.

H. PUBLIC COMMENTS – No public comments were made.

ADJOURNMENT

Mark Howard adjourned the meeting at 5:00 PM on Thursday, June 21, 2018.

Mark Howard adjourned the meeting at 11:21 AM on Friday, June 22, 2018.