

ACCEL BOARD OF DIRECTORS MEETING

Day 1 - Thursday, January 18, 2024 at 12:00 PM

Day 2 - Friday, January 19, 2024 at 8:00 AM

LOCATION:

Alliant Irvine Office

18100 Von Karman Ave, 10th Floor

Irvine, CA 92612

Room: Dana Point

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim
Jena Covey, City of Bakersfield
Alvaro Valdez, City of Burbank Alternate
Christina Alger, City of Modesto Alternate
Rafaela King, City of Monterey
Derek Rampone, City of Mountain View
Numeya Williams, City of Ontario
Sandra Blanch, City of Palo Alto
Marisa Kahn, City of Santa Barbara Alternate
Ross Brandon, City of Santa Cruz
Oles Gordeev, City of Santa Monica
Andrew Guzman, City of Visalia

MEMBERS ABSENT:

None

GUESTS AND CONSULTANTS:

Rhonda Combs, City of Salinas
(via teleconference: Thursday, January 18, 2024, joined at 2:30 PM and excused from the meeting room from 3:18 PM to 4:39 PM)
Kathy Garozzo, City of Ontario Alternate
(left at 3:18 PM on Thursday, January 18, 2024, and at 10:15 AM on Friday, January 19, 2024)
Ben Oram, George Hills Company
David Trautz, George Hills Company *(Thursday, January 18, 2024 only, arrived at 3:18 PM)*
Rob Powers, R.E. Powers & Company *(Thursday, January 18, 2024 only, left at 2 PM)*
Daniel Howell, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Thomas Joyce, Alliant Insurance Services
(excused from the meeting room from 3:18 PM to 4:39 PM on Thursday, January 18, 2024)
P.J. Skarlanic, Alliant Insurance Services
(Thursday, January 18, 2024 only, excused from the meeting room from 3:18 PM to 4:39 PM)



A. CALL TO ORDER

Jena Covey called the meeting to order on Thursday, January 18, 2024 at 12:00 PM.
 Jena Covey called the meeting to order on Friday, January 19, 2024 at 8:00 AM

B. CONSENT CALENDAR

B1. Approval of Minutes for the October 12 and 13, 2023 Board of Directors Meeting

B2. Alliant Crime and Errors & Omissions Liability Certificates

A motion was made to approve the consent calendar.

MOTION: Ross Brandon **SECOND:** Sandra Blanch **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

C. GENERAL RISK MANAGEMENT ISSUES

Kathy Garozzo, City of Ontario Alternate asked whether the Risk Management (RM) or Human Resources (HR) Departments conducts the Industrial Disability Retirement (IDR). Oles Gordeev, City of Santa Monica mentioned it used to be in HR and now is in RM.

Oles Gordeev, City of Santa Monica inquired what other Members have done as respects to Senate Bill 553 Occupational safety and workplace violence. Liebert Cassidy Whitmore (LCW) is providing a training on this topic. Thomas Joyce pointed out that PRISM has posted a whitepaper regarding Senate Bill 553.

Ross Brandon, City of Santa Cruz stated that the City recently hired a Safety Officer, and requested that ACCEL create a contact list of each Members’ Safety Officer and Liability/Workers’ Compensation Claims Managers to share amongst the group similar to the Area of Specialty contact list.

Rafaela King, City of Monterey announced the City is recruiting a new Risk Manager and will be at the PARMA conference.

Alvaro Valdez, City of Burbank asked around the table about Employee Assistance Program (EAP) for Police Departments. Jena Covey, City of Bakersfield commented that the City uses Tina Casola at First



Alarm Wellness. The Program Administrators will distribute Tina Casola’s contract information from the last time Tina presented to ACCEL a few years ago.

Jena Covey, City of Bakersfield asked the Board about a vehicle use policy and requested that the Members send a copy.

D. REPORTS

D1. President’s Report

D1a. Board Member Update and Peer Program

Lorissa Huey reminded the Board that ACCEL has a Peer Program to help with onboarding of new Board Members. Included in the agenda packet is a list of each new Board Members’ mentors. Also, the agenda packet included the Area Specialty list of all Board Members which can be utilized for Members to reach out to each other on a specific topic.

D2. Executive Committee’s Report – None

D3. Underwriting Committee’s Report

D3a. Verbal Update of the Exposures to be Reviewed by the Underwriting Committee:

D3a1. City of Ontario – OntarioNet Broadband Network

D3a2. City of Visalia – EMS Coordinator

Thomas Joyce provided the Board a verbal update that the Underwriting Committee has a meeting scheduled on January 31, 2024 to discuss in depth the two New Exposure Questionnaires submitted by the Cities of Ontario and Visalia.

The City of Ontario submitted a questionnaire about OntarioNet Broadband Network and the City of Visalia submitted one about the EMS Coordinator who is also a nurse.

The Board had a roundtable discussion, and the Underwriting Committee will report back at the next Board Meeting.

Oles Gordeev mentioned that the City of Santa Monica buys separate coverage for the City’s EMS coordinator.

D4. Program Administrator's Report

D4a. 2024 State of the Market Report

P.J. Skarlanic presented the 2024 State of the Market Report. He discussed the current market pressures and conditions around the liability market.

Members asked questions, which were addressed.

Direction was given to Alliant to provide the Board a short one pager about the market updates annually in November so that the Board Members can use it for their Cities' budgets. This will be brought back as an agenda item for feedback.

D4b. Alliant Service Team Org Chart

Lorissa Huey presented the Alliant Service Team Org Chart that shows a new page of "Who are you going to call?" when you have a specific question for the Program Administration Team or Brokerage Team.

The Board requested the Program Administrators distribute the new page to the Board via e-mail including phone numbers and e-mail addresses. This will also be posted on the ACCEL Website in the Members' Only section.

D4c. Board Packet Content

Conor Boughey verbally asked the Board to provide feedback regarding the content materials in the Board Agenda Packets.

Members provided feedback and no reportable action took place.

D4d. ACCEL and PRISM Website Overview

Lorissa Huey provided the Board an overview of the ACCEL and PRISM Websites. She demonstrated to the Board where to find pertinent documents such as policies, actuarial reports, and financial audits. Both the ACCEL and PRISM Websites have a Discussion Forum, which is a tool used to inquire about any risk management topic.

Members requested to add on the ACCEL Website Discussion Forum Page a search tool.

D4e. ACCEL's Target Equity Ratios

Lorissa Huey presented the Target Equity Ratios Presentation. This is reviewed annually at the January Board Meeting after the most recent financial audit has been approved by the Board and is one of the requirements of CAJPA for Accreditation with Excellence.

A motion was made to receive and file the presentation.



MOTION: Sandra Blanch **SECOND:** Andrew Guzman **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

D4f. Updates of the Insurance Requirements in Contracts (IRIC) Manual

Daniel Howell and Thomas Joyce provided the Board a presentation on the IRIC Updates. The new updates included information such as the cyber exhibit, contracts with non-profits serving the unhoused, and the new trend of litigation financing.

Members asked questions, which were addressed.

A copy of the presentation will be posted on the ACCEL Website in the Members’ Only section.

D5. Claims Committee’s Report

D5a. 2023 Liability Claims Audit

Robert Powers, ACCEL’s Claim Auditor presented the draft of the 2023 Liability Claims Audit. The report included all thirteen ACCEL Members and ACCEL’s Third Party Administrators, George Hills. There were no significant findings. Rob noted that the weighted scoring system is new this year.

A motion was made to approve the 2023 Liability Claims Audit. The scoring sheet of all the Members on one page will be separate from the Claims Audit for next year.

MOTION: Oles Gordeev **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													



D5b. Litigation Update

Ben Oram, ACCEL’s Litigation Manager presented a Litigation Update on pertinent case law.

This item is agendized on the Claims Committee’s Meeting Agena quarterly and was deferred to today’s meeting.

Members asked question, which were addressed.

D5c. CLOSED SESSION – Pursuant to Gov’t Code 54956.95

A motion was made to enter into Closed Session at 3:18 PM.

MOTION: Sandra Blanch **SECOND:** Oles Gordeev_ **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

A motion was made to come out of Closed Session at 4:37 PM.

MOTION: Sandra Blanch **SECOND:** Oles Gordeev_ **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

Conor Boughey reported out of closed session that the Board gave direction to the Claims Administrators.



D6. Finance Committee’s Report

D6a. Chandler Asset Management - Investment Report

Carlos Oblites, Chandler Asset Management provided the Board an informational update on ACCEL’s investments.

Members asked questions and Carlos answered them as they arose.

D6b. ACCEL’s Investment Policy: Review by Chandler

Lorissa Huey reported that annually the Program Administrators asks Chandler Asset Management to review ACCEL’s Investment Policy and advise if there are any proposed changes.

Carlos Oblites walked through the changes which were to make it explicit that maximum maturity for federal agencies/government sponsored enterprise obligations shall be five years, include the forty-five day limit on forward settlement of securities per Senate Bill 1489, state that maximum maturity shall be measured from date of trade settlement and the maximum maturity shall not exceed five years unless the ACCEL Board grants authority for longer maturities where allowed by Code.

A motion was made to approve the proposed changes.

MOTION: Ross Brandon **SECOND:** Rafaela King **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampono	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

D7a-d. Financial and Treasurer's Report

Thomas Joyce and Oles Gordeev walked through the financial and treasurer’s items.

Thomas pointed out that in the Chandler Statement Compliance Reports, ACCEL is in compliance with its Investment Policy. Also, in the Chandler Reports, there is a new section of Total Rate of Return, that shows ACCEL’s long term portfolio and a few common benchmarks.

A motion was made to accept the financial items, and to include the claim name spelled out in the demand sheet.



MOTION: Tracey Matthews **SECOND:** Rafaela King **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

Dfd. ACCEL’s Projected Cash Flow Obligations as of September 30, 2023

Conor Boughey reported that from the October 2023 Board Meeting, the Board wanted to revisit whether to transfer additional money to its long-term accounts, as bond rates continue to rise.

A motion was made to transfer \$12,000,000 from the short-term account to the long-term account.

MOTION: Derek Rampone **SECOND:** Rafaela King **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

D7f. Short and Long Term Investment of Funds

Carlos Oblites from Chandler presented to the Board a long-term portfolio update of the \$25,000,000 that the Board has transferred thus far.

Members asked questions, which were addressed by Carlos as they arose.



E. UNFINISHED BUSINESS

E1. ACCEL Retrospective Rating Calculation (RPC):

E1i. Administratively Suspending Years

Conor Boughey reported that in order to administratively freeze the Retro, the Program Administrators surveyed the Board to evaluate the number of claims that are open in years prior to FY 2014-15 over \$500,000 and have exposure excess of \$1,000,000. The results were attached to the agenda packet.

This item will be brought back as an action item to suspend years up to FY 2013-14.

E1ii. Estimated Results for 7/1/24

Conor Boughey explained that the Rating Plan Calculation (RPC) determines each Member’s potential refunds and assessments for each program year. The RPC is presented at the June Board Meeting for approval, with the results due as part of the following year’s deposits. ACCEL has been navigating a period of increased loss activity and included in the agenda packet is an early estimate for the July 1, 2024 results.

E2. Hallmark Cut Through Endorsement

Conor Boughey reminded the Board that it gave direction to Alliant at the June 2023 Board Meeting to find a solution with Hallmark and see if a cut through endorsement is attainable or a cancel re-write with Starstone. Alliant has since reached a stalemate with the carrier. Alliant has asked the carrier, Hallmark to give ACCEL a cut through endorsement directly to their reinsurance partners. The carrier is refusing to allow this. Instead, Hallmark was purchased by a new carrier, the new carrier remains willing to provide a cancel re-write of the policies. However, this could cause issues with aggregate erosion, tower participation, etc.

A motion was made to create an Ad Hoc Committee consisting of Tracey Matthews, Jena Covey and Ross Brandon, and delegate authority to the Program Administrators to engage Steve Brower to advise ACCEL on its next steps. The budget is not to exceed \$15,000.

MOTION: Rafaela King **SECOND:** Andrew Guzman **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafaela King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye		X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													



F. NEW BUSINESS

F1. Amending the ACCEL Bylaws

F1i. 30 Days Notice Letter

F1ii. Bylaws – Redlined Version

F1iii. Bylaws – Clean Version

F1iv. Resolution 2324-4, Amending the Bylaws

Lorissa Huey reported that at the last Board Meeting in October 2023, the Board took action to bind Foreign Travel insurance effective October 13, 2023, and one of subjectivity was to amend the ACCEL Bylaws to clarify the Board can purchase primary insurance.

The Program Administrators e-mailed the 30-Day Notice Letter to each Board Member via e-mail on December 18, 2023. The proposed changes to the Bylaws include an update to Article XV, clarifying that the Board has the authority to purchase primary insurance and other professional services through ACCEL.

A motion was made to approve the amendments to the ACCEL Bylaws, and Resolution 2324-4, Amending the Bylaws.

MOTION: Ross Brandon **SECOND:** Marisa Kahn **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Christina Alger	Rafacla King	Derek Rampone	Numeya Williams	Sandra Blanch	Rhonda Combs	Marisa Kahn	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye		X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

F2. ACCEL Excess Liability Program Renewal Outlook

Dan Howell reported that the ACCEL Excess Liability Program renews effective July 1, 2024. He provided an early renewal outlook of the insurance and reinsurance markets for California municipal liability, reviewed ACCEL’s current Excess Liability Program tower, and explained the anticipated renewal outcome.

No reportable action took place.



F3. ACCEL's Actuarial Discount Rate

Conor Boughey reported that ACCEL's historical discount rate is 2%. Currently, the Program Administrators are collecting the loss runs valued as of December 31, 2023. Mike Harrington, ACCEL's actuary reviews the loss run and will be able to provide discount rate options at the next Board Meeting on March 21 and 22, 2024.

F4. ACCEL's Accounting Guide Policy and Procedure

Conor Boughey reported that the ACCEL Accounting Guide outlines who has authority to make administrative changes, sign checks, transfer money, wire funds, and transfer funds to and from LAIF and the Checking account to investment accounts. The ACCEL Bylaws also state, Check Signing Authority is granted to the President, Vice President, and Secretary.

As a result of the merger between US Bank and Union Bank, the Program Administrators have been navigating new banking contacts and attempting to confirm that ACCEL's authority levels are being followed as outlined in the Accounting Guide.

Direction was given to the Program Administrators to seek other additional banking options.

F5. Optional Excess Workers' Compensation Program Renewal

Lorissa Huey reminded the Board that ACCEL's Members have the option to join PRISM's Excess Workers' Compensation (EWC) Program through a 'group purchase' (ACCEL has no risk sharing for Workers' Compensation). Each Member is able to select its individual Self Insured Retention and can be billed directly by PRISM. PRISM's EWC Program renews on July 1, 2024 for the eleven Members of ACCEL who participate.

The estimated renewal pricing attached in the agenda packet is as of October 2023, and the next set of estimates will be provided in February 2024.

The City of Visalia is interested in joining PRISM's EWC Program and Alliant will reach out to the City.

F6. Schedule of the Next Two Board of Directors Meetings

The next two Board Meetings will be held at the Alliant Irvine Office on Thursday and Friday, March 21 and 22, 2024 and at Monterey on Thursday and Friday, June 13 and 14, 2024. Both meetings will start at 12:00 PM on Thursdays. The Burbank meeting will begin at 8:30 AM on Friday and the Monterey meeting will begin and 8:00 AM on Fridays, unless otherwise stated.

Direction was given to agendize the October 17 and 18, 2024 Strategic Planning and Board Meeting date at the next Board Meeting because the National Workers' Compensation Conference will be held on October 15 to 17, 2024.



G. CORRESPONDENCE / INFORMATION

G1. PARMA Conference Information – There was no discussion on this item.

H. PUBLIC COMMENTS – There were no public comments.

ADJOURNMENT

Jena Covey adjourned the meeting on Thursday, January 18, 2024 at 5:08 PM.

Jena Covey adjourned the meeting on Friday, January 19, 2024 at 10:39 AM.