

ACCEL BOARD OF DIRECTORS MEETING

Thursday, March 20, 2025 at 12:00 PM

Friday, March 21, 2025 at 8:30 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 (*left at 10:00 AM on Friday, March 21, 2025*)

Alvaro Valdez, City of Burbank Alternate

Rafaela King, City of Monterey

Derek Rampone, City of Mountain View Alternative (*arrived at 2:26 PM on Thursday, March 21, 2025*)

Theresa St. Peter, City of Ontario

Kelly-Louise Poggetti, City of Palo Alto

Rhonda Combs, City of Salinas

Mark Howard, City of Santa Barbara

Ross Brandon, City of Santa Cruz

Oles Gordeev, City of Santa Monica

Andrew Guzman, City of Visalia

MEMBERS ABSENT:

Matthew Braley, City of Modesto

GUESTS AND CONSULTANTS:

Lisa Cox, City of Monterey Alternate (*left at 4:04 PM on Thursday, March 20, 2025*)

David Ramberg, City of Palo Alto Assistant Director Administrative Services

(*left at 4:04 PM on Thursday, March 20, 2025*)

Donna Starr, City of Anaheim Assistant Risk Manager (*left at 4:04 PM on Thursday, March 20, 2025*)

Ben Oram, George Hills Company

David Trautz, George Hills Company (*Thursday, March 20, 2025 only*)

Mike Harrington, Bickmore Actuarial (*Thursday, March 20, 2025 only, left at 2:00 PM*)

Ted King, Lifespot (*Friday, March 21, 2025 only left at 9:25 AM*)

Bobby Woolard, Lifespot (*Friday, March 21, 2025 only left at 9:25 AM*)

Conor Boughey, Alliant Insurance Services

Lorissa Huey, Alliant Insurance Services

Thomas Joyce, Alliant Insurance Services (*left at 4:04 PM on Thursday, March 20, 2025*)

A. CALL TO ORDER

Ross Brandon called the meeting to order on Thursday, March 20, 2025 at 12:00 PM.

Ross Brandon called the meeting to order on Friday, March 21, 2025 at 8:30 AM.

B. CONSENT CALENDAR

B1. Approval of Minutes for the January 23 and 24, 2025 Board Meeting

B2. Approval of Minutes for the March 4, 2025 Special Board Meeting

B3. Revised Member Account Summary as of September 30, 2024

B4. ACCEL's Investment Policy and Procedure – Amended January 23, 2025

B5. Claims Reporting and Handling Policy and Procedure – Amended January 23, 2025

A motion was made to approve the consent calendar.

MOTION: Jena Covey **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X		X	X	X	X	X	X	X
Nay													
Abstain													

C. GENERAL RISK MANAGEMENT ISSUES

Alvaro Valdez, City of Burbank mentioned that the City is running into challenges of obtaining Sexual Abuse Molestation (SAM) coverage for \$1,000,000, and asked the Board for resources. Conor Boughey mentioned that Alliant could help submit to the SLIP program to see if that program is willing to underwrite and offer coverage.

Mark Howard, City of Santa Barbara commented that the City is working on a capital improvement plan for future years. A portion of this is updating long term airport leases. While reviewing property insurance and the option to rebuild after significant damage, he pointed out that the current language specifies that the option to rebuild is triggered when 40% of the structure is damaged. He asked if this threshold is typical or standard among other Member Entities.

Members had a roundtable discussion and recommended to use the term “substantial damages” instead of indicating a specific number. Alliant will add a new section in the Insurance Requirements in Contracts (IRIC) on this subject.

Jena Covey, City of Bakersfield asked the Members to send their Entities’ Language Access Plan. Jena asked about if any of the Members are conducting medical surveillance programs regarding measles. Also, Jena stated that the ADA regulations require public entities’ websites to meet WCAG 2.1 accessibility standards by April 24, 2026.

Multiple Members such as Cities of Anaheim, Bakersfield, Salinas, and Santa Barbara, provided feedback regarding the Alliant Property Insurance Program (APIP) Third Party Administrators, McLarens and Alliant will provide a verbal update at the next Board Meeting.

D. REPORTS

D1. President’s Report

D1a. Appointment of Nominating Committee

Lorissa Huey reported that every year at the March Board Meeting, two Members are appointed to be on the Nominating Committee to survey the Board to serve on the Executive Committee for next fiscal year. There is usually one Member from Northern California and one from Southern California. The nominations are reported at the June Board Meeting.

Kelly-Louise Poggetti, City of Palo Alto and Alvaro Valdez, City of Burbank volunteered to be on the Nominating Committee.

D2. Executive Committee’s Report – None

D3. Underwriting Committee’s Report

D3a. Primary and Non-contributory

Conor Boughey and Thomas Joyce reported that the Underwriting Committee (UC) was tasked from the direction of the Board whether ACCEL should issue a primary and non-contributory endorsement. The Committee decided that ACCEL should not issue it because ACCEL’s Memorandum of Coverage (MOC) states ACCEL is excess insurance. ACCEL’s coverage documents are non-contributory if the City has already agreed to waive subrogation.

The UC instructed the Program Administrators to create two documents. The first document will serve as a guide for internal City Staff, addressing frequently asked questions about certificates, endorsements, and the unique aspects of the coverages provided in ACCEL’s MOC. The second document will be aimed at external third-party contracting firms.

These documents will be sent to ACCEL’s Legal Counsel, Byrne Conley for review. The UC will convene before the June 2025 Board Meeting.

D4. Program Administrator's Report

D4a. Renewal Status:

D4ai. ACCEL's Retained Layer

Conor Boughey gave a verbal report on the underwriting appetite of the excess liability carriers. He reported that AWAC, the first excess layer carrier at the \$5,000,000 excess of \$10,000,000 layer has been offering unaggregated coverage since July 1, 2021. This layer keeps increasing in cost. ACCEL used to retain \$4,000,000 excess of \$1,000,000 for many years and then up until July 1, 2020, ACCEL increased its retention to \$9,000,000 excess of \$1,000,000.

The Board discussed if it wants to retain the \$5,000,000 excess of \$10,000,000 excess layer. The Board wants AWAC to quote the layer this year.

D4aii. Excess Liability Program Renewal Expectations

Conor Boughey reported that the ACCEL Excess Liability Program is renewing July 1, 2025 and Alliant is discussing renewal terms with the incumbent markets.

Conor advised for budgeting purposes to expect a 15% increase, and if Members want to be sure that the number comes in below that, then budget 20%.

No reportable action took place.

D4b. Best Practices for Parks & Recreations Instructors

Conor Boughey provide the Board information about how the City of Santa Monica utilized the services of Praesidium to develop a Policy and Procedure regarding Abuse Prevention.

Oles Gordeev, City of Santa Monica provided positive feedback to the Board and advised that if Members utilizes this service, the Member is still ultimately responsible for implementing it.

D4c. CAJPA Accreditation Requirements

Lorissa Huey reported that ACCEL is currently undergoing the CAJPA's Accreditation with Excellence process with the CAJPA consultant, Jim Marta. The list of items for the Board's discussion is as follows: 1) George Hills Contract – Conflict of Interest Code section, 2) Chandler Contract – Conflict of Interest Code section, 3) a Commercial General Liability Policy and Auto Liability for ACCEL, 4) ACCEL named on a Declarations Page, 5) Proposed Changes to ACCEL's Underwriting Standards P&P and 6) a few administrative tasks such as including the Local Agency Insurance Fund (LAIF) quarterly investment reports in the Board Agenda Packet and receiving the State of CA Secretary of State Form –Stamped Return Copy.

The Underwriting Committee met on March 17, 2025 prior to today's Board Meeting, and made a recommendation to the Board to reject the proposed changes to ACCEL's Understanding Standards P&P from CAJPA Accreditation.

A motion was made to approve the changes to the George Hills and Chandler Contracts Conflict of Interest sections.

Also, included in the motion was the rejection of purchasing a Commercial General Liability and Auto Liability Policy. Direction was given to the Program Administrators to advise Jim Marta, ACCEL's CAJPA consultant that the Board does not see a loss exposure to this. In addition, the Board approved the Underwriting Committee's recommendation to reject the proposed changes to ACCEL's Understanding Standards P&P as the Board deems the proposed changes unnecessary.

MOTION: Mark Howard **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D5. Claims Committee's Report

D5a. Clarification of Claims Reporting Requirements - ACCEL Claims Reporting and Handling Policy and Procedure

Lorissa Huey reminded the Board that at the January 2025 Board Meeting, it delegated authority to the Claims Committee (CC) to clarify the language regarding the effective date of the new reporting requirements in the ACCEL Claims Reporting and Handling Policy and Procedure (P&P) which the Board adopted at the October 12, 2023 Board Meeting.

The Claims Committee met on March 4, 2025 and did not recommend any changes to the Claims Reporting Handling P&P.

It is agreed that coverage will be determined based on the MOC's reporting requirements using the Date of Loss of the reported incident. This is memorialized in the Minutes and Agenda Cover Item. This will be the written record for the direction given to ACCEL's Claims Administrators.

Members are instructed to report all open claims that fall under the ACCEL Claims Reporting and Handling (P&P) that was adopted at the October 12, 2023 Board Meeting.

No further discussion took place.

D5b. Member Claims Training

Lorissa Huey reported that a survey went out to all the Members asking whether they want ACCEL to sponsor a Claims Training with Rob Powers.

The Claims Committee met on March 4, 2025 and reviewed the survey.

Direction is given to the Board to not move forward with an ACCEL sponsored training with Rob Powers. Interested Members can engage with Rob Powers at the Member level. At the end of each Board Agenda Packet under Correspondence and Information, there will be a list of training that is already available to the Members.

No further discussion took place.

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

A motion was made to enter into Closed Session at 4:04 PM.

MOTION: Jena Covey **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	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 4:42 PM.

MOTION: Mark Howard **SECOND:** Oles Gordeev **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X	X	X	X	X	X	X	X	X
Nay													
Abstain													

RECONVENE - DISPOSITION OF CLOSED SESSION ITEMS

Lorissa Huey reported out of Closed Session that direction was given to George Hills, ACCEL's Claims Administrators.

D6a-e. Financial and Treasurer's Report

Thomas Joyce and Oles Gordeev walked through the financial items.

Thomas noted that in the Chandler February 2025 Statement, the beginning values as of February 1, 2025 and end values as of February 29, 2025 increased by \$10,000,000 because at the January 2025 Board Meeting, the Board authorized a \$10,000,000 transfer from its short term account with Local Agency Insurance Fund (LAIF) to its long term account with Chandler.

The Member Account Summary as of December 31, 2024, is the second quarter of the current fiscal year and it includes the updated Incurred But Not Reported (IBNR) and ACCEL Reserves as of December 31, 2024 from the 2025 Actuarial Report.

1st Motion:

A motion was made to transfer \$7,500,000 from the short term investment account to the long term investment account effective immediately.

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

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X	X	X	X	X	X	X	X	X
Nay													
Abstain													

2nd Motion:

A motion was made to receive and file the financial items.

MOTION: Andrew Guzman **SECOND:** Mark Howard **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D7. Finance Committee's Report

D7a. Draft FY 25/26 Administration Budget

Thomas Joyce presented the Draft FY 25/26 Administrative Budget. At the Spring Board Meeting, the Draft Administration Budget is presented to the Board and then adopted at the June Board Meeting.

The Finance Committee reviewed the draft budget prior to today's Board Meeting.

A motion was made to approve the Draft FY 25/26 Administrative Budget as Final, contingent upon no changes occurring by the June 2025 Board Meeting.

MOTION: Mark Howard **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D7b. Proposed Changes to ACCEL's Accounting Guide – Allocation of Assets

Conor Boughey reminded the Board that at the January 2025 Board Meeting, Members suggested that the allocation of assets be formally added to ACCEL's existing Policies & Procedures (P&P), such as the Accounting Guide.

The Accounting Guide falls under the Finance Committee's purview and the FC met to discuss the proposed changes which includes the allocation of funds between short and long term investments. ACCEL's short-term assets should not fall below ACCEL's short-term obligations plus 1x ACCEL's retained layer. The remaining assets should be invested in accordance with ACCEL's Investment P&P.

A motion was made to approve the proposed changes as presented.

MOTION: Rafaela King **SECOND:** Mark Howard **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X	X	X	X	X	X	X	X	X
Nay													
Abstain													

E. UNFINISHED BUSINESS

E1. Optional Excess Workers' Compensation Renewal

Conor Boughey discussed that ACCEL's Members have the option to join PRISM through a 'group purchase' (ACCEL has no risk sharing for Workers' Compensation). Each Member is able to select its individual self-insured retention (SIR) and is billed directly by PRISM. The PRISM Excess Workers' Compensation Program renews on July 1, 2025 for the eleven Members who participate. The February 2025 premium estimates were sent to each Member separately. These estimates includes updated actuarial rates, Ex-Mods, and payroll except for the excess insurance quotes. The next estimates will be available in June 2025.

E2. Parametric Insurance Proposal

Thomas Joyce reported that at the Special Board Meeting held on March 4, 2025, direction was given to the Program Administrators to survey the Members to confirm if they want to purchase parametric and whether they want the base or light option. The survey results are attached to the agenda packet.

Direction was given to the Program Administrators to follow up with the Cities of Monterey and Santa Barbara in early May with a deadline of Mid-May so that Scott Carpinteri, K2 is able to provide final pricing by the end of May. This item will be agendized at the June 2025 Board Meeting as an action item for binding authority effective July 1, 2025.

The Underwriting Committee was assigned by the Board to draft the Aggregate Erosion Policy and Procedure by the June 2025 Board Meeting.

F. NEW BUSINESS

F1. 2025 Actuarial Report Presentation

Mike Harrington, ACCEL's Actuary presented the 2025 Actuarial Report. The Actuarial Report has been prepared based on the December 31, 2024 loss runs and will be used for the June 30, 2025 liability rates.

A motion was made to receive and file the 2025 Actuarial Report, also to increase the discount rate from 2.75% to 3%, and keep the funding of the \$4,000,000 excess \$1,000,000 layer at the 90% Confidence Level and increase the \$5,000,000 excess \$5,000,000 layer Confidence Level from 75% to 80%.

Direction was also given to the Program Administrators to agendize at the March Board Meeting each year to discuss the Confidence Level in ACCEL's Retained Layer.

MOTION: Mark Howard **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X		X	X	X	X	X		X
Nay												X	
Abstain													

F2. Bickmore Actuarial Engagement Letter

Lorissa Huey reported that this is the last year of the current three year engagement letter with Mike Harrington at Bickmore Actuarial which began in FY 22/23. Mike provided a new engagement letter for the FY 25/26, FY 26/27, FY 27/28 Actuarial Studies and INBR Updates, which was attached to the agenda packet. The proposed fees have a year over year increase of 5%.

A motion was made to approve the three year engagement letter with Bickmore Actuarial.

MOTION: Mark Howard **SECOND:** Andrew Guzman **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Alvaro Valdez	Matthew Braley	Rafaela King	Derek Rampone	Theresa St Peter	Kelly-Louise Poggetti	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Andrew Guzman
Aye	X	X	X		X		X	X	X	X	X	X	X
Nay													
Abstain													

F3. LifeSpot Presentation

Bobby Woolard and Ted King presented to the Board LifeSpot, which is a software platform dedicated to enhancing safety during active shooter situations by significantly reducing law enforcement response times.

Members asked questions, which were addressed.

F4. Draft Retrospective Rating Plan Calculation

Lorissa Huey and Conor Boughey discussed the draft 2024 Retrospective Rating Plan Calculation (Retro) with the Board. The calculation includes verification of claims data from Members, Retro payments owed or assessments, the Actuary's Incurred By Not Reported (IBNR) and Allocated Loss Adjustment Expense (ALAE) as of December 31, 2024.

Lorissa reminded the Board that at the June 2024 Board Meeting, the Board took action to administratively suspend fiscal years up to FY 12/13. This draft Retro shows the prior funds on account, rolling forward to the FY 13/14 year, which is the new first year of the calculation.

The final Retro number will be presented at the June 2024 Board Meeting. If Members in an assessment position cannot pay the amount in full, they may request a three-year payment plan. Additionally, if the test year balance is greater than the negative result, the Member may request, in writing, that the assessment be postponed for one year. The Member must submit this request in writing to the Program Administrators by June 1, 2025, so that it can be placed on the June 2025 Board Meeting's Agenda for the Board's consideration.

The Rodriguez v. Burbank claim date of loss was assigned to FY 04/05. In June 2018, a Special Board Meeting was held to authorize an additional payment of \$2,030,896.54. This was paid in the Member Account Summary (MAS) as of September 30, 2018. At the time of action, program year 04/05 was suspended. The claim was valued at over \$500,000, therefore, it had no impact on the percentage share of loss under the existing formula. The claim was paid and reported as a negative value in the MAS report. The FY 04/05 operated under ACCEL's prior formula and was not included in the Retro that was for FY 08/09 and forward. The negative value was to be filled by a transfer, but no new funds became available due to rapid claims development and all years being negative. The FY 04/05 year was underfunded.

No reportable action took place. The final Retro will be brought back at the June 2025 Board Meeting for adoption.

F5. Member Declarations Page – Additional Named Parties

Lorissa Huey reported that the ACCEL Declarations Page includes all Additional Named Covered Parties which Members intend to include in their coverage. At the March Board Meeting each year, included in the agenda packet is a draft of the Additional Named Covered Parties for July 1, 2025. Lorissa asked the Board if it would like to make and additions or remove any entities to please report these to Alliant as soon as possible.

Jena Covey from the City of Bakersfield requested to remove the Bakersfield Community Land Trust.

F6. Evident Third Party Risk Management for Public Sector Discussion

Conor Boughey reported that Evident focuses on automating risk data exchange to revolutionize third-party risk management. Their platform enhances due diligence with real-time monitoring of high-risk third parties, enabling proactive, cost-effective risk mitigation at a global scale.

The Board received feedback from the Members who currently utilize Evident, which are the City of Burbank and City of Santa Barbara.

F7. ACH/Wire Payments from Members

Conor Boughey discussed ACH payments to Members and Wire Payments from Members. Historically, Members have made payments to ACCEL using paper checks and ACCEL reimburses Members using the same method. Large checks over a certain size are sent via FedEx and checks with smaller amounts are sent via USPS.

Members requested that it be optional to have ACH payments for their travel reimbursement checks. For large claim reimbursements, Members requested the option to receive by wire versus mail via FedEx.

The Program Administrators will confirm with ACCEL's Bookkeeper, Tami Giovanni if any fees are related and what is needed to set this up.

F8. Schedule of the Next Two Board of Directors Meetings

Thomas Joyce stated that the next two Board Meetings will be held at the City of Visalia on Thursday and Friday, June 12 and 13, 2025 and at the City of Santa Barbara on Thursday and Friday, October 16 and 17, 2025. Both meetings will start at 12:00 PM on Thursdays and 8:30 AM on Friday, unless otherwise stated.

G. CORRESPONDENCE / INFORMATION

G1. PRISM Annual Report – There was no discussion on this item.

G2. Insurance Insider Article: D&F Market braced for \$100mn+ Wildfire Loss from CA PRISM Risk Pool – There was no discussion on this item.

G3. CAJPA Conference 2024 Schedule – There was no discussion on this item.

G3i. 2025 Conference: September 16 to 19 in Monterey – There was no discussion on this item.

G4. Social Inflation: How Today's Rising Claim Costs Affect Tomorrow's Insurance Premiums – There was no discussion on this item.

H. PUBLIC COMMENTS - There were no public comments.

ADJOURNMENT

Ross Brandon adjourned the meeting on Thursday, March 20, 2025 at 4:44 PM.

Lorissa Huey adjourned the meeting on Friday, March 21, 2025 at 10:30 AM.