

**MINUTES OF THE  
ACCEL BOARD OF DIRECTORS MEETING**

**Thursday, January 23, 2020 at 1:00 PM**

**Friday, January 24, 2020 at 8:30 AM**

**Office of the Program Administrators**

**Alliant Insurance Services, Inc.**

**100 Pine Street, 11th Floor**

**San Francisco, CA 94111**

**MEMBERS PRESENT:**

Tracey Matthews, City of Anaheim  
Jena Covey, City of Bakersfield  
Betsy McClinton, City of Burbank  
Christina Alger, City of Modesto Alternate  
Michael Andersen, City of Monterey  
Claudia Koob, City of Mountain View  
Jeannette Chavez, City of Ontario  
Sandra Blanch, City of Palo Alto  
Rhonda Combs, City of Salinas  
Mark Howard, City of Santa Barbara  
Patty Haymond, City of Santa Cruz  
Oles Gordeev, City of Santa Monica  
Charlotte Dunn, City of Visalia

**MEMBERS ABSENT:** None

**GUESTS AND CONSULTANTS:**

Ross Brandon, City of Santa Cruz Alternate  
Kimberly Dennis, CAJPA (*Thursday, January 23, 2020 only*)  
Robert Powers, R.E. Powers & Company, LLC (*Thursday, January 23, 2020 only*)  
Byrne Conley, Gibbons & Conley  
Howard Wollitz, Charlston, Revich & Wollitz LLP (*Thursday, January 23, 2020 only*)  
Lane Dilig, Santa Monica City Attorney (*Thursday, January 23, 2020 only*)  
Sean Andrade, Andrade Gonzalez LLP (*Thursday, January 23, 2020 only*)  
Steve Masterson, Andrade Gonzalez LLP (*Thursday, January 23, 2020 only*)  
Ken Maiolini, Risk Management Services (*Thursday, January 23, 2020 only*)  
Carlos Oblites, Chandler Asset Management (*Friday, January 24, 2020 only*)  
Michael Simmons, Alliant Insurance Services  
Daniel Howell, Alliant Insurance Services  
Conor Boughey, Alliant Insurance Services  
Lorissa Huey, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services



**A. CALL TO ORDER**

Jena Covey called the meeting to order at 1:00 PM on Thursday, January 23, 2020.  
 Jena Covey called the meeting to order at 8:30 AM on Friday, January 24, 2020.

**B. CONSENT CALENDAR**

- B1. Approval of Minutes for the October 17 & 18, 2019 Board of Directors Meeting**
- B2. Approval of Minutes for the December 12, 2019 Special Board of Directors Meeting**
- B3. Alliant Crime and Errors & Omissions Liability Certificates**
- B4. Crowe LLP Financial Audit Contract for 2020 and 2021**
- B5. Travel Expense Policy and Procedure – Redlined Version and Final Version**
- B6. Claims Reporting and Handling Policy and Procedure – Redlined Version and Final Version**
- B7. Closed Session Confidentiality Policy and Procedure – Redlined Version and Final Version**

Rhonda Combs requested to pull item B.4. Crowe LLP Financial Audit Contract for 2020 and 2021 from the Consent Calendar. The Board had a discussion about the Limit of Liability and Indemnification clauses in the contract.

A motion was made to accept the consent calendar except for the Crowe LLP Financial Audit Contract for 2020 and 2021. Direction was given to the Program Administrators to negotiate the Limit of Liability and Indemnification clauses in the Crowe LLP Contract.

**MOTION:** Betsy McClinton      **SECOND:** Tracey Matthews      **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



## **C. GENERAL RISK MANAGEMENT ISSUES**

Jena Covey, City of Bakersfield announced that the City approved purchasing a homeless center that will have up to 450 beds.

Michael Andersen, City of Monterey asked the Board what insurance amount is appropriate for sidewalk vendors. He also asked about a Hearing Conservation Policy. Mark Howard, City Santa Barbara stated that the City has a written Injury and Illness Prevention Program (IIPP) Policy. Mark will send a copy to the Program Administrators and the Program Administrators will post it in the ACCEL discussion board on the ACCEL website.

Oles Gordeev, City of Santa Monica inquired about Americans with Disabilities Act (ADA) compliance plans at other Member Cities.

Jeannette Chavez, City of Ontario asked about Post-traumatic stress disorder (PTSD) claims as respects the new legislature, confidentially issues, and some officers may be stripped of their service weapons and concealed weapons permits.

## **D. REPORTS**

### **D1. CAJPA's Report**

#### **D1a. CAJPA Accreditation with Excellence**

Conor Boughey reported to the Board that ACCEL is a member of CAJPA (California Association of Joint Powers Authorities) and ACCEL goes through the accreditation process every three years to be sure it complies with CAJPA's standards for excellence.

Kimberly Dennis, CAJPA Accreditation Committee Representative presented ACCEL with the CAJPA Accreditation with Excellence Certificate.

Conor Boughey commented that the agenda packet includes a full copy of the Accreditation Report. In the report, there is a suggestion stating that in ACCEL's Governing Documents, Pursuant to Section 6509 of the Government Code, the agreement shall specify the member which restricts the manner of exercising the power of the JPA.

The Program Administrators were given direction to ask Byrne Conley, ACCEL's Legal Counsel whether ACCEL should amend its governing documents per the Government Code Section 6509.



### D2. President's Report

#### D2a. Peer Program

Jena Covey, City of Bakersfield and ACCEL President announced that Oles Gordeev is the new Risk Manager at the City of Santa Monica.

Betsy McClinton, City of Burbank and Claims Committee Chair and Jena Covey have both agreed to be the mentors to Oles.

### D3. Executive Committee's Report - None

### D4. Claims Committee's Report

#### D4a. 2019 Liability Claims Audit

Robert Powers, ACCEL's Claims Auditor presented the final draft of the 2019 Liability Claims Audit. This is the second ACCEL Claims Audit conducted by Robert at R. E. Powers & Company LLC.

A motion was made to receive and file the Claims Audit. Also, authority was delegated to the Program Administrators to fix the typos in the draft letter that was included in the agenda packet and personally deliver the letter to the City of Modesto's City Manager that addresses ACCEL's claim reporting requirements.

**MOTION:** Mark Howard    **SECOND:** Claudia Koob    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



### D4b. Claims Administrator Contract

Betsy McClinton, Claims Committee Chair reported that ACCEL’s Claims Administrator Contract with Risk Management Services (RMS) renews June 30, 2020. At the October 2019 Board Meeting, the Board delegated authority to Betsy McClinton to request from RMS the contract renewal and propose changes, if any, to the contract. Included in the agenda packet is the three year term contract renewal effective July 1, 2020 and it was reviewed by the Claims Committee.

Ken Maiolini, RMS announced to the Board his retirement and part of his succession plan is to merge his claims administration practice with George Hills and Company (GHC). During the meeting, Ken discussed his plans to stay involved with ACCEL for the next three years while a new litigation manager is trained and made familiar with ACCEL. The agenda packet included RMS’ Contract Assignment Request to GHC.

Within the current RMS contract, Section 14.h. Change in Control and Ownership contains language regarding ownership change. Due to the mid-contract year change this requires both an amendment to the current and renewal contract.

A motion was made to approve the second amendment to the current RMS contract that assigns the current contract to GHC, the RMS renewal contract effective July 1, 2020 for a three year term, and the first amendment to the RMS renewal contract effective July 1, 2020 that assigns the contract to GHC.

**MOTION:** Betsy McClinton

**SECOND:** Tracey Matthews

**MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



**D4c. CLOSED SESSION – Pursuant to Gov't Code 54956.95**

A motion was made to enter into Closed Session at 3:08 PM.

**MOTION:** Michael Andersen      **SECOND:** Patty Haymond      **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
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 6:29 PM.

**MOTION:** Betsy McClinton      **SECOND:** Charlotte Dunn      **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

Betsy McClinton, Claims Committee Chair reported out of Closed Session that direction was given to Legal Counsel on one of the agendized claims and the Claims Administrator on three of the agendized claims.

**D5a-d. Financial and Treasurer's Report**

Michael Andersen and Conor Boughey walked through the financial items.

Included in the agenda packet was the Member Account Summary as of September 30, 2019 which is the first quarter of FY 19-20. To advance from one program year to the next, the Program Administrators complete the “roll up” process. This requires moving all “current year” revenues and expenses to the “prior years” section of the report.

A motion was made to approve the financial items D5a-d.



**MOTION:** Mark Howard    **SECOND:** Charlotte Dunn    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

**D5e. ACCEL’s Projected Cash Flow Obligations as of September 30, 2019**

Conor Boughney reported that included in the agenda packet is a cash flow chart as respects to the expected claims payments and available retrospective refunds for the current year, next year and the following year.

Due to anticipated large claim payments in the next six months the Board discussed moving money from long term investments to short term investments accounts.

A motion was made to move \$6M from the long term investment account with Chandler to the short term investment account with Local Agency Investment Fund (LAIF).

An amended motion was made to move \$8M from the long term investment account with Chandler to the short term investment account with LAIF.

**MOTION:** Michael Andersen    **SECOND:** Mark Howard    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



**D5f. Chandler Asset Management - Investment Report**

Carlos Oblites from Chandler Asset Management presented on ACCEL’s investments. Members asked questions which were answered.

Carlos noted that today’s market conditions are ideal to transition long term assets into Local Agency Investment Fund (LAIF) in order to make short term obligations. While the yield may not be as strong as ACCEL’s long term investment account, the bond values are high, which is good for their sale.

No reportable action or direction took place.

**D5g. ACCEL’s Investment Policy: Proposed Changes**

Conor Boughey reported that annually the Program Administrators asks Chandler Asset Management to review ACCEL’s Investment Policy and advise if there are any suggested changes. Prior to the Board Meeting, Michael Andersen, ACCEL’s Treasurer reviewed the minor changes and had no further comments.

Carlos Oblites, Chandler Asset Management walked through the minor changes with the Board.

A motion was made to approve the changes as presented in the agenda packet.

**MOTION:** Mark Howard    **SECOND:** Michael Andersen    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													





## **D6. Underwriting Committee's Report**

### **D6a. ACCEL's Memorandum of Coverage (MOC): Medical Malpractice Language Options**

Mark Howard reported that at the October 2019 Board Meeting, the Board gave direction to the Program Administrators to ask Byrne Conley, ACCEL's Legal Counsel to review and propose revise wording of the medical malpractice exclusion in ACCEL's Memorandum of Coverage (MOC).

The agenda packet contained Byrne's feedback and suggested change to remove nurses from the exclusion. In response to ACCEL's specific question about City employees administering medications such as Narcan, Byrne pointed out that the current exclusion only applies to a doctor, nurse, or dentist. Therefore, the exclusion does not apply to other City employees administering medications.

The Underwriting Committee met on January 13, 2020 to review Byrne's feedback and decided to keep the current language in the MOC as is. No reportable action took place.

### **D6b. ACCEL Marine Liability Placement**

Mark Howard reported that the Underwriting Committee met on January 13, 2020 to discuss the feasibility of a group purchase option for the four Members that purchase watercraft coverage. The four Members that purchase are the Cities of Monterey, Santa Barbara, Santa Cruz, and Santa Monica. The Program Administrators held several discussions with underwriters prior to the Underwriting Committee Meeting and lead to the conclusion that ACCEL would not benefit from a group purchase. At that Committee Meeting, Underwriting Committee agreed not to move forward with a group purchase.

No reportable action took place.

### **D6c. ACCEL Earthquake Placement**

Conor Boughey reported that the Underwriting Committee met on January 13, 2020 to discuss an ACCEL earthquake placement for the five Members who currently purchase. The Members who currently purchase earthquake coverage are the Cities of Anaheim, Ontario, Mountain View, Santa Barbara, and Santa Monica.

A motion was made authorize the Program Administrators to move forward on an ACCEL earthquake placement with the five Members who currently buy and allow other Members to join at a later time.



**MOTION:** Oles Gordeev    **SECOND:** Claudia Koob    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

**D6d. Optional Excess Program: Cyber Liability**

Conor Boughey reported that ACCEL’s larger Cities are moving their cyber liability limits up to \$10M with sublimits applying to many different coverage parts through the APIP Cyber Program. Other ACCEL cities participate in the CSAC EIA Cyber Program and purchases \$7M of limits with a similar sublimit structure. Conor pointed out that there is a key sublimit to be aware of which is the Computer Hardware Replacement sublimit. This applies to the cost of computer hardware that needs to be replaced as a result of a cyber breach and is limited to \$75,000.

A motion was made to direct Jena Covey and the Program Administrators to work together to create a guide for talking points about how to approach a city official regarding cyber breaches.

**MOTION:** Oles Gordeev    **SECOND:** Patty Haymond    **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

**D7. Program Administrator’s Report**

**D7a. ACCEL’s Target Equity Ratios**

This item was deferred to a future Board Meeting.

## **D7b. 2020 State of the Market Report**

Marcus Beverly presented the 2020 State of the Market Report. The Program Administrators will post a copy of the report on the ACCEL website.

## **D7c. Hallmark Excess Liability Carrier's Mandatory Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion**

Conor Boughey reported that Hallmark is an excess liability carrier who has participated on ACCEL's excess liability tower for several years. This year Hallmark participates as a quota share partner on the \$25M excess \$50M layer. Hallmark has informed Alliant that it will have the mandatory Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) Exclusion on all policies effective July 1, 2020. While Hallmark currently issues a follow form endorsement over the ANML policy language, at renewal Hallmark is adding this exclusion. Conor asked the Board if its Cities' operations include an exposure to PFAS and if this exclusion would be problematic. The Board reported it would be and gave direction to the Program Administrators to provide an option for replacement at renewal.

## **D7d. ACCEL Website Overview**

This item was deferred to a future Board Meeting.

## **E. UNFINISHED BUSINESS**

### **E1. Cordico Wellness App Pricing**

Conor Boughey reminded the Board that at the October 2019 Board Meeting, David Black presented to the Board the Cordico App. At that meeting, the Board gave direction to the Program Administrators to obtain pricing for the app and agendized for today's meeting.

Jena Covey reported that the City of Bakersfield Fire Department has purchased the app.

No reportable action took place.

### **E2. Alliant Deadly Weapon Response Program (ADWRP): CrisisRisk – Post Underwriting Consultation**

This item was deferred to a future Board Meeting.



### **E3. Service Provider Survey Results**

Conor Boughey reported that the annual Service Provider Surveys were sent out on November 1, 2019 by Alliant staff, Mary Lendaris. The Board had a thirty day deadline and one reminder was sent.

The survey results were provided to all the Board Members as handouts which the Board discussed as a group.

The Program Administrators were excused from the meeting room while the Board reviewed the Program Administrators' survey results.

The Committee Chairs of the Claims, Finance, and Underwriting Committees will reach out to the Service Provider that falls under their Committee's purview to share feedback from the survey results.

### **F. NEW BUSINESS**

#### **F1. Brown Act Training**

The purpose of this item was for Byrne Conley, ACCEL's Legal Counsel to provide a Brown Act training to the Board. This item was listed on the agenda as a time certain on Thursday, January 23, 2020 at 4:15 PM and was deferred to the following day, Friday, January 24, 2020 at 9:15 AM. The item was modified to Byrne answering quick questions regarding the Brown Act. The training portion of the Brown Act will be deferred to the March 2020 Board Meeting.

Byrne joined the meeting by teleconference to answer the Board's questions about the Brown Act. Byrne will write a memo regarding the Brown Act to the Board and send it to the Program Administrators for distribution.

#### **F2. Excess Liability Program Renewal Early Expectations**

Dan Howell reported that the ACCEL Excess Liability Program is renewing July 1, 2020 and Alliant is still in the process of receiving all applications and loss data. Dan provided a presentation about what to expect for this year's excess liability costs and the trends in the liability market.

Direction was given to the Program Administrators to email the PowerPoint presentation to the Board.

### **F3. CSAC EIA: Named Insureds/Covered Parties**

Conor Boughey explained to the Board that included in the agenda packet is a whitepaper from CSAC EIA regarding listed Named Insureds/Covered Parties on the optional Excess Workers' Compensation policy.

Alliant would like Members to discuss any entities that should be named on the City's policy that are not 100% all staffed by the City, have a governing body that is not the same as City Council, and would be considered a separate legal entity. Examples of this would be certain enterprise funds for parking authorities, finance authorities, or successor agencies to the redevelopment agencies.

Conor strongly advised the Board to call Alliant if there are any questions.

### **F4. Optional Excess Workers' Compensation Program Renewal**

Conor Boughey discussed that ACCEL's Members have the option to join CSAC EIA's Workers' Compensation Program through a 'group purchase' (ACCEL has no risk sharing for Workers' Compensation). Each Member is able to select its individual self-inured retention (SIR) and can be billed directly by CSAC EIA. The CSAC EIA Excess Workers' Compensation Program renews on July 1, 2020 for the 11 Members of ACCEL who participate. The estimated renewal pricing attached in the agenda packet is as of December 2019.

### **F5. CSAC EIA Joint Powers Agreement Update**

Mark Howard reported that CSAC Excess Insurance Authority (EIA) is proposing to amend its Joint Powers Agreement (JPA) effective June 30, 2020. The primary reason is that the EIA is proposing to change its name. There is an on-going confusion over the fact that CSAC (California State Association of Counties) and CSAC EIA are two completely separate entities. Also, the EIA offers both primary and excess programs and wants to remove "excess" from its name. The new name has not been determined and more information will come in the future months.

No reportable action took place.



### F6. Revised 2020 ACCEL Meeting Calendar

A motion was made to keep the current the dates of the Long Range Planning and Board Meeting on Thursday, October 8, 2020 and Friday, October 9, 2020. The Long Range Planning will start on Thursday at 8:30 AM and the Board Meeting will start that same day at 1:00 PM. On Friday, the Board Meeting will start at 8:30 AM.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Christina Alger	Michael Andersen	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Patty Haymond	Oles Gordeev	Charlotte Dunn
Aye		X	X	X		X	X	X		X	X	X	X
Nay													
Abstain													

### F7. Schedule of the Next Two Board of Directors Meetings

The next Board of Directors Meeting will be in Burbank on Thursday, March 19, 2020 and Friday, March 20, 2020. The Thursday meeting will start at 1:00 PM and the Friday meeting will start at 8:00 AM, unless otherwise stated.

The following Board of Directors Meeting will be in San Jose on Thursday, June 18, 2020 and Friday, June 19, 2020. The Thursday meeting will start at 1:00 PM and the Friday meeting will start at 8:30 AM, unless otherwise stated.

### G. CORRESPONDENCE / INFORMATION

- G1. PARMA Conference Information** - No discussion on this item was made.
- G2. CSAC EIA Annual Report (first 3 pages)** - No discussion on this item was made.
- G3. CSAC EIA Risk Control Services for Peace Officers** - No discussion on this item was made.
- G4. White Paper – Contracts Involving Minors** - No discussion on this item was made.

**H. PUBLIC COMMENTS** - No public comments were made.

### ADJOURNMENT

Jena Covey adjourned the meeting at 6:31 PM on Thursday, January 23, 2020.  
 Jena Covey adjourned the meeting at 12:55 PM on Friday, January 24, 2020.