

**MINUTES OF THE
ACCEL BOARD OF DIRECTORS MEETING
Thursday, October 7th and Friday, October 8th, 2010
The Padre Hotel
City of Bakersfield, CA**

MEMBERS PRESENT

Tom Vance, City of Anaheim
Betsy Dolan, City of Burbank
Ralph Korn, City of Bakersfield
Mary Akin, City of Modesto
Rhonda Combs, City of Monterey
Claudia Koob, City of Mountain View
Ann Richey, City of Ontario
Mark Howard, City of Santa Barbara
Kris Kamandulis, City of Santa Cruz
Deb Hossli, City of Santa Monica
Charlotte Dunn, City of Visalia

MEMBERS ABSENT

Sandra Blanch, City of Palo Alto

GUESTS AND CONSULTANTS

Keyan Aghili, Carl Warren & Company
Conor Boughey, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Daniel Howell, Alliant Insurance Services
Matthew Nethaway, Perry-Smith

A. CALL TO ORDER

President Tom Vance called the meeting to order at 2:30 PM

B. CONSENT CALENDAR

B1. Approval of Minutes from the June 24 and 25, 2010 Board of Directors Meeting

A motion was made to approve the minutes with the city of Mountain View added to the Members in attendance.

MOTION: Ralph Korn **SECOND:** Deb Hosli **MOTION CARRIED**

C. REPORTS

C1. President's Report

C1a. Committee Assignments

Tom Vance announced that the Committee Assignments for the 2010-11 program year have been assigned by the Executive Committee.

Additionally, because there has not been a Claims Committee meeting during the 2010-11 program year, Tom Vance assigned Ralph Korn to be the acting Claims Chair until the next Claims Committee Meeting.

No action was taken.

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 2:40 PM pursuant to Government Section Code 54956.95.

MOTION: Ann Richey **SECOND:** Kris Kamandulis **MOTION CARRIED**

A motion was made to come out of closed session at 3:45 PM.

MOTION: Ann Richey **SECOND:** Mary Akin **MOTION CARRIED**

Ralph Korn reported that the Board of Directors approved payment during Closed Session on the Alexander v. Anaheim claim.

C3. Financial and Treasurer's Report

C3a. Ratification of Disbursements for months ending June 30, 2010 & July 21, 2010

ACCEL's Treasurer, Betsy Dolan, reported on the disbursements included in the agenda packet.

A motion was made to approve the Ratification of Disbursements.

MOTION: Mark Howard **SECOND:** Ann Richey **MOTION CARRIED**

C3b. Adopting the Member Account Summary as of June 30, 2010

Conor Boughey reported that the fourth quarter of the program year has been completed. In this quarter several claims payments were made as follows:

1. Claims Payment: Obregon v. Palo Alto – \$35,228.58
2. Claims Payment: Rodriguez v. Burbank - \$5,790.50
3. Interest Earned of \$163,018

Conor further reported that the June 30, 2010 Member Account Summary Report was audited by the Financial Auditors and will be included in the Financial Audit.

A motion was made to approve the Member Account Summary as of June 30, 2010.

MOTION: Mark Howard **SECOND:** Ann Richey **MOTION CARRIED**

C3c. Investment Report – Pursuant to Government Section Code 53646(b)(1) for Months Ending June 30, 2010, July 31, 2010 & August 31, 2010

Betsy Dolan reported the investment earnings, compliance, and walked through each of the investment reports ending June 30, 2010, July 31, 2010 and August 31, 2010.

Michael Simmons further reported that the Authority's Accounts are yielding greater returns than our benchmarks and the maturity distribution is at an ideal balance. However, as the Authority repurchases long term investments, those investments will not yield the same return as the investments that are fully maturing.

A motion was made to receive and file the investment reports.

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

C3d. Quarterly Financial Report as of June 30, 2010

Conor Boughey reported that Tami Giovanni, ACCEL's Bookkeeper, has completed the quarterly compilation for the Board's review. Conor further reported that the June 30, 2010 Quarterly Compilation reflects the same financial data as the Financial Audit which will be presented by Matthew Nethaway later in the meeting.

A motion was made to receive and file the report.

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

C3e. Financial Audit as of June 30, 2010

Michael Simmons introduced Matthew Nethaway of Perry-Smith who is ACCEL's Financial Auditor.

Matthew Nethaway of Perry-Smith conducted ACCEL's Financial Audit as of June 30, 2010. Matthew reported this was the second year he worked with ACCEL and the audit process was much more familiar than the prior year. Matthew walked through the audit addressing any questions as they arose. Matthew explained that an increase in Net Assets was realized since last years audit. This change was a result of the Retrospective Rating Calculation, increased deposits and claim reserves. The result was an increase in Net Assets of \$8,000,781, which totals \$15,131,465 as of June 30, 2010.

A motion was made to approve the Financial Audit as of June 30, 2010 with no substantive changes.

A motion was made to accept and file the report.

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

C3f. ACCEL's Projected Cash Flow Obligations as of June 30, 2010

Conor Boughey reported that the worksheet displays the estimated expenses and revenues in ACCEL's short term future. Conor explained this worksheet helps strategize our estimated needs to organize where our funds should be allocated. Currently, ACCEL has a well balanced portfolio at about 80% long term investments and 20% short term.

Mike Simmons reported that the ACCEL's current balance is ideal, and that no action should be necessary.

A motion was made to receive and file the report.

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

C3g. ACCEL's June 30, 2010 IBNR

Conor Boughey reported that ACCEL's Actuarial Study was completed based on December 31, 2009 loss information. The Financial Audit is as of June 30, 2010 and uses the June 30, 2010 Loss Run. Due to increases in reserves in the 2004-05 Program Year, IBNR was adjusted by John Alltop to be sure we do not have negative IBNR in a given Program Year. There is no change in total IBNR, only a reallocation between Program Years.

A motion was made to approve the June 30, 2010 IBNR.

MOTION: Ann Richey **SECOND:** Kris Kamandulis **MOTION CARRIED**

C4. Program Administrator's Report

C4a. Insurance Requirements in Contracts Presentation

Daniel Howell distributed the Draft Insurance Requirements in Contracts Manual to the Board of Directors. Daniel reported to the Board of Directors on the change in format the contract has gone through as well as the many changes that have occurred in contract language, standardized forms and industry standards. Dan addressed questions as they arose.

No action was taken.

C4b. Status Report of ACCEL's Accreditation

Conor Boughey reported that ACCEL's Accreditation lasts for three years and expired in April of 2010. Conor Further reported that CAJPA is working through the data provided to them to renew the accreditation. When ACCEL's three year Accreditation is renewed, it will be backdated to April 2010.

No action was taken.

C4c. Workers Compensation Rate Bulletin

Conor Boughey reported that the Sacramento Bee reported that a recommendation was made to increase California workers compensation rates by 29%. If this proposal is approved, there will be a significant increase for standard placement workers compensation placements; however these increases do not directly affect CSAC's premiums. CSAC is rated by an independent actuary and many of the reasons for the proposed rate increases have already been taken into account.

No action was taken.

C5. Underwriting Committee's Report

None

D. Unfinished Business

D1. 2010 Retro Refund Requests

Conor Boughey reported that the City of Ontario would like to revise their retro refund request to \$500,000. Conor further reported that If the City of Ontario's request is approved, they will have

\$815,028 still available for withdrawal.

A motion was made to approve the City of Ontario's request to withdraw \$500,000.

MOTION: Ralph Korn **SECOND:** Rhonda Combs **MOTION CARRIED**

D2. ACCEL Member Coverage Summary

Conor Boughey reported that the Member Coverage Summary was first presented at the October 2007 Board Meeting, and that this is a report that would be produced and presented annually at the October Meeting. The report is provided as a quick reference guide as a snapshot of current coverage in place.

No action was taken.

E. New Business

E1. Review of ACCEL's Memorandum of Coverage

This agenda item has been postponed to the December 2010 Board of Directors Meeting.

E2. 2010 Proposed Calendar of Meetings

Conor Boughey presented the Calendar of Meetings as follows:

LOCATION	DATE(S)
Anaheim (PARMA 6 th – 9 th)	Wednesday, February 9 th , 2011
Santa Monica	Thursday and Friday, April 14 th and 15 th , 2011
Modesto	Thursday and Friday, June 23 rd and 24 th , 2011
Palo Alto	Thursday and Friday, October 6 th and 7 th , 2011
San Francisco	Thursday and Friday, December 1 st and 2 nd , 2011 **

After some discussion, the board amended the calendar of meetings to the following:

LOCATION	DATE(S)
Anaheim (PARMA 6 th – 9 th)	Wednesday, February 9 th , 2011
Santa Monica	Thursday and Friday, April 14 th and 15 th , 2011
Modesto	Thursday and Friday, June 23 rd and 24 th , 2011
Santa Cruz	Thursday and Friday, October 6 th and 7 th , 2011
San Francisco	Thursday and Friday, December 1 st and 2 nd , 2011 **

A motion was made to adopt the calendar of meetings as presented above.

MOTION: Ann Richey **SECOND:** Rhonda Combs **MOTION CARRIED**

E3. Schedule of Next Two Board Meetings

Conor Boughey reported that the next meeting is scheduled for Thursday and Friday, December 2nd and 3rd in the City of San Francisco. Last year this meeting was scheduled for 3:00 PM on Thursday and 8:30 AM on Friday.

Michael Simmons also reported that the February Board meeting is potentially scheduled for the last day of PARMA, Wednesday, February 9th. The PARMA conference runs from Sunday, February 6th to Wednesday, February 9th. On February 9th, ACCEL's Board of Directors Meeting will begin at 12:00 PM to avoid conflicts with the PARMA conference.

F. CORRESPONDENCE / INFORMATION

F1. Recovery for City Emergency and Accident Response Costs

The City of Monterey would like to find out what other cities are doing to deal with recovery for city emergency and accident response costs. After some discussion, an Ad Hoc Committee was formed with Rhonda Combs, Mary Akin and Claudia Koob. Conor Boughey has volunteered to assist the committee in researching this topic.

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 11:30 AM

MOTION: Kris Kamandulis **SECOND:** Ann Richey **MOTION CARRIED**