

ACCEL BOARD OF DIRECTORS MEETING

Day 1 - Thursday, October 14, 2021 at 1:00 PM

Day 2 - Friday, October 15, 2021 at 8:30 AM

LOCATION:

Teleconference

Day 1 –

Link: <https://alliantinsurance.zoom.us/j/95531217830?pwd=V2l5N0pzNzhNbnZYNFU3WU5UNG1Odz09>

Dial: (669) 900-6833

Meeting ID: 955 3121 7830

Passcode: 677782

Day 2 –

Link: <https://alliantinsurance.zoom.us/j/92399156098?pwd=Ui9JRkYrUzErUzZwN0RIey91OU5kUT09>

Dial: (669) 900-6833

Meeting ID: 923 9915 6098

Passcode: 147641

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim

Jena Covey, City of Bakersfield

Betsy McClinton, City of Burbank *(Thursday, October 14, 2021 only, joined at 1:48 PM)*

Jiles Smith, City of Modesto *(left at 12:00 PM on Friday, October 15, 2021)*

Sarin Roth, City of Monterey

Claudia Koob, City of Mountain View

Jeannette Chavez, City of Ontario *(Thursday, October 14, 2021, joined at 4:23 PM and left at 4:30 PM)*

Kathy Garozzo, City of Ontario Alternate *(Thursday, October 14, 2021 only)*

Sandra Blanch, City of Palo Alto *(Thursday, October 14, 2021, joined at 1:06 PM)*

Rhonda Combs, City of Salinas *(left at 3:20 PM on Thursday, October 14, 2021)*

Mark Howard, City of Santa Barbara

Ross Brandon, City of Santa Cruz Alternate *(left at 12:10 PM on Friday, October 15, 2021)*

Oles Gordeev, City of Santa Monica *(left at 10:00 AM and re-joined at 10:40 AM on Friday, October 15, 2021)*

Charlotte Dunn, City of Visalia

MEMBERS ABSENT: None

GUESTS AND CONSULTANTS:

Michael Simmons, Retired ACCEL Program Administrator *(Thursday, October 15, 2021 only, joined at 10:30 AM and left at 10:45 AM)*

Allyson Hauck, City of Monterey Alternate *(Friday, October 15, 2021 only, left at 10:30 AM)*

Keith DeMartini, City of Santa Barbara *(Friday, October 15, 2021 only, left at 10:30 AM)*



Vanessa Shearer, City of Visalia (*Thursday, October 14, 2021 only, left at 2:40 PM*)
Ben Oram, George Hills Company
David Trautz, George Hills Company
Joe Pieksza, Crowe LLP (*Friday, October 15, 2021 only, left at 9:15 AM*)
Adam Randolph, Crowe LLP (*Friday, October 15, 2021 only, left at 9:15 AM*)
Gina Dean, PRISM (*Thursday, October 14, 2021 only, joined at 1:48 PM and left at 3:00 PM*)
Rick Brush, PRISM (*Thursday, October 14, 2021 only, left at 3:00 PM*)
Colin Finn, Alliant Insurance Services (*Friday, October 15, 2021 only, joined at 10:50 AM and left at 11:20 AM*)
Lynn Petrouski, Alliant Insurance Services (*Friday, October 15, 2021 only, joined at 10:50 AM and left at 11:20 AM*)
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, October 14, 2021.
Jena Covey called the meeting to order at 8:31 AM on Friday, October 15, 2021.

B. CONSENT CALENDAR

- B1. Approval of Minutes for the June 15 & 16, 2021 Board Meeting**
- B2. Approval of Minutes for the June 24, 2021 Special Board Meeting**
- B3. Approval of Minutes for the August 23, 2021 Special Board Meeting**
- B4. Evidence of Coverage and Disclosure:**
 - B4i. Alliant Crime Insurance Program (ACIP)**
 - B4ii. Alliant Public Pool Liability (APPL)**
 - B4iii. Alliant Deadly Weapon Response Program (ADWRP)**
- B5. George Hills Claims Administrators Organization Chart**
- B6. ACCEL's 2021-22 Aggregate Exhaustion Endorsement**

A motion was made to approve the consent calendar.



MOTION: Charlotte Dunn **SECOND:** Claudia Koob **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X		X	X	X	X	X
Nay													
Abstain													

C. GENERAL RISK MANAGEMENT ISSUES

Jena Covey, City of Bakersfield asked the other Board Members how their agencies are compensating employees who are off due to COVID-19 measures. Mark Howard, City of Santa Barbara referred to Liebert Cassidy Whitmore (LCW) and commented that there was no clear guidance from LCW.

Mark Howard, City of Santa Barbara inquired about other Members’ funding levels of their Self Insured Retentions.

Oles Gordeev, City of Santa Monica asked the Members how they are achieving their internal goals for social justice, equity, and inclusion. Members discussed the Request for Proposal (RFP) process and forms required to comply with goals.

D. REPORTS

D1. President’s Report

D1a. ACCEL’s Compliance with Assembly Bill 361

Conor Boughey reported that Governor Newsom signed into law Assembly Bill (AB) 361 that allows government agencies to continue to meet virtually. The AB requires the governing body to vote that in-person meeting would pose “imminent risks to the health or safety of attendees.”

A motion was made to invoke AB 361.



MOTION: Mark Howard

SECOND: Tracey Matthews

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D1b. Resolution 2122-03, Recognizing the Contributions of Michael Simmons

Jena Covey read out loud the Resolution 2122-3 Recognizing the Contributions of Michael Simmons.

The Board thanked Mike for his commitment and leadership to ACCEL.

The resolution was signed, printed on fancy paper, and placed in a nice frame.

A motion was made to approve the resolution.

MOTION: Mark Howard

SECOND: Charlotte Dunn

MOTION CARRIED

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D2. Executive Committee’s Report

D2a. Committee Assignments

Conor Boughey reminded the Board that every year after July 1st, the Executive Committee meets and assigns the Board Members to each of the three Committees: Claims, Finance, and Underwriting. The FY 21/22 committee assignments were listed in the agenda packet.



D3. Claims Committee's Report

D3a. Member Attorney Rates

Conor Boughey reported that the City of Bakersfield was the first City to notify ACCEL that its attorney rates exceeded \$400 per hour. ACCEL revised its Claims Handling Policy and Procedures to include a Member requirement to notify the Program Administrators and Claims Administrators when defense fees are in excess of \$400 per hour.

The Claims Committee met on August 31, 2021 to review the City of Bakersfield’s letter dated July 9, 2021 and took action to create a letter from ACCEL to the City stating that it accepts the letter from the City for FY 21/22 and request that it is filed annually.

D3b. Claims Audit Status

Conor Boughey reported that Rob Powers, ACCEL’s Claim Auditor is in the process of the 2021 Claims Audit. Included in the agenda packet is a schedule of Rob Powers’ in person visit to each Member and the Claims Administrator.

The Claims Audit report is due to ACCEL on December 15, 2021. The Claims Committee will meet to review the report and may make a recommendation to the Board for the January 2022 Board Meeting. Rob will present the Claims Audit at the January 2022 Board Meeting.

D3c. Brower Law Group Fee Increase Authorization

Conor Boughey reported that the Board previously authorized a \$300,000 budget for payments to the Brower Law Group to assist ACCEL and the City of Anaheim with a claim. The payments to date are close to the budgeted authority level. The Claims Committee met in September 2021 and took action to make a recommendation to the Board to increase the budget to \$500,000.

A motion was made to approve the Claims Committee’s recommendation not to exceed the budgeted authority level of \$500,000.

MOTION: Jena Covey **SECOND:** Mark Howard **MOTION CARRIED**

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye		X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain	X												



D3d. CLOSED SESSION – Pursuant to Gov't Code 54956.95

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

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	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 5:31 PM.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X	X	X	X	X	X	X		X	X	X	X
Nay													
Abstain													

Tracey Matthews, Claims Committee Chair reported out of Closed Session that no reportable action took place.

D4a-e. Financial and Treasurer's Report

Conor Boughey and Oles Gordeev, ACCEL's Treasurer walked through the financial items.

Conor pointed out that the Chandler Asset Management Monthly Statements show ACCEL complied with its Investment Policy and Procedure. He noted that the Member Account Summary (MAS) as of June 30, 2021 also goes into the Financial Audit as a supplemental schedule. The Financial Auditors test the MAS for reasonability.

A motion was made to approve the financial items.



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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Kathy Garozzo	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D5. Finance Committee’s Reports

D5a. Financial Audit as of June 30, 2021

Adam Randolph and Joe Pieksha from Crowe LLP presented the Financial Audit as of June 30, 2021.

Conor Boughey reported that the Finance Committee met on September 29, 2021 to review the draft of the Financial Audit as of June 30, 2021 with Crowe LLP and the Program Administrators. The Finance Committee made a motion to make a recommendation to the Board to accept the Financial Audit.

A motion was made to accept the Financial Audit as final.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D5b. ACCEL Financial Audit Contract Renewal – Crowe LLP

Conor Boughey reported that ACCEL’s Financial Audit Contract with Crowe LLP for two audit years ending in June 30, 2020 and 2021 has expired. The audit fee for each of the years ending in June 30, 2020 and 2021 was \$28,000.

The agenda packet included an engagement letter from Crowe LLP for two years ending in June 30, 2022 and 2023 with a flat fee renewal. The Finance Committee met on September 29, 2021 to review the engagement letter and took action to recommend the Board approve the engagement letter.



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

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D5c. Consideration of Retrospective Rating Calculation (RPC) Audit Engagement

Conor Boughey reported that at the August 2021 Finance Committee Meeting, the Committee asked if the Financial Auditors, Crowe LLP could consider auditing the Retrospective Rating Calculation (RPC).

Attached to the agenda packet was a RPC audit engagement letter from Crowe.

A motion was made to accept the RPC audit engagement as a one-time audit and later decide as a Board the frequency of the audit. The RPC audit report will be delegated to the Finance Committee for review and brought back to the Board at its March 2022 Board Meeting.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													



D5d. Alliant Disclosure Presentation

Conor Boughey reminded the Board that at the October 2020 Board Meeting, the Board directed the Finance Committee to review the Alliant Disclosure Presentation prior to the October Board Meeting.

Conor walked through the Alliant Disclosure Presentation which included the carrier invoices, Alliant invoices, and an export report from Alliant’s Agency Management System with alphabetical letters matching the amounts from each report.

At the September 29, 2021 Finance Committee Meeting, authority was delegated to Oles Gordeev, the Finance Committee Chair to review the presentation in detail and report to the Board at the October 2021 Board Meeting.

Oles Gordeev reported that the invoices and reports matched.

A motion was made to receive and file the Alliant Disclosure Presentation.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X		X	X	X	X	X	X	X	X	X	X
Nay													
Abstain													

D6. Underwriting Committee’s Report

D6a. Notice of Intent to Propose Changes to the ACCEL’s Bylaws

Conor Boughey reported that the Underwriting Committee annually reviews the Bylaws and is considering proposing changes as outlined in the agenda packet.

Conor requested that if any of the Board Members have other proposed changes to the Bylaws for the Underwriting Committee’s consideration to email Mark Howard, the Underwriting Chair and/or the Program Administrators.

The Underwing Committee will convene to discuss the proposed changes after the October 2021 Board Meeting to potentially recommend that the Board approve the changes at the January 2022 Board Meeting.

D6b. ACCEL MOC's Medical Malpractice Exclusion and Member Operations

Conor Boughey reported that the City of Santa Cruz was discussing the use of paramedics at local hospitals to help with nurse staffing issues. ACCEL's Memorandum of Coverage contains exclusions K. and L. relating to medical malpractice exposures.

Ross Brandon, City of Santa Cruz provided an update that the City is still considering this but is not proceeding at this time.

Direction was given to delegate this item to the Underwriting Committee for further discussion.

D7. Program Administrator's Report

D7a. 2021-22 Summary of Coverage

Conor Boughey presented the 2021-22 Summaries of Coverage for each Member. He explained that the Excess Liability, Standalone Terrorism, Supplemental Liability which is the Alliant Deadly Weapon Response Program (ADWRP), and optional Excess Workers' Compensation information shown are the coverages that the Members purchase through ACCEL.

There was an error on the summaries and the Program Administrators will send out the revised versions to the Members.

D7b. Upcoming Service Providers Survey

The Program Administrators verbally reminded the Board that the annual Service Providers Survey will be sent on November 1, 2021 by Alliant staff, Mary Lendaris with a thirty day deadline and one reminder to the Board.

D7c. Early Review of Excess Liability Market Conditions

Daniel Howell provided a verbal report on the Excess Liability Market. The market continues to be challenging, with many large claim resolutions continuing to frighten the market. Carriers have continued to add new exclusions, like the PFAS exclusion, and limit their capacity to write high limits. Daniel reported that we are too far from renewal to have a solid indication for ACCEL's renewal, but the challenging market remains. Many large self-insureds and JPAs continue to increase their retentions and retain more risk.

No reportable action was taken.

D7d. Property Value Trend Analysis

Conor Boughey reported that property insurance values are usually trended over time to maintain an accurate inventory of building values for the structure and contents. The third Quarter Marshall & Swift Trend Factors were recently published and they include much higher trend factors than historical levels.



For the Members who participate in the Alliant Property Insurance Program (APIP), Alliant wants the Members to be aware of the current trends so that they may begin to prepare for the property renewal.

Direction was given to Alliant to write a memo outlining the increased valuations and to focus on the City's schedules ahead of next year's renewal.

E. UNFINISHED BUSINESS

E1. ACCEL's Excess Memorandum of Coverage (MOC)

Conor Boughey reported that at the July 1, 2021 renewal, ACCEL took action to bind the first excess layer of coverage with the carrier, AWAC. AWAC agreed to follow form on the ANML policy form, which requires ACCEL to adopt the ANML policy form as its own Excess MOC. The Board took action to adopt the ANML policy form in the \$5,000,000 excess \$5,000,000 layer and then AWAC would attach and follow at the \$10,000,000 attachment point.

A motion was made to adopt the Excess MOC that is ANML based for the \$5,000,000 excess \$5,000,000 layer. Direction was given to the Program Administrators to conduct a coverage comparison of ACCEL's \$4,000,000 excess \$1,000,000 MOC and the \$5,000,000 excess \$5,000,000 MOC that is ANML based for the Underwriting Committee to review at its next meeting and report back at the January 2022 Board Meeting.

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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X			X	X	X	X	X	X	X	X	X
Nay													
Abstain													

E2. ACCEL Negative Net Position Replenishment Invoices

Conor Boughey reminded the Board that as part of the corrective funding plan established from the October 2020 Long Range Planning and Board Meeting, the Board's goal was to adopt a negative net position charge of 10% of the prior year's negative position.

This item was discussed at the June 2021 Board Meeting and the Board decided to revisit at the October 2021 Board Meeting when ACCEL receives the FY 20/21 Financial Audit.

The results of the Financial Audit was a positive net position of \$4,737,452, therefore, negative net position replenishment invoices are not needed.



No reportable action took place.

F. NEW BUSINESS

F1. PRISM Annual Presentation

Gina Dean and Rick Brush from PRISM presented a PowerPoint to the Board. Gina discussed the effects of COVID and Stay at Home Orders, and the FY 22/23 Excess Workers' Compensation budget estimates. Rick talked about PRISMtv, Vector Solutions, and the PRISM Message Board.

Members asked questions which were addressed by PRISM.

No reportable action took place.

F2. Utilization of Structured Settlements Presentation

Colin Finn and Lynn Petrouski from Alliant presented to the Board a PowerPoint about Leverage in Negotiations.

Members asked questions which were addressed as they arose.

No reportable action took place.

F3. Planning for 2022 Long Range Planning (LRP)

The Long Range Planning (LRP) is scheduled to be held in Santa Barbara on Thursday, October 13, 2022 from 8:30 AM to 12:00 PM.

Conor Boughey asked the Board if there was anything it would like to add to the LRP list of topics included in the agenda packet.

Jena Covey requested to add cyber liability to the LRP agenda.

F4. Proposed 2022 Meeting Calendar

Conor Boughey stated that at the October Board Meeting each year, the Board adopts a meeting calendar for the following calendar year. Conor noted that due to the COVID-19 pandemic, Santa Barbara and Visalia are the selected locations because Members can easily drive there versus taking a plane.

A motion was made to approve the 2022 Meeting Calendar.



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

	Tracey Matthews	Jena Covey	Betsy McClinton	Jiles Smith	Sarin Roth	Claudia Koob	Jeannette Chavez	Sandra Blanch	Rhonda Combs	Mark Howard	Ross Brandon	Oles Gordeev	Charlotte Dunn
Aye	X	X			X	X	X	X	X	X	X	X	X
Nay													
Abstain													

F5. Schedule of the Next Two Board of Directors Meetings

The next two Board Meetings will be in-person at Visalia on Thursday and Friday, January 20 and 21, 2022 and at Santa Barbara on Thursday, March 31, 2022 and Friday, April 1, 2022. Both meetings will start at 1:00 PM on Thursdays and 8:30 AM on Fridays unless otherwise stated.

Due to the COVID-19 pandemic, the in-person meetings may be changed to virtual via Zoom.

G. CORRESPONDENCE / INFORMATION

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

H. PUBLIC COMMENTS – There were no public comments.

ADJOURNMENT

Jena Covey adjourned the meeting at 5:32 PM on Thursday, October 14, 2021.
 Jena Covey adjourned the meeting at 12:17 PM on Friday, October 15, 2021.