



AGENDA

LEGEND: A - Action may be taken
I - Information
1 - Included
2 - Handout
3 - Separate
4 - Verbal

JPA: ACCEL FINANCE COMMITTEE MEETING

DATE/TIME: Wednesday, February 18, 2026 at 10:00 AM

LOCATION: Teleconference

Link: <https://alliantinsurance.zoom.us/j/95028278042?pwd=bJgfJcQGjaPE0E50gj4WmBMOdcGdf.1>

Meeting ID: 950 2827 8042

Passcode: 582026

Dial: (669) 444 9171

In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publicly accessible places, 72 hours in advance of the meeting, at the office of ACCEL's Secretary.

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant Insurance Services at (415) 403-1400, 24 hours in advance of the meeting. Access to some buildings may require routine provision of identification to building security. However, ACCEL does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

- MEMBER LOCATIONS VIA TELE - CONFERENCE**
- City of Monterey, 735 Pacific Street, Suite A, Monterey, CA 93940
 - City of Ontario, 200 North Cherry Avenue, Ontario, CA 91764
 - City of Santa Barbara, 735 Anacapa Street, Santa Barbara, CA 93101
 - City of Santa Monica, 1685 Main Street, Room 131, Santa Monica, CA 90401
 - City of Visalia, 220 North Santa Fe Street, Visalia, CA 93292

PAGE

- A. CALL TO ORDER**
- B. CONSENT CALENDAR (A)**
- 3-5 1 1. Approval of Minutes for the December 8, 2025 Finance Committee Meeting
Members will review this item and may take action to approve or amend.
- C. REPORTS**
- 1. FINANCE COMMITTEE**
- 6-9 1 a) Financial Auditor Proposal Review (A)
The Committee will discuss the proposals received for Financial Auditor services. Action may be taken to schedule interviews or recommend action to the Board or direction given.
- 10-17 1 b) Review of ACCEL's 26/27 Experience Mod Calculation (A)
Members will review ACCEL's Ex-Mod calculation and may take action to provide a recommendation to the Board or give direction.
- 18-20 1 c) Draft FY 26/27 Administration Budget (A)
Members will review a draft of the FY 26/27 Administration Budget and may take action to provide a recommendation to the Board or give direction.



D. PUBLIC COMMENTS

(I)

4 *The public is invited at this point to address the Committee on issues of interest to them.*

ADJOURNMENT



MINUTES OF THE ACCEL FINANCE COMMITTEE MEETING

Item No. B.1
Finance Committee
February 18, 2026

Monday, December 8, 2025 at 10:00 AM

LOCATION:

Teleconference

Link: <https://alliantinsurance.zoom.us/j/92953723411?pwd=EaVp9aavjwWpnbFlARtZSL0lu4RUay.1>

Meeting ID: 929 5372 3411

Passcode: 522827

Dial: (669) 900 6833

MEMBERS PRESENT:

Rafaela King, City of Monterey
Oles Gordeev, City of Santa Monica
Andrew Guzman, City of Visalia

MEMBERS ABSENT:

Marquie Lugo, City of Ontario Alternate

GUESTS AND CONSULTANTS:

Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services

A. CALL TO ORDER

Oles Gordeev called the meeting to order at 10:00 AM.

B. CONSENT CALENDAR

B1. Approval of Minutes for the October 16, 2025 Finance Committee Meeting

A motion was made to approve the consent calendar.

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

| | Rafaela King | Marquie Lugo | Oles Gordeev | Andrew Guzman |
|---------|--------------|--------------|--------------|---------------|
| Aye | X | | X | X |
| Nay | | | | |
| Abstain | | | | |



C. REPORTS

C1. FINANCE COMMITTEE

C1a. Financial Auditor RFP

Conor Boughey reported that the Board took action at the October 2025 Board Meeting to issue a Financial Auditor Request for Proposal (RFP). Also, he stated that the Board delegated to the Finance Committee to oversee the RFP process. The Program Administrators have provided a draft of the RFP included in the agenda packet and solicited from the Members additional Financial Audit firms.

Rafaela King mentioned to update the Pun Group contact and will send the new contact. Also, Andrew Guzman asked to remove the instructions to agencies in the Appendix C – Insurance Requirements in Contracts for Professional Services.

A motion was made to accept the RFP as final subject to updating the Pun Group contact and removing the notes to the agencies in Appendix C of the Insurance Requirements in Contracts. The Program Administrators are instructed to send it out as outlined in the agenda packet. Direction was given to send hold calendar invites for the dates of March 4 and 5, 2026 for potential oral interviews.

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

| | Rafaela King | Marque Lugo | Oles Gordeev | Andrew Guzman |
|---------|--------------|-------------|--------------|---------------|
| Aye | X | | X | X |
| Nay | | | | |
| Abstain | | | | |

C1b. Late Payments of Premium

Conor Boughey reminded the Committee that at the October 2025 Board Meeting, the Board gave direction to the Program Administrators to work with Byrne Conley, ACCEL’s Legal Counsel to draft language in ACCEL’s Governing Documents to add language regarding Late Payments of Premiums. The Board discussed a notice of cancellation after 30 days, after which a penalty of LAIF plus 10% would be applied to the ACCEL invoice.

Byrne proposed that the language be added to ACCEL’s Bylaws and \$4M excess \$1M Memorandum of Coverage (MOC).

The Committee requested that the ACCEL invoice show how Members can pay via ACH or wire transfer and state, “A penalty applies if payment is late.”



A motion was made to recommend to the Board to accept the proposed changes to the Bylaws and MOC subject to administrative clean up, adding a timeline sample of what would happen if a Member was late.

Example Timeline:

- July 1, 2026 - invoice sent
- July 31, 2026 - invoice due. Payment must be postmarked by the due date if sending a check or initiated by the due date if paying electronically.
- August 3, 2026 - ACCEL will issue a Notice of Intent to Cancel that says payment must be received 30 days from the date of the Notice of Intent to Cancel. While ACCEL is waiting for payment, LAIF at the time of default plus 10% of the total ACCEL Invoice penalty applies.

MOTION: Oles Gordeev **SECOND:** Andrew Guzman **MOTION CARRIED**

| | Rafaela King | Marque Lugo | Oles Gordeev | Andrew Guzman |
|---------|--------------|-------------|--------------|---------------|
| Aye | X | | X | X |
| Nay | | | | |
| Abstain | | | | |

D. PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Oles Gordeev adjourned the meeting at 10:42 AM.



Item No. C.1.a
Finance Committee
February 18, 2026

FINANCIAL AUDITOR PROPOSAL REVIEW

ISSUE: The Board took action at the October 2025 Board Meeting to issue a Financial Auditor Request for Proposal (RFP). Also, the Board delegated to the Finance Committee to oversee the RFP process. The Program Administrators had issued the RFP following the December, 2025 Finance Committee Meeting and now received responses from 6 firms. These responses are to be reviewed and the Finance Committee is to determine how to move forward

RECOMMENDATION: The Program Administrators recommend the Committee review the RFP responses and take action or give direction to the Board at the March Board Meeting.

Additional Consideration

In favor: The Committee reviews the RFP responses and determines which firms are preferred and how to move forward.

Against: The Committee reviews the RFP responses and takes issue or has additional questions, the Committee may vote to instruct the Program Administrators to take additional action.

FISCAL IMPACT: There is no immediate financial impact expected from the recommended action.

BACKGROUND: Crowe LLP has been ACCEL's Financial Auditor since 2009, and the oversight of the Financial Auditor Contract falls under the Finance Committee's purview. If an RFP is authorized by the Board, the Finance Committee can be delegated authority to work on the RFP template that includes next steps and timeline, or the Finance Committee Chair/Treasurer may also work directly with the Program Administrators.

The Board met on October 12, 2023, and made a motion to renew the contract with Crowe LLP for the financial audit for two years ending in June 30, 2024 and 2025. Also, at that meeting a Board Member commented that it is best practice to issue a RFP every five years.

At the Finance Committee meeting on September 4, 2024, the Committee discussed this and agreed to wait on issuing an RFP until the audit for the year ending June 30, 2026, since Crowe has already submitted a proposal for the June 30, 2025 audit. The Board agreed to conduct a Request for Proposal (RFP) for audit years June 30, 2026.

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.
Corporation Insurance License No. 0C36861
560 Mission Street, 6th Floor, San Francisco, CA 94105



The Finance Committee met on September 4, 2025 and reviewed the following RFP timeline. Also, the Board reviewed this at the October 2025 Board Meeting. In December, 2025, the RFP was issued following a Finance Committee meeting.

ATTACHMENT: ACCEL 2026 Financial Auditor RFP Summary & Response

HANDOUT: Proposal Responses Received - ALL

| Responder | James Marta & Company LLP | Crowe LLP (Incumbent) | Badawi & Associates | Gilbert CPA's | Maze & Associates | The Pun Group LLP |
|---|---|--|--|--|---|--|
| Engagement Team | Engagement Partner: James Marta CPA, CGMA, ARPM Technical Review Partner: Jesse Deol CPA, ARM Manager: Michael Manduca CPA | Audit Partner: Joe Pieksza Audit Senior Manager: Adam Randolph | Engagement Partner: Ahmed Badawi CPA Professional Audit Manager: Samantha Michel CPA Professional Assurance Senior: Evertly Feng Information Technology Specialist: Omar Rahman CPA, CISA Engagement Quality Reviewer: Mitesh Desai CPA | Audit Shareholder: Bob A. Green CPA Technical Review Shareholder: Raul A. Hernandez CPA Audit Senior Manager: Melanie K. Dahl CPA, MPAC | Engagement Partner: Amy Meyer CPA Alternate Partner: Vikki C. Rodriguez CPA Manager: Meghan Skilling | Engagement/Lead Partner: Sophia Kuo CPA, Macc, MBA Technical/Concurring Partner: Frances J. Kuo CPA, CGMA Quality Control Reviewer: Ross Gotthoffer CPA Engagement/Project Manager: Judith Felipe CPA Senior Auditor: Nigel Jordan |
| Location of Firm | Sacramento, CA | Connecticut | Emeryville, CA | Sacramento, CA | Pleasant Hill, CA | Santa Ana, CA |
| References | 1. Northern California Cities Self Insurance Fund (NCCSIF): Marcus Beverly 2. California Joint Powers Insurance Authority (CJPIA): Jason McBride 3. Public Entity Risk Management Authority (PERMA): Beth Lyons 4. Redwood Empire Municipal Insurance Fund (REMIF): Amy Conley | 1. Santa Clara County Schools Insurance Group: Tien Phan 2. Redwood Empire Schools Insurance Group: Cindy Wilkinson 3. Schools Insurance Group: Nancy Mosier | 1. Florin Resource Conservation District/Elk Grove Water District: Patrick Lee 2. Union Sanitary District: Mark Carlson 3. Sacramento Metropolitan Fire District: Dave O'Toole 4. Alameda County Waste Management Authority: Jennifer Luong 5. San Gabriel Valley Council of Governments: Rey Alimoren | Schools Insurance Authority: Phil Brown Alliance of Schools Cooperative Insurance Program: Jeff Grubbs Schools Excess Liability Fund: Kathryn Mathes | California Joint Powers Risk Management Authority (CJPRMA): Tony Giles SCORE: Marcus Beverly CIRA and REMIF: Amy Conley | City of Cupertino: Kristina Alfaro City of Indio: Ruby D. Walla City of Pleasanton: Susan Hsieh |
| Lead Public Entity Experience | 30+ years | 30+ years | 25+ years | 15+ years | 30+ years | 20+ years |
| In Person or Remote Presentation | Add \$2,000 for in-person | Add \$2,000 for in-person | Travel and other costs included in cost | In-person travel will be billed at actual | Add \$1,900 for travel | Travel included in cost |
| Costs <i>(including expenses)</i> | | | | | | |
| First Year | \$ 27,475 | \$ 33,000 | \$ 33,900 | \$ 36,000 | \$ 30,730 | \$ 35,000 |
| Second Year | \$ 28,435 | \$ 34,000 | \$ 34,917 | \$ 37,800 | \$ 32,360 | \$ 37,100 |
| Third Year | \$ 29,430 | \$ 35,000 | \$ 35,965 | \$ 39,600 | \$ 34,070 | \$ 39,326 |
| Fourth Year | \$ 30,450 | \$ 36,000 | \$ 37,044 | \$ 41,500 | \$ 35,870 | \$ 41,686 |
| Fifth Year | \$ 31,515 | \$ 37,000 | \$ 38,155 | \$ 43,500 | \$ 37,760 | \$ 44,187 |
| TOTAL | \$ 147,305 | \$ 175,000 | \$ 179,981 | \$ 198,400 | \$ 170,790 | \$ 197,299 |

| Company | Submitted/Declined/Status |
|--------------------------------|----------------------------------|
| Crowe LLP | Submitted |
| James Marta and Company | Submitted |
| Maze & Associates | Submitted |
| Gilbert Associates, INC. | Submitted |
| Moss, Levy, & Hartzheim LLP | Not Submitted |
| Eide Bailly | Not Submitted |
| Badawi & Associates | Submitted |
| The Pun Group | Submitted |
| Cliffon Larson Allen (CLA) LLP | Not Submitted |
| MGO, LLP | Not Submitted |



Item No. C.1.b
Finance Committee
February 18, 2026

REVIEW OF ACCEL'S 26/27 EXPERIENCE MOD CALCULATION

ISSUE: The Finance Committee is tasked with reviewing ACCEL's Experience Modification (Ex-Mod) calculation every year. The Finance Committee governs this, per the Financial Plan Section IIa (Calculation of Annual Deposits):

The deposit premium allocation shall be reviewed by the Finance Committee and may include the application of an ex-mod, surcharge, or other Board approved allocation methodology. Members may be charged a special surcharge as determined by the Finance Committee.

The Committee should review the claims used in the Ex-Mod in addition to the Ex-Mod itself.

RECOMMENDATION: The Program Administrators recommend the Committee review the Ex-Mod Calculation and take action or give direction to the Board at the March Board Meeting.

Additional Consideration

In favor: If the Committee reviews the draft result and takes no issue with the presentation of claims, payroll and results, the Committee should consider taking action to recommend the Board approve the Ex-Mod as presented.

Against: If the Committee does not agree with the facts presented to calculate the ex-mod, or does not like the results of the ex-mod and think they are not what ACCEL intended, then the Committee should take action or provide direction related to the results. The Committee should not recommend approval if they disagree with the results.

FISCAL IMPACT: There is no financial impact expected from the recommended action.

BACKGROUND: At the Strategic Planning of October, 2022, the Board began discussions of an Ex-Mod for ACCEL. Through an Ad-Hoc Committee process, possibilities for an Ex-Mod were reviewed and a recommendation was made to the Board. The Board approved the Ex-Mod effective 7/1/24. The Ex-Mod has been in effect ever since.



The inputs of the Ex-Mod adopted as of 7/1/24 are as follows:

1. Payroll: oldest 8 years of most recent 10 years
2. Claims: oldest 8 years of most recent 10 years, excess of \$1M and capped at \$5M
 - a. Unless directed otherwise by the Board, the prior year's Rating Plan Calculation (RPC) will be used for this calculation
3. Calculate loss rate based on member's percentage share of payroll and claims.
4. Apply 35% credibility factor to loss rate to create ex-mod
5. Cap ex-mod at maximum of 1.2 and minimum of 0.8

$$\left(\frac{8 \text{ year member claims}}{8 \text{ year ACCEL claims}}\right) / \left(\frac{8 \text{ year member payroll}}{8 \text{ year ACCEL payroll}}\right) = \text{Loss Rate}$$

$$\text{Credibility factor of } 0.35 \times \text{Loss Rate} + (1 - \text{Credibility of } 0.35) = \text{Ex-Mod}$$

ATTACHMENT:

1. Draft 26/27 Invoicing Spreadsheet with Ex-Mod calculations
2. 26-27 Ex-Mod Worksheet – Estimates Draft
3. Ex-Mod YoY Comparison

ACCEL
 Excess Liability Budget
 Excess Insurance Attaching at \$10,000,000
 Coverage Year 2026/27 - ESTIMATES

| Member | ACCEL | | | Beazley | Admin | Admin | AWAC ACCEL | ANML / Great American | Starstone | Gemini | Bowhead | Applied | Upland | Aurenty | AWAC | Starstone | Sutton | Ark | Total | FY 24/25 Total Cost | Percent Change |
|---------------|--|--|--|--------------------------------|--------------------------------|--------------------------------------|----------------------------|---------------------------------------|---------------------------------------|---------------------------|--------------------------|----------------------------|----------------------------|------------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--|---------------------|----------------|
| | FY 26/27 DE9 Subject Wages at December 31, 2025 A | \$4 xs \$1 Deposit @ ~ 90% Confidence Level B | \$5 xs \$5 Deposit @ ~ 80% Confidence Level (B-2) C | \$50M xs. \$25K Terrorism D | ACCEL Administrative Cost E | ACCEL Admin Rebate from 2024/25 F | \$5 xs \$10 Premium G-1 | \$8.8 p/o \$10 xs \$15 Premium G-2 | \$1.2 p/o \$10 xs \$15 Premium G-2 | \$10 xs \$25 Premium H | \$5 xs \$35 Premium I | \$2.5 xs \$40 Premium J | \$2 xs \$42.5 Premium K | \$2.5 xs \$44.5 Premium L | \$5.5 xs \$47 Premium M | \$5 xs \$52.5 Premium N | \$5 xs \$57.5 Premium O | \$2.5 xs \$62.5 Premium P | Total Cost of Excess Liability Program B+B2+C+D+E+E2+F+G+H+H+J+K+L+M+N+O+P) | | |
| Anaheim | \$347,791,297 | \$6,595,586 | \$2,299,444 | \$14,676 | \$70,844 | -\$2,700 | \$1,350,308 | \$1,389,129 | \$207,308 | \$1,001,995 | \$364,355 | \$146,293 | \$101,836 | \$105,018 | \$150,638 | \$96,063 | \$69,932 | \$39,114 | \$13,999,838 | \$12,118,043 | 15.5% |
| Bakersfield | \$179,042,045 | \$3,864,024 | \$1,347,130 | \$7,555 | \$70,844 | -\$2,700 | \$682,265 | \$702,250 | \$93,852 | \$505,528 | \$178,303 | \$70,163 | \$47,277 | \$48,915 | \$72,400 | \$44,305 | \$30,853 | \$14,988 | \$7,777,951 | 5,940,970 | 30.9% |
| Burbank | \$166,336,421 | \$3,236,314 | \$1,128,289 | \$7,019 | \$70,844 | -\$2,700 | \$633,849 | \$652,415 | \$87,191 | \$469,654 | \$165,649 | \$65,184 | \$43,922 | \$45,444 | \$67,262 | \$41,161 | \$28,663 | \$13,924 | \$6,754,084 | 5,213,858 | 29.5% |
| Modesto | \$126,661,952 | \$2,697,110 | \$940,304 | \$5,345 | \$70,844 | -\$2,700 | \$482,663 | \$496,802 | \$66,395 | \$357,632 | \$126,139 | \$49,637 | \$33,446 | \$34,605 | \$51,219 | \$31,343 | \$21,827 | \$10,603 | \$5,473,213 | 4,319,316 | 26.7% |
| Monterey | \$50,985,769 | \$733,572 | \$255,748 | \$2,151 | \$70,844 | -\$2,700 | \$194,289 | \$199,980 | \$26,726 | \$143,959 | \$50,775 | \$19,980 | \$13,463 | \$13,930 | \$20,617 | \$12,617 | \$8,786 | | \$1,764,737 | 1,394,792 | 26.5% |
| Mountain View | \$118,238,965 | \$1,701,195 | \$593,095 | \$4,989 | \$70,844 | -\$2,700 | \$450,566 | \$463,764 | \$61,979 | \$333,850 | \$117,751 | \$46,336 | \$31,222 | \$32,303 | \$47,813 | \$29,259 | \$20,375 | \$9,898 | \$4,012,539 | 3,271,947 | 22.6% |
| Ontario | \$181,301,958 | \$3,297,922 | \$1,149,767 | \$7,851 | \$70,844 | -\$2,700 | \$690,877 | \$711,114 | \$95,036 | \$511,909 | \$180,553 | \$71,049 | \$47,674 | \$49,533 | \$73,314 | \$44,864 | \$31,242 | \$15,177 | \$7,046,024 | 5,629,386 | 25.2% |
| Palo Alto | \$199,556,401 | \$3,381,501 | \$1,178,906 | \$8,421 | \$70,844 | -\$2,700 | \$760,438 | \$782,713 | \$104,605 | \$563,451 | \$198,732 | \$78,203 | \$52,684 | \$54,520 | \$80,696 | \$49,981 | \$34,386 | \$16,705 | \$7,413,467 | 4,941,336 | 50.0% |
| Salinas | \$82,179,695 | \$1,182,382 | \$412,218 | \$3,468 | \$70,844 | -\$2,700 | \$313,157 | \$322,330 | \$43,078 | \$232,036 | \$81,840 | \$32,205 | \$21,700 | \$22,452 | \$33,231 | \$20,336 | \$14,161 | | \$2,802,738 | 2,331,607 | 20.2% |
| Santa Barbara | \$137,500,973 | \$1,978,333 | \$689,714 | \$5,802 | \$70,844 | -\$2,700 | \$523,967 | \$539,315 | \$72,076 | \$388,236 | \$136,933 | \$53,884 | \$36,308 | \$37,566 | \$55,602 | \$34,025 | \$23,694 | \$11,510 | \$4,655,109 | 3,825,362 | 21.7% |
| Santa Cruz | \$93,186,196 | \$2,011,092 | \$701,135 | \$3,932 | \$70,844 | -\$2,700 | \$355,099 | \$365,501 | \$48,847 | \$263,113 | \$92,801 | \$36,518 | \$24,606 | \$25,459 | \$37,682 | \$23,059 | \$16,058 | | \$4,073,046 | 3,238,300 | 25.8% |
| Santa Monica | \$268,190,993 | \$5,310,248 | \$1,851,333 | \$11,317 | \$70,844 | -\$2,700 | \$1,021,980 | \$1,051,916 | \$140,582 | \$757,242 | \$267,083 | \$105,099 | \$70,817 | \$73,271 | \$108,450 | \$66,365 | \$46,215 | \$22,451 | \$10,972,513 | 8,810,024 | 24.5% |
| Visalia | \$73,227,000 | \$1,053,573 | \$367,311 | \$3,090 | \$70,844 | -\$2,700 | \$279,042 | \$287,216 | \$38,385 | \$206,758 | \$72,925 | \$28,696 | \$19,336 | \$20,006 | \$29,611 | \$18,120 | \$12,619 | \$6,130 | \$2,510,962 | 2,074,638 | 21.0% |
| TOTAL: | \$2,024,199,665 | \$37,042,853 | \$12,914,392 | \$85,417 | \$920,969 | -\$35,100 | \$7,738,500 | \$7,964,445 | \$1,086,060 | \$5,735,363 | \$2,033,839 | \$803,247 | \$544,501 | \$563,022 | \$828,535 | \$510,898 | \$358,813 | \$160,500 | \$79,256,253 | \$63,109,580 | 25.6% |
| | Rate per \$100 Payroll: | 1.830 | 0.638 | 0.00422 | 0.04550 | | 0.3811 | 0.3922 | 0.0524 | 0.2824 | 0.0996 | 0.0392 | 0.0264 | 0.0273 | 0.0404 | 0.0247 | 0.0172 | 0.0084 | | | |
| | FY: 24/25 @ 90% / 75% Confidence Level | 1.543 | 0.494 | | | | | | | | | | | | | | | | | | |
| | Percent Change YOY: | 15% | 37% | 49% | -21% | 1% | 15% | 3% | 2% | 3% | 3% | 2% | 7% | 27% | 15% | 22% | 128% | -29% | | | |
| | Premium: | | | | 87,000 | | 7,500,000 | 7,396,400 | 1,008,600 | 5,613,000 | 2,054,383 | 811,361 | 550,000 | 550,000 | 803,000 | 500,000 | 320,000 | 150,000 | | | |
| | CIGA/Surplus Lines Taxes & Fees: | | | | 2,767 | | 238,500 | 568,044 | 77,460 | 178,493 | Reinsurance (20,544) | Reinsurance (8,114) | Reinsurance (5,500) | 18,522 | 25,535 | 15,900 | 38,812 | 10,500 | | | |
| | Rebate: | 19% | 29% | | (4,350) | | | | | | | | | (5,500) | (5,000) | | | | | | |
| | Total: | | | | 85,417 | | 7,738,500 | 7,964,444 | 1,086,060 | 5,735,363 | 2,033,839 | 803,247 | 544,500 | 563,022 | 828,535 | 510,900 | 358,812 | 160,500 | | | |
| | Only Excess Buyers | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |

Notes on Beazley (AM Best A XV), AWAC (AM Best A XV), ANML/Great American E&S (AM Best A+ XV), Gemini (AM Best A+ XV), Bowhead-Midvale (AM Best A XV) Applied/Continental Indemnity (AM Best A- XI), Upland (AM Best A- VIII), Aurenty (AM Best A- XII), Core/Starstone (AM Best A- XII), Sutton (AM Best A- VIII), Ark (AM Best A XII):
 1. Terrorism Placed Separately, 7/1/20 and later.
 2. AWAC is the lead carrier. No Aggregates. Follow Form Excess of the ANML Policy
 3. 4x Aggregates on Great American E&S and up the tower to Starstone, 2x Aggregates for last two layers.

Notes on Anaheim Cost:
 1. Anaheim payroll includes utility payroll.
 2. Anaheim costs includes a designated charge for Walnut Canyon Dam.

Notes on Burbank Cost:
 1. Burbank payroll includes power generation facilities.

Dam Coverage Buy Back:
 1. City of Santa Monica - Riviera Dam
 2. City of Santa Cruz - Newell Creek Dam
 3. City of Anaheim - Walnut Dam - additional premium charge per layer
 4. City of Mountain View - Graham Dam

Transit Coverage Buy Back:
 1. City of Santa Monica - Big Blue Bus Line

| Member | FY 26/27 DE9 Subject Wages at December 31, 2025 A | \$4 xs \$1 Deposit @ ~ 90% Confidence Level B | \$5 xs \$5 Deposit @ ~ 80% Confidence Level (B-2) |
|---------------|--|--|---|
| Anaheim | \$347,791,297 | \$6,364,581 | \$2,218,908 |
| Bakersfield | \$179,042,045 | \$3,276,469 | \$1,142,288 |
| Burbank | \$166,336,421 | \$3,043,956 | \$1,061,226 |
| Modesto | \$126,661,952 | \$2,317,914 | \$808,103 |
| Monterey | \$50,985,769 | \$933,040 | \$325,289 |
| Mountain View | \$118,238,965 | \$2,163,773 | \$754,365 |
| Ontario | \$181,301,958 | \$3,317,826 | \$1,156,706 |
| Palo Alto | \$199,556,401 | \$3,651,882 | \$1,273,170 |
| Salinas | \$82,179,695 | \$1,503,888 | \$524,306 |
| Santa Barbara | \$137,500,973 | \$2,516,268 | \$877,256 |
| Santa Cruz | \$93,186,196 | \$1,705,307 | \$594,528 |
| Santa Monica | \$268,190,993 | \$4,907,895 | \$1,711,059 |
| Visalia | \$73,227,000 | \$1,340,054 | \$467,188 |
| TOTAL: | \$2,024,199,665 | \$37,042,853 | \$12,914,392 |
| | Rate per \$100 Payroll: | 1.830 | 0.638 |
| | FY: 24/25 @ 90% / 75% Confidence Level | 1.543 | 0.494 |

| Ex Mod | Ex Mod Deposit | | Modified Deposit | |
|--------|---|---|---|---|
| | \$4 xs \$1 Deposit @ ~ 90% Confidence Level | \$5 xs \$5 Deposit @ ~ 80% Confidence Level | \$4 xs \$1 Deposit @ ~ 90% Confidence Level | \$5 xs \$5 Deposit @ ~ 80% Confidence Level |
| 1.054 | \$6,711,210 | \$2,339,755 | \$6,595,586 | \$2,299,443.99 |
| 1.200 | \$3,931,763 | \$1,370,746 | \$3,864,024 | \$1,347,129.55 |
| 1.082 | \$3,293,049 | \$1,148,068 | \$3,236,314 | \$1,128,288.61 |
| 1.184 | \$2,744,392 | \$956,788 | \$2,697,110 | \$940,303.55 |
| 0.800 | \$746,432 | \$260,231 | \$733,572 | \$255,747.78 |
| 0.800 | \$1,731,018 | \$603,492 | \$1,701,195 | \$593,094.67 |
| 1.011 | \$3,355,736 | \$1,169,923 | \$3,297,922 | \$1,149,766.65 |
| 0.942 | \$3,440,781 | \$1,199,573 | \$3,381,501 | \$1,178,905.96 |
| 0.800 | \$1,203,110 | \$419,445 | \$1,182,382 | \$412,218.35 |
| 0.800 | \$2,013,014 | \$701,805 | \$1,978,333 | \$689,713.67 |
| 1.200 | \$2,046,348 | \$713,426 | \$2,011,092 | \$701,135.09 |
| 1.101 | \$5,403,340 | \$1,883,788 | \$5,310,248 | \$1,851,332.94 |
| 0.800 | \$1,072,043 | \$373,750 | \$1,053,573 | \$367,311.20 |
| | \$37,692,238 | \$13,140,790 | \$37,042,853 | \$12,914,392.00 |

0.98277 0.982771384

**ACCEL
Ex Mod Calculation
For Fiscal Year:**

2026/27

Credibility: 35%

| Member | Payroll | % | Losses | % | Loss Rate | Ex Mod | Capped Ex Mod | Most Recent Payroll as of ex mod calc | | |
|---------------|--------------------------|----------------|-----------------------|----------------|-----------|---------------------|---------------|--|----------------------|----------------------|
| Anaheim | \$ 2,021,435,309 | 18.00% | \$ 21,316,559 | 20.80% | 1.156 | 1.054 | 1.054 | 275,213,910 | 290,202,680 | |
| Bakersfield | \$ 937,566,033 | 8.35% | \$ 16,568,416 | 16.17% | 1.937 | 1.328 | 1.200 | 153,714,807 | 184,457,768 | |
| Burbank | \$ 921,709,977 | 8.21% | \$ 10,377,395 | 10.13% | 1.234 | 1.082 | 1.082 | 126,459,579 | 136,808,018 | |
| Modesto | \$ 714,675,463 | 6.36% | \$ 9,950,000 | 9.71% | 1.526 | 1.184 | 1.184 | 109,892,802 | 130,112,225 | |
| Monterey | \$ 321,565,044 | 2.86% | \$ - | 0.00% | - | 0.650 | 0.800 | 40,853,859 | 32,683,087 | |
| Mountain View | \$ 651,429,660 | 5.80% | \$ - | 0.00% | - | 0.650 | 0.800 | 97,719,426 | 78,175,541 | |
| Ontario | \$ 848,967,458 | 7.56% | \$ 8,000,000 | 7.81% | 1.033 | 1.011 | 1.011 | 128,121,737 | 129,585,686 | |
| Palo Alto | \$ 941,827,959 | 8.39% | \$ 7,175,000 | 7.00% | 0.835 | 0.942 | 0.942 | 130,284,846 | 122,753,580 | |
| Salinas | \$ 387,574,134 | 3.45% | \$ 1,031,389 | 1.01% | 0.292 | 0.752 | 0.800 | 69,490,956 | 55,592,765 | |
| Santa Barbara | \$ 804,069,070 | 7.16% | \$ 55,230 | 0.05% | 0.008 | 0.653 | 0.800 | 113,200,114 | 90,560,092 | |
| Santa Cruz | \$ 542,482,809 | 4.83% | \$ 7,778,904 | 7.59% | 1.571 | 1.200 | 1.200 | 75,488,275 | 90,585,021 | |
| Santa Monica | \$ 1,719,048,412 | 15.31% | \$ 20,211,307 | 19.73% | 1.288 | 1.101 | 1.101 | 227,558,485 | 250,530,193 | |
| Visalia | \$ 416,229,125 | 3.71% | \$ - | 0.00% | - | 0.650 | 0.800 | 62,041,114 | 49,632,891 | |
| Total | \$ 11,228,580,454 | 100.00% | \$ 102,464,202 | 100.00% | | | 1.020 | 1,610,039,910 | 1,641,679,547 | 57,458,784.14 |
| | | | | | | Off Balance: | 1.000 | | | |

Payroll & Loss Years: 2016-24

Payroll: Use from Invoicing Sheet

| Member | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-24 | 2024-2025 | 2025-2026 | Total |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Anaheim | 196,320,003 | 197,542,660 | 203,189,982 | 210,634,585 | 226,909,030 | 250,356,664 | 251,095,466 | 254,136,300 | 264,499,278 | 246,774,442 | 252,450,219 | 275,213,910 | 304,316,227 | 328,104,997 | 3,461,543,763 |
| Bakersfield | 91,361,177 | 97,479,337 | 98,114,474 | 100,754,660 | 103,289,775 | 102,338,081 | 104,724,603 | 105,666,240 | 111,901,464 | 117,592,581 | 138,338,483 | 153,714,807 | 161,299,134 | 168,907,589 | 1,655,482,403 |
| Burbank | 109,592,674 | 108,068,746 | 105,881,448 | 105,033,559 | 105,741,928 | 108,472,370 | 111,365,382 | 109,970,272 | 114,498,943 | 118,791,167 | 126,410,338 | 126,459,579 | 147,091,428 | 156,921,152 | 1,654,298,984 |
| Modesto | 73,006,995 | 72,366,892 | 72,168,168 | 71,191,163 | 76,179,846 | 79,987,673 | 84,553,083 | 87,496,089 | 90,094,798 | 90,712,212 | 95,758,960 | 109,892,802 | 109,320,903 | 119,492,407 | 1,232,221,991 |
| Monterey | 36,254,132 | 36,140,235 | 36,212,520 | 36,753,232 | 37,419,522 | 38,641,324 | 41,886,030 | 42,715,512 | 43,819,132 | 37,856,726 | 38,372,940 | 40,853,859 | 43,182,785 | 48,099,782 | 558,207,729 |
| Mountain View | 61,879,290 | 62,466,689 | 63,312,970 | 66,031,366 | 68,477,004 | 73,455,129 | 76,519,131 | 81,288,206 | 84,203,168 | 85,395,781 | 84,371,814 | 97,719,426 | 103,659,603 | 111,546,193 | 1,120,325,771 |
| Ontario | 83,716,482 | 72,483,406 | 73,445,098 | 77,434,265 | 82,577,033 | 89,058,903 | 99,516,325 | 106,597,105 | 116,164,985 | 113,719,325 | 113,212,045 | 128,121,737 | 152,165,952 | 171,039,583 | 1,479,252,244 |
| Palo Alto | 104,146,000 | 91,992,745 | 99,698,988 | 106,455,781 | 98,161,281 | 104,135,872 | 116,644,088 | 122,188,044 | 126,026,438 | 123,125,295 | 121,262,095 | 130,284,846 | 151,261,534 | 188,260,756 | 1,683,643,762 |
| Salinas | 0 | 0 | 0 | 0 | 0 | 0 | 57,667,347 | 65,177,145 | 64,580,045 | 65,090,865 | 65,567,776 | 69,490,956 | 71,431,408 | 77,528,014 | 536,533,556 |
| Santa Barbara | 82,442,210 | 86,552,848 | 88,184,086 | 90,561,088 | 92,944,180 | 97,792,362 | 99,075,934 | 99,785,113 | 101,361,494 | 98,754,235 | 101,155,636 | 113,200,114 | 121,548,217 | 129,717,899 | 1,403,075,418 |
| Santa Cruz | 51,194,041 | 52,153,069 | 54,482,133 | 57,972,537 | 60,717,212 | 63,859,586 | 66,052,781 | 67,587,185 | 69,656,906 | 68,390,287 | 70,730,576 | 75,488,275 | 81,933,594 | 87,911,506 | 928,129,688 |
| Santa Monica | 185,104,258 | 183,394,532 | 185,055,393 | 190,281,881 | 200,742,457 | 210,692,075 | 217,662,567 | 227,481,141 | 230,134,246 | 206,219,121 | 198,558,320 | 227,558,485 | 244,018,089 | 253,010,371 | 2,959,912,935 |
| Visalia | 34,469,577 | 36,327,584 | 36,678,717 | 42,540,224 | 45,515,922 | 47,474,260 | 48,694,050 | 50,942,502 | 53,023,805 | 52,163,325 | 56,374,147 | 62,041,114 | 65,260,798 | 69,082,076 | 700,588,101 |
| Total | 1,109,486,839 | 1,096,968,741 | 1,116,423,975 | 1,155,644,340 | 1,198,675,189 | 1,266,264,299 | 1,375,456,786 | 1,421,030,855 | 1,469,964,702 | 1,424,585,363 | 1,462,563,349 | 1,610,039,910 | 1,756,489,673 | 1,909,622,325 | 19,373,216,347 |

Losses: Use from Prior Year Board Approved RPC Calculation

| Member | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | Total |
|---------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-----------|-----------|--------------------|
| Anaheim | 2,428,410 | 3,025,672 | 2,930,000 | 1,363,395 | 2,919,638 | 2,818,837 | 6,087,313 | 1,490,771 | 4,000,000 | 4,000,000 | | | | | 31,064,036 |
| Bakersfield | 0 | 4,000,000 | 2,750,000 | | 2,000,000 | 2,946,440 | | | 4,000,000 | 3,621,976 | 4,000,000 | | | | 23,318,416 |
| Burbank | 1,641,201 | | | | 1,203,430 | | 3,102,194 | | | 6,071,771 | | | | | 12,018,596 |
| Modesto | 0 | 500,000 | 277,013 | 557,598 | 2,000,000 | 350,000 | | 100,000 | 4,000,000 | 0 | 3,500,000 | | | | 11,284,611 |
| Monterey | 0 | | | | | | | | | 0 | | | | | 0 |
| Mountain View | 0 | | | | | | | | | 0 | | | | | 0 |
| Ontario | 0 | | | 798,632 | 2,000,000 | | | 4,000,000 | | 0 | 2,000,000 | | | | 8,798,632 |
| Palo Alto | 0 | | | | | 4,000,000 | | | | 0 | 3,175,000 | | | | 7,175,000 |
| Salinas | | | | | | | 1,031,389 | | | 0 | | | | | 1,031,389 |
| Santa Barbara | 0 | | | 213,056 | 22,966 | 32,264 | | | | 0 | | | | | 268,286 |
| Santa Cruz | 0 | | | | 741,710 | 7,037,194 | | | | 0 | | | | | 7,778,904 |
| Santa Monica | 137,133 | 5,937,394 | 4,071,071 | | 4,531,443 | | 504,397 | 5,329,919 | 3,740,047 | 2,105,501 | | 4,000,000 | | | 30,356,905 |
| Visalia | 1,863,393 | | | | | | | | | 0 | | | | | 1,863,393 |
| Total | 6,070,137 | 13,463,066 | 10,028,084 | 2,932,681 | 15,419,187 | 17,184,736 | 10,725,294 | 10,920,690 | 15,740,047 | 15,799,248 | 12,675,000 | 4,000,000 | | | 134,958,169 |

| Member | 25-26 Ex-Mod | 26-27 Ex-Mod | Change |
|---------------|---------------------|---------------------|---------------|
| Anaheim | 1.192 | 1.054 | (0.138) |
| Bakersfield | 1.017 | 1.200 | 0.183 |
| Burbank | 0.997 | 1.082 | 0.085 |
| Modesto | 1.200 | 1.184 | (0.016) |
| Monterey | 0.800 | 0.800 | - |
| Mountain View | 0.800 | 0.800 | - |
| Ontario | 1.048 | 1.011 | (0.037) |
| Palo Alto | 0.854 | 0.942 | 0.088 |
| Salinas | 0.802 | 0.800 | (0.002) |
| Santa Brbara | 0.800 | 0.800 | - |
| Santa Cruz | 1.200 | 1.200 | - |
| Santa Monica | 1.037 | 1.101 | 0.064 |
| Visalia | 0.800 | 0.800 | - |



Item No. C.1.c
Finance Committee
February 18, 2026

DRAFT FY 26/27 ADMINISTRATIVE BUDGET

ISSUE: The Board amended the ACCEL Bylaws at its January 2022 Board Meeting which expanded the Finance Committee's Duties:

9. Review and recommend Administrative Budget to the Board.

The Draft FY 26/27 Administrative Budget is being presented to the Finance Committee at today's meeting for the first time and will be presented at the March Board Meeting as a draft and is annually adopted at the June Board Meeting.

RECOMMENDATION: The Program Administrators recommend the Committee review the Draft Administrative Budget and take action or give direction to the Board at the March Board Meeting. The Final Administrative Budget will be presented at the June Board Meeting for adoption.

Additional Consideration

In favor: The budget reflects the best estimate of anticipated expenses in the next fiscal year. Approval of the budget presented includes an increase in professional service contract fees and administrative expenses. The decrease to legal services recognizes reduced fees compared to prior terms. We view this presentation as a conservative budget and is in line with current inflationary trends. Unspent administrative budget funds are applied as a credit to next year's admin expenses.

Against: If the Committee would like to amend the budget, we could approach the figures more conservatively by increasing or decreasing the training budget or legal budget. The budget estimates are based on contracted amounts, estimated travel expenses and small (less than \$5,000) budget line items.

FISCAL IMPACT: The Administrative Budget is currently drafted to an increase from \$920,968 to \$945,516, a **2.67% increase**.

BACKGROUND: Each year the Program Administrators review the compensation section of each consultant's contract with ACCEL, review the budget to date documents and update the Budget to reflect any changes. In addition, the Program Administrators also evaluate any changes in ACCEL's operations that may affect the Budget. Any unused funds are rolled over from one program year to the next.

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.
Corporation Insurance License No. 0C36861
560 Mission Street, 6th Floor, San Francisco, CA 94105



The adjustments include:

1. Adjust the Professional Services line items to match the current term of each contract.
2. CAJPA Accreditation budgeted amount (charged every three years, not included).
3. Matched other fee changes based on prior year charges.
4. Reduced Legal Services.

ATTACHMENT: Draft FY 26/27 Administrative Budget

ACCEL

Final Budget for 2026-27

Administrative Expenses

| DESCRIPTION | 2025-26 Administrative Budget | 2026-27 Administrative Budget | % Change |
|--|-------------------------------------|-------------------------------------|--------------|
| PROGRAM ADMINISTRATION | \$ 353,780 | \$ 362,625 | 3% |
| CLAIMS ADMINISTRATION - ANNUAL | \$ 334,750 | \$ 344,793 | 3% |
| CLAIMS AUDIT | \$ 57,958 | \$ 57,958 | 0% |
| INVESTMENT SERVICES | \$ - | \$ - | 0% |
| CUSTODIAL ACCOUNT/BANKING FEE | \$ 6,500 | \$ 6,500 | 0% |
| LEGAL (Coverage Counsel) | \$ 15,000 | \$ 14,000 | -7% |
| FINANCIAL AUDIT + SUPP SCHEDULES | \$ 35,000 | \$ 36,000 | 3% |
| ACCOUNTING SERVICES | \$ 500 | \$ 500 | 0% |
| INSURANCE AND BONDS | \$ 26,000 | \$ 26,000 | 0% |
| MEETING EXPENSES (incl. Teleconferences) | \$ 12,000 | \$ 12,000 | 0% |
| PRESIDENT'S CAJPA TRAVEL | \$ 1,500 | \$ 1,500 | 0% |
| CAJPA ACCREDITATION ⁽¹⁾ | \$ - | \$ - | -100% |
| TECHNOLOGY SERVICES | \$ 1,000 | \$ 1,000 | 0% |
| ACTUARIAL (Bickmore) | \$ 14,480 | \$ 15,140 | 5% |
| WC ACTUARIAL | \$ - | \$ - | 0% |
| MEMBERSHIPS | \$ 4,000 | \$ 4,000 | 0% |
| CONSULTING SERVICES | \$ 500 | \$ 500 | 0% |
| SAFETY SERVICES | \$ 500 | \$ 500 | 0% |
| MISC. EXPENSES | \$ 500 | \$ 500 | 0% |
| CONTINGENCY | \$ 4,000 | \$ 4,000 | 0% |
| CAJPA TORT LIABILITY PROJECT | \$ - | \$ - | 0% |
| Membership Travel and Training: | | | |
| Board Member Travel | \$ 23,000 | \$ 28,000 | 22% |
| Board Member Training | \$ 30,000 | \$ 30,000 | 0% |
| <i>SUBTOTAL Member Travel</i> | \$ 53,000 | \$ 58,000 | 9% |
| TOTAL ADMIN BUDGET | \$ 920,968 | \$ 945,516 | 2.67% |
| Total Per Member: | \$ 70,843.69 | \$ 72,731.96 | 2.67% |

Notes:

⁽¹⁾ CAJPA Accreditation is only paid every three years, last paid in January 2025
 RPC Audit is completed every five years, last presented in October 2022