



AGENDA

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

JPA: ACCEL FINANCE COMMITTEE MEETING

DATE/TIME: Monday, March 04, 2024 at 2:30 PM

LOCATION: Teleconference

Link: <https://alliantinsurance.zoom.us/j/95810578455?pwd=NnBuaVc2ZmFOUmpBZlpiR1orY2RJZz09>

Meeting ID: 958 1057 8455

Passcode: 194454

Dial: (669) 900 6833

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 | • City of Burbank , 275 E Olive Avenue – PO Box 6459, Burbank, CA 91510 |
| LOCATIONS | • City of Santa Barbara , 735 Anacapa St., Santa Barbara, CA 93101 |
| VIA TELE - | • City of Santa Monica , 1685 Main Street, Room 131, Santa Monica, CA 90401 |
| CONFERENCE | • City of Visalia , 220 N. Santa Fe St., Visalia, CA 93292 |

PAGE

A. CALL TO ORDER

B. CONSENT CALENDAR (A)

- | | |
|-----|---|
| 2-4 | 1 <u>1. Approval of Minutes for the September 27, 2023 Finance Committee Meeting</u>
<i>Members will review this item and may take action to approve or amend.</i> |
|-----|---|

C. REPORTS

1. FINANCE COMMITTEE

- | | |
|-----|--|
| 5-7 | 1 <u>a) Draft FY 24/25 Administration Budget</u> (A)
<i>Members will review a draft of the FY 24/25 Administration Budget and may take action to provide a recommendation to the Board or give direction.</i> |
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D. PUBLIC COMMENTS (I)

- | | |
|---|--|
| 4 | <i>The public is invited at this point to address the Committee on issues of interest to them.</i> |
|---|--|

ADJOURNMENT



**MINUTES OF THE
ACCEL FINANCE COMMITTEE
MEETING**

**Item No. B1
Finance Committee
March 04, 2024**

Wednesday, September 27, 2023 at 1:00 PM

**LOCATION:
Teleconference**

Link:

<https://alliantinsurance.zoom.us/j/99749906991?pwd=UWhRMVpKQjQzZXVCS2JGS3dndFRtQT09>

Meeting ID: 955 6932 8019

Passcode: 275370

Dial: (669) 900-6833

MEMBERS PRESENT:

Marisa Kahn, City of Santa Barbara Alternate

Sheila Shanahan, City of Monterey

Oles Gordeev, City of Santa Monica

MEMBERS ABSENT:

None

GUESTS AND CONSULTANTS:

Conor Boughey, Alliant Insurance Services

Lorissa Huey, Alliant Insurance Services

Thomas Joyce, Alliant Insurance Services

Joe Pieksza, Crowe LLP (left at 1:52)

Adam Randolph, Crowe LLP (left at 1:52)

A. CALL TO ORDER

Oles Gordeev called the meeting to order at 1:02 PM.

B. CONSENT CALENDAR

B1. Approval of Minutes for the September 07, 2023 Finance Committee Meeting

A motion was made to approve the consent calendar.



MOTION: Sheila Shanahan **SECOND:** Oles Gordeev **MOTION CARRIED**

	Marisa Kahn	Sheila Shanahan	Oles Gordeev
Aye	X	X	X
Nay			
Abstain			

C. REPORTS

C1. FINANCE COMMITTEE

C1a. ACCEL 2022-23 Financial Audit Draft

Joe Pieksha and Adam Randolph, Crowe LLP presented the 2022-23 Financial Audit Draft to the Committee.

The Committee Members asked questions, which the Financial Auditors answered.

A motion was made to make a recommendation to the Board to receive and file the Draft Financial Audit at the October 2023 Board Meeting.

MOTION: Oles Gordeev **SECOND:** Marisa Kahn **MOTION CARRIED**

	Marisa Kahn	Sheila Shanahan	Oles Gordeev
Aye	X	X	X
Nay			
Abstain			

C1b. ACCEL Financial Audit Contract Renewal – Crowe LLP

Conor Boughey reported that Crowe LLP provided a contract renewal for two years ending in June 30, 2024 and June 30, 2025. The fee is up 25% from \$28,000 to \$35,000 per audit period. There is an option for a virtual presentation instead for \$33,000.

Crowe was excused from the teleconference, while the Committee discussed the proposal.



A motion was made to direct the ACCEL Program Administrators to pursue a three year contract with a flat rate of \$35,000 each audit year, and recommend to the Board to accept the three year proposal at the October 2023 Board Meeting.

MOTION: Oles Gordeev **SECOND:** Sheila Shanahan **MOTION CARRIED**

	Marisa Kahn	Sheila Shanahan	Oles Gordeev
Aye	X	X	X
Nay			
Abstain			

D. PUBLIC COMMENTS – There were no public comments.

ADJOURNMENT

Oles Gordeev adjourned the meeting at 2:05 PM.

DRAFT



Item No. C.1.a
Finance Committee
March 04, 2024

DRAFT FY 24/25 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 24/25 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.

FISCAL IMPACT: The Administrative Budget is currently drafted to an increase from \$794,760 to \$787,708, a **0.89% decrease**. This increase is due to Contractor Fees, Banking Fees, CAJPA Accreditation, Member Travel, and insurance expenses.

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 Crime and E&O Board premiums, professional service contract fees, banking fees, and CAJPA accreditation as well as decreases to member travel & training and the legal budget. 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. The budget estimates are based on contracted amounts, estimated travel expenses and small (less than \$5,000) budget line items. More detail on the legal budget is included on the following page.

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. Custodial Account/Banking Fee Budget
3. Insurance and Bonds Budget
4. CAJPA Accreditation budgeted amount (charged every three years).
5. Board Member Travel and Training Budget
6. Legal Counsel Budget.
 - a. In the 21/22 program year ACCEL began to budget for large increases to the coverage counsel budget to account for litigation against a carrier partner for a denied claim. However, this has since been resolved in ACCEL's favor and the legal coverage counsel budget has been significantly reduced to reflect this.

ATTACHMENT: Draft FY 24/25 Administrative Budget

ACCEL

Draft Budget for 2024-25

Administrative Expenses

DESCRIPTION	2023-24 Administrative Budget	2024-25 Administrative Budget	% Change
PROGRAM ADMINISTRATION	\$ 336,725	\$ 345,150	3%
CLAIMS ADMINISTRATION - ANNUAL	\$ 195,000	\$ 204,750	5%
CLAIMS AUDIT	\$ 57,985	\$ 57,958	0%
INVESTMENT SERVICES	\$ -	\$ -	0%
CUSTODIAL ACCOUNT/BANKING FEE	\$ 5,000	\$ 6,500	30%
LEGAL (Coverage Counsel)	\$ 60,000	\$ 20,000	-67%
FINANCIAL AUDIT + SUPP SCHEDULES	\$ 28,000	\$ 35,000	25%
ACCOUNTING SERVICES	\$ 500	\$ 500	0%
INSURANCE AND BONDS	\$ 24,000	\$ 26,000	8%
MEETING EXPENSES (incl. Teleconferences)	\$ 9,000	\$ 9,000	0%
PRESIDENT'S CAJPA TRAVEL	\$ 1,500	\$ 1,500	0%
CAJPA ACCREDITATION ⁽¹⁾		\$ 6,000	
TECHNOLOGY SERVICES	\$ 1,000	\$ 1,000	0%
ACTUARIAL (Bickmore)	\$ 13,550	\$ 13,850	2%
WC ACTUARIAL	\$ -	\$ -	0%
MEMBERSHIPS	\$ 2,000	\$ 2,000	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	\$ 20,000	\$ 23,000	15%
Board Member Training	\$ 35,000	\$ 30,000	-14%
<i>SUBTOTAL Member Travel</i>	<i>\$ 55,000</i>	<i>\$ 53,000</i>	<i>-4%</i>
TOTAL ADMIN BUDGET	\$ 794,760	\$ 787,708	-0.89%
Total Per Member:	\$ 61,135.38	\$ 60,592.92	-0.89%

Notes:

⁽¹⁾ CAJPA Accreditation is only paid every three years, last paid in January 2022