

**MINUTES OF THE  
MBASIA EXECUTIVE COMMITTEE  
TUESDAY, MARCH 31, 2015 AT 9:30 AM  
CITY OF SCOTTS VALLEY  
ONE CIVIC CENTER DRIVE  
SCOTTS VALLEY, CA 95066**

**MEMBERS PRESENT**

Jamie Goldstein, City of Capitola

Rene Mendez, City of Gonzales

Steve Ando, City of Scotts Valley

**MEMBERS ABSENT**

Daniel Dawson, City of Del Rey Oaks

**GUESTS AND CONSULTANTS**

Conor Boughey, Alliant Insurance Services

Michael Simmons, Alliant Insurance Services

Michael Powers, City of King

**A. CALL TO ORDER**

Jamie Goldstein called the meeting to order at 9:30 a.m.

**B. CONSENT CALENDAR**

**B1. Approval of the Minutes of the March 10, 2015 Executive Committee Meeting**

A motion was made to approve the minutes.

**Motion:** Rene Mendez

**Second:** Steve Ando

**Motion Carried**

	Jamie Goldstein	Rene Mendez	Steve Ando
Aye	X	X	X
Nay			
Abstain			

**C. PUBLIC COMMENTS**

None.

**D. EXECUTIVE AND FINANCE COMMITTEE**

### **D1. 2015-16 Liability Budget**

Conor Boughey presented the liability budget to the Executive Committee, and walked through each step of the calculation. The Executive Committee reviewed the figures presented and asked several clarifying questions. Conor further reported that an error had occurred in the Liability Claims allocation due to the inclusion of Total Incurred claims rather than Total Paid claims. Conor apologized and noted that a revised budget would be sent the following day.

No action was taken.

### **D2. 2015-16 Workers' Compensation Budget**

Conor Boughey presented the workers compensation budget to the Executive Committee, and walked through each step of the calculation. The Executive Committee reviewed the figures presented and asked several clarifying questions. Conor further reported that the workers compensation actuarial report has not yet been received. Conor pointed out the nearly \$200,000 year over year reduction and would like further time to review the funding guidelines before a reduction is announced to the Board.

No action was taken.

### **D3. 90-Day Notice of Cancellation to JT2**

The Executive Committee reviewed the contract between MBASIA and JT2 and discussed the RFP process. Conor reported that the Board had delegated authority to the Executive Committee to approve giving notice to JT2.

A motion was made to direct the Program Administrators to send MBASIA's cancellation to JT2 for the Service Agreement for third party administration of the workers compensation claims, with termination effective July 1, 2015.

**Motion:** Rene Mendez

**Second:** Steve Ando

**Motion Carried**

	Jamie Goldstein	Rene Mendez	Steve Ando
Aye	X	X	X
Nay			
Abstain			

### **D4. King City's Membership to MBASIA**

Jaime Goldstein asked Michael Powers for the City of King to outline the City's plan for a gracious exit from MBASIA.

Michael Powers reported that it was the City's goal to work with MBASIA to find a mutually beneficial exit strategy, but due to underwriting timing issues at CJPIA, Michael is unsure that the City could obtain coverage by July 1, 2015. Michael stated that the City of King would be willing to voluntarily withdraw effective July 1, 2016, although CJPIA stated they would be willing to accept the City on any 1<sup>st</sup> of the month, if they are approved for membership.

Jaime Goldstein asked Michael Powers to address the comments made to the reporter from Salinas Californian in which he was reported as saying that the City would not pay the amount of outstanding liability owed to MBASIA. Michael Powers said that he did not talk with the reporter and did not make that comment. Michael further reported that he understands the City would need to pay back their portion of the loan, and costs incurred for past claims liabilities that have yet to be calculated. Michael Simmons clarified that MBASIA's governing documents outline that if a member leaves the organization, they take their claims liabilities with them, but because no other group would likely take the claims, it is likely that MBASIA would continue to administer the claims, but King City would have to pay for the liability associated with the claims. Michael Powers confirmed that he understood this.

The Executive Committee continued to discuss potential circumstances for the timing of when the City would either voluntarily withdraw from MBASIA, or be involuntarily terminated. Jaime Goldstein requested that the Program Administrators work up estimates for what the City of King would owe, and how the timing of such a transition would affect our pool partners, such as CSAC-EIA, CARMA and ERMA. Rene Mendez requested that the Executive Committee meet on April 13<sup>th</sup>, and that the Board Meeting be postponed two weeks. He further requested that the Program Administrators research Seaside's departure from MBASIA and outline an exit plan.

Direction was given to the Program Administrators to engage Vince Hurley in response to media inquiries.

## **E. CORRESPONDENCE/INFORMATION**

None

## **F. GENERAL RISK MANAGEMENT ISSUES**

None

## **ADJOURNMENT**

Jamie Goldstein adjourned the meeting at 11:45 a.m.