

**MBASIA
Board of Directors Meeting**

Friday, October 22, 2021 at 9:00 AM

**Dream Inn
175 W Cliff Drive
Santa Cruz, CA 95060
Meeting Room: Beach View**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
John Guertin, City of Del Rey Oaks
Rene Mendez, City of Gonzales
Paul Wood, City of Greenfield
Brett Miller, City of Hollister
Steve Adams, City of King City
Layne Long, City of Marina
Aaron Blair, City of Sand City
Casey Estorga, City of Scotts Valley Alternate
Brent Slama, City of Soledad

MEMBERS ABSENT

None

GUESTS & CONSULTANTS

Nina Aguayo, City of Greenfield Alternate
Michelle Scharton, City of Hollister Alternate
Andrea Marble, City of King City Alternate
Francine Uy, City of Soledad Alternate
Rick Wall, Rick Wall Consulting and Investigations (*joined via teleconference at 10:22 AM and left at 10:45 AM*)
Charles Raibley, Crowe LLP (*left at 10:00 AM*)
Ken Maiolini, Risk Management Services
Lena Bowen, George Hills Company
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services

A. CALL TO ORDER

Rene Mendez called the meeting to order at 9:00 AM.

B. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no oral communications and public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – June 14, 2021 Board of Directors Meeting

C2. Approval of Minutes – August 4, 2021 Special Board of Directors Meeting

C3. Service Calendar & Status of Deliverables

C4. Bills and Correspondence

C5. Evidence of Coverage and Disclosure:

C5i. Alliant Property Insurance Program (APIP)

C5ii. Alliant Crime Insurance Program (ACIP)

C5iii. Alliant Public Pool Liability (APPL)

C5iv. Excess Cyber

C6. Concern EAP Contract Extension

A motion was made to approve the consent calendar.

MOTION: Jamie Goldstein **SECOND:** Brett Miller

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D. BOARD OF DIRECTOR’S REPORTS

D1. COMMITTEE REPORTS

D1a. Executive and Finance Committee

D1a1. Actuarial Peer Review

Conor Boughey reminded the Board that it authorized the funds necessary to obtain a peer review study of MBASIA’s actuarial reports. The purpose of the review is to evaluate the reasonableness of MBASIA’s actuarial estimate of outstanding liabilities and rates for future year funding.

Mike Harrington of Bickmore Actuarial reviewed the actuarial rates produced by Jack Joyce of Bay Actuarial and the report was included in the agenda packet. At the October 12, 2021 Executive Committee Meeting, Mike Harrington walked through his report and Jack Joyce provided his response.

A motion was made to receive and file the report.

MOTION: John Guertin **SECOND:** Layne Long **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D1b. Safety Committee

D1b1. Safety Grant Funds

Conor Boughey reminded the Board that at the June 2021 Board Meeting, MBASIA adopted a \$75,000 annual budget for the Safety Grant Program, in which, each Member can withdraw up to \$7,500 for city programs or projects. Included in the agenda packet is a chart of the Members that requested the safety grant funds to date.

D1c. Coverage and Claims Committee

D1c1. Summary of Coverage

Every year at the Board Meeting after the July 1 renewal, Alliant creates a Summary of Coverage for each Member of the coverages it has with MBASIA and additional lines of coverages that Alliant places on behalf of the City.

D2. UNFINISHED BUSINESS – None

D3. NEW BUSINESS

D3a. Review of Items Discussed at Long Range Planning

D3a1. Liability Funding and Structure

Conor Boughey reported that the last time the Liability Budget was majorly updated was in 2015 to refine the methodology of exposure experience basis of 6 years, weight of 50% exposure and 50% experience and capping at 150% of the prior year. Every year the Board reviews the methodology and during the October 21, 2021 Long Range Planning held the previous day the Board agreed to keep the allocation as is.

Direction was given to the Executive Committee to evaluate an increase in confidence level from 75% to 80% and deductible from \$10,000 to \$25,000 starting July 1, 2022.

A motion was made to bill the FY 21/22 second installment invoices at the 75% confidence level, which will be sent to the Members on January 1, 2022.

MOTION: Jamie Goldstein **SECOND:** Brett Miller

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D3a2. Excess Coverage Options: CARMA's Program and the Excess Market

Conor Boughey reported that as a result of the CARMA premium increase at the July 1, 2021 renewal, the Board gave direction to the Program Administrators to evaluate the PRISM's liability program pricing in comparison to the current MBASIA membership pricing in CARMA.

At the October 21, 2021 Long Range Planning held the previous day, the Board decided to keep a watch on CARMA's pricing and not give a notice of withdrawal this year.

D3a3. Workers' Compensation Funding and Structure

At the October 21, 2021 Long Range Planning held the previous day, Conor Boughey reminded the Board that the Workers' Compensation Budget was amended in 2019 to update the Level II assessment by establishing a \$75,000 minimum contribution (no current effect). If a Member were to reduce its 4 year claims history to nothing, or next to nothing, a very low percentage of the program would be allocated to that Member.

The Board gave direction to the Executive Committee to evaluate adding a 7 year claims history and moving the confidence level from 70% to 75%.

D3a4. MBASIA's Investment Goals

At the October 21, 2021 Long Range Planning held the previous day, Conor Boughey reported that MBASIA could transfer its funds from LAIF to a longer term investment account if desired. Chandler Asset Management has developed and implemented a cost-effective solution for clients of similar size to MBASIA that may be a good fit for what the MBASIA is trying to achieve.

Direction was given to the Cities of Greenfield, Hollister, and Marina to provide the Program Administrators of who they work with on Certificate of Deposits. This item will be agendized for the January 2022 Board Meeting.

D3b. MBASIA's Financial Audit

Charles Raibley from Crowe LLP, MBASIA's Financial Auditor presented the FY 20/21 Financial Audit to the Board.

Members asked questions which were addressed by Charles.

A motion was made to approve the financial audit.

MOTION: Brett Miller

SECOND: Layne Long

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D3c. MBASIA Financial Audit Contract Renewal – Crowe LLP

Conor Boughey reported that attached to the agenda packet is a two year proposal from Crowe LLP to continue audit services for the June 30, 2022 and 2023 audits.

A motion was made to approve the proposal.

MOTION: Brett Miller

SECOND: Brent Slama

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D3d. Liability Claims Administrator Contract Extension

Conor Boughey reported that MBASIA’s contract with George Hills for Liability Claims Administration ends on December 31, 2021. George Hills is proposing a contract extension for one-year to December 31, 2022 with changes to the pricing. Attached to the agenda packet was proposed 5th amendment to the current contract.

Ken Maiolini and Lena Bowen from George Hills answered questions from the Board.

A motion was made to approve the 5th amendment.

MOTION: Brett Miller

SECOND: Jamie Goldstein **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D3e. Excess Workers’ Compensation Renewal

Conor Boughey reported that MBASIA’s Excess Workers’ Compensation Program renews July 1, 2022 with PRISM. Attached in the agenda packet was the premium indication as of October 2021 so that the Cities can use for their budgets.

D3f. Recognizing MBASIA’s Names and Resolution 2122-01

Conor Boughey stated that Monterey Bay Area Self Insurance Authority (MBASIA), a joint powers authority was formerly known as Monterey Bay Area Insurance Fund (MBAIF) and originally known as Monterey Bay Area Workers’ Compensation Fund (MBAWCF). A prior Excess Workers’ Compensation carrier from the early 1990’s stopped claim payments because of prior name changes. According to the Secretary of State, there apparently was no filing for the name change from MBAWCF to MBAIF, but there was a filing for the change to MBASIA in 2004. A resolution has been drafted to memorize that these three names are the same entity.

A motion was made to approve resolution 2122-01.

MOTION: Brett Miller

SECOND: Jamie Goldstein **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D4. LOSS REPORT

CLOSED SESSION – Pursuant to Gov’t Code 54956.95

D4a. Workers’ Compensation Administrator’s Report - None.

D4b. Liability Third Party Administrator’s Report

A motion was made to enter into Closed Session at 10:02 AM.

MOTION: Brett Miller **SECOND:** Nina Aguayo **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

A motion was made to come out of Closed Session at 10:53 AM.

MOTION: Jamie Goldstein **SECOND:** Brett Miller **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Aaron Blair	Casey Estorga	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

RECONVENE – DISPOSITION OF CLOSED SESSION ITEMS

Rene Mendez reported out of Closed Session that direction was given to the Liability Claims Administrator and no final action was taken.

E. PROGRAM ADMINISTRATOR'S REPORT

E1. Excess Liability Policy Aggregation

Conor Boughey reported that prior to the 2021 insurance renewal, excess insurers have been providing coverage without a general or policy aggregate, only a products and completed operations aggregate existed, which is not a major public entity exposure. For policies placed at 7/1/2021 and later, it is expected that either a policy or general aggregate will apply. CARMA's excess renewal included a 4x aggregate per excess layer. This means that the insurer has agreed to pay its limit up to 4 times but will no longer reimburse for losses after that. For MBASIA members, this means there is a small chance that the excess liability limits purchased could be unavailable or reduced if many losses start eroding the aggregate limits.

F. CORRESPONDENCE / INFORMATION

F1. Next Two Board Meetings & ERMA Training Schedule

The next two Board Meetings will be held on January 31, 2022 virtually via Zoom and April 4, 2022 virtually via Zoom. The Board Meetings will start at 9:30 AM, unless otherwise stated.

F2. PARMA Conference Information – There was no discussion on this item.

F3. MBASIA Service Team Contact List & Claims Reporting – There was no discussion on this item.

G. GENERAL RISK MANAGEMENT ISSUES – There were no general risk management issues.

ADJOURNMENT

Rene Mendez adjourned the meeting at 10:55 AM.