

**MBASIA
Board of Directors Meeting**

Monday, June 13, 2022 at 9:30 AM

**LOCATION:
City Hall Council Chambers
1 Pendergrass Way
Sand City, CA 93955**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
John Guertin, City of Del Rey Oaks
Rene Mendez, City of Gonzales
Paul Wood, City of Greenfield
Andrea Marble, City of King City Alternate
Vibeke Norgaard, City of Sand City
Mali LaGoe, City of Scotts Valley
Brent Slama, City of Soledad

MEMBERS ABSENT

Michelle Scharton, City of Hollister Alternate
Layne Long, City of Marina

GUESTS & CONSULTANTS

Nina Aguayo, City of Greenfield Alternate
Francine Uy, City of Soledad Alternate
John Chaquica, George Hills Company (*excused from the meeting room at 10:30 AM; returned at 10:45 AM*)
Rose Melchor, George Hills Company (*excused from the meeting room at 10:30 AM; returned at 10:45 AM*)
Lena Bowen, George Hills Company (*excused from the meeting room at 10:30 AM; returned at 10:45 AM*)
Lynn Cavalcanti, AIMS
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services

A. CALL TO ORDER & ROLL CALL

Rene Mendez called the meeting to order at 9:36 AM.

B. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no oral communications & public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – April 4, 2022 Board of Directors Meeting

C2. Service Calendar & Status of Deliverables

C3. Bills and Correspondence

C4. Chandler Guided Portfolio Strategy (GPS) Contract

C5. Precision Concrete Contract

C6. CARMA 2022 Claims Audit

C7. PRISM’s Excess WC COVID-19 Claims

C8. Adoption of MBASIA’s 22-23 Liability Memorandum of Coverage

C8i. Proposed Version

C8ii. Accepted Version

C9. Bay Actuarial Consultants Engagement Letter for 1 year

A motion was made to approve the consent calendar.

MOTION: Jamie Goldstein **SECOND:** Nina Aguayo

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

D. GENERAL RISK MANAGEMENT ISSUES

There were no general risk management issues.

E. BOARD OF DIRECTORS

E1. COMMITTEE REPORTS

E1a. Safety Committee

E1a1. Precision Concrete Status

Conor Boughey reminded the Board that action was taken at its April 2022 Board Meeting to enter into a master agreement with Precision Concrete Cutting (PCC) to perform sidewalk assessments and repairs. In addition, MBASIA established a \$100,000 budget (not to exceed \$10,000 per Member) within MBASIA's Liability Budget, Outside Safety Program Budget.

Included in the agenda packet was a list from Joseph Ortega at PCC on the Members' locations identified to perform sidewalk assessments and repairs.

E1b. Coverage and Claims Committee – None

E1c. Police Risk Management Working Group

E1c1. Report from Police Working Group Meeting on May 10, 2022

Conor Boughey provided a report to the Board that the Police Risk Management Working Group (PRMWG) met in May 2022 and discussed 1) First Responder Program at Concern EAP, 2) Lexipol: Police One Academy, and 3) First Alarm Wellness (FAW)- Tina Casola.

The Board requested that Tina Casola attend the 2022 Long Range Planning.

E2. UNFINISHED BUSINESS

E2a. Property Program Renewal and Related Coverages Renewal

E2a1. Property Proposal

E2a2. Pollution Proposal

E2a3. APIP Cyber and Excess Cyber Proposals

E2a4. APIP Claims Reporting Acknowledgements

Conor Boughey reported that MBASIA has a group purchase property program through APIP that will renew on July 1, 2022. APIP includes pollution and cyber. In addition, MBASIA purchases excess cyber with a \$2,000,000 each Member Aggregate and \$3,000,000 Policy Aggregate.

Conor pointed out that there is a new \$2,500,000 Vacant and Unoccupied Buildings sublimit, which is a benefit to the Members since it was not part of the APIP program before. Conor asked the Board to let Alliant know if any buildings are going vacant.

The Program Administrators will send to the Members the APIP the Claims Reporting Forms for Property, Cyber, Pollution and the APIP Claims Reporting Acknowledgement Receipt form. The APIP Claims Reporting Acknowledgement Receipt form needs to be signed by each Member and sent back to Alliant.

A motion was made to bind coverage for the APIP Property, Pollution, Cyber, and Excess Cyber as presented.

MOTION: Jamie Goldstein **SECOND:** John Guertin **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E2b. CARMA Insurance Renewal and Update on Excess Liability Coverage

Conor Boughey reported that CARMA has admitted 1 new JPA, PLAN JPA, effective July 1, 2021 and CARMA is now a 6 member pool, the Admin Fee increased by 103.2% from \$763,050 (FY 21-22) to \$1,550,387, and the actuarial rates increased 21.4% for the \$4M x \$1M layer, and 24.6% for the \$5M x \$5M layer.

Conor stated that the state of excess liability coverage in California is challenged. Included in the agenda packet contained a public entity large loss exhibit for high verdicts.

No reportable action took place since MBASIA is a member of CARMA, the renewal will be automatic.

The Board will discuss its participation in CARMA at the 2022 Long Range Planning and if so the Board will also discuss ERMA.

Alliant will send to the Board the PRISM Sexual Molestation Liability packet.

E2c. ERMA

E2c1. Insurance Renewal

Conor Boughey presented ERMA's budget. There is a 14% premium increase from last year's premium due to the ex-mod remaining at 125% and payroll increasing by 5.2%.

Conor reminded the Board to quickly report Employment Practices Liability matters to George Hills who will then report to ERMA.

No reportable action took place since MBASIA is a member of ERMA, the renewal will be automatic.

E2c2. Training Compliance Survey

ERMA requires that each Member of MBASIA complete a self-certification survey every year by June 30th stating that it completed the 2-hour AB 1825-compliant training for supervisory employees and 1-hour SB 1343-compliant training for non-supervisory employees.

Conor reported that all Members completed the survey.

E2d. Excess Workers' Compensation Renewal

Conor Boughey reported that Excess Workers' Compensation premium in the version 4 estimate was passed out as a handout as is \$1,046,344 that includes a \$70,245 payroll audit due to the prior year's payroll be underreported.

No reportable action took place.

E2e. MBASIA Board's Miscellaneous Insurance Renewals:

E2ei. E&O (APPL) Proposal

Conor Boughey reported that the Pool Trustee's Errors & Omissions Policy through the Alliant Public Pool Liability (APPL) Program renews July 1, 2022. This coverage is for defense cost for any decision that the Board makes. For example, if the Board denied a claim because of late reporting or interrupting the Memorandum of Coverage and the Board made an error or omission, this policy will defend the Board against the Member's allegations.

A motion was made to bind coverage as proposed.

MOTION: Jamie Goldstein **SECOND:** Andrea Marble **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E2eii. Crime (ACIP) Proposal

Conor Boughey reported that the Crime Policy through the Alliant Crime Insurance Program (ACIP) renews July 1, 2022. This coverage is for if Members falsify invoices that MBASIA pays.

A motion was made to bind coverage as proposed.

MOTION: Paul Wood **SECOND:** Brent Slama **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E2eiii. AD&D (VIP) Proposal

Conor Boughey reported that MBASIA’s AD&D policy through the Volunteer Insurance Program (VIP) renews July 1, 2022. Alliant collected updated volunteer counts from each Member to report accurate exposures to the carrier.

A motion was made to bind coverage as proposed.

MOTION: Jamie Goldstein **SECOND:** Rene Mendez

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E2f. Final 2022-23 Liability Budget

Conor Boughey reported that the Executive Committee met on May 24, 2022 to review the budget prior to the Board’s adoption at the June Board Meeting. Since the April 2022 Board Meeting, in the FY 22-23 proposed budget, the CARMA and ERMA premiums were updated and \$100,000 for Precision Concrete Cutting was added to the Outside Safety Programs budget. The Program Administrators reported that the prior year’s actual claims expense was corrected. Also, for FY 23-24, the claims expense will be presented as a separate exhibit to mirror the Workers’ Compensation Budget. Currently, the liability claims expense is part of the liability admin budget.

A motion was made to approve the budget.

MOTION: Jamie Goldstein **SECOND:** Andrea Marble

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E2g. Final 2022-23 Workers’ Compensation Budget

Conor Boughey reported that the Executive Committee met on May 24, 2022 to review the budget prior to the Board’s adoption at the June Board Meeting. Since the April 2022 Board Meeting, the PRISM Excess Workers’ Compensation (WC) Premium was updated using the Version 3 estimate and the Ergonomics Worksite budget increased from \$15,000 to \$22,000 because of an increase in usage. Also, the Board agreed to start using a 5 year claims history at the 75% confidence level, then next year move to 6 years history, and the following year will end the update including a 7 year history.

A motion was made to approve the budget.

MOTION: Jamie Goldstein **SECOND:** Andrea Marble **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E2h. George Hills Liability Claims Administrators Contract Term

John Chaquica, George Hills (GH) presented to the Board an updated MBASIA GH Succession Presentation and an All Members – GH iMetrics report valued as of March 31, 2022. He also introduced Rose Melchor, Claims Supervisor.

The Members asked questions, which were addressed.

John, Rose, and Lena were excused from the meeting room and invited back in after the Board discussed the contract.

Direction was given to direct the Program Administrators to work with George Hills to provide a proposed new agreement by the November 2022 Long Range Planning and Board Meeting for consideration with the fiscal year lining up to 7/1, which will be 18 months, an option to extend for two additional one-year periods, and to provide feedback to the John Chaquica directly on the Board’s feedback.

Conor mentioned that GH has a professional services contract and MBASIA will use it and put its scope of work in there.

E3. NEW BUSINESS

E3a. MBASIA Investment

E3ai. Adoption of Investment Policy

Conor Boughey reported that the Board opened up Guided Portfolio Strategy (GPS) account and a key consideration for the Authority would be the adoption of an Investment Policy that has been drafted by Chandler. This policy is not only compliant with California code but also includes best practices from organizations like CDIAC, CMTA and APT. Because Chandler’s program is designed to comply with California investment code, MBASIA should adopt the proposed policy without revision.

A motion was made to adopt the Investment Policy retroactive to January 1, 2022.

MOTION: Andrea Marble **SECOND:** Jamie Goldstein **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E3aii. Proposed Changes to Accounting Guide

Conor Boughey stated that with the adoption of the Investment Policy, MBASIA’s Accounting Guide needs to reflect the appropriate transfer authorities between MBASIA’s banking accounts and GPS account. The redlined proposed changes are shown in the attachment.

A motion was made to approve the proposed changes as presented.

MOTION: Jamie Goldstein **SECOND:** Paul Wood **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E3aiii. Chandler Investment Update of Transfers

Conor Boughey reported that at the April 2022 Board Meeting, the Board took action to strategically stagger the amounts in 3-4 transfers of \$3,000,000 to \$4,000,000 effective immediately to the Chandler GPS account. Since then, a \$4,000,000 transfer took place on 4/29/22. Then, on 5/31/22, another \$4M transfer took place.

Direction was given to the Program Administrators to schedule a Special Board Meeting in mid to late August to reconvene to discuss transferring more money, unless a Member reaches out before then due to the market conditions.

E3b. 2022-23 Program Year Calendar of Meetings

A motion was made to approve the calendar of meetings as proposed in the agenda packet.

MOTION: Brent Slama **SECOND:** John Chaquica **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

E3c. Conflict of Interest – Biennial Review

Conor Boughey stated that MBASIA is required by the Fair Political Practices Commission (FPPC), as the code reviewing body for multi-county agencies to submit a Conflict-of-Interest Code Biennial Notice.

A motion was made to approve the submission of the Biennial Notice indicating no changes needed.

MOTION: Jamie Goldstein **SECOND:** Brent Slama **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

F. PROGRAM ADMINISTRATOR’S REPORT

F1. Long Range Planning Location and Agenda Discussion

Conor Boughey announced that the next regularly scheduled in person meetings will be the Long Range Planning on November 3, 2022 and the Board Meeting on November 4, 2022 at the Monterey Plaza Hotel & Spa or at the Dream Inn in Santa Cruz, depending on hotel availability.

For the topics on the LRP agenda, the Board requested that that John Chaquica, George Hills provide a similar GHC iMetrics report that breaks down more of the Premises Liability claims that was presented under Item E.2.h. Also, to add to the LRP agenda, a discussion about early liability claims resolution and appropriate defense of severe type claims and training Members to take first initials steps correctly.

F2. Public Entity Database Flyer and User Agreement

Conor Boughey reported that Dan Madej, Alliant Insurance Services is launching a Public Entity Database that will help Alliant advocate better for its public entity pool clients when it comes to pricing exercises and program structuring strategies. The flyer in the agenda packet discusses topics such as Alliant Actuarial Resources, Reliance on Industry Data, and Leveraging Public Entity Pool Data.

A motion was made to sign the Public Entity Database User Agreement.

MOTION: Jamie Goldstein **SECOND:** Paul Wood

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

G. LOSS REPORT

CLOSED SESSION – Pursuant to Gov’t Code 54956.95

Ga. Workers’ Compensation Administrator’s Report

Gb. Liability Third Party Administrator’s Report

A motion was made to enter into Closed Session at 11:50 AM.

MOTION: Brent Slama **SECOND:** Jamie Goldstein **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

A motion was made to come out of Closed Session at 12:31 PM.

MOTION: Brent Slama **SECOND:** Andrea Marble **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

Conor Boughey reported out of Closed Session that direction was given to the Workers’ Compensation Claims Administrator and no final action was taken.

H. EXECUTIVE AND FINANCE COMMITTEE’S REPORT

H1. Election of President and Committee Assignments

A motion was made to approve the assignments as follows:

MBASIA Committee Assignments	
2021 - 2023	
EXECUTIVE & FINANCE COMMITTEE: <i>(2 year term-elections are held at the first meeting of odd number calendar years)</i>	
Chairperson	Jamie Goldstein
Vice Chairperson	Paul Wood
Secretary/Treasurer	Brett Miller
Past Chairperson	Layne Long
2022 - 2023	
COVERAGE & CLAIMS COMMITTEE: <i>(1 year term-elections are held annually at June meetings)</i> <i>Per bylaws Chairperson will act as Committee Chair;</i> <i>Excess Coverage Representative is an automatic member</i>	
Jamie Goldstein – Committee Chair	
Brett Miller <i>(Excess Coverage Representative)</i>	
Layne Long <i>(Excess Coverage Representative)</i>	
Steve Adams	
SAFETY COMMITTEE: <i>(1 year term-elections are held annually at June meetings)</i> <i>Per bylaws Vice Chairperson will act as Committee Chair</i>	
Paul Wood – Committee Chair	
Brent Slama	
Layne Long	
CARMA:	
Layne Long – Representative	
Paul Wood - Alternate	
ERMA:	
Brett Miller – Representative	
Steve Adams - Alternate	

MOTION: Brent Slama

SECOND: John Guertin

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

H2. Recognizing the Contributions of Rene Mendez, Resolution 2122-02

Jamie Goldstein read the Resolution 2122-02, Recognizing the Contributions of Rene Mendez and presented Rene the resolution on embellished paper in a frame.

A motion was made to approve the resolution.

MOTION: Brent Slama

SECOND: John Guertin

MOTION CARRIED

	Jamie Goldstein	John Guertin	Rene Mendez	Paul Wood	Michelle Scharton	Andrea Marble	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X		X		X	X	X
Nay										
Abstain										

I. CORRESPONDENCE / INFORMATION

I1. Next Board Meeting & ERMA Training Schedule

The next meetings will be the Long Range Planning held on November 3, 2022 and the Board Meeting will be held the following day, November 4, 2022 at a hotel in Santa Cruz or Monterey.

I2. Case Law – Tort Claims Rejection Notices - There was no discussion on this item.

I3. New Regulations for Wastewater Operations Pending - There was no discussion on this item.

I4. 2022 CAJPA Conference Preliminary Agenda - There was no discussion on this item.

I5. MBASIA Service Team Contact List & Claims Reporting - There was no discussion on this item.

I6. MBASIA Contract Schedule – There was no discussion on this item.

ADJOURNMENT

Rene Mendez adjourned the meeting at 12:45 PM.