

**MBASIA
Board of Directors Meeting**

Monday, April 3, 2023 at 9:00 AM

LOCATION:

Video Teleconference

Link:

<https://alliantinsurance.zoom.us/j/99436279078?pwd=Ky9iYkwwK1VvaXpCRWVFeWFLYjR5UT09>

Meeting ID: 994 3627 9078

Passcode: 440152

Dial: (669) 900-6833

MEMBERS PRESENT

Chloe Woodmansee, City of Capitola Alternate
John Guertin, City of Del Rey Oaks *(left at 11:41 AM)*
Trevin Barber, City of Gonzales
Paul Wood, City of Greenfield *(left at 12:09 PM)*
Nina Aguayo, City of Greenfield Alternate
Casey Estorga, City of Hollister Alternate
Steve Adams, City of King City *(left at 11:15 AM)*
Veronica Contreras, City of King City Alternate
Layne Long, City of Marina
Vibeke Norgaard, City of Sand City
Mali LaGoe, City of Scotts Valley
Francine Uy, City of Soledad Alternate

MEMBERS ABSENT

None

GUESTS & CONSULTANTS

Matt Mogensen, City of Marina Alternate
Stephanie Hill, City of Scotts Valley Alternate
Jack Joyce, Bay Actuarial *(joined at 9:32 AM and left at 10:30 AM)*
John Chaquica, George Hills Company *(left at 9:25 AM)*
Neil Callahan, George Hills Company
Rose Melchor, George Hills Company
Lynn Cavalcanti, AIMS
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services

A. CALL TO ORDER & ROLL CALL

Layne Long called the meeting to order at 9:01 AM.

B. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no oral communications and public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – January 30, 2023 Board of Directors Meeting

C2. Service Calendar & Status of Deliverables

C3. Bills and Correspondence

C4. Signed MBASIA 2023-2028 Program Administration Contract

C4i. Agenda Item from January 2023 Board Meeting with Updated Chart

C5. Santa Cruz County Bank MBASIA Authorization Letter for Layne Long

C5i. Resolution 2223-01 Authorization of Treasurer Duties for Past Chair, Layne Long

A motion was made to approve the consent calendar.

MOTION: Paul Wood

SECOND: Steve Adams

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X		X
Nay										
Abstain									X	

D. GENERAL RISK MANAGEMENT ISSUES

There were no general risk management issues.

E. BOARD OF DIRECTORS

E1. COMMITTEE REPORTS

E1a. Safety Committee

E1a1. Safety Grant Funds – Request Status and Budget to Date

Lorissa Huey stated that MBASIA’s Safety Grant Program has \$7,500 allocated to each Member to use for risk control efforts. She reminded the Board that on May 1st, if Members do not request their Safety Grant Funds, the unused funds will be available to all the other MBASIA Members.

E1b. Coverage and Claims Committee

E1b1. Litigation Management Guidelines

John Chaquica walked through the Litigation Management Guidelines with the Board.

Members asked questions, which were addressed as they arose.

A motion was made to adopt the Litigation Management Guidelines as presented.

MOTION: Mali LaGoe **SECOND:** Paul Wood **MOTION CARRIED**

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E1b2. Liability Attorney Defense Panel – Proposed Changes

Lorissa Huey reported that Ashley Colivas is no longer at Ford, Walker, Haggerty & Behar. The Liability Third Party Administrators, George Hills are recommending adding Anthony Livesay to the liability attorney defense panel.

A motion was made to approve the proposed change.

MOTION: Vibeke Norgaard

SECOND: Mali LaGoe

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E2. UNFINISHED BUSINESS - None

E3. NEW BUSINESS

E3a. Liability Actuarial Report

Jack Joyce, MBASIA’s Actuary presented the draft 2023 Liability Actuarial Report, which was included in the agenda packet.

A motion was made to receive and file the report subject to changing to the 3% interest rate.

MOTION: Layne Long

SECOND: Trevin Barber

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3b. Workers’ Compensation Actuarial Report

Jack Joyce, MBASIA’s Actuary presented the draft 2023 Workers’ Compensation Actuarial Report, which was included in the agenda packet.

A motion was made to receive and file the report as presented.

MOTION: Layne Long

SECOND: Mali LaGoe

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3c. Election of Treasurer/Secretary, Excess Pool Representatives and Committee Assignments

Lorissa Huey reported that the Treasurer/Secretary position is vacant, and Layne Long as Past Chair was able to step in as the Treasurer/Secretary per MBASIA’s Accounting Guide in the interim. In addition, there is vacancy on the Safety Committee and for the ERMA primary representative position.

The floor was open for nominations.

1st Motion:

A motion was made to approve Mali LaGoe as the Treasurer/Secretary.

MOTION: Vibeke Norgaard

SECOND: Paul Wood

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

2nd Motion:

A motion was made to approve the following Excess Pool Representatives as follows for the current fiscal year and the FY 23-24.:

CARMA:
Layne Long – Representative
Vibeke Norgaard - Alternate

ERMA:
Paul Wood – Representative
Steve Adams - Alternate

MOTION: Layne Long

SECOND: Mali LaGoe

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

3rd Motion:

A motion was made to approve Trevin Barber to the Safety Committee for the current fiscal year and the FY 23-24.

MOTION: Paul Wood

SECOND: John Guertin

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3d. Excess Pool Renewal Indications:

E3d1. California Affiliated Risk Management Authorities (CARMA)

Conor Boughey reported that for the July 1, 2024 renewal, CARMA expects increased pool funding rates and excess insurance rates and the draft budget was not available at the time of today’s meeting, but will be at the June 2023 Board Meeting. Also, Conor provided an update to the Board about the ABLE Project for active bystander intervention training.

E3d2. Employment Risk Management Authority (ERMA)

Conor Boughey reported that for the July 1, 2024, ERMA expects at 10% increase, and the draft budget was not available at the time of today's meeting, but will be at the June 2023 Board Meeting. Conor commented that EPL claims are very expensive to defend and to always quickly report EPL claims to George Hills so that it can report to ERMA timely.

E3d2i. Proof of Compliance with Training Mandated by State Law

Lorissa Huey reminded the Board to complete the ERMA self-certification survey as soon as possible, but no later than June 30, 2023.

E3e. APIP Property Renewal & Excess Cyber

Conor Boughey reported that MBASIA has a group purchase program through which all Members purchase their property and excess cyber (\$2M excess \$2M) insurance. The rates for property are expected to increase between 10% to 25%, values have increased 7.5% for structures and contents, and there is a lack of market competition for all risks. For excess cyber, the rates are expect to increase between 5% and 35%. For the cyber application, security requirements such as Multi Factor Authentication is a must to obtain excess cyber coverage.

Conor reminded the Board to complete the applications for both lines of coverages.

E3f. Excess Workers' Compensation Program & PRISM Market Update

Conor Boughey reported that the Version 2 PRISM renewal estimate as of February 2023 is included in the agenda packet. MBASIA is a member of PRISM's Excess Workers' Compensation Program with a \$250,000 Self Insured Retention (SIR).

Also, included in the agenda packet was PRISM's Market Update regarding Workers' Compensation.

E3g. Hollister Rally

Conor Boughey reported that the City of Hollister hosts the Hollister Independence Rally, which is a celebration of motorcycles, live music, poker runs and charity events. The Rally is a large event with special security needs. The City cannot call for mutual aid because it is a planned event. The City needs to coordinate police coverage and cannot handle the policing requirement on their own. In prior years, the City solicited officers successfully with contract language that they will reimburse the other agencies for any workers' compensation claims.

It was announced that the City will not be hosting the rally for 2023.

The purpose of this item is to disclosure this to the Board. To minimize the exposure to MBASIA, MBASIA requests that the City keeps MBASIA involved with the preferred contract language. MBASIA may take steps forward to exclude this exposure.

No reportable action took place.

E3h. Report from Police Risk Management Working Group

Conor Boughey provided the Board an update that the Police Risk Management Working Group met on February 27, 2023. Drew Wyant who is the part of Active Bystandership for Law Enforcement (ABLE) presented to the Police Group.

E3i. Concern EAP – First Responder Program

Lorissa Huey reported that at the November 2022 Strategic Planning, when the Board reviewed Service Provider Contracts, the Board requested a law enforcement option for the Concern EAP contract.

The following pricing was previously presented to the Police Group in 2022. The Group decided not to pursue this option. The Group was interested in Tina Casola, First Alarm Wellness but the Board decided not to pursue it at that time.

Mali LaGoe mentioned that Scotts Valley implemented the First Responder Program with Concern EAP last year and will circle back on the utilization rate. If there is something reportable, the Program Administrators will bring it back at the June 2023 Board Meeting for further discussion.

E3j. Proposed MBASIA Legal Counsel Agreement

Lorissa Huey reported that Byrne Conley, MBASIA’s Legal Counsel is proposing increasing attorney and paralegal rates.

A motion was made to approve the legal counsel agreement.

MOTION: Vibeke Norgaard

SECOND: Mali LaGoe

MOTION CARRIED

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3k. Proposed Amendment to MBASIA’s Workers’ Compensation Memorandum of Coverage (MOC)

Conor Boughey reported that for the FY 23-24 Workers’ Compensation (WC) Budget, the Board discussed at the November 2022 Strategic Planning to fund the WC program without the indemnity funding. In reviewing the WC MOC of the underlying layer, an amendment is needed to exclude all indemnity/temporarily disability.

A motion was made to approve the proposed amendment effective July 1, 2023.

MOTION: Mali LaGoe **SECOND:** Paul Wood **MOTION CARRIED**

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

F. EXECUTIVE AND FINANCE COMMITTEE’S REPORT

F1. Draft Liability Budget

Conor Boughey reported that the Program Administrators have prepared the FY 23-24 proposed Liability Budget. The formula has been updated with the 2022 Calendar Year payroll as well as all new claims data as of December 31, 2022. The methodology is weighted 50% on exposure (payroll) and 50% on experience (6 years of paid losses capped at \$250,000 per claim), with a per member cap of 50% over prior year funding. At the November 2022 Board Meeting, the Board requested to implement the \$500,000 cap only 3 years back which means the 7/1/19, 7/1/20, and 7/1/21 years.

The Executive Committee met on March 22, 2023 to review the budget and direction was given to include the total cash and liabilities in the new subchart that breaks down the claims funding for today’s Board Meeting.

No reportable action took place.

F2. Draft Workers’ Compensation Budget

Conor Boughey reported that the Program Administrators have prepared the FY 23-24 proposed Workers’ Compensation Budget. The formula has been updated with the 2022 Calendar Year payroll and new claims data as of December 31, 2022 with 6 years added to the budget. At the November 2022 Strategic Planning, the Board agreed on funding the budget without the Indemnity Funding for the 7/1/23 budget.

The Executive Committee met on March 22, 2023 to review the budget and direction was given to include the total cash and liabilities in the new subchart that breaks down the claims funding for today’s Board Meeting.

No reportable action took place.

F3. 2023 MBASIA Risk Summit

Alliant reminded the Board that at the November 2022 Strategic Planning, the Board discussed that starting in 2023, a Risk Summit will be held in lieu of the Thursday Strategic Planning where Members can invite their City Staff, and the Board Meeting will be held on Friday. The proposed dates are November 2 & 3, 2023. The location will be somewhere in the City of Marina depending on hotel availability and pricing.

On Thursday, the Risk Summit will start at 9:00 AM and end around 4:00 PM. Coffee/cookies will be provided throughout the day and lunch will be provided. There will be a flyer available for distribution by the Board Members to City Staff.

On Friday, the Board Meeting will begin at 8:30 AM and end before Noon.

If City Staff need to stay the night, the Board agreed that the Member City should pay. A room block will be available for only the Board Members.

G. LOSS REPORT

CLOSED SESSION – Pursuant to Gov’t Code 54956.95

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

MOTION: Trevin Barber **SECOND:** Paul Wood **MOTION CARRIED**

	Chloe Woodmansee	John Guertin	Trevin Barber	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

A motion was made to come out of Closed Session at 12:10 PM.

MOTION: Trevin Barber **SECOND:** Steve Adams **MOTION CARRIED**

	Chloe Woodmansee	John Guertin	Trevin Barber	Nina Aguayo	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Francine Uy
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

Lorissa Huey reported out of Closed Session that direction was given to the Liability Claims Administrators and Workers’ Compensation Claims Administrators and no final reportable action was taken.

H. PROGRAM ADMINISTRATORS’ REPORTS

H1. MBASIA Exposures and Coverages Review: Property Claims

Alliant discussed with the Board about how important it is to schedule the locations on the Statement of Values (SOV), of what you intend to have property coverage on.

For example, if the City is sustaining damages, such as if there is wind damage on windowed locations, trees are falling, and have to do debris removal, or rent a secondary location to continue business, the City may be able to recover from APIP. If the property damages exceed the \$25,000 deductible, remember to report it to APIP.

Included in the agenda packet were the APIP claims reporting acknowledgments that outline who to report property, pollution, and cyber claims to.

H2. State of the Insurance Market Conditions Update

Alliant provided the Board an updated on the pollution insurance market conditions and walked through the PRISM Hard Market memo that was attached to the agenda packet.

I. CORRESPONDENCE / INFORMATION

I1. Next Board Meeting & ERMA Training Schedule

The next Board Meeting will be held on Monday, June 12, 2023 in person in the City of Sand City, starting at 9:30 AM unless otherwise stated.

Included in the agenda packet was a link to the ERMA training schedule.

- I2. **PRISM Annual Report** - There was no discussion on this item.
- I3. **2023 CAJPA Conference**- There was no discussion on this item.
- I.4 **2024 PARMA Conference – 50th Anniversary** - There was no discussion on this item.
- I5. **MBASIA Service Team Contact List & Claims Reporting** - There was no discussion on this item.
- I6. **MBASIA Schedule of Service Agreements** - There was no discussion on this item.

ADJOURNMENT

Layne Long adjourned the meeting at 12:20 PM.