

**MINUTES OF THE
MBASIA BOARD OF DIRECTORS MEETING**

Monday, April 9, 2018 at 9:30 AM

**MERMA Offices
76 Stephanie Drive
Salinas, CA 93901**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
Dino Pick, City of Del Rey Oaks
Rene Mendez, City of Gonzales
Nina Aguayo, City of Greenfield
Brett Miller, City of Hollister
Steve Adams, City of King City
Layne Long, City of Marina
Jenny Haruyama, City of Scotts Valley
Michael McHatten, City of Soledad

MEMBERS ABSENT

Linda Scholink, City of Sand City

GUESTS & CONSULTANTS

Ted Ursino, Excel Managed Care (*left the meeting at 10:10 AM*)
Lynn Cavalcanti, AIMS
Francine Uy, City of Soledad Alternate
Michael Simmons, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services

A. CALL TO ORDER

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

B. CONSENT CALENDAR

- B1. Approval of Minutes – January 29, 2018 Board of Directors Meeting**
- B2. Approval of Minutes – February 26, 2018 Special Board of Directors Meeting**
- B3. Service Calendar & Status of Deliverables**
- B4. Bills and Correspondence**
- B5. CARMA Dividends Remittance**

A motion was made to approve the consent calendar.

MOTION: Dino Pick

SECOND: Michael McHatten

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

C. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no public comments.

D. BOARD OF DIRECTORS

D1. Committee Reports

D1a. Executive and Finance Committee

D1a1. Draft Liability Budget

Conor Boughey reported that the Executive & Finance Committee met on March 12, 2018 to review the draft FY 2018/19 Liability Budget. The draft has all line items compared to current YTD expenditures; updated Contracted Services compensation terms; updated contribution to claims expense to equal the 70% confidence level, discounted; updated CARMA and ERMA premiums from the preliminary draft budgets from CARMA and ERMA.

The budget is presented at the April Board Meeting as a draft, and is annually adopted at the June Board Meeting.

No reportable action took place.

D1a2. Draft Workers' Compensation Budget

Conor Boughey reminded the Board that at the November 2017 Board Meeting, the Board took action to pay off the Zions Bank Loan. Then, at the January 2018 Board Meeting, the Board took action to retain the same amount currently in the Level III funding of \$305,000 but to roll the funds into the Level II calculation. A rebate of 50% from the 17-18 Level III Assessment will be credited back to the Members next year, as the Debt was paid 50% through the year.

The Executive & Finance Committee met on March 12, 2018 to review the draft FY 2018/19 Workers' Compensation Budget and a motion was made to recommend to the Board to allocate 25% of the funds into Level II and 25% of the funds in Level III.

The budget is presented at the April Board Meeting as a draft, and is annually adopted at the June Board Meeting.

No reportable action took place.

D1a3. Acclamation Insurance Management Services (AIMS) Contract Renewal

Conor Boughey reported that the current contract with AIMS is through June 30, 2018 and is up for renewal. AIMS has proposed a 5 year term, with small updates to the scope of work, and updated the service fees as outlined in the financial impact section of the contract. The Executive & Finance Committee met on March 12, 2018 and took action to make a recommendation to the Board to approve the contract.

A motion was made to approve the contract as presented.

MOTION: Brett Miller **SECOND:** Rene Mendez **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

D1b. Safety Committee

D1b1. Grant Funds – Request Status and Budget to Date

Conor Boughey reminded the Board that on May 1st of a Program Year, all Members will have access to the unrequested funds, regardless of the Member's previous use of their allocated share of the budget. A Member's annual requests may not exceed 1/5 of the Grant Program Budget, and will be processed in the order they are received (and approved) until the funds are exhausted.

D1c. Coverage and Claims Committee

D1c1. Byrne Conley – Coverage Opinion Engagement Letter

Conor Boughey discussed that at times, liability claims may fall outside of a clear coverage determination by MBASIA’s Program Administrators, Alliant and MBASIA’s Third Party Administrator, RMS. When this occurs, JPAs typically hire an attorney to act as Coverage Council. In these instances, the attorney reviews the claim information received to date, the Authority’s Memorandum of Coverage (MOC), and tries to determine if coverage should apply. Recently one of these occasions arose, and Alliant has requested an engagement letter from Byrne Conley to provide these services to MBASIA.

A motion was made to approve the engagement letter.

MOTION: Brett Miller

SECOND: Rene Mendez

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

D2. UNFINISHED BUSINESS

D2a. Workers’ Compensation: Settlement Future Medical Claims Project Update

Lynn Cavalcanti, AIMS provided an update regarding the Workers’ Compensation: Settlement Future Medical Claims Project with the Board.

Members asked questions which were addressed.

No reportable action took place.

D2b. Excel Managed Care – Ergonomics Contract

Ted Ursino from Excel Managed Care presented to the Board the services that Excel intends to provide in the contract attached in the agenda packet.

Members asked questions which were addressed.

A motion was made to approve the contract.

MOTION: Steve Adams

SECOND: Brett Miller

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

D2c. Report from Police Risk Management Committee January, 29 2018 Meeting

Conor Boughey reported that the first kick off meeting for the Police Risk Management Committee (PRMC) was held on January 29, 2018. During the meeting, the Program Administrators discussed the various risk management tools provided by Lexipol and CSAC EIA. Also, Vince Hurley, MBASIA’s Legal Counsel presented about the various court ruling regarding disability/mental health cases and justification for use of lethal force.

D2d. Excess Workers’ Compensation Renewal

Conor Boughey reported that the CSAC EIA provides Excess Workers’ Compensation coverage for MBASIA, attaching at MBASIA’s \$250,000 SIR. CSAC EIA issues several rounds of estimates and has now issued the renewal estimate as of March 2018, Version 3, which is included in the agenda packet. It includes CSAC EIA’s estimates for excess premiums and incorporates their recent actuarial study findings.

D3. NEW BUSINESS

D3a. Liability Actuarial Report

Conor Boughey reported that Jack Joyce, MBASIA’s Actuary, has completed the FY 2017/18 Liability Actuarial Report. Conor walked through the Management Summary and pointed out claims trends and the resulting financial impact. The outstanding liabilities and future year funding guidelines both increased by substantial amounts.

The Program Administrator will clarify with Jack why the rate is down on Chart 1, but Jack is indicating the rate is up.

A motion was made to accept as presented subject to the correction of Chart 1, and have the draft redistributed to the Members. Also, direction was given to the Program Administrators to bring to the Long Range Planning for discussion on whether MBASIA’s funding is sufficient and whether MBASIA should increase the confidence level.

MOTION: Rene Mendez

SECOND: Dino Pick

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

D3b. Workers’ Compensation Actuarial Report

Conor Boughey reported that Jack Joyce, MBASIA’s Actuary, has completed the FY 2017/18 Workers’ Compensation Actuarial Report. Conor walked through the Management Summary and further discussion took place. The Workers’ Compensation program rates are up about 5%, but we expect further improvement resulting from the claims close out project AIMS is leading.

A motion was made to accept the draft Workers’ Compensation Actuarial Report as presented.

MOTION: Brett Miller

SECOND: Dino Pick

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

D3c. Excess Pool Renewal Indications

D3c1. California Affiliated Risk Management Authorities (CARMA)

Conor Boughey reported that CARMA provides excess liability coverage for MBASIA, and that Rene Mendez is MBASIA’s representative on the CARMA Board. Due to an increase in payroll, funding requirements, and MBASIA’s ex-mod, there is a 7% decrease.

Conor commented that given the big increases in MBASIA’s actuarial projections, this reduction on the excess is welcoming news. A large contributing factor to the decrease was a result of the reallocation of admin expenses that MBASIA requested.

No reportable action took place.

D3c2. Employment Risk Management Authority (ERMA)

Conor Boughey reported that ERMA provides excess employment practices liability coverage and training for MBASIA, and that Jamie Goldstein is MBASIA’s representative on the ERMA Board. MBASIA is seeing about a 10% increase due to increase in payroll and ex-mod.

No reportable action took place.

D3d. APIP Property Renewal

Conor Boughey reported that the APIP (Alliant Property Insurance Program) renews July 1, 2018 and is in the process of being marketed. The state of California had a lot of property losses in the last 12 months, and as a result you will see property markets getting more restrictive. Overall renewal rate increases of 5-15% are expected.

Conor also reminded members to send in their property schedules if they have not done so already.

No reportable action took place.

D3e. Member Crime Insurance

Conor Boughey reported that there have been a lot of crime losses in the last five years for public entities. It is important coverage that costs very little money. Some members of MBASIA purchase crime through the Alliant Program, ACIP (Alliant Crime Insurance Program).

An application is included in the agenda packet.

No reportable action took place.

D4. LOSS REPORT

D4a. Workers’ Compensation Administrator’s Report

D4b. Liability Third Party Administrator’s Report – None.

A motion was made to enter into Closed Session at 11:12 AM.

MOTION: Rene Mendez

SECOND: Brett Miller

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

A motion was made to come out of Closed Session at 11:36 AM.

MOTION: Rene Mendez **SECOND:** Brett Miller **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

Jamie Goldstein reported out of Closed Session that direction was provided to the Workers' Compensation Claims Administrator.

E. PROGRAM ADMINISTRATORS' REPORT

E1. Conflict of Interest Code – Biennial Review

Conor Boughey reported that the Political Reform Act requires every multi-county agency to review its Conflict of Interest Code biennially (on every even numbered year) and submit notice to the Fair Political Practices Commission (FPPC), which specifics if the current code is accurate or if it must be amended.

The Program Administrators have proposed to delete the Designated Position: Risk Manager because Kent Rice is no longer on the Board; delete the Third Party Administrator to consolidate with Claims Administrator; and delete the reference to consultants disclosing real property because in other JPAs consultants do not need to disclosure real property. Also, to add language regarding electronically filing Form 700 (as proposed by the FPPC).

A motion was made to approve as presented and direct the Program Administrators to send the Conflict of Interest Code to the FPPC.

MOTION: Rene Mendez **SECOND:** Brett Miller **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Nina Aguayo	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten
Aye	X	X	X	X	X	X	X		X	X
Nay										
Abstain										

F. CORRESPONDENCE / INFORMATION

F1. Next Board Meeting & ERMA Training Schedule

The next Board Meeting is on Monday, June 18, 2018 in Sand City at 9:30 AM.

G. GENERAL RISK MANAGEMENT ISSUES

Dino Pick, City of Del Rey Oaks reported that the City and the Monterey Airport are in the process of combing police departments and as a result the City's payroll will increase. The Board requested that the Program Administrators present some options at the June 2018 Board Meeting what is the best way to approach the City's material growth in payroll.

ADJOURNMENT

Jamie Goldstein adjourned the meeting at 11:40 AM.