

**MBASIA  
Board of Directors Meeting**

**Monday, April 4, 2022 at 9:30 AM**

**LOCATION:  
Video Teleconference**

**Link:**

<https://alliantinsurance.zoom.us/j/94830795126?pwd=Nk9RNlNlYUJGGeHdYUT09>

**Meeting ID: 948 3079 5126**

**Passcode: 795633**

**Dial: (669) 900-6833**

**MEMBERS PRESENT**

Larry Laurent, City of Capitola Alternate  
Rene Mendez, City of Gonzales  
Paul Wood, City of Greenfield  
Brett Miller, City of Hollister  
Andrea Marble, City of King City Alternate  
Devon Lazzarino, City of Sand City Alternate  
Mali LaGoe, City of Scotts Valley  
Brent Slama, City of Soledad

**MEMBERS ABSENT**

John Guertin, City of Del Rey Oaks  
Layne Long, City of Marina

**GUESTS & CONSULTANTS**

Nina Aguayo, City of Greenfield Alternate  
Vibeke Norgaard, City of Sand City Attorney (left at 11:20 AM)  
Francine Uy, City of Soledad Alternate  
Jack Joyce, Bay Actuarial Consultants  
Lena Bowen, 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**

Rene Mendez called the meeting to order at 9:30 AM.

**B. ORAL COMMUNICATIONS & PUBLIC COMMENTS**

There were no oral communications & public comments.

**C. CONSENT CALENDAR**

**C1. Approval of Minutes – January 31, 2022 Board of Directors Meeting**

**C2. Approval of Minutes – March 7, 2022 Special Board of Directors Meeting**

**C3. Service Calendar & Status of Deliverables**

**C4. Bills and Correspondence**

A motion was made to approve the consent calendar.

**MOTION:** Brett Miller

**SECOND:** Paul Wood

**MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	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. Safety Grant Funds – Request Status and Budget to Date**

Conor Boughey reminded the Board Members that the Safety Grant Program is in place and it allows Members to request up to \$7,500 to use towards risk control efforts. Also, the Members must make their requests prior to May 1st, at which time the remaining funds can be requested by another Member.

Included in the agenda packet was a list of what Members have requested so far.

**E1a2. Precision Concrete**

Conor Boughey reminded the Board that at its last Meeting, the Board discussed several loss control services and directed the Program Administrators to focus on sidewalk inspections and repairs. The Program Administrators had a call with Joseph Ortega at Precision Concrete in March 2022. Joseph provided information on Sidewalk Ordinances, Sidewalk Maintenance Best Practices, and Inspection, Maintenance and Repair Services.

A motion was made to enter into a master agreement with Precision Concrete with a \$10,000 budget per Member and \$100,000 cap into the Safety Program Budget.

**MOTION:** Brett Miller      **SECOND:** Brent Slama      **MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	Mali LaGoe	Brent Slama
Aye	X		X	X	X	X		X	X	X
Nay										
Abstain										

**E1b. Coverage and Claims Committee – None**

**E2. UNFINISHED BUSINESS**

**E2a. Excess Workers’ Compensation Program**

Conor Boughey reported that the Version 3 PRISM renewal estimate as of March 2022 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). The March estimates also include a Loss Performance Impact on Premium Summary.

**E2b. MBASIA’s Liability Memorandum of Coverage: Proposed Changes**

Conor Boughey reported that this item was on the January 2022 Board Meeting agenda. At that meeting, the Board gave direction to the Program Administrators to send an email to the Members to get feedback from their City Attorneys for review and comment about the proposed definition for Land Use and Planning. In addition, the Board asked Byrne Conley to provide a letter on this matter, which was sent to the Board to forward to the City Attorneys.

The Members who have responded so far were shown in the agenda packet.

Direction was given to the Program Administrators to agendize this item again for the June 2022 Board Meeting. The Members are instructed to circulate this to their City Attorneys again.

**E2c. Feedback on Cyber Recorded Webinar**

Conor Boughey stated that the Program Administrators sent out a recorded webinar about the Cyber Beazley Portal and E-learning site presentation and information from CISA, which are free government cyber security services and tools from the Cybersecurity and Infrastructure Security Agency for the Board to forward to the City’s IT Department Heads/Directors.

Conor walked through the presentation on Application Portal Training and Cyber Market Update and Bulletin #3 regarding System Security Standards Guidelines for Cyber Quotes as attached in the agenda packet.

**E3. NEW BUSINESS**

**E3a. Liability Actuarial Report**

Jack Joyce, MBASIA’s Actuary presented the draft 2022 Liability Actuarial Report, which was included in the agenda packet.

A motion was made to accept the report.

**MOTION:** Brett Miller

**SECOND:** Mali LaGoe

**MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	Mali LaGoe	Brent Slama
Aye	X		X	X	X	X		X	X	X
Nay										
Abstain										

**E3b. Workers’ Compensation Actuarial Report**

Jack Joyce, MBASIA’s Actuary presented the draft 2022 Workers’ Compensation Actuarial Report, which was included in the agenda packet.

A motion was made to accept the report.

**MOTION:** Brett Miller

**SECOND:** Paul Wood

**MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	Mali LaGoe	Brent Slama
Aye	X		X	X	X	X		X	X	X
Nay										
Abstain										

**E3c. Excess Pool Renewal Indications:**

**E3c1. California Affiliated Risk Management Authorities (CARMA)**

Conor Boughey stated that CARMA provides excess liability coverage for MBASIA at a \$1,000,000 attachment point. The topic issues facing CARMA include, 1) development of a captive that may be available for Member entities, 2) increased pool funding rates and excess insurance rates, and 3) increased administrative costs have been proposed.

No reportable action took place.

**E3c2. Employment Risk Management Authority (ERMA)**

Conor Boughey stated that ERMA provides excess employment practices liability (EPL) coverage and training for MBASIA. The coverage attaches at \$500,000. Conor noted that a key item for ERMA remains quick reporting of EPL matters to its claims team.

Brett Miller is the primary ERMA representative for MBASIA and commented that ERMA is considering a \$350,000 attachment point.

No reportable action took place.

**E3c2i. Proof of Compliance with Training Mandated by State Law**

Conor Boughey reminded the Board to complete the ERMA self-certification survey as soon as possible, but no later than June 30, 2022.

**E3d. APIP Property Renewal & Excess Cyber**

Conor Boughey reported that the APIP (Alliant Property Insurance Program) and Excess Cyber renews July 1, 2022 and is in the process of being marketed. The state of California had a lot of property losses in the recent years and the overall renewal rate increases of at 10% to 25% are expected. For cyber, the markets have been experiencing dramatic increases in notice of loss events and paid losses, and Alliant recommends a budget between a 30% and 100% renewal increase.

Included in the agenda packet for the first time were budget amounts for these two coverages.

**E3e. Proposed Changes: Liability Settlement Authority Policy and Procedure**

Conor Boughey asked the Board if it moves the liability deductible from \$10,000 to \$25,000, should MBASIA increase the authority levels in the Liability Settlement Authority Policy and Procedure. Included in the agenda packet were the proposed settlement amounts.

Also, Lena from George Hills is proposing a new law firm to the Defense Panel: Aimee Hamoy, Arthur Gaus and Roger Serrano at Kaufman, Dolowich & Voluck, LLP.

A motion was made to approve the proposed changes to the Liability Settlement Authority Policy and Procedure and Defense Panel.

**MOTION:** Brett Miller      **SECOND:** Mali LaGoe      **MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	Mali LaGoe	Brent Slama
Aye	X		X	X	X	X		X	X	X
Nay										
Abstain										

**E3f. Report from Police Risk Management Committee Meeting**

Conor Boughey reported that as directed from the Safety Committee and Board, Alliant discussed additional loss control services with the Police Risk Management Committee. The Police Chiefs directed Alliant to obtain pricing from Laura Cole from Cole Pro Media and Tina Casola from First Alarm Wellness and report back at the next Committee Meeting.

Direction was given to Alliant to have Laura Cole and Tina Casola present to the Police Chiefs.

**E4. LOSS REPORT**

**CLOSED SESSION – Pursuant to Gov’t Code 54956.95**

**E4a. Workers’ Compensation Administrator’s Report**

**E4b. Liability Third Party Administrator’s Report – None**

A motion was made to enter into Closed Session at 11:20 AM.

**MOTION: Brett Miller SECOND: Mali LaGoe MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	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 11:27 AM.

**MOTION: Brett Miller SECOND: Mali LaGoe MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	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.

## **F. EXECUTIVE AND FINANCE COMMITTEE'S REPORT**

### **F1. Draft Liability Budget**

Conor Boughey reported that the Program Administrators have prepared the FY 2022-23 proposed Liability Budget. The formula has been updated with the 2021 Calendar Year payroll as well as all new claims data as of December 31, 2021. 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 October 2021 Board Meeting, the Board directed 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.

The Executive Committee met on March 22, 2022 to review the budget with an 80% Confidence Level and \$25,000 deductible and gave direction to present the budget as shown in the agenda packet.

No reportable action took place.

### **F2. Draft Workers' Compensation Budget**

Conor Boughey reported that the Program Administrators have prepared the FY 2022-23 proposed Workers' Compensation Budget. The formula has been updated with the 2021 Calendar Year payroll, new claims data as of December 31, 2021, and Indemnity Payment Credit for CY 2021.

At the October 2021 Board Meeting, 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%.

The Executive Committee met on March 23, 2022 to review the budget and gave direction to present the budget with a 5 year claims history at the 75% confidence level. Next year will move to 6 years history, and the following year will end the update including a 7 year history. The Program Administrators will also present a budget option for FY 2023-24 that includes the indemnity credit, but removes indemnity from the actuarial funding, the following year, FY 2024-25 will then only include the actuarial funding and no credit.

No reportable action took place.

### **F3. MBASIA Major Contracts**

#### **F3i. Liability Claims Administrator – George Hills**

#### **F3ii. Worker's Compensation Claims Administrator – AIMS**

#### **F3iii. Program Administration and Brokerage – Alliant**

Conor Boughey announced that the Liability Claims Administration Contract with George Hills expires December 31, 2022, the Workers' Compensation Administration Contract with AIMS



expires June 30, 2023, and the Program Administration and Brokerage Contract with Alliant expires July 1, 2023.

No reportable action or direction was given.

**F4. AIMS Claims Audit Report and Response Letter**

Conor Boughey reported that the AIMS claims audit of MBASIA’s workers compensation third party administrator is performed every other year and the results were included in the agenda packet.

Lynn Cavalcanti stated that included in the agenda packet was a response letter to the audit, which includes a 5% refund of Claims Administration Fees if they do not reach ‘meetings expectations’ during the next claims audit.

**F5. Investment Options**

Conor Boughey reported that MBASIA continues to grow long term assets in LAIF. As funds have increased, and LAIF rates stay low, MBASIA has considered what other investment service options exist. Both PFM and Chandler asset management believe MBASIA’s assets are not sufficient for a managed portfolio, but both offer investment alternatives. PFM recommends MBASIA consider the CAMP program, while Chandler Asset Management recommends a Guided Portfolio Strategy (GPS) fund.

A motion was made to start the GPS fund with Chandler and strategically stagger the amounts in 3-4 transfers of \$3,000,000 to \$4,000,000 effective immediately.

**MOTION:** Paul Wood

**SECOND:** Brett Miller

**MOTION CARRIED**

	Larry Laurent	John Guertin	Rene Mendez	Paul Wood	Brett Miller	Andrea Marble	Layne Long	Devon Lazzarino	Mali LaGoe	Brent Slama
Aye	X		X	X	X	X		X	X	X
Nay										
Abstain										

**G. PROGRAM ADMINISTRATORS’ REPORTS**

**G1. MBASIA Exposures and Coverages Review: Crime**

Conor Boughey stated that MBASIA purchases a Crime policy through the Alliant Crime Insurance Program (ACIP). In addition, each individual City purchases on its own, crime coverage through ACIP, except Del Rey Oaks. Included in the agenda packet is an article on crime.

## **H. CORRESPONDENCE / INFORMATION**

### **H1. Next Board Meeting & ERMA Training Schedule**

The next Board Meeting will be held on Monday, June 13, 2022 in person at the City of Sand City.

**H2. PRISM Annual Report** – There was no discussion on this item.

**H3. MBASIA Service Team Contact List & Claims Reporting** – There was no discussion on this item.

**H4. MBASIA Contract Schedule** – There was no discussion on this item.

## **ADJOURNMENT**

Rene Mendez adjourned the meeting at 12:07 PM.