**MINUTES OF THE**

**MBASIA BOARD OF DIRECTORS MEETING**

**Monday, April 15, 2013 at 9:30 A.M.**

**City of Sand City, CA**

**MEMBERS PRESENT**

Lisa Murphy, City of Capitola

Jamie Goldstein, City of Capitola

Daniel Dawson, City of Del Rey Oaks

Rene Mendez, City of Gonzales

Susan Stanton, City of Greenfield

Robert Galvan, City of Hollister

Michael Powers, City of King City

Steve Matarazzo, City of Sand City

Steve Ando, City of Scotts Valley

Adela Gonzalez, City of Soledad

Francine Uy, City of Soledad

**MEMBERS ABSENT**

City of Marina

**GUESTS AND CONSULTANTS**

Conor Boughey, Alliant Insurance Services

Amy Young, Alliant Insurance Services

Tabatha Bettencourt, JT2 Integrated Services

Arleane Cavlan, JT2 Integrated Services

Milissa Gilihan, JT2 Integrated Services

Ken Maiolini, Risk Management Services

Mark Hannah, Attorney at Law, Witzig, Hannah, Sanders, & Reagan, LLP

**A. CALL TO ORDER**

Rene Mendez called the meeting to order at 9:42 a.m.

**B. CONSENT CALENDAR**

**B1. Approval of Minutes – February 11, 2013 Board of Directors Meeting**

A motion was made to approve the minutes as presented.

**MOTION:** [ ] **SECOND:** [ ] **MOTION CARRIED**

**Abstentions: [ ]**

**B2. Service Calendar & Status of Deliverables**

Conor Boughey ran through the current action item list that was created from February 11, 2013 Board of Directors Meeting with the members and gave a status report on each item.

**B3. Bills and Correspondence**

**B3a. Ratification and Disbursements**

**i. January 31, 2013**

**ii. February 28th, 2013**

**C. ORAL COMMUNICATIONS & PUBLIC COMMENTS**

There were no public comments.

**D. BOARD OF DIRECTORS**

**D1. UNFINISHED BUSINESS**

 None.

**D2. COMMITTEE REPORTS**

**D2a. Executive and Finance Committee**

None.

**D2b. Safety Committee**

**D2b1. City Contracted Risk Transfer**

Conor Boughey reported on the Policy & Procedure of Certificates of Insurance. Conor introduced the Insurance Requirements in Contracts manual (IRIC). Conor requested Board Members to advise City Members who would attend IRIC training. Members discussed. Rene Mendez suggested reviewing high risk contracts to start with for proper documentation. Jaime Goldstein proposed training at the Fall meeting. Conor mentioned a condensed training for Board Members with the full IRIC training with appropriate attendees.

**D2b2. Reminder-Policy and Procedure-Grant Funds**

Conor Boughey reminded Board Members that requests should be made by May 1st, 2013. After May 1st funds may be depleted. Page 28 of the Agenda describes Grant Funds procedure in detail.

**D2c. Coverage and Claims Committee**

None.

**D2d. Ad Hoc Budget Committee**

**D2d1. Draft Liability Budget**

Conor Boughey reviewed pages 29 and 33 of the Agenda Packet explaining the $200,000 proposed increase of the 13/14 Budget. Conor reported there is a credit from surplus and stated this is also 70% on exposure 30% on experience and a cap of 50%.

City of Hollister money allocated and cap explains why the allocation has been revised.

**D3. NEW BUSINESS**

**D3a**. **CARMA Insurance Renewal**

Conor Boughey reported on CARMA. The renewal has increased 11% due to the actuary CARMA has proposed decreasing discount rates. MBASIA is $300,000 of $7 million of CARMA. Conor reviewed the members of CARMA.

**D3b. ERMA Insurance Renewal**

Conor Boughey reported, on page 42 of the Agenda, CARMA does not include employment practices. ERMA does cover employment practices. Rene Mendez and Daniel Dawson are members. Jaime Goldstein asked why MBASIA increases are higher than other ERMA members. Conor explained the numbers are based on claims and losses.

**D3c. CSAC EIA Excess WC Insurance Renewal**

Conor Boughey reported, page 45, on renewal premiums. Conor reported the projected numbers at the SIRs. CSAC offer $250,000 retention. Premium 16 % increase for WC. Conor asked the Board if they want to stay at $250,000. Renewal Self Insured Retention. Rene gave his opinion and members discussed. Adela asked the payroll audit? Conor explained refund of payroll is a check recommends applying to premium. Jamie explained why the $350,000 option is appealing. Conor asked for Tabitha’s opinion based on claims history. Tabitha reported MBASIA is right in the middle of the $250,000 and $350,000. The Board recommends to leave at $250,000. The Board will decide at the June meeting. Michael Powers asked for $350,000 analysis at June.

**D3d. Workers’ Compensation Actuarial Report**

Conor Boughey reported, page 34, budget remains flat. Any increase would be based on each cities individual claims**.** Level 3 assessment MBASIA took a loan cash take a percentage all members need to pay back. 60 basis points. Members discussed keeping the loan as it is.

**D3e. Liability Actuarial Report**

Conor Boughey explained to Board Members MBASIA should not be giving credit from surplus. Rene Mendez noted to remember the of the amount of Claims. Workers Comp claims are trending down. Conor stated this is a draft however please when budgeting use these numbers.

**D4. LOSS REPORT**

**D4a. Workers’ Compensation Administrator’s Report –**

Conor Boughey reported the change in Central Estimate of 7.4%. Conor reviewed findings and Actuary projections. Conor stated the numbers still need to be refined. Loss Rates were reviewed on page 51 of the Agenda Packet. 2012 was a discount year.

**The MBASIA Board of Directors entered into Closed Session pursuant to Government Section Code 54956.95.**

A motion was made to enter into closed session at 10:32 AM pursuant to Government Section Code 54956.95.

**MOTION**: Michael Powers **SECOND**: Daniel Dawson **MOTION CARRIED**

A motion was made to come out of closed session at 10:59 a.m.

**MOTION**: Michael Powers **SECOND**: Jaime Goldstein **MOTION CARRIED**

Direction was given to RMS to take action on claims discussed during closed session.

**MOTION**: Rene Mendez **SECOND**: Daniel Dawson **MOTION CARRIED**

**D4b. Liability Third Party Administrator’s Report**

Conor Boughey reported these numbers; the Central Estimate rate went down 11% from last year. The Actuary removed Claims Short-term liability $1.1. The Projected 13-14 Losses and Loss Rates show a slight improvement. Average claims went up based on one large development in 10-11.

**E. PROGRAM ADMINISTRATORS REPORT**

**E1. Alliant Program Administration and Brokerage Team Update**

**F. CORRESPONDENCE/INFORMATION**

**F1. Next Board Meeting & ERMA Training Schedule**

June

LRP October 3rd & 4th Members discussed the change from 10/31 to 10/3.

Gusteen was mentioned as Members discussed meeting locations.

**G. GENERAL RISK MANAGEMENT ISSUES**

**ADJOURNMENT**

Jaime Goldstein adjourned the meeting at 11:00 AM.