

## MBASIA Board of Directors Meeting

Monday, April 8, 2024 at 9:00 AM

### LOCATION:

Video Teleconference

### Link:

<https://alliantinsurance.zoom.us/j/91881697609?pwd=NINpa21oUzZDaGNwT1IHZ2gvSEdqdz09>

**Meeting ID: 918 8169 7609**

**Passcode: 482594**

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

### MEMBERS PRESENT

Jamie Goldstein, City of Capitola

Carmen Gil, City of Gonzales (*joined at 9:05 AM*)

Paul Wood, City of Greenfield

Casey Estorga, City of Hollister Alternate

Veronica Contreras, City of King City Alternate (*joined at 9:30 AM*)

Layne Long, City of Marina

Vibeke Norgaard, City of Sand City

Mali LaGoe, City of Scotts Valley

Megan Hunter, City of Soledad

### MEMBERS ABSENT

John Guertin, City of Del Rey Oaks

### GUESTS & CONSULTANTS

Rob Kramer, Sedgwick (*joined at 10:15 AM, left at 11:00 AM*)

Jim Marta, James Marta & Company (*left at 9:20 AM*)

Michael Manduca, James Marta & Company (*left at 9:20 AM*)

Nina Aguayo, City of Greenfield Alternate

Neil Callahan, George Hills Company

Conor Boughey, Alliant Insurance Services

Lorissa Huey, Alliant Insurance Services

Marcus Beverly, Alliant Insurance Services

### A. CALL TO ORDER & ROLL CALL

Jamie Goldstein called the meeting to order at 9:03 AM.

### **B. ORAL COMMUNICATIONS & PUBLIC COMMENTS**

There were no oral communications and public comments.

### **C. CONSENT CALENDAR**

**C1. Approval of Minutes – January 29, 2024 Board of Directors Meeting**

**C2. Service Calendar & Status of Deliverables**

**C3. Bills and Correspondence**

**C3a. Ratification of Disbursements**

**C3b. Report of Investments - Pursuant to Gov't Section Code 53607**

**C4. LCW ERC Monterey Bay 2024 Agreement**

A motion was made to approve the consent calendar.

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

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X			X	X		X	X	X	X
Nay										
Abstain										

### **D. GENERAL RISK MANAGEMENT ISSUES**

Casey Estorga, City of Hollister commented that the City is not moving forward with the Hollister Rally this year.

### **E. BOARD OF DIRECTORS**

**E1. COMMITTEE REPORTS**

**E1a. Safety Committee**

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

Lorissa Huey reminded the Board that by May 1<sup>st</sup> of each 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. Each Member can request up to \$7,500 per Program Year.

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

**E1c. Ad Hoc Committee**

**E1c1. Financial Audit Request for Proposal (RFP) Selection**

Lorissa Huey reported that at the At the January 2024 Board Meeting, the Board took action to delegate an Ad Hoc Committee review the responses of the financial audit firms and make a recommendation to the Board at today’s meeting.

The Ad Hoc Committee met and had two recommendations. The first was James Marta & Company and Crowe, who is the incumbent as the alternate option.

Jim Marta, James Marta & Company was present at today’s meeting as a member of the public per the Committee’s request and introduced himself to the Board.

A motion was made to enter into a 5 year contract with James Marta & Company.

**MOTION:** Paul Wood    **SECOND:** Vibeke Norgaard    **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X		X	X	X	X
Nay										
Abstain										

**E2. UNFINISHED BUSINESS**

**E2a. Excess Liability Coverage Options**

Conor Boughey provided the Board a verbal update about the PRISM pricing for MBASIA.

Alliant thanked the MBASIA Members for submitting the PRISM application.

A motion was made to assign to the Executive Committee to review the proposed terms from PRISM, then schedule a Special Board Meeting to advise the Board of the Executive Committee’s review.

**MOTION:** Paul Wood    **SECOND:** Vibeke Norgaard    **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

**E2b. MBASIA’s Investment Policy – Proposed Changes**

Conor Boughey reported that the Board took action at the January 29, 2024 Board Meeting to enter into an agreement with Santa Cruz County Bank (SCCB) to investment at a rate of LAIF plus 25 basis points. SCCB recommended to propose the following change to the MBASIA Investment Policy on page 8, “IntraFi Cash Services (ICS) Deposits. Authority’s deposits with financial institutions may be placed within a network which provides full FDIC Insurance pursuant to California Government Code, Section 53601.8. There are no limits on the dollar amount or percentage that the Authority may invest in ICS Deposits.”

A motion was made to approve the proposed changes.

**MOTION:** Megan Hunter    **SECOND:** Paul Wood    **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

**E3. NEW BUSINESS**

**E3a. Liability Actuarial Report**

Conor Boughey presented the FY 24/25 Liability Actuarial Report. Conor explained that the actuarial report provides two key figures, (1) rates for next year’s renewal and (2) MBASIA’s outstanding liabilities for posting to its financial statements.

A motion was made receive and file the report.

**MOTION:** Megan Hunter **SECOND:** Mali LaGoe **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

**E3b. Workers’ Compensation Actuarial Report**

Conor Boughey presented the FY 24/25 Workers’ Compensation Actuarial Report.

Members asked questions, which were addressed.

A motion was made receive and file the report.

**MOTION:** Megan Hunter **SECOND:** Mali LaGoe **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

**E3c. Excess Pool Renewal Updates:**

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

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

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

Rob Kramer from CARMA and ERMA presented to the Board a presentation about each program’s details and services, and described the proposed inverse condemnation coverage in the CARMA Memorandum of Coverage.

Members asked questions, which were addressed.

**E3d. Additional Named Insureds**

Conor Boughey discussed with the Board Additional Named Insureds.

Included in the agenda packet was a PRISM White Paper on Covered Party & Additional Covered Party.

**E3e. Driver and Fleet Safety Programs**

Conor Boughey reported that it would be best practices for MBASIA to consider a driver/fleet safety program that could be implemented by Member Agencies.

A motion was made to direct Alliant to obtain a loss control consultant proposal for a Driver and Fleet Safety Policy and Procedure, not to exceed a budget of \$10,000. The Policy and Procedure should address volunteers, city council members, minors transport, and employees.

**MOTION:** Paul Wood    **SECOND:** Megan Hunter    **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

**E3f. Parks and Receptions Insurance Requirements**

Conor Boughey reported that after discussing with the Executive and Finance Committee, Alliant has offered to host a webinar about Parks and Receptions Insurance Requirements discuss the types of contractors and insurance needs. The City Managers are asked to promote this training with their Parks and Receptions Department.

The Board requested that Alliant host the webinar before summer and will provide a draft PowerPoint to Mali LaGoe and Jamie Goldstein will review the PowerPoint prior around Mid-May.

Members are requested to send samples of enrollment forms for instructors or vendors, and insurance requirements from the Parks & Receptions Department.

## **E3g. APIP Property Renewal & Excess Cyber**

Conor Boughey discussed the APIP property and Excess Cyber Renewal for July 1, 2024. For property, Conor talked about values are increasing 5% for structures and for contents, lack of market competition for all but the cleanest / best risks, APIP is fairing well over the past 12 months and is stabilizing, and unique coverage enhancements are being restricted. For Cyber, Members are encouraged to continue to implement cyber security measures and report those efforts on renewal applications.

## **E3h. Excess Workers' Compensation Program & Market Update**

Lorissa Huey stated that MBASIA's renewal premium indicates an increase from \$1,101,878 to \$1,225,000, which is an increase of \$123,122 (or 11%). However, last year's payroll was underreported, and the payroll audit resulted in additional premium of \$ \$58,998. Payroll increased by 10% and the ex-mod remained at 125%.

Included in the agenda packet was a PRISM Workers' Compensation Hard Market Memo.

## **E3i. ACH/Wire Payments from Members**

Conor Boughey discussed that Members have made payments using paper checks. In the current digital era, the trend is the utilizing ACH/Wire payments and moving away from paper checks. The most important reason is to reduce check fraud and safeguard bank account information. There are other benefits as well relate to faster payment time, inconvenience of mailing checks, lost checks, etc.

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

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

Lorissa Huey and Conor Boughey reported that the Program Administrators have prepared the FY 24-25 proposed Liability Budget. The formula has been updated with the 2023 Calendar Year payroll as well as all new claims data as of December 31, 2023. The methodology is weighted 50% on exposure (payroll) and 50% on experience (6 years of paid losses capped at \$250,000 per claim for 7/1/17 and 7/1/18 and older years, \$500,000 per claims for 7/1/19 through 7/1/22 years), with a per member cap of 50% over prior year funding.

The Executive Committee met in March 2024 and did not make a recommendation until more is known about the excess insurance.

The final draft will be presented at the June Board Meeting for adoption.

No reportable action took place.

**F2. Draft Workers’ Compensation Budget**

Lorissa Huey and Conor Boughey reported that the Program Administrators have prepared the FY 24-25 proposed Workers’ Compensation (WC) Budget. The formula has been updated with the 2023 Calendar Year payroll and new claims data as of December 31, 2023 with 7 years added to the budget. The Level II Assessments, claims experience excludes 4850 and all employee TD as the Board voted to exclude those in its WC MOC for July 1, 2023.

The Executive Committee met in March 2024 and gave direction to reduce the new ADR Program Budget Line Item from \$100,000 to \$20,000 for the two Members, Hollister and Sand City who were interested.

The final draft will be presented at the June Board Meeting for adoption.

No reportable action took place.

**G. LOSS REPORT**

**Ga. Workers’ Compensation Administrator’s Report - None**

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

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

A motion was made to enter into Closed Session at 12:06 PM.

**MOTION:** Megan Hunger **SECOND:** Mali LaGoe **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

A motion was made to come out of Closed Session at 12:32 PM.

**MOTION:** Megan Hunger **SECOND:** Mali LaGoe **MOTION CARRIED**



	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Casey Estorga	Veronica Contreras	Layne Long	Vibeke Norgaard	Mali LaGoe	Megan Hunter
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

Jamie Goldstein reported out of closed session that direction was given to the Liability Claims Administrators and no final reportable action took place.

## **H. PROGRAM ADMINISTRATORS’ REPORTS**

### **H1. MBASIA Exposures and Coverages Review: Ransomware**

This item is deferred to the next Board Meeting.

## **I. CORRESPONDENCE / INFORMATION**

### **I1. Next Board Meeting & ERMA Training Schedule**

The next Board Meeting will be held on June 10, 2024 in the City of Sand City.

**I2. A Short History of PARMA** – There was no discussion on this item.

### **I3. January 2024 Bulletin #4: System Security Standards Guidelines for Cyber Quotes**

There was no discussion on this item.

**I4. PRISM Annual Report** – There was no discussion on this item.

**I5. 2024 CAJPA Conference** – There was no discussion on this item.

**I6. MBASIA Service Team Contact List & Claims Reporting** – There was no discussion on this item.

**I7. MBASIA Schedule of Service Agreements** – There was no discussion on this item.

## **ADJOURNMENT**

Jamie Goldstein adjourned the meeting at 12:34 PM.