

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

Monday, June 17, 2019 at 9:30 AM

**City Hall Council Chambers
1 Pendergrass Way
Sand City, CA 93955**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
Rene Mendez, City of Gonzales
Paul Wood, City of Greenfield
Brett Miller, City of Hollister
Steve Adams, City of King City
Layne Long, City of Marina
Linda Scholink, City of Sand City (*arrived at 9:38 AM*)
Tina Friend, City of Scotts Valley
Michael McHatten, City of Soledad

MEMBERS ABSENT

Dino Pick, City of Del Rey Oaks

GUESTS & CONSULTANTS

Tony McFarlane, City of Scotts Valley Alternate
Nina Aguayo, City of Greenfield Alternate
Francine Uy, City of Soledad Alternate
Lynn Cavalcanti, AIMS
Tricia Baker, AIMS
Ken Maiolini, Risk Management Services (*joined via teleconference at 10:15 AM; left at 11:01 AM*)
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 9:33 AM.

B. CONSENT CALENDAR

B1. Approval of Minutes – April 8, 2019 Board of Directors Meeting

B2. Service Calendar & Status of Deliverables

B3. Bills and Correspondence

B3a. Ratification of Disbursements

A motion was made to approve the consent calendar.

MOTION: Rene Mendez

SECOND: Brett Miller

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X			X
Nay										
Abstain									X	

C. ORAL COMMUNICATIONS & PUBLIC COMMENTS

Jamie Goldstein introduced Tina Friend, the new City Manager of Scotts Valley. Tina provided a brief introduction about herself and the Board welcomed her.

D. BOARD OF DIRECTORS

D1. COMMITTEE REPORTS

D1a. Executive and Finance Committee

D1a1. Updated Committee Assignments

Conor Boughey reported that MBASIA’s Committee Assignments are made annually at the June Board Meeting for the following Program Year.

A motion was made to appoint Michael McHatten and Paul Wood to be on the Safety Committee, while Layne Long, the Vice Chairperson is automatically the Committee Chair per the Bylaws.

The Coverage & Claims Committee will consist of the same Members as last year.

MOTION: Brett Miller

SECOND: Michael McHatten

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X		X	X
Nay										
Abstain										

D1b. Safety Committee

D1b1. 2019-20 Safety Funds Budget

Conor Boughey reported that per the Safety Grant Policy & Procedure, the Authority must annually adopt the amount of funds to be allocated to the Grant Program.

A motion was made to adopt the budgeted funds of \$75,000 for the FY 19-20 Safety Grant Program and to not bring this Item back until necessary.

MOTION: Rene Mendez **SECOND:** Linda Scholink **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D1c. Coverage and Claims Committee – None.

D2. UNFINISHED BUSINESS

D2a. CARMA Insurance Renewal

Conor Boughey presented CARMA’s budget. There is a 16% premium increase from last year’s premium. The primary drivers of this increase are that excess insurance rates were up 30% and CARMA purchased higher insurance limits to \$54,000,000. Previously, CARMA purchased limits to \$29,000,000.

Because MBASIA is a member of CARMA and we did not provide notice to terminate, the renewal will be automatic.

D2b. ERMA Insurance Renewal

Conor Boughey presented ERMA’s budget. There is a 15% premium increase from last year’s premium due to an increase in payroll of 7.8% and the ex-mod has increased to 106%.

Because MBASIA is a member of ERMA and we did not provide notice to terminate, the renewal will be automatic.

D2c. Excess Workers' Compensation Renewal

Conor Boughey reported that Excess Workers' Compensation (EWC) premium has increased about 26% due to an increase in payroll. However, last year's payroll was underreported and the payroll audit resulted in additional premium of \$108,790. When taken into consideration, the year-over-year costs increased from \$581,940 to \$733,307, which is a nominal increase due primarily to payroll increase of 6%, and an ex-mod increase. This will lead to a renewal premium of about \$842,000.

D2d. Property Program Renewal

D2d1. APIP Insurance Renewal

D2d2. APIP Claims Reporting Acknowledgements

Conor Boughey reported that MBASIA has a group purchase property program through which most Members purchase their property insurance. The program will renew on July 1, 2019 and MBASIA's proposal is attached. Conor also walked through the cost of adding the City of Soledad and City of Hollister to the program.

Michael Simmons informed the Board Members that is very important when they update their Schedule of Values for their City's property renewal, especially under the Business Interruption coverage because several different components of revenue should be considered. Usually these take the form of Rents, Bond Payments, and direct revenues like Parking Fees.

For the Members who participate in the Alliant Insurance Property Program (APIP), this year, the sublimit for the Business/Tax Interruption coverage is being reduced from \$5,000,000 to \$3,000,000, and unreported/scheduled exposures will be capped at \$1,000,000.

Alliant created a memo, called the "Special Notice to APIP Members – Time Element Coverage". This was included in the agenda packet and discussed with the Board.

The Program Administrators will send to the individual members who participate in APIP the Claims Reporting Forms for Property, Cyber, Pollution and the APIP Claims Reporting Acknowledgement Receipt form. The APIP Claims Reporting Acknowledgement Receipt form needs to be signed by the member, scanned and emailed back to Alliant.

A motion was made to bind the APIP proposal with adding the City of Soledad with the treatment plant effective July 1, 2019. The City of Hollister is not sure at the time whether they want to bind coverage.

MOTION: Linda Scholink **SECOND:** Rene Mendez **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D2e. MBASIA Board E&O (APPL) Proposal

Conor Boughey reported that the Trustee’s Errors & Omissions Policy renews July 1, 2019. The renewal premium this year is flat. This policy is purchased to cover scenarios, such as litigation between a member agency and the MBASIA Board due to a coverage opinion, termination or other action by the Board disputed by a Member.

A motion was made to bind the E&O proposal as presented.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D2f. MBASIA Crime (ACIP) Proposal

Conor Boughey presented the Crime (ACIP) proposal. The renewal remains flat with the same limits and deductibles.

A motion was made to bind the Crime proposal as presented.

MOTION: Rene Mendez **SECOND:** Linda Scholink **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D2g. MBASIA AD&D Policy

Conor Boughey reported that MBASIA’s AD&D policy through the Volunteer Insurance Program (VIP) renews July 1, 2019. Alliant collected updated volunteer counts at each agency to report accurate exposures to the carrier.

A motion was made to bind the AD&D proposal as presented.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D2h. Workers Compensation Indemnity Claims Payments and Vouchers Update

Conor Boughey reminded the Board that at the April 2019 Board Meeting, the Board took action to annually reimburse covered Indemnity Payments as part of the Workers Compensation Program renewal and amend the current Workers Compensation Settlement Approval Policy and Procedure so the Financial Auditor recognizes this process. The CY 2018 total of \$396,216 will be applied to the FY 19-20 Budget. This allows Members to receive reimbursement, and correct any voucher issues prior to payment to the Member.

Conor reported that the draft amendment to the Workers Compensation Settlement Approval Policy and Procedure which documents this change in practice was approved by the Financial Auditor and included in the agenda packet.

A motion was made to approve the credit of \$396,216 to be applied to the FY 19-20 invoices, the proposed language in the Workers Compensation Settlement Approval Policy and Procedure, and after the July 1, 2019 renewal to analyze the historical impact of the prior years, FY 15/16 and FY 16/17.

MOTION: Linda Scholink **SECOND:** Brett Miller **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D2i. Final 2019-20 Liability Budget

Conor Boughey presented the final 2019-20 Liability Budget. The budget is presented at the April Board Meeting as a draft, and is annually adopted at the June Board Meeting. The Executive & Finance Committee met on June 4, 2019 to review the budget a second time and made a motion to recommend to the Board to approve as proposed.

A motion was made to approve as presented.

MOTION: Rene Mendez **SECOND:** Linda Scholink **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D2j. Final 2019-20 Workers Compensation Budget

Conor Boughey presented the final 2019-20 Workers Compensation Budget. The budget is presented at the April Board Meeting as a draft, and is annually adopted at the June Board Meeting. The Executive & Finance Committee met on June 4, 2019 to review the budget a second time and made a motion to recommend to the Board to approve as proposed.

A motion was made to approve as presented.

MOTION: Rene Mendez

SECOND: Tina Friend

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D3. NEW BUSINESS

D3a. Alliant Deadly Weapon Response Program (ADWRP) Proposal

Conor Boughey presented to the Board the Alliant Deadly Weapon Response Program Proposal. He explained that in order to address the tragic human and financial loss created by active assailant events, Alliant created the Alliant Deadly Weapon Response Program (ADWRP). The intent of the program is to provide quick and effective access to counseling and crisis management services, while also providing insurance coverage for property damage and business interruption.

The Board agreed to not bind coverage.

D3b. Concern EAP Contract Renewal

Conor Boughey reported to the Board that MBASIA’s agreement with CONCERN EAP is up for renewal, and CONCERN has provided a two year renewal agreement with enhanced features such as Luma, which was discussed at the 2018 Long Range Planning.

A motion was made to renew the contract as presented in the agenda packet.

MOTION: Rene Mendez **SECOND:** Linda Scholink **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D3c. 2019-20 Program Year Calendar of Meetings

A motion was made to approve the calendar as presented.

MOTION: Rene Mendez **SECOND:** Tina Friend **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
Aye	X		X	X	X	X	X	X	X	X
Nay										
Abstain										

D3d. Report from Police Risk Management Committee Meeting – April 8, 2019

Conor Boughey reported that at the April 8, 2019 Police Risk Management Committee (PRMC), the Committee gave direction to Alliant to obtain a quote from Cordico, which offers EAP services specifically for public safety officers.

Direction was given to the Program Administrators to clarify the cost of billing, survey other entities who use Cordico and agendize this Item on the Long Range Planning Agenda.

D3e. Cannabis Coverage Opinion

Conor Boughey reported that an MBASIA Member requested more information regarding the application of insurance for potential issues related to cannabis enterprises at Cities. Staff obtained a coverage opinion from MBASIA's Legal Counsel to confirm how MBASIA's coverage would apply to potential actions. The coverage opinion was included in agenda packet. Staff advised the Members to let Alliant know if they have any further questions.

E. PROGRAM ADMINISTRATOR'S REPORT

E1. Long Range Planning Location and Agenda Discussion

Conor Boughey reported that the next regularly scheduled in person meeting will be the Long Range Planning on November 14 and 15, 2019 at the Monterey Plaza Hotel & Spa. Also, Conor asked the Board if there was anything they would like to add to the Long Range Planning (LRP) list of topics to discuss that is included in the agenda packet.

No reportable action took place.

E2. MBASIA Exposures and Coverages Review: Property Program – Business & Tax Interruption

Conor Boughey reminded the Board that at the June 2018 Board Meeting, Alliant proposed a new item be added to each Board meeting that quickly reviews the different coverages provided to each Member Agency.

Conor reiterated the business and tax interruption coverage details that was discussed in Item No. D.2.d.1 – Property Program Renewal.

F. LOSS REPORT

F1a. Workers' Compensation Administrator's Report

F1b. Liability Third Party Administrator's Report

A motion was made to enter into Closed Session at 10:16 AM.

MOTION: Rene Mendez **SECOND:** Linda Scholink **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	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 10:41 AM.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Paul Wood	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Tina Friend	Michael McHatten
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 Claims Administrators.

G. CORRESPONDENCE / INFORMATION

G1. Next Board Meeting & ERMA Training Schedule

The next meeting will be the Long Range Planning held on November 14, 2019 and the Board meeting will be held the following day, November 15, 2019 at the Monterey Plaza Hotel & Spa in Monterey, CA.

G2. 2019 CAJPA Conference Schedule at a Glance – No discussion on this item.

H. GENERAL RISK MANAGEMENT ISSUES

There were no General Risk Management Issues.

ADJOURNMENT

Jamie Goldstein adjourned the meeting at 12:00 PM.