

**MBASIA
Strategic Planning;
Board of Directors Meeting**

Friday, November 4, 2022 at 9:00 AM

**LOCATION:
Casa Munras
700 Munras Ave
Monterey, CA 93940
Room: Marbella**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
John Guertin, City of Del Rey Oaks
Paul Wood, City of Greenfield
Carmen Gil, City of Gonzales
Brett Miller, City of Hollister
Steve Adams, City of King City
Layne Long, City of Marina (*left at 12:25 PM*)
Vibeke Norgaard, City of Sand City
Mali LaGoe, City of Scotts Valley
Brent Slama, City of Soledad

MEMBERS ABSENT

None

GUESTS & CONSULTANTS

Nina Aguayo, City of Greenfield Alternate
Michelle Scharton, City of Hollister Alternate
Veronica Contreras, City of King City Alternate
Francine Uy, City of Soledad Alternate
John Chaquica, George Hills Company
Rose Melchor, George Hills Company
Jennifer White, AIMS (*left at 11:50 AM*)
Charles Raibley, Crowe LLP (*left at 11:34 AM*)
Joseph Ortega, Precision Concrete Cutting (*left at 11:50 AM*)
Conor Boughey, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services

A. CALL TO ORDER

Jamie Goldstein called the meeting to order at 9:00 AM.

B. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no oral communications and public comments.

C. CONSENT CALENDAR

C1. Approval of Minutes – June 13, 2022 Board of Directors Meeting

C2. Approval of Minutes – July 26, 2022 Special Board of Directors Meeting

C3. Approval of Minutes – October 3, 2022 Special Board of Directors Meeting

C4. Service Calendar & Status of Deliverables

C5. Bills and Correspondence

C6. Evidence of Coverage and Disclosure:

C6i. Alliant Property Insurance Program (APIP)

C6ii. Alliant Crime Insurance Program (ACIP)

C6iii. Alliant Public Pool Liability (APPL)

C6iv. Excess Cyber

A motion was made to approve the consent calendar.

MOTION: Brett Miller

SECOND: Paul Wood

MOTION CARRIED

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X		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 DIRECTOR'S REPORTS

E1. COMMITTEE REPORTS

E1a. Executive and Finance Committee – None

E1b. Safety Committee

E1b1. Safety Grant Funds

Conor Boughey reminded the Board that in June 2022, MBASIA adopted an annual budget for the Safety Grant Program used by Members for allocating available Safety Funds. The Board approved a \$75,000 allocation to the grant program so each Member can withdraw up to \$7,500 for city programs or projects.

E1b2. Status Update from Precision Concrete Cutting

Joseph Ortega presented a PowerPoint to the Board about what Precision Concrete Cutting (PCC) has done so far with their Cities as respects sidewalk repairs.

Members asked questions, which were addressed by Joseph.

The Board discussed the prior day at its Strategic Planning held on November 3, 2022 that it is satisfied with PCC, wants to continue the service for another year, and there is no need to increase the current \$100,000 budget. The Executive Committee will review the budget at its Spring Budget Meetings, if needed.

Another idea is, those Members that have completed the PCC sidewalk project is to see if those funds can be used for a sidewalk maintenance program.

E1c. Coverage and Claims Committee

E1c1. Proposed Changes: Settlement Authority Policy and Procedure and Defense Counsel Panel

E1c1i. Liability

E1c1ii. Workers' Compensation

Conor Boughey reported that included in the agenda packet are proposed changes to the Liability and Workers' Compensation Settlement Authority Policies and Procedures (P&P) and Defense Counsel Panels.

John Chaquica suggested to have Defense Panel Assignment packets. The Claims Committee will discuss this.

1st Motion:

A motion was made to approve the proposed changes, subject to amending the proposed language to “The Claims Administrator shall present reserves to the Claims Committee for Committee Approval of any initial reserve or increased reserves greater than \$125,000” and adding language about if there is a conflict when the claim belongs to the Claims Committee Chairperson which is the Chair per the Bylaws, approval is needed from the Past Chair.

Also, to approve adding Ashley Colivas from Ford, Walker, Haggerty & Behar, LLP to the Liability Defense Panel, and removing Heather Mills at Skane-Mills. Direction was given to George Hills to not provide Heather new claims. The P&P and defense panel will be placed on the next Board Meeting’s Consent Calendar.

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

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

2nd Motion:

A motion was made to have the same language from the Liability Settlement Authority P&P to the Workers’ Compensation one as described in the 1st motion.

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

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

3rd Motion:

A motion was made to approve Chris Matthes replacing Christine Putnam from Michael Sullivan & Associates LLP on the Workers’ Compensation Defense Panel.

MOTION: Mali LaGoe

SECOND: Vibeke Norgaard **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E2. UNFINISHED BUSINESS

E2a. Liability Claims Administrator Proposed Contract

Conor Boughey reported that at the June 2022 Board Meeting, the Program Administrators were directed to work with George Hills to provide a proposed new agreement by today’s meeting because the contract expires December 31, 2022 with no options to extend. The Board requested that the contract line up with the 7/1 fiscal year, which will initially be 18 months, with an option to extend for two additional one-year periods. The Board requested that Lena Bowen to be removed from the account and for George Hills to replace with a Senior Claims Adjuster.

John Chaquica from George Hills announced that Neil Callihan, the in-house attorney will start providing oversight.

A motion was made to approve the contract, subject to the changes to the term section in the version that is included in the agenda packet to the first year being 18 months with two additional one-year periods to extend.

MOTION: Layne Long

SECOND: Brett Miller

MOTION CARRIED

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E2b. Chandler Investment Update of Transfers

Conor Boughey reminded the Board that it recently opened a long-term investment account to increase investment returns compared to LAIF. At the October 4, 2022 Special Board Meeting,

the Board decided to transfer only \$2,000,000 and then revisit transferring another \$2,000,000 at today's meeting.

The Board decided not to transfer additional funds at this time.

E2c. Next Year's Strategic Planning Frequency & Location

Conor Boughey explained that MBASIA holds an annual Strategic Planning on Thursday in conjunction with the Fall Board Meeting the following day. Conor asked the Board if it wants to continue on hosting a Strategic Planning every year or every other year and if the Board prefers to have a Summit the first day, and then have the Board Meeting on Friday.

The Board agreed to meet annually and rotate between the Strategic Planning and a Summit each year. For next year, a Summit will be on the Thursday where Members can invite their City Staff, and the Board Meeting will be held on Friday. If City Staff need to stay the night, the Board agreed that the Member City should pay. Then the following year, will be the Strategic Planning.

The Program Administrators will check with any Members who want to host and has a large meeting space for fifty people.

Also, direction was given to the Executive Committee to work with the Program Administrators on the Summit. Members asked to engage ERMA more due to employment practices claims on the rise.

E3. NEW BUSINESS

E3a. Review of Items Discussed at Strategic Planning

E3ai. Liability Funding and Structure

At the November 3, 2022 Strategic Planning held the previous day, Conor Boughey reminded the Board that the it took action to bill the FY 21/22 second installment invoices at the 75% confidence level, which was sent to the Members on January 1, 2022, then for FY 22/23, move to an 80% confidence level and \$25,000 deductible.

Also, for FY 23-24, the claims expense will be presented as a separate exhibit to mirror the Workers' Compensation Budget. Currently, the liability claims expense is part of the liability admin budget.

During the prior day, the Board discussed three options, 1) implement the \$500K cap immediately, 2) starting with 7/1/23 implement the \$500K cap, and 3) \$500K cap only 3 years back which means 7/1/19, 7/1/20, and 7/1/21.

A motion was made to move forward with Option 3 and direct the Executive Committee to review at its Spring Budget Meetings.

MOTION: Paul Wood

SECOND: Brett Miller

MOTION CARRIED

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3a. Excess Coverage Providers CARMA, ERMA, PRISM

Conor Boughey reported that as the cost of excess liability coverage has risen considerably over the last several years, the Board has asked the Program Administrators to get a quote from PRISM for the GL2 Program.

At the November 3, 2022 Strategic Planning held the previous day, the Board decided no action was needed for CARMA, ERMA, and PRISM.

E3a.iii. Workers’ Compensation Funding and Structure

At the November 3, 2022 Strategic Planning held the previous day, Conor Boughey reminded the Board that the Workers’ Compensation Budget was amended in 2022 to update the Level II assessment by increasing the number of claim years to 5 years starting with the 7/1/22 budget, 6 years starting with the 7/1/23 budget, 7 years with the 7/1/24 budget, and then reconsider further at that point.

The Board received a handout of 3 options, A) Without the Indemnity Funding, B) Without Indemnity Funding and including Indemnity Credit, and C) Without Funding AND Including Indemnity Credit at the 80% Confidence Level.

A motion was made to move forward with Option A for the 7/1/23 budget and direct the Executive Committee to review at its Spring Budget Meetings.

MOTION: Layne Long

SECOND: Mali LaGoe

MOTION CARRIED

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3aiv. Service Provider Contracts

At the November 3, 2022 Strategic Planning held the previous day, the Board reviewed a list of all its Service Provider Contracts and discussed the ones that are up for renewal.

The Program Administration and Brokerage contract with Alliant expires July 1, 2023. The Workers’ Compensation Claims Administration contract with AIMS expires June 30, 2023.

The Board delegated authority to the Executive Committee to review a 5 year contract with AIMS, and a 5 year contract with Alliant. Also, the Board agreed to continue with Bay Actuarial as MBASIA’s actuary.

E3av. Other Topics Discussed from Strategic Planning

During the Strategic Planning the Board requested the following at a future Board Meeting or a separate webinar:

1. PRISM Employee Benefits
2. Deeper dive into Employment Practices Liability claims
3. George Hills University 101 for City Staff
4. Lynn Calvacanti from AIMS to discuss ADR Program
5. Concern EAP – law enforcement option at renewal
6. Continue with Precision Concrete Cutting and Safety Grant Program for its Loss Control Services

E3b. MBASIA’s Financial Audit

Charles Raibley from Crowe LLP, MBASIA’s Financial Auditor presented the FY 21/22 Financial Audit to the Board. Charles announced that MBASIA is at a positive net position.

A motion was made to receive the financial audit.

MOTION: Brett Miller

SECOND: Paul Wood

MOTION CARRIED

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E3c. COVID Business Interruption Claim

Conor Boughey explained that the APIP property policy contained a sublimit for Communicable Disease. Of the MBASIA members, only City of Capitola successfully filed a property claim, documenting the lost revenue as a result of local health orders. The reimbursement to the City of Capitola has no financial effect to MBASIA, the property program has no shared risk layer, and the APIP payment is a reimbursement to the Member for its lost revenue. Due to the structure of this coverage, only \$54,878 will be reimbursed at this time. Another payment nearly equal to the first payment is expected, but is currently withheld until the final claim resolution.

No reportable action was taken.

E3d. Excess Workers' Compensation Renewal

Conor Boughey reported that MBASIA's Excess Workers' Compensation Program renews July 1, 2023 with PRISM. Attached in the agenda packet was the premium indication as of October 2022.

E3e. Active Bystandership for Law Enforcement (ABLE) Program

Conor Boughey reported that CARMA is MBASIA's Excess Liability coverage pool. A key area of risk is law enforcement liability, and CARMA is rolling out a new program to help reduce the likelihood of large losses. All members will need to participate in the program.

The City Managers will ask their Police Chiefs if they prefer to have someone such as Rick Wall instead of having another Members' police officers train the other Members' Police Departments.

This idea will be agendized for the next Police Risk Working Group Meeting.

E4. LOSS REPORT

E4a. Workers' Compensation Administrator's Report

None

E4b. Liability Third Party Administrator’s Report

A motion was made to enter into Closed Session at 11:50 AM.

MOTION: Brett Miller **SECOND:** Paul Wood **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

A motion was made to come out of Closed Session at 12:40 PM.

MOTION: Brett Miller **SECOND:** Carmen Gil **MOTION CARRIED**

	Jamie Goldstein	John Guertin	Carmen Gil	Paul Wood	Brett Miller	Steve Adams	Layne Long	Vibeke Norgaard	Mali LaGoe	Brent Slama
Aye	X	X	X	X	X	X		X	X	X
Nay										
Abstain										

Lorissa Huey reported out of Closed Session that direction was given to the Liability Claims Administrator and no final reportable action was taken.

F. PROGRAM ADMINISTRATOR’S REPORT

F1. MBASIA Exposures and Coverages Review: Out of State Employees

Conor Boughey reported that if employers have employees in other states such as Idaho or Utah, those employers do not recognize California Workers’ Compensation (WC) Code, so the employer needs to buy WC insurance in that state. If the employee lives in Nevada and drives over to California, that is fine because that employee is doing their work in California.

G. CORRESPONDENCE / INFORMATION

G1. Next Two Board Meetings & ERMA Training Schedule

The next two Board Meetings will be held on January 30, 2023 virtually via Zoom and April 3, 2023 virtually via Zoom. The Board Meetings will start at 9:30 AM, unless otherwise stated.

Conor commented that the agenda item includes a web link of all the resources/training that ERMA provides for its Members.

G2. PARMA Conference Information – There was no discussion on this item.

G3. MBASIA Service Team Contact List & Claims Reporting – There was no discussion on this item.

ADJOURNMENT

Jamie Goldstein adjourned the meeting at 12:42 PM.