

**MINUTES OF THE
MBASIA BOARD OF DIRECTORS MEETING
MONDAY, APRIL 24, 2017 at 9:30 AM**

**MERMA Offices
76 Stephanie Drive
Salinas, CA 93901**

MEMBERS PRESENT

Jamie Goldstein, City of Capitola
Dino Pick, City of Del Rey Oaks
Rene Mendez, City of Gonzales
Brett Miller, City of Hollister
Steve Adams, City of King City
Layne Long, City of Marina
Linda Scholink, City of Sand City
Michael McHatten, City of Soledad
Nina Aguayo, Greenfield Alternate

MEMBERS ABSENT

Jenny Haruyama, City of Scotts Valley

GUESTS & CONSULTANTS

Michael Simmons, Alliant
Conor Boughey, Alliant
Lorissa Huey, Alliant
Ken Maiolini, RMS (teleconference)
Janine Bowman, AIMS
Karla Artist-Vilhauer, AIMS
Francine Uy, Soledad Alternate

A. CALL TO ORDER

Jamie Goldstein called the meeting to order at 9:30 AM.

B. CONSENT CALENDAR

B1. Approval of Minutes – February 6, 2017 Board of Directors Meeting

B2. Approval of Minutes – March 7, 2017 Special Board of Directors Meeting

B3. Service Calendar & Status of Deliverables

B4. Bills and Correspondence

B4a. Ratification of Disbursements

B5. Current LIBOR Rate – 1 Month: 0.98222% (at 3/30/17)

A motion to approve the consent calendar.

MOTION: Brett Miller

SECOND: Dino Pick

MOTION CARRIED

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

C. ORAL COMMUNICATIONS & PUBLIC COMMENTS

No Oral Communications & Public Comments were made.

D. BOARD OF DIRECTORS

D1. Unfinished Business

D1a. Ad Hoc MOC Committee Status Update

Conor Boughey reminded the Board that the MBASIA Memorandum of Coverage (MOC) was last revised July 1, 2012. Since that time developments in coverage have occurred regarding Unmanned Aerial Vehicles (UAV), Cyber Liability and other coverage concerns. At the February Board Meeting the Board took action to create an Ad Hoc Committee to discuss Employment Practices Liability back and forward wages, Cyber Liability, Unmanned Aerial Vehicles, and other exclusions in the MOC.

The Ad Hoc Committee will meet again and will bring back the MOC changes to the June Board Meeting for adoption effective July 1, 2017.

No reportable action took place.

D1b. CSAC EIA Excess Workers’ Compensation Preliminary Renewal

Conor noted that the Round 3 CSAC EIA renewal estimate is included in the Agenda Packet, and that no action is necessary. MBASIA is a member of CSAC EIA’s Excess Workers’ Compensation program with a \$250,000 Self Insured Retention. The Board has reviewed this attachment point annually and it continues to provide favorable coverage terms.

No reportable action took place.

D2. Committee Report

D2a. Executive and Finance Committee

D2a1. Draft Liability Budget

Conor Boughey presented the FY2017/18 proposed Liability Budget. The Executive & Finance Committee (Budget Committee) recommends to the Board to fund at a 70% confidence level. In the proposed Budget, all line items were compared to the current YTD expenditures, contracted services compensation terms were updated, and the Excess Programs, CARMA and ERMA premiums were preliminary draft budget figures.

The Budget is presented at the April Board Meeting as a draft, and is annually adopted at the June Board Meeting.

No reportable action took place.

D2a2. Draft Workers' Compensation Budget

Conor Boughey presented the FY2017/18 proposed Workers' Compensation Budget. The Executive & Finance Committee (Budget Committee) recommends to the Board to fund at a 65% confidence level. In the proposed Budget, all line items were compared to the current YTD expenditures, contracted services compensation terms were updated, and Insurance Costs and TPA costs were reviewed and incorporated.

The Budget is presented at the April Board Meeting as a draft, and is annually adopted at the June Board Meeting.

No reportable action took place.

D2a3. King City’s Liability Retention

Conor Boughey reported that the City Manager of the City of King wrote a letter to the Executive & Finance Committee requesting to reduce their SIR to \$10,000 from \$250,000 for Police Liability and \$25,000 for all other liability claims to be consistent with all the other members. The Executive & Finance Committee recommends to the Board to reduce King City’s liability retention back to \$10,000.

A motion was made to reduce King City’s retention to \$10,000 effective 7/1/17.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D2b. Safety Committee

D2b1. Grant Funds – Request Status and Budget to Date

Conor Boughey reminded the Members that on May 1st of a 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.

Conor also discussed with the Board that the Program Administrators would like a better way of tracking all the Safety Grant Requests and receipts. Members discussed the proposed Grant Safety Request Form and questions were asked and answered.

A motion to adopt the new Safety Grant Request Form and Members to submit all receipts no later than 60 days after the Fiscal Year closes.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D2c. Coverage and Claims Committee

None.

D3. New Business

D3a1. Excess Pool Renewal Indications – California Affiliated Risk Management Authorities (CARMA)

Conor Boughey noted MBASIA has been a member of CARMA since 2003. CARMA provides excess liability coverage for the Authority, attaching at \$1,000,000 and providing excess pooled and insurance limits. Included in the Agenda Packet was the draft CARMA budget, members discussed and questions were answered.

No reportable action took place.

D3a2. Excess Pool Renewal Indications – Employment Risk Management Authority (ERMA)

Conor Boughey noted that MBASIA has been a member of ERMA since 2011. ERMA provides excess employment practices liability coverage for the Authority, attaching at \$500,000 and providing excess pooled and insurance limits. Included in the Agenda Packet was the draft CARMA budget, members discussed and questions were answered.

No reportable action took place.

D3b. Liability Actuarial Report

Conor Boughey reported that Jack Joyce, MBASIA’s Actuary, has completed the FY 2016/17 Liability Actuarial Report. Conor further reported that the study includes rate increases due to the increased claims activity.

Members asked questions which were addressed.

A motion was made to approve the Liability Actuarial Report.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D3c. Workers’ Compensation Actuarial Report

Conor Boughey reported that Jack Joyce, MBASIA’s Actuary, has completed the FY 2016/17 Workers’ Compensation Actuarial Report. Conor further reported that the results of the actuarial report were favorable, with rate decreases, which is a great result.

Members asked questions which were addressed.

A motion was made to approve the WC Actuarial Report.

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

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

D3d. APIP Property Renewal

Conor Boughey discussed that MBASIA has a group purchase property program through which most Members purchase their property insurance. The program will renew on July 1, 2017. The overall renewal rate increases of 0 – 10% are expected, and no substantial coverage changes are expected. At the June Board Meeting, the Program Administrators will present a final proposal for property coverage.

No reportable action took place.

D3e. Member Crime Insurance

Conor Boughey noted that crime insurance is an important and relatively cheap line of coverage that protects the policyholder from their employee theft which could take many different forms.

No reportable action took place.

D4. LOSS REPORT - CLOSED SESSION – Pursuant to Gov’t Code 54956.95

D4a. Workers’ Compensation Administrator’s Report

D4b. Liability Third Party Administrator’s Report

Motion to enter Closed Session pursuant to Government Code 54956.95

MOTION: Dino Pick **SECOND:** Rene Mendez **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

The Board entered Closed Session at 10:52 AM.

A motion was made to come out of closed session at 11:45 AM.

MOTION: Dino Pick **SECOND:** Rene Mendez **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

Conor Boughey reported that the Board took action to give the Workers Compensation Claim Administrator authority to settlement on 1 claim and gave the Liability Claim Administrator direction on 1 claim.

E. PROGRAM ADMINISTRATORS REPORT

E1. Conflict of Interest Code – Approved by the FPPC

Conor Boughey reported that the Fair Political Practices Commission (FPPC) approved MBASIA’s Conflict of Interest Code. In the approved code, there were some changes made by the FPPC to their preferred wording. For example, the Treasurer position was merged with Board Member and the disclosure categories were merged together for ease of reference for filers.

A motion was made to accept the Conflict of Interest Code.

MOTION: Dino Pick **SECOND:** Rene Mendez **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

E2. MBASIA’s Travel Expense Reimbursement Form

Conor reported that MBASIA’s Bookkeeper has enhanced the Travel Expense Reimbursement Form to differentiate between meeting expenses and training expenses when members submit their reimbursement requests.

Members discussed the form and shared their ideas.

A motion was made to approve the new Travel Expense Reimbursement Form, and amend MBASIA’s Travel Policy to state that if MBASIA’s Travel Policy conflicts with the City’s Travel Policy, the City’s policy governs.

MOTION: Layne Long **SECOND:** Brett Miller **MOTION CARRIED**

	Jamie Goldstein	Dino Pick	Rene Mendez	Brett Miller	Steve Adams	Layne Long	Linda Scholink	Jenny Haruyama	Michael McHatten	Nina Aguayo
Aye	X	X	X	X	X	X	X	X	X	X
Nay										
Abstain										

F. CORRESPONDENCE / INFORMATION

F1. Next Board Meeting & ERMA Training Schedule

The next meeting will be in Sand City on June 19, 2017.

G. GENERAL RISK MANAGEMENT ISSUES

There was no discussion on this item.

ADJOURNMENT

Jamie Goldstein adjourned the meeting at 11:52 AM.