

**Agenda Item B.1
Board of Directors
June 28, 2011**

**MINUTES OF THE
MBASIA EXECUTIVE COMMITTEE TELECONFERENCE
TUESDAY, JUNE 28, 2011
PRIMARY TELECONFERENCE LOCATION:
SAN FRANCISCO, CA**

MEMBERS PRESENT

Daniel Dawson, City of Del Rey Oaks
Robert Galvan, City of Hollister
Rene Mendez, City of Gonzales
Steve Ando, City of Scotts Valley

MEMBERS ABSENT

None

GUESTS AND CONSULTANTS

Conor Boughey, Alliant Insurance Services
Monica Sandbergen-Izo, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services

A. CALL TO ORDER

Rene Mendez called the meeting to order at 11:07 a.m.

B. CONSENT CALENDAR

B1. Approval of Minutes – August 30, 2010 Executive and Finance Committee

A motion was made to approve the minutes.

MOTION: Robert Galvan SECOND: Daniel Dawson MOTION CARRIED

C. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no public comments.

D. EXECUTIVE AND FINANCE COMMITTEE

D1. Liability Program Renewal

Conor Boughey reported that at the last Board meeting, the final pricing for the Liability Program had not been received yet from CARMA .

Mr. Boughey advised that the final pricing has been presented in the agenda packet at \$244,058 and that this is a reduction of \$16,403. The premium is down 6.3% over last year's pricing.

A motion was made to approve the Liability Program Renewal with CARMA for 2011-2012.

MOTION: Daniel Dawson **SECOND:** Steve Ando **MOTION CARRIED**

D2. Workers Compensation Program Renewal

Conor Boughey reported that CSAC has provided the renewal quote as attached on pages 4 and 5 of the agenda packet at a \$250,000 SIR. Conor advised that last year CSAC-EIA presented the premium at \$324,546; this year the premium is at \$377,649, which is a \$53,000 increase. Mr. Boughey advised that this increase is due to the loss runs and the increase in paid claims and reserves which drove an increase in the renewal premium. Conor stated that the increase in premium has been driven by MBASIA's claims. There was previous concern over whether CSAC would want to quote at the \$250,000 layer. Conor Boughey reported that they are comfortable with this layer, but that the premium has increased by \$50,000. Conor further advised that if MBASIA continues to see increases over the next years, an evaluation will need to be done on the \$250,000 SIR and whether or not MBASIA would like to continue at this layer.

Rene Mendez commented that despite all of MBASIA's attention and discussion on its claims, MBASIA can't seem to reduce its claims. Daniel Dawson suggested bringing up this issue with the Board. Conor Boughey stated that addressing the claims is what's going to drive down the premium down more than anything and that hopefully the Safety Inspection Assessments coming up will help.

Daniel Dawson wanted to know if all the fees are standard or normal. Mr. Dawson referred to the CSAC EIA Admin Fee and Alliant's Broker Fee. Mike Simmons stated that the fees total about 12.5%, which is standard with respects to broker commission.

A motion was made to approve the Workers Compensation Program Renewal through CSAC-EIA for 2011-2012.

MOTION: Daniel Dawson **SECOND:** Robert Galvan **MOTION CARRIED**

D3. Employment Practices Program

Conor Boughey advised that his is a new coverage for the Authority. Conor further stated that at the last Board meeting final pricing was not available because ERMA did not know what layers they were going to purchase. Mr. Boughey reported that the premium was included in

MBASIA's liability budget presented at the last Board meeting. \$70,000 goes towards the deposit and \$14,000 goes to the \$1M XS \$1M layer. Mike Simmons confirmed that ERMA decided to not purchase limits excess of \$1M limit.

Mike stated that it would be important for someone to be appointed as a representative to ERMA – they only have 2 Board meetings per year. Conor Boughey advised that someone from the Executive Committee will need to sign Participation Forms. After some discussion, it was decided that Rene Mendez will sign the forms and Daniel Dawson will attest to it. Rene Mendez volunteered to be the representative and Daniel Dawson volunteered to be Rene's alternate.

A motion was made to approve the Employment Practices Program through ERMA for 2011-2012.

MOTION: Robert Galvan **SECOND:** Steve Ando **MOTION CARRIED**

D4. Errors and Omissions Coverage

Conor Boughey advised that at the last Board meeting, this coverage was presented and that Alliant was trying to get one more last quote. This was sent to other carriers and they each denied writing the coverage due to the Board being in debt. Conor advised that the current option presented is the only option available. The premium was included in the liability budget, but was not split over both the Liability and Workers Compensation programs. It was suggested to split the EPL premium over both the Liability and WC Budgets.

A motion was made to approve the proposal of the Errors and Omissions renewal terms.

MOTION: Daniel Dawson **SECOND:** Robert Galvan **MOTION CARRIED**

E. CORRESPONDENCE/INFORMATION

None

F. GENERAL RISK MANAGEMENT ISSUES

None

ADJOURNMENT

A motion was made to adjourn the meeting at 11:24 a.m.

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