

**Agenda Item B.1
Board of Directors
December 7, 2010**

**MINUTES OF THE
MBASIA EXECUTIVE AND FINANCE COMMITTEE
TELECONFERENCE**

Thursday, October 14, 2010 9:00 AM

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

Chair Rene Mendez called the meeting to order at 9:03 a.m.

B. CONSENT CALENDAR

B1. Approval of Minutes from the Committee Meeting on August 30, 2010.

A motion was made to approve the minutes.

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

C. ORAL COMMUNICATIONS & PUBLIC COMMENTS

There were no public comments.

D. EXECUTIVE AND FINANCE COMMITTEE

D1. Long Range Planning Meeting and Board Meeting Agenda

Conor Boughey advised the Executive and Finance Committee that Alliant has started reviewing last year's Long Range Planning Meeting and looking back to the minutes to see what topics the members would like to discuss at the upcoming meeting. He also advised that coverage for volunteers and the Workers' Compensation budget process and allocation formula are the two biggest topic items added to this year's meeting. Conor also advised that Jack Joyce will be presenting at the meeting on actuarial trends and on the actuarial report.

A motion was made to approve the proposed agenda as presented.

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

D2. Accounting Agreement between City of Scotts Valley and MBASIA

Conor Boughey updated the committee and advised that Alliant is trying to accomplish having an accounting agreement in place between the Authority and Scotts Valley and wants to make sure the Authority is in compliance. Steve Ando advised that a compensation section should be added to the agreement and that he will send out the current compensation agreement and have it added to the accounting agreement for the accounting coordinator. The next step is to have it adopted by the Board.

A motion was made to propose the Board of Directors adopt the Accounting Agreement as proposed with an updated compensation which will include the rates which were already agreed to.

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

D3. AGRIP Membership and Membership Fee

Conor Boughey advised that he has been in correspondence with AGRIP, which is an organization that provides documents to pools and JPA's. MBASIA's annual membership fee is \$1,475. Conor advised that that the renewal date was on December 31, 2009, however, Alliant just recently received the renewal invoice. Michael Simmons advised that the best solution would be to pay the invoice because we did not give notice and then advise to not renew membership.

A motion was made to pay the invoice and then to non-renew MBASIA's membership with AGRIP in December, 2010.

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

D4. MBASIA's Actuarial Report

Conor Boughey informed the committee that the 2010 actuarial reports have been completed by Jack Joyce of Bay Actuarial Consultants. He advised the members that the central discounted estimated on the Liability was \$1,369,000 as of June 30, 2010 and that this is a 37% reduction from last year due to the fact that Jack Joyce was not aware of the \$10,000 deductible for each member. Conor advised that that the actuary stated that he has never seen an Authority with as good as a loss history as MBASIA and they are due for a large loss. Rene Mendez mentioned that MBASIA has a policy on being aggressive with liability losses and that this could be why there are no large losses on the liability loss run.

Conor also reported that the funding for Workers' Compensation is up due to the current interest rates and the discount rate being used in the report. He also advised that MBASIA is paying out claims faster and the Authority can't hold on to the money as long as before to earn interest. Daniel Dawson advised that he would like more information from Jack Joyce on the payout factor and how it affects the discounted rate.

No action was taken.

D5. MBASIA's Financial Audit

Steve Ando advised that the numbers from the actuarial audit will be added to the financials to get them ready for the audit. Robert Galvan inquired on when a RFP should be done for a new auditor. Mr. Ando stated that March, 2011 might be a good time to start the RFP process as this is when the audit will be completed. Conor Boughey advised that it is standard process to change auditors every few years so that the Authority gets a fresh evaluation.

No action necessary.

E. CORRESPONDENCE/INFORMATION

None

F. GENERAL RISK MANAGEMENT ISSUES

None

ADJOURNMENT

A motion was made to adjourn the meeting at 10:02 AM.

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