



CITY OF DEL REY OAKS

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Office of the City Manager – Daniel J. Dawson

May 23, 2012

Conor Boughey, ARM
Michael Simmons, LEG
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

Gentlemen;

I would like to exercise my appeal rights as a member of MBASIA in regards to the Policy language of the MOC Section VII – Conditions. I believe that the lack of clear policy in regards to timing of claims, or potential claims, needs clarification by the Board. The current situation does not give the Claims Review Committee the ability to clearly make decisions based on timing of claims submission.

I came to the City of Del Rey Oaks as the City Manager in August of 2009 under less than ideal circumstances. The Mayor of 35 years had a “Vote of no confidence” signed by 100% of the employees as well as harassment claims against him. Additionally there were a few employees who were contributing to the hostile work environment, one of which was the Police Sergeant of 22 years, Mr. Villareal. I was quite literally managing in a state of chaos and triage and quite frankly holding the lid on a very volatile situation. After convincing the Mayor to resign I was verbally assaulted by the Sergeant and immediately placed him on leave pending disciplinary action. The Sergeant threatened lawsuits and claims against the City and me personally, claiming he was being discriminated against based on his Hispanic heritage, his overweight condition, and a litany of issues. He had 22 years service at that time and was 18 months from retirement eligibility.

I made the decision to negotiate with his attorney rather than face costly and lengthy litigation which resulted in the settlement that eventually totaled \$177,000 with final payment in October 2011. I had no idea what MBASIA was, and certainly was completely unaware that as a member we were entitled to Employment Practices coverage. As I became involved in the MBASIA Board I realized that I had a valid claim that potentially saved MBASIA substantial litigation and settlement expenses and discussed the matter with Mr. Maolini who encouraged me to submit the claim.

The language in Section VII – Conditions of the Memorandum of Coverage (MOC) states that a covered party’s duty is to notify the Authority “in the event of occurrence, claim or suit reasonably likely to involve the Authority”. The language is vague at best and begs several questions; What does “reasonably likely” mean? What is an “occurrence”? If I was unaware that the Authority existed how could I have been aware that an “occurrence” that would “reasonably be likely” to involve the Authority had, in fact occurred?

I look forward to a healthy policy discussion regarding this appeal at a full Board meeting and thank you for agendizing this item.

Daniel Dawson