**MINUTES OF THE**

**MBASIA LONG RANGE PLANNING MEETING &**

**BOARD OF DIRECTORS MEETING**

**Thursday, November 1, 2012 at 9:30 A.M.**

**Friday, November 2, 2012 at 9:00 A.M.**

**Monterey, CA**

**MEMBERS PRESENT**

Lisa Murphy, City of Capitola

Jaime Goldstein, City of Capitola

Daniel Dawson, City of Del Rey Oaks

Rene Mendez, City of Gonzales

Brent Slama, City of Greenfield

Susan Stanton, City of Greenfield

Robert Galvan, City of Hollister

Michael Grzan, City of Hollister

Doug Yount, City of Marina

Steve Matarazzo, City of Sand City

Steve Ando, City of Scotts Valley

Adela Gonzales, City of Soledad

**MEMBERS ABSENT**

Michael Powers, City of King City

**GUESTS AND CONSULTANTS**

Conor Boughey, Alliant Insurance Services

Monica Sandbergen-Izo, Alliant Insurance Services

Michael Simmons, Alliant Insurance Services

Travis Clemmer, CSAC EIA

Tabatha Bettencourt, JT2 Integrated Services

Theresa Fernandez, JT2 Integrated Services

Melissa Gillihan, JT2 Integrated Services

**A. CALL TO ORDER**

President Rene Mendez called meeting to order at 9:40 a.m.

**B. ORAL COMMUNICATIONS & PUBLIC COMMENTS**

**C. LONG RANGE PLANNING**

**C1. INTRODUCTIONS/EXPECTATIONS**

Members gave a brief introduction to themselves and their roles at their respective city and their expectations of the meeting.

**C2. Reports**

**C2A. Financial Update – Five Year Financial Trends**

Steve Ando provided a brief report on the financials as of June 30, 2012. He advised that the net assets for Workers Compensation dropped by $150,000, but that the numbers for this program are going in the right direction. Cash stayed relatively the same as last year. Mr. Ando reported that Claims Payable increased by $300,000 from last year and that cash remained the same as last year.

Mr. Ando stated that with respects to MBASIA’s Liability Program, the numbers for this program are starting to go the wrong way. Net assets dropped by approximately $1,000,000 due to an increase in Claims Payable by $800,000. Cash only dropped by $150,000 or so.

**C2B. Workers Compensation – Large Claim Trends**

Theresa Fernandez from JT2 Integrated Services provided the Board with an analysis of MBASIA’s Workers’ Compensation claims. Ms. Fernandez reported on program accomplishments for FY 11-12. She advised that 4850 payments have decreased a total of $325,000 this year. She also stated that they closed 57% of the new claims submitted during this period and decreased medical review costs by approximately $1,000,000 through JT2’s bill review process. It was further reported that the total amount paid on new claims compared to June, 2011 was reduced by 62%, or $740,552 and that total paid benefits decreased by $583,000. Ms. Fernandez also stated that they recovered $96,338 from excess insurance carriers. Ms. Fernandez stated that there was a reduction in the number of claims reported by 5. Indemnity claims were reduced from 86 claims to 62 claims. Police claims increased slightly, but fire and maintenance claims have decreased.

Ms. Fernandez stated that claims need to be reported within 5 days upon member’s receipt of knowledge of claims. MBASIA is averaging just over 5 days.

It was further reported that there was a slight increase in the number of open claims. Theresa advised that this may be due to transition in claims adjusters between Stephanie Snyder and Melissa Gillihan.

Theresa also stated that MBASIA’s future Liability numbers have been increasing since 2009. However, the increase between 2011 and 2012 was less than the increase between 2010 and 2011. Theresa stated it appears that the program is heading in a good direction.

Indemnity benefits – a lot less going out. Medical treatment has increased slightly. Inpatient and outpatient costs have gone down

Ms. Fernandez further reported that they are averaging 68% return on investment with bill review service. The standard in the industry is around 60%. It was further stated that there was a savings of approximately $50,000 in treatment due to utilization review.

It was reported that 12 employees this year hired attorneys and 17 different cases. Some employees had multiple cases. Ms. Fernandez advised that this is a very high number and needs to be focused on and addressed. 55 claims or 33% of MBASIA’s open claims are in litigation.

There are 20 claimants that have filed multiple claims. One injured worker from the City of Scotts Valley that has filed 34 Workers Compensation claims over the life of the program. This is an issue that needs to be addressed.

Theresa stated that 39 claims were reported to MBASIA’s excess carriers, but that $96,388 has been recovered from the Excess Programs.

Theresa reviewed the top injury types and stated that MBASIA’s #1 type of claim is cumulative trauma claims, which are most often public safety officials. 4% of claims (7 claims) account for 33% of total incurred costs. Police injuries accounted for 50% of claims and 33% of incurred costs.

In summary, JT2 advised that they need to work with each of the individual cities for more aggressive return to work programs and transitional programs, especially for police and public official officers. The # of litigated cases needs to be reduced. Utilization review needs to be used more to try to reduce the treatment costs. Ratio of indemnity claims to medical only claims is improving. Theresa advised that they would like to see a 40/60 ratio. This can be achieved by having good return to work programs. Theresa also stated that they are making a recommendation to expand MBASIA’s legal panel. Currently, MBASIA has only one attorney, Mark Hannah. JT2’s recommendation is to have two legal firms on staff. Theresa advised that JT2 can recommend specific attorneys. Theresa advised that they are also recommending that they settle more cases with compromise and releases versus stipulation. Compromise and releases cost more money today, but in the long run this is a better long term financial decision. MBASIA has a lot of future medical claims, and these employees may no longer be employees of city down the road. Theresa advised that a claim should be compromised and released only when the employee no longer works for the city.

Tabatha Bettencourt discussed the new SB863 law which has been passed and will be enacted on January 1, 2013.

**C4C. Liability Program Overview – Handling Liability Claims**

Ken Maiolini with Risk Management Services provided the Board with an analysis of MBASIA’s Liability claims. Mr. Maiolini advised that there has been a big spike in the number of employment practices claims and that this is somewhat related to the economy and layoffs. Ken also reported that he has seen a small spike in civil rights and law enforcement claims. The large # of claims reported for 2012 includes the potential resolution of the Capitola Drain Pipe claims reserved at $1,000,000.

Mr. Maiolini reiterated that if a member is in receipt of a claim, the claim needs to be reported to RMS right away even if the member decides to handle the claim internally. RMS needs a copy of the settlement and release for claims handled internally by the member so that RMS can put it in the member file. Mr. Maiolini also advised that if a claims file is open with RMS, RMS will request an investigation. Mr. Maiolini advised that some of the cities have been slow in their response to RMS’s request for information during their investigation. Mr. Maiolini advised that they will be copying each of the city mangers in on the emails from RMS requesting additional information to help with their investigation.

With respects to statutory actions on claims, Mr. Maiolini advised that RMS needs a copy of the action taken by city council and letter sent out by city attorney as soon as possible so that RMS can track the statute of limitation.

Mr. Maiolini reported that CARMA had an issue with being kept up to date on statuses of claims.. Ken advised that RMS is now sending CARMA and ERMA a loss run of claims reported to them and also a brief status on claims and that this will now be normal operating procedure at RMS. This is a way of making sure CARMA and ERMA are aware of what’s occurring on a monthly basis.

**C5D. Exposure Discussion – Mike Simmons**

Mike Simmons with Alliant Insurance Services reviewed the Liability, Excess Liability, Workers Compensation, Employment Practices, and Property Insurance program structures with the members. The members requested a chart be put together outlining the various insurance programs.

Mr. Simmons also gave a presentation on emerging risks. He discussed ways that we learned from the Japan Earthquake and Tsunami and identified various emerging risks, such as the pharma-water disaster, Social Media, Typhoons and other weather related risks, protests, the obesity epidemic, pensions, and auto risks.

It was requested that the Emerging Risk PowerPoint be posted on MBASIA’s website.

**C6E. Equity Report – Conor Boughey**

Conor Boughey presented a report to the Board on Financial Equity Ratios. Conor reported that the last time the report was presented was two years ago at the Long Range Planning. Conor reported on the definitions of certain terms that are used to evaluate the ratios; such as Net Contributions, Confidence Level and other terms.

**C7F. CSAC-EIA – Travis Clemmer**

Travis Clemmer from CSAC EIA provided a presentation of the services available through CSAC EIA. He advised that CSAC EIA’S goal is to empower the member to make the most out of their loss prevention efforts. Travis advised that CSAC EIA has 4 loss prevention specialists and the members can contact any one of them at any time.

CSAC EIA’s website has a lot of resources available for members under the loss prevention section. CSAC EIA spends a lot of time is spent on developing various Best Practices in various areas of health and safety.

Travis advised that they have Exposure Management training courses available via webinar through CSAC EIA. He also advised that almost any training class that CSAC EIA does in-person can be done via webinar.

Lisa Murphy asked if there is a notification system sent out of upcoming webinars offered. Travis advised that CSAC EIA has Essential Link emails that are sent out to that are in a newsletter format that lists loss prevention trainings. Alliant confirmed that they receive the Essential Link emails and maybe should work on sending out reminders to the members of upcoming webinars. Travis also confirmed that all of the webinars are posted on CSAC EIA’s website.

CSAC EIA has partnered with Target Solutions to provide their Prevention Link platform to the members. A lot of members use it for training. Members can also use the platform to develop custom activities where members can develop their own content and send it out to their employees. Capitola, Hollister, Marina and Soledad are using Target Solutions. There is a cost to use Target Solutions. CSAC EIA tracks the members usage on a per active user basis. Someone becomes an active user by completing one course and then they have access to the entire library for the rest of the year. MBASIA receives one invoice and is subject to a $1,000 minimum. For the online training portion, CSAC EIA fixes the cost at $17 per user.If the total cost of all users is less than $1,000, MBASIA gets charged the $1,000 minimum.

Mike Simmons reminded the members that MBASIA receives $1,000 in subsidy funds which are designed to be used to offset loss prevention related costs. MBASIA has $2,000 in subsidy funds on account. Members must split the $2,000 amongst themselves because MBASIA is one member of CSAC EIA.

Travis advised that all of the trainings provided by CSAC EIA are available at no cost to the members, except for CPR and First Aid classes, and Food Safety Management classes.

Another service that CSAC EIA partners with an outside organization for is the Drug and Alcohol Monitoring Consortium. CSAC EIA doesn’t charge for this service, other than the testing fees.

Mr. Clemmer reminded the members that CSAC EIA has an expansive video lending library – training videos – available at no cost to members. The videos can be requested online and CSAC EIA will ship it out to the member. The only cost is cost to ship video back to CSAC EIA. Mr. Clemmer advised that if a member is interested in the video lending library, they should contact him directly and he will put them in contact with CSAC EIA IT Dept. to grant them access to the video library.

Travis stated that CSAC EIA will charge $500 fee per day for CSAC EIA to write a policy, with a $2,500 max.

**C3. STRATEGIC PLANNING**

**C3A. Loss Prevention Services – Planning the Year Ahead**

This agenda item was combined with item C3B.

**C3B. Loss Prevention Checklist – Now What?**

Conor Boughey advised that it was decided that everyone assess themselves for now, before a carrot or stick would be applied. It was further decided that Alliant would check in with the members on their Deficiency Checklists before each Board meeting to see what areas have been completed and what areas haven’t been completed. Conor reported that 9 out of 10 members have provided a status update on when the items will be completed by.

Adela Gonzales with the City of Soledad advised that due to the reduction in their staff, they don’t have the time now to really focus on everything on their scorecard. Mike Simmons advised that the items listed on the scorecard are the high-risk areas identified in the Safety Inspection reports and in order to reduce losses, these items need to be addressed. Ms. Gonzales further expressed her concern over the lengthy scorecards and still feels like there are too many items to address with the reduced staff at her city. Doug Yount from the City of Marina asked if the scorecards can be looked at again and have the most critical items chosen from the scorecards to address.

Travis Clemmer suggested that each member look at their losses and try to correlate those losses to the areas identified on the Deficiency Scorecard and address those areas first. Travis Clemmer and Theresa Fernandez advised that they can provide a loss analysis/trending report for each of the members. In addition, Theresa advised that the member cities should spend time developing a stronger return to work program.

Mike Simmons suggested taking one item on the list and focus on that item for a few months until all items on the list have been addressed.

By Dec 15th, JT2, Alliant and Ken are going to have a meeting and go through all member Scorecards and losses and identify which of the unfinished items on the list is a priority. By February, 2013, Alliant will ask that one of the priority items be addressed and completed by the next Board meeting.

Rene suggested sending an email prior to the meeting in December on focus points and specific questions that JT2, and RMS would like to have addressed.

**C3C. Workers Compensation – Current Retention & Financial State**

Conor Boughey stated that in July, 2010, MBASIA decided to leave LAWCX to join CSAC EIA because CSAC EIA offered a $250,000 retention. LAWCX’s lowest retention level was $500,000. Conor advised that included in the agenda packet is a chart of total incurred costs for the last 10 years. Conor advised that since 2010, there has been an increase in MBASIA’s WC premium due to Workers’ Compensation costs and MBASIA’s loss history.

Conor advised that MBASIA could save approximately $195,000 by going to a $500k SIR. Conor advised that the premium for 2012-2013 is approximately going to be $505,000.

Mike Simmons advised that if MBASIA increases their retention, CSAC EIA will not allow the retention to be decreased in the future.

After further discussion, it was decided that MBAISA will remain with CSAC EIA at the $250,000 SIR until the premium increases to $600,000 or more.

**C3D. Liability Budget Allocation – Capping and Other factors**

Conor - Liability budget allocation was changed from operating budget to payroll. Experience based was changed as well. Weight stayed the same. Cap remained at 25% increase. The 25% cap increase this year was causing a problem. A 25% increase adversely affected Hollister, because it’s the largest member. Hollister absorbs all the premium caps.

Options – do nothing; option 2 – change the formula to a model similar to csac and phase it in 4 years. Option 3 – remove the cap; option 4 – remove the cap and have it more exposure based, vs. experience based. Option 5 – 25% cap could be increased.

Exposure 50, 60, 70

Experience 50, 40, 30

Cap: 1.25, 1.40, 1.50

Deadlines: Ad Hoc Budget 1/15

EC: 2/15

Board: 3/1

**C3E. Pool Partnerships – What is Working Well and What Isn’t**

CSAC EIA: Tabatha Bettencourt advised that MBASIA had a claim that required settlement authority from CSAC EIA and that CSAC EIA was timely in responding and was very timely in their reimbursement. Robert Galvan advised that he had a bad experience with Target Safety in regards to a lack of follow through on their availability of services online.

Daniel Dawson advised that he is on CSAC EIA’s Finance Committee and stated that they are well funded, have $500M in assets and a 2% Administrative cost.

Mike Simmons advised that Alliant will improve communication of the training opportunities through CSAC EIA.

CARMA: Jaime Goldstein of the City of Capitola advised that CARMA has been difficult in respects to their efforts to trying everything they can to not pay out claims. Claims service adverse to members.

Mike Simmons stated that CARMA is not a well funded pool and only offers a $1M attachment point. They also do not offer Employment Practices Liability coverage, which is why MBASIA joined ERMA.

ERMA: Mike Simmons advised that ERMA has had so many late reported claims that they implemented a penalty process of 25%. MBASIA’s potential penalty for a late reported claim could be $125,000. ERMA will be discussing this next week and Alliant believes that the penalty should be around a max of $75,000. Mike stated that if ERMA does not reduce its penalty, MBASIA’s could drop its SIR to $250,000, thus reducing its penalty to $62,500. The second option would be to withdraw from ERMA and purchase stand-alone EPL coverage (not recommended) or join another pool (CSAC EIA). Ken Maiolini stated that ERMA’s reporting requirements are very strict.

Mike Simmons advised that if ERMA does not change its penalty, MBASIA should withdraw. In order for MBASIA to join CSAC EIA for EPL coverage, it would need to leave ERMA and CARMA and purchase Excess Liability and EPL through CSAC EIA. MBASIA can’t purchase just EPL coverage through CSAC EIA.

**C4. CONTRACTOR REVIEW**

JT2 Integrated Resources - Daniel Dawson and Rene Mendez stated that JT2 has been very responsive. Robert advised that he had a bad experience with Stephanie Snyder due to responsiveness and availability.

**C4A1. Liability Third Party Administrator (RMS)**

Rene Mendez advised that Ken Maiolini at RMS has been exceptional. Jaime Goldstein advised that Ken is a great tool to have during mediation and has been a huge resource.

**C4A2. Workers Compensation Administrator (JT2 Integrated Resources)**

Daniel Dawson and Rene Mendez stated that JT2 has been very responsive. Robert advised that he had a bad experience with a former claims adjuster at JT2 due to responsiveness and availability.

**C4A3. Actuary (Bay Actuarial)**

The members had no adverse comments to report about Bay Actuarial Services.

**C4A4. Program Administrators and Broker (Alliant)**

**C4A5. Legal Services**

Mark Hannah provides MBASIA’s Workers’ Compensation legal services. Rene Mendez advised that MBASIA as a pool should have a panel of attorneys that JT2 recommends that members can choose from. Mike advised that MBASIA should have at least 3 qualified attorneys on the panel that JT2 recommends.

Vince Hurley – Ken Maiolini advised that Vince Hurley does a great job and is very timely with his reports and that the City of Marina police chief spoke very highly of him. Rene Mendez suggested having a backup attorney to Vince should he be hit by a bus. Ken Maiolini advised that Vince’s 3 associates are being filled in on the claims. ERMA thought highly enough of Vince to put him on their panel.

**C5. RESOURCES**

Nothing to report.

**D. BOARD OF DIRECTORS**

Rene Mendez called the meeting to order at 9:00 AM.

**D1a. Approval of Minutes of Meeting on June 11, 2012**

A motion was made to approve the meeting minutes.

MOTION: Daniel Dawson SECOND: Steve Matarazzo MOTION CARRIED

**D1b. Status of Deliverables**

Conor Boughey ran through the current action item list that was created from the June 11th Board meeting with the members and gave a status report on each item.

**D2. Bills and Correspondence**

**D2a. Ratification of Disbursements**

A report of disbursements was presented and no discussion was necessary.

A motion was made to ratify the disbursements for the months ending July 31, 2012, August 31, 2012 and September 30, 2012.

**MOTION:** Jaime Goldstein **SECOND:** Lisa Murphy **MOTION CARRIED**

**D3. Unfinished Business**

**D3a. MBASIA Safety Funds**

Conor Boughey advised that $75,000 was allocated to the Safety Fund budget and allows for each member to request up to $7,500. A report was included in the agenda packet on which members have requested their apportioned funds and for what purposes. Mr. Boughey advised that Alliant would like to get this program utilized with more members. If a member does not use their $7,500, it gets rolled into MBASIA’s general fund. Mr. Boughey reminded the members that Policy & Procedure written for the Safety Funds was written on a “use it or lose it” basis.

Robert Galvan suggested that if an agency hasn’t used its money, maybe it should be divided amongst the remaining members. Rene Mendez concurred with this recommendation

Conor asked the Members if they would like to see a revised policy and procedure that outlines a deadline to request funds by with wording included that states if the funds are not requested by a certain date, the funds will be available for distribution among the other members.

A motion was made for Alliant to draft a revised Safety Fund Policy & Procedure.

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

**D3b. Renewal Requests for Information**

Conor Boughey advised that it’s time for Alliant to start requesting renewal information for renewals and in the past, it’s been difficult receiving renewal information. Conor stated that when Alliant requests the information, it’s pertinent that each member makes it a priority to send us the requested information as soon as possible to avoid receiving any late penalties.

**D3c. CARMA Action on Redevelopment Agency Successor Agency**

Conor Boughey advised that at the June Board meeting, MBASIA took action to extend coverage to the Successor Agencies of the Redevelopment Agencies and appointee to the Oversight Board, but postponed a coverage decision on the Oversight Boards until CARMA took a coverage opinion.

CARMA decided to extend coverage to the Success Agencies and to the appointees of the Oversight Board, but not the Oversight Board itself.

Conor reported that MBASIA still needs to take action as a Board and make a coverage opinion regarding the actual Oversight Board.

A motion was made to affirm that MBASIA will not extend coverage to the Oversight Boards.

**MOTION:** Brent Slama **SECOND:** Robert Galvan **MOTION CARRIED**

**D4. COMMITTEE REPORTS**

**D4a. Executive and Finance Committee**

Conor Boughey advised that ERMA as of July 01, 2012, ERMA imposed a penalty system for late reporting. Alliant sent correspondence to ERMA on July 10, 2012 asking to revise penalty system. Jake O’Malley, ERMA’s President, responded that they will review their penalty system methodology at their upcoming meeting on November 19th. Alliant feels that it’s an unfair penalty for MBASIA because of its retention level.

Mike Simmons recommended giving notice of termination to ERMA by December 31, 2012 if they do not revise their penalty system and also carefully evaluate the benefits of staying with ERMA at a lower retention level.

Rene is the primary representative of MBASIA to ERMA and Daniel Dawson is the alternate.

Alliant will be attending the next ERMA Board Meeting – if Dan and Rene could join, that would be great.

After further discussion, a motion was made that if the ERMA’s late reporting penalty is not reduced to a maximum of $50,000, authority will be given to MBASIA’s President to sign a letter giving notice of intent to withdraw and also informing ERMA of joining at a lower retention.

**MOTION:** Daniel Dawson **SECOND:** Jaime Goldstein **MOTION CARRIED**

**D4a1. ERMA Claim Reporting**

**D4b. Safety Committee**

No report.

**D4c. Coverage and Claims Committee**

Conor Boughey advised that each city’s Summary of Insurance was included in the agenda as a reference guide for the city. These summaries can also be given to each city’s financial auditor. It was noted that the summaries did not include the member’s EPL policy with ERMA. Conor advised that the summaries will be revised with ERMA’s policy information added and emailed to the members after the Board meeting.

**D4c1. Summary of Insurance**

**D5. NEW BUSINESS**

**D5a. Review of Items Discussed at Long Range Planning**

**D5a1. Loss Prevention Services**

Mike Simmons reminded the members that it was discussed at yesterday’s Long Range Planning Meeting that staff consultants will meet on December 15, 2012 and cross reference the losses with the checklists and present the members with the priorities. By the February Board meeting, the members will commit to address one item within a 60 day timeline.

A motion was made was with regards to the above.

**MOTION:** Brent Slama **SECOND:** Jaime Goldstein **MOTION CARRIED**

Mike Simmons reminded the members that it was discussed at yesterday’s Long Range Planning Meeting that staff consultants will meet on December 15, 2012 and cross reference the losses with the checklists and present the members with the priorities. By the February Board meeting, the members will commit to address one item within a 60 day timeline.

A motion was made was with regards to the above.

**MOTION:** Brent Slama **SECOND:** Jaime Goldstein **MOTION CARRIED**

**D5a2. Loss Prevention Checklist**

Mike Simmons advised that per yesterday’s Planning Meeting, MBASIA will stay at the $250K SIR unless the premium increases significantly. If the premium increases beyond $600K, Alliant will come back to the Board with a deadline to change the SIR.

**MOTION:** Doug Yount **SECOND:** Daniel Dawson **MOTION CARRIED**

**D5a3. Workers Compensation Program**

Mike Simmons advised that per yesterday’s Planning Meeting, MBASIA will stay at the $250K SIR unless the premium increases significantly. If the premium increases beyond $600K, Alliant will come back to the Board with a deadline to change the SIR.

**MOTION:** Steve Ando **SECOND:** Steve Matarazzo **MOTION CARRIED**

**D5a4. Liability Budget Allocation**

Alliant will come back with a plan of tiering the loss sensitivity down from 50% over multiple years and simultaneously increasing the caps over multiple years so that no one member sees a significant jump in their premium. The Ad Hoc Budget Committee will meet by January 15, 2013 to review Alliant’s work. The Ad Hoc Committee will discuss and make changes if needed and will meet with the Executive Committee for approval by February 15, 2013. The Executive Committee recommendation on the formula and numbers will be emailed out to the Board members by March 1, 2013 so that members have an indication for their own budget planning purposes. At the April Board meeting, action will be taken on the budget.

A motion was made in regards to the above.

**MOTION:** Daniel Dawson **SECOND:** Doug Yount **MOTION CARRIED**

**D5a5. Pool Partnerships**

The Board Members expressed that they are very happy with the services provided by JT2 Integrated Services but that they are trying to adjust to the staff changes.

They also expressed that they are also very pleased with the services provided by Risk Management Services and also advised that they appreciate RMS’s responsiveness.

The Board is very pleased with the services provided Alliant Insurance Services. Rene Mendez asked that the Board be kept informed of potential conflict of interests since Alliant is MBASIA’s pool administrator and broker. Mike Simmons advised that Alliant with have a power point presentation at the next Board meeting of Alliant’s various relationships.

**D5b. MBASIA Accounting Services**

Conor Boughey advised that the City of Scotts Valley has been providing the Authority’s accounting services since 2008 and is looking to assign this task to another member/agency or accounting firm. Conor also advised that MBASIA has the option of using Alliant’s resource, Tami Giovanni who performs similar accounting services for three other pools that Alliant administers. Conor stated that an outside accounting firm would charge approximately $30,000 for these services. MBASIA currently pays the City of Scotts Valley $50 per hour, which is roughly $3900 annually. Conor advised that Tami could provide accounting services to MBASIA for roughly $75/hour or $4,000 - $6,000 annually.

A motion was made to hire Tami Giovanni as MBASIA’s accountant.

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

Mike Simmons advised that Alliant will authorize Steve Ando or the President to sign the agreement and a date of hire for Tami Giovanni will then be determined.

Conor Boughey advised that Alliant will try and bring Tami to a Budget Meeting or Board meeting.

**D5c. CARMA Certificate Requests**

Conor Boughey reminded the members that CARMA has a strict Policy & Procedure that requires a fully executed contract be sent to them before they issue any Certificates with a $2,000,000 limit and Additional Insured wording. CARMA will not issue any Certificates until a fully written agreement has been provided to them. Conor stated that a Certificate will be issued within 48 hours once CARMA has received the full contract.

**D6. LOSS REPORT**

**D6a. Workers’ Compensation Administrator’s Report - The MBASIA Board of Directors entered into Closed Session pursuant to Government Section Code 54956.95.**

A motion was made to enter into closed session at 9:51 AM pursuant to Government Section Code 54956.95.

**MOTION**: Rene Mendez **SECOND**: Steve Matarazzo **MOTION CARRIED**

**D6b. Liability Third Party Administrator’s Report**

A motion was made to enter into closed session at 10:23 AM pursuant to Government Section Code 54956.95.

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

**D7. PROGRAM ADMINISTRATORS REPORT**

**D7a. Best Practices – Reporting Pollution Claims**

Mike Simmons advised that the PEPIP Property Program has 6,000 public entity members across the country and the program was created to have broad coverage. Cyber Liability coverage was the first liability coverage to be “bolted” on to the PEPIP policy. Pollution Liability coverage was also added to the PEPIP policy to provide first and third party liability coverage for pollution exposures. Mike stated that there are now 3 different reporting requirements on the PEPIP policy.

Mike stated that if a member of PEPIP has a pollution spill, they need to call him or Conor Boughey right away because there is emergency response coverage if a member has a pollution spill. If a member decides to start cleaning up the spill and does not report its remediation plan to the carrier within 7 days, the carrier will not cover the clean-up costs. For third party pollution liability, the reporting timeline is 30 days.

**D7b. Emerging Risks Presentation**

Nothing to report.

**D8. CORRESPONDENCE/INFORMATION**

**D8a. Risk Report – September 2012**

**D8b. PARMA Conference Information**

Conor Boughey reported that the PARMA conference will be held in Palm Springs in February, 2013 and stated that members should book their hotel rooms as soon as possible. Conor reminded that the members that the cost to attend the conference or any trainings is paid for out of MBASIA’s Travel & Training fund. He further stated that if any members would like to attend PARMA, they should register through the PARMA website, pay any registration costs up front, and then submit any receipts to us after attending the conference for reimbursement.

**D9. GENERAL RISK MANAGEMENT ISSUES**

Nothing to report.

**ADJOURNMENT**

President Rene Mendez adjourned the meeting at 10:36 a.m.