

**EXECUTIVE COMMITTEE SPECIAL MEETING
AGENDA**

**Tuesday, June 30, 2020
3:00pm**

Teleconference and Videoconference

Public Advisory: This meeting will be conducted exclusively through teleconference and videoconference.

This meeting will be conducted entirely by teleconference and videoconference. All Board Members and staff will only participate via the Zoom platform using the process described below. The meeting is being conducted in compliance with the Governor's Executive Order N-29-20 suspending certain teleconference/videoconference rules required by the Ralph M. Brown Act. The purpose of the order was to provide the safest environment for the public, Board Members, and staff while allowing for continued operation of the government and public participation during the COVID-19 pandemic.

Members of the public can view the meeting in its entirety and participate during public comment time. To access the meeting remotely using the internet: Join from a PC, Mac, iPad, iPhone, or Android device: Use URL <https://us02web.zoom.us/j/82115064099>. If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous. To request to speak, use the "raise hand" icon on the screen.

To join by phone: Dial (669) 900-6833 and enter the Meeting ID: **821 1506 4099**. If you wish to comment press *9 and wait to be recognized by the meeting Host. Note: Your phone number will appear on the videoconference screen.

Written communications relative to matters on the agenda and non-agenda topics from the public must be submitted by mail or e-mail to the Clerk of the Board, Victoria Thomas, at the address below or at vthomas@mpa-nc.com before the Executive Committee Special Meeting. No action may be taken on non-agenda items unless authorized by law. Communications received will be distributed to the Executive Committee in advance of the meeting and retained as part of the official record. To respect the health and safety of the employees in the office written communications in person will not be accepted.

In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid, or service to participate in this meeting should contact the Clerk of the Board, as far in advance as possible but no later than 24 hours before the scheduled meeting. The best effort to fulfill the request will be made.

I. CALL TO ORDER – President Reina Schwartz

II. INTRODUCTIONS

III. APPROVAL OF THE AGENDA AS POSTED

IV. PUBLIC COMMENTS – *This time is reserved for members of the public to address the Executive Committee relative to matters on or not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person and fifteen minutes in total.*

V. ACTION ITEM

1. **Cyber Liability Coverage Optional Excess Program** P. 1
Recommendation: Staff recommends the Executive Committee approve the Cyber Liability Coverage premium allocation for Members.

VI. ADJOURNMENT

ACTION ITEM

SUBJECT: Cyber Liability Coverage Optional Excess Program

EXECUTIVE SUMMARY

At the June 25, 2020 Board of Directors meeting, the Board approved the addition of a Cyber Liability Coverage Excess Program that provides additional cyber liability coverage to Members as a Pool. This coverage is in addition to the core Cyber Liability Program Members currently obtain through their participation in the Alliant Property Insurance Program (APIP). The Board further directed Staff to work out a premium allocation for the share of cost for Members and delegated the Executive Committee to approve the recommended premium distribution allocation for the Fiscal Year (FY) 2020-21.

Shown in exhibits 1 and 2 for the Executive Committee review is the proposed allocation for the cost of the MPA Cyber Liability Program.

RECOMMENDED ACTION

Staff recommends the Executive Committee approve the Cyber Liability Coverage premium allocation for Members.

BACKGROUND

The optional Cyber Liability Coverage provided to Members through their participation in the Property Insurance Program is a coverage that is shared with all Members who opt into the Cyber Liability Coverage. The Program Aggregate Limit of \$25MM is a shared limit that can be eroded (i.e., “completely used up”) in the 12 month policy period by a combination of Members with enough individual incidents occurring. The shared limits could be exhausted by a combination of MPA Members themselves, or any combination of Members of the Cyber Program, of which there are many hundreds across the country.

Dennis Mulqueaney, from Alliant Insurance Services, presented to the Board at the June 25th meeting options for purchasing separate cyber liability coverage.

The Board voted to discontinue participation in the Cyber Program within the Property Program and purchase a separate policy that is specific coverage for MPA Members. The amount of the new coverage is \$3 million per occurrence/\$10 million as a Pool. The cost of the coverage is \$116,560.

The premium allocation shown in exhibits 1 and 2 takes into account the following:

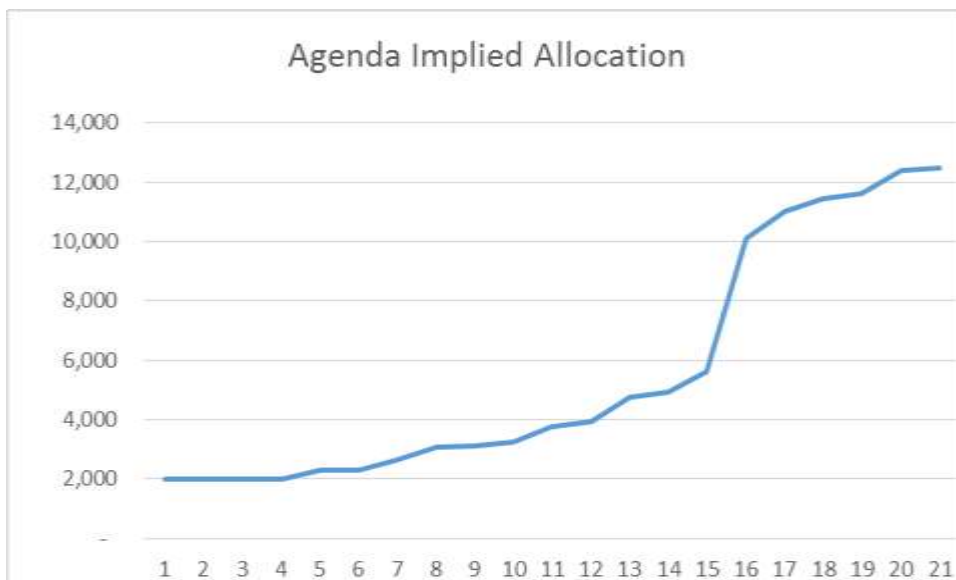
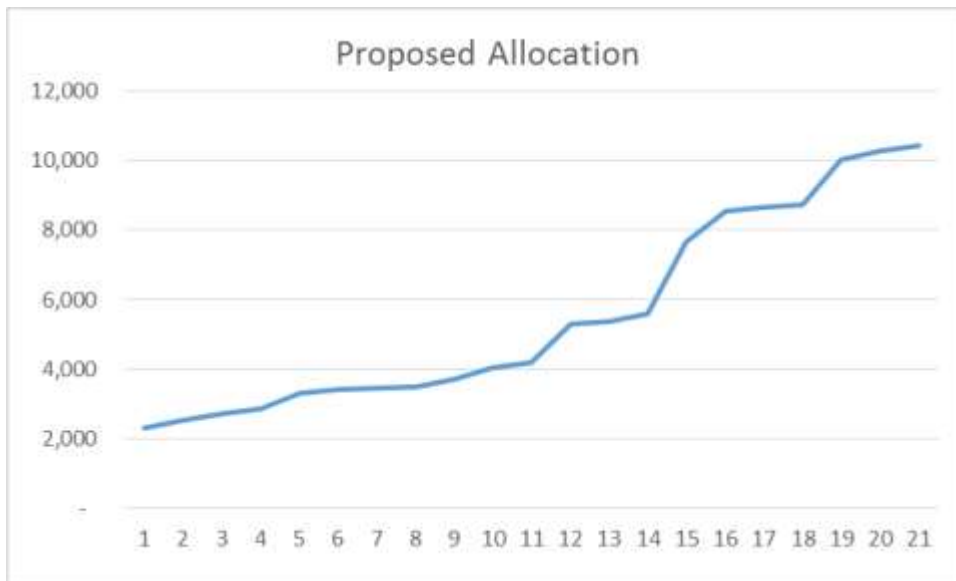
- The proposed allocation is based 60% on estimated payroll for FY 2020-21, and 40% based on TIV reported for the same period. The TIV of member cities in relation to the Property Program is the figure that is used to determine the Property Program premium. However, many MPA program premiums are based on payroll

because it is an effective measure of City size. This proposed allocation formula allows for balance amount Members based on their size and insured property.

- The proposed allocation applies a minimum premium of \$2K per Member. The minimum allows for an equitable distribution for all Members in consideration of their varying sizes.
- Standard premium taxes and fees at 3% and .25% accordingly.

OPTIONAL

It is believed by Staff that the proposed allocation is a better reflection of value delivered and fairness to Members based on the comparison of the curves of these two charts where the proposed allocation delivers a smoother line form low to high:



EXHIBITS

1. Cyber Allocation Comparison
2. Cyber Premium Allocation

CORE VALUE

Responsive: It is the Pool's goal to be responsive to the needs of the Members of the Pool and to be conscientious, collaborative, and competent in the services provided to its Members. MPA is presenting this option for excess cyber liability coverage to the Board to make them aware of other avenues they can pursue individually or as a Pool for added protection.

Proposed Allocation Compared to Sample Provided on 6-25-2020

MPA Member	Premium		
	Agenda Item Implied Allocation	Proposed Allocation Scheme	Diff
CITY OF ANTIOCH	10,114	8,536	(1,578)
CITY OF BRENTWOOD	12,465	10,023	(2,442)
CITY OF CLAYTON	1,981	2,510	529
TOWN OF DANVILLE	2,645	3,722	1,077
CITY OF EL CERRITO	3,060	5,382	2,322
CITY OF GILROY	11,000	8,644	(2,356)
CITY OF HERCULES	2,309	3,404	1,095
CITY OF LAFAYETTE	3,259	3,288	29
CITY OF MANTECA	12,377	10,272	(2,105)
CITY OF MARTINEZ	4,917	5,286	369
TOWN OF MORAGA	1,981	2,711	730
CITY OF OAKLEY	1,981	3,482	1,501
CITY OF ORINDA	2,311	2,870	559
CITY OF PINOLE	3,737	4,199	462
CITY OF PITTSBURG	11,427	8,741	(2,686)
CITY OF PLEASANT HILL	3,113	4,055	942
CITY OF SAN PABLO	3,928	5,606	1,678
CITY OF SAN RAMON	5,624	7,682	2,058
SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY	4,734	3,437	(1,297)
CITY OF WALNUT CREEK	11,617	10,426	(1,191)
MUNICIPAL POOLING AUTHORITY	1,981	2,284	303
TOTAL:	116,561	116,560	(1)

Proposed Cyber Premium Allocation for FY 2020-21

Member	"All Risk" TIV	Share of TIV	Payroll	Share of Payroll	Minimum Premium	Variable Premium Based on TIV	Variable Premium Based on Payroll	Total Premium	SL Tax	SL Fee	Total Cost
Antioch	225,071,257	0.0876	31,461,419	0.0877	2,000	2,614	3,922	8,536	256	21	8,813
Brentwood	321,147,271	0.1250	34,444,391	0.0960	2,000	3,729	4,294	10,023	301	25	10,349
Clayton	17,702,557	0.0069	2,438,300	0.0068	2,000	206	304	2,510	75	6	2,591
Danville	52,850,040	0.0206	8,888,100	0.0248	2,000	614	1,108	3,722	112	9	3,843
El Cerrito	59,945,219	0.0233	21,544,262	0.0600	2,000	696	2,686	5,382	161	13	5,556
Gilroy	228,310,297	0.0889	32,023,793	0.0892	2,000	2,651	3,993	8,644	259	22	8,925
Hercules	40,479,407	0.0158	7,488,476	0.0209	2,000	470	934	3,404	102	9	3,515
Lafayette	60,684,497	0.0236	4,672,678	0.0130	2,000	705	583	3,288	99	8	3,395
Manteca	287,859,246	0.1121	39,538,592	0.1102	2,000	3,343	4,929	10,272	308	26	10,606
Martinez	130,285,114	0.0507	14,220,979	0.0396	2,000	1,513	1,773	5,286	159	13	5,458
Moraga	18,037,047	0.0070	4,025,059	0.0112	2,000	209	502	2,711	81	7	2,799
Oakley	28,589,682	0.0111	9,225,506	0.0257	2,000	332	1,150	3,482	104	9	3,595
Orinda	35,325,494	0.0138	3,686,939	0.0103	2,000	410	460	2,870	86	7	2,963
Pinole	81,821,908	0.0319	10,017,702	0.0279	2,000	950	1,249	4,199	126	10	4,335
Pittsburg	271,461,390	0.1057	28,783,652	0.0802	2,000	3,152	3,589	8,741	262	22	9,025
Pleasant Hill	46,037,468	0.0179	12,188,880	0.0340	2,000	535	1,520	4,055	122	10	4,187
San Pablo	126,503,974	0.0493	17,138,487	0.0478	2,000	1,469	2,137	5,606	168	14	5,788
San Ramon	132,928,808	0.0518	33,194,065	0.0925	2,000	1,544	4,138	7,682	230	19	7,931
SCRWA (Gilroy)	118,380,497	0.0461	500,000	0.0014	2,000	1,375	62	3,437	103	9	3,549
Walnut Creek	280,518,591	0.1092	41,452,821	0.1155	2,000	3,258	5,168	10,426	313	26	10,765
MPA Office	4,239,664	0.0017	1,886,653	0.0053	2,000	49	235	2,284	69	6	2,359
Member Totals:	2,568,179,428	1.0000	358,820,754	1.0000	42,000	29,824	44,736	116,560	3,496	291	120,347