

BOARD OF DIRECTORS MEETING
February 11, 2021 at 10:00am
Teleconference and Videoconference

MINUTES

Attendees:

Reina Schwartz, *City of Clayton, President, Executive Committee*
Sukari Beshears, *City of Brentwood, Vice President, Executive Committee*
Tracy Robinson, *City of Lafayette, Past President, Executive Committee*
Tim Przybyla, *City of Oakley, Member-at-Large, Executive Committee, Board Treasurer*
Mike Chandler, *City of Martinez, Member-at-Large, Executive Committee*
Thomas Lloyd Smith, *City of Antioch*
Rob Ewing, *Town of Danville*
Alexander Orologas, *City of El Cerrito*
Lori Martin, *City of Hercules*
Dawn Cortesi, *City of Manteca*
Norm Veloso, *Town of Moraga*
Paul Rankin, *City of Orinda*
Lia Maksoud, *City of Pacifica*
Hector De La Rosa, *City of Pinole*
Stacy Shell, *City of Pittsburg*
Ericka Mitchell, *City of Pleasant Hill*
Eva Phelps, *City of San Ramon*
Charles Ching, *City of San Pablo*
Sarah Monnastes, *City of San Ramon*
Carla Hansen, *City of Walnut Creek*
Linda Cox, *MPA Chief Administrative Officer**
Frank Williamson, *MPA Finance Manager**
Erwin Chang, *MPA General Liability Claims Manager**
Barbara Esquivel, *MPA Workers' Compensation Claims Manager**
Victoria Thomas, *MPA Administrative Services Supervisor/Clerk of the Board**
Jasmin Intravaia, *MPA Administrative Assistant**
Michael Pattenaude, *MPA Risk Analyst**
Mike Harrington, *Bickmore**
David Kim, *Bickmore**
Eric Small, *Bickmore**
Lesley Murphy, *PFM Asset Management**

(*Non-voting attendee)

All members present will be recorded in the minutes.

I. President, Reina Schwartz called the meeting to order at 10:03am.

II. INTRODUCTIONS

Roll call was taken by Board Clerk Thomas.

III. APPROVAL OF THE AGENDA AS POSTED

Motion made by Tim Przybyla to approve the Agenda as posted. Seconded by Sukari Beshears. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (19-0).

IV. TIME RESERVED FOR MEMBERS OF THE PUBLIC

Board Clerk Thomas reported that she had not received any written communications from the public.

V. APPROVAL OF THE CONSENT CALENDAR

Motion made by Tim Przybyla to approve the Consent Calendar as posted. Seconded by Sukari Beshears. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (18-0 City of Pleasant Hill was not present during the roll call vote).

VI. ACTION ITEMS

1. Executive Committee Officer Election

Board Clerk Thomas announced that there were two Member-at-Large positions on the Executive Committee with expiring terms and that an election would need to occur at the meeting. Both Mike Chandler and Tim Przybyla nominated themselves to continue as a Member-at-Large on the Executive Committee. Thomas opened the floor for additional nominations for the vacant positions. There were none.

Motion made by Alexander Orologas to approve Mike Chandler and Tim Przybyla to continue as a Member-at-Large on the Executive Committee. Seconded by Rob Ewing. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (18-0 City of San Ramon was not present during the roll call vote).

VII. INFORMATIONAL ITEMS

2. Alternative Investing Strategy – Captive Fund

Cox presented information on captive funds as an alternative to the Pool's investing. Cox stated that other Pools, like MPA, are moving towards captive funding as a means of capitalizing on opportunities to increase investments. Lesley Murphy of PFM Investments and Mike Harrington of Bickmore were in attendance to provide information about captive funding.

Harrington provided a presentation that explained the set-up process, benefits, exposures, and other matters to consider on captive funding. The fund would need to be opened and managed in a state outside of California, a Board Member in the Pool would need to live in the same state as where the fund is set up in, there is a \$57,000 startup fee, an annual fee of \$48,000, and there are audit, legal, admin, and management

fees. Murphy explained that domiciling the fund outside of California allows for greater flexibility in permissible investing.

Murphy presented on the types of conventional investing currently being done, adding that captive funding would allow for more investment opportunities.

Ewing asked if other Pools in California, the size of MPA, are participating in captive funding. Harrington said he knew of three.

Rankin questioned this type of funding and shared that he would not be comfortable doing this without the approval of his city council as he anticipates there would be a lot of concern and if made public, it would not be received well. Schwartz and Ewing both agreed with Rankin saying that participating in captive funding may not be received well by city councils, the public, and is not in the Pool's best interest.

10:23am Eric Small of Bickmore joined the meeting.

3. General Liability and Workers' Compensation Draft Actuarial Reports

Harrington was in attendance to present the draft actuarial reports.

Schwartz asked if \$100,000 loss cap is still an appropriate number or should it be increased due to the cost of claims rising. Harrington reminded the Board that this topic was discussed at the 2020 Strategic Planning Workshop and is a topic that should be revisited periodically. Harrington said \$100,000 is a common loss cap. He added that the loss cap should be reviewed and possibly increased to ensure it reflects the claim trend and inflation.

Schwartz directed Staff to add the topic of the loss cap amount to the 2022 Strategic Planning Workshop agenda.

4. Mid-Year Budget Review

Williamson presented the mid-year budget.

11:52am Rob Ewing left the meeting.

5. Target Equity Ratios for Fiscal Year Ended June 30, 2020

Williamson reported that both the General Liability and Workers' Compensation Programs are meeting the target equity this year. Most of the target equity ratios are dependent on the equity the Pool has. The higher the equity the easier it is to meet the targets.

Cox reported that there has been a vast improvement on meeting the target equities since she began at MPA in 2016, adding that the improvement puts the Pool in a strong financial position.

6. MPA Annual Performance Report

Pattenaude presented the annual performance report.

7. General Liability and Workers' Compensaiton Dashboards

There was no discussion.

VIII. MANAGERS' REPORTS

General Liability – Chang reported that Yvonne Ho-Piamonte was hired as a claims adjuster and is taking over the cities that Janice Yardley managed.

Workers' Compensation – Esquivel reported on staffing changes: Lisa Italia retired, Sarah Taylor was promoted and handles the claims that Lisa managed, and Desiree Ruiz was hired as the new claims assistant to handle the responsibilities that Sarah managed in that position.

Chief Administrative Officer – Cox said that she will be contacting current Committees to move forward with projects that were being worked on prior to the pandemic.

IX. MEMBERS' COMMENTS

There were none.

X. ADJOURNMENT – Meeting was adjourned at 12:37pm