

**BOARD OF DIRECTORS MEETING**  
May 13, 2021 at 10:00am  
Teleconference and Videoconference via Zoom

**MINUTES**

Attendees:

Sukari Beshears, *City of Brentwood, Vice 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*  
Paul Rankin, *City of Orinda, Member-at-Large, Executive Committee*  
Nickie Mastay, *City of Antioch*  
Rob Ewing, *Town of Danville*  
Alexander Orologas, *City of El Cerrito*  
LeeAnn McPhillips, *City of Gilroy*  
Lori Martin, *City of Hercules*  
Aaron Slater, *City of Manteca*  
Lia Maksoud, *City of Pacifica*  
Hector De La Rosa, *City of Pinole*  
Stacy Shell, *City of Pittsburg*  
Ericka Mitchell, *City of Pleasant Hill*  
Charles Ching, *City of San Pablo*  
Kelly Sessions, *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\**  
Dennis Mulqueeny, *Alliant\**  
Becky Richard, *Bickmore\**  
Kellie Murphy, *Johnson, Schachter & Lewis\**

(\*Non-voting attendee)

All members present will be recorded in the minutes.

I. Vice President, Sukari Beshears, called the meeting to order at 10:01am.

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 Ericka Mitchell. Unanimous vote of all members present and represented herein. (14-0, Cities: Antioch, Manteca, and Walnut Creek were not present during vote).*

### IV. TIME RESERVED FOR MEMBERS OF THE PUBLIC

Beshears asked if there were any members of the public in attendance for public comment. There were none.

### V. APPROVAL OF THE CONSENT CALENDAR

*Motion made by LeeAnn McPhillips to approve the Consent Calendar as posted. Seconded by Tim Przybyla. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (13-0, Cities: Antioch, Martinez, Manteca, and Walnut Creek were not present during roll call vote).*

### VI. ACTION ITEMS

#### 1. Proposed Changes to the General Liability Memorandum of Coverage (MOC) for Program Years 2021-22

Cox reported that the proposed changes were derived from the Coverage and Governance Committee meeting held in March.

Chang reported on the proposed changes to the Parkour or obstacle course language and presented two language options for consideration: (1) Limited to Parkour Only or (2) Also Excluding Other Officially Designated Obstacle Courses.

McPhillips asked if any Members in the Pool currently have a Parkour course. Chang replied that no Members in the Pool have a Parkour course.

Sessions asked if any Members in the Pool currently have an obstacle course. Przybyla replied that his city does have an athletic course at one of their parks and should someone get injured using the course the city would be responsible for the expense should coverage be excluded.

*Motion made by Paul Rankin to add the Limited to Parkour Only language to the MOC. Seconded by Tim Przybyla. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (14-0, Cities: Antioch, Manteca, and Pittsburg were not present during roll call vote).*

#### 2. Proposed Changes to the Workers' Compensation Memorandum of Coverage for Program Years 2021-22

There was no discussion.

*Motion made by Tim Przybyla to approve the renewal of the Workers' Compensation MOC. Seconded by Alexandra Orologas. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (15-2 Cities: Gilroy and Walnut Creek abstained, Cities: Antioch and Manteca were not present during the roll call vote).*

3. Proposed Change to the Vehicle Physical Damage Memorandum of Coverage for Program Years 2021-22

Chang reported on the proposed change.

There was no discussion.

*Motion made by Tim Przybyla to approve the proposed change to the Vehicle Physical Damage MOC. Seconded by LeeAnn McPhillips. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (15-0, Cities: Antioch and Manteca were not present during roll call vote).*

4. Proposed Draft Spending Plan for Fiscal Year 2021-22

Cox reported that final rates for some of the insurance coverages including from excess carriers are still not in and the numbers presented in the proposed draft Spending Plan may be adjusted. Staff added back into the Spending Plan training and travel dollars for Staff and Board Members, bringing it back to the levels prior to the beginning of the pandemic. Staff added the cost for a part time Office Assistant position in the General Liability Department and made the two current part time Office Assistant positions into full time in the Administrative and Workers' Compensation Departments. Cost for a new claims management system was also added to the Spending Plan.

De La Rosa requested that when Williamson reports on the Spending Plan to inform the Board of the Executive Committee's directions when it was presented to them.

10:44am Aaron Slater entered the meeting.

Williamson reported of the proposed draft Spending Plan. Last year's budget was \$29M and this year's proposed budget is approximately \$35M, showing an increase of \$4.6M primarily due to insurance premiums and claims paid. Additional reasons for the increase are for salaries and benefits; two office assistants will go from part time to full time, merit increases, expected overtime. A 2% COLA was also put in the Spending Plan as directed by the Executive Committee. Claims Administration reduced due to a decrease in State DIR User fee. Professional Services shows a cost of \$636,694.

Williamson reported on premium expense changes and claims expense. Staff asked all Members to resubmit their payroll to get a more accurate count. Williamson reported that by resubmitting payroll, claim expenses decreased to \$605,000. Other changes in the Spending Plan total \$427,304, which includes a new claims management system, COLA, Alliant premium, internal rent, and Target Solutions.

Martin asked if there were brokerage fees in the past. Williamson replied that prior to Keenan the only brokerage fee MPA paid was to Alliant. Cox stated that the brokerage fee from Keenan was for assistance with administering a self-insured dental and vision program outside of Dublin Insurance. Cox stated that she does not anticipate any other fees as she plans to roll out the self-insured dental and vision programs this year during open enrollment. Martin asked if the transition to the new dental and vision programs will be smoother than the transition into the Short Term, Long Term Disability programs. Williamson replied that that transition should be less complicated as there won't be several different class types to select from. Cox added that the dental program will not have many options. Cox added that the program is being developed to provide the same, if not better, benefits than what is currently being provided.

Beshears asked if the dental program with Dublin Insurance will no longer be offered. Cox said that because of what happened in the past with trying to implement the self-insured dental program, both options will be offered to Members.

Rankin asked if the operational plan goes into the Members' premiums. Frank replied yes. Rankin suggested that the \$450,000 cost for a new claims management program be paid from reserves and not incorporating it into the FY 2021-22 Members' premiums. Cox liked the suggestion and added that paying for the new claims management program with reserves would not hurt MPA financially as it is very well funded above the 90% Confidence Level. Cox asked for Board approval of this idea. It was silent.

Ewing asked if MPA has money in the budget for potential new expenses once it opens its building. Cox replied that Staff considered potential new costs and determined that there will be, but it will be insignificant as there have been some Staff in the office during the pandemic, and when all Staff return to the office, it will be on a staggered basis.

*Motion made by Tim Przybyla to approve the proposed Spending Plan. Friendly amendment made to the motion by Paul Rankin funding the cost for the new claims management program will come from reserves. Motion and friendly amendment seconded by Paul Rankin. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (16-0 City of Antioch was not present during the roll call vote).*

11:02am Nickie Mastay entered the meeting.

5. Proposed Cost of Living Adjustment – December 2019 to December 2020

Staff presented the COLA showing the cost changes to personnel expenses.

Orologas shared her reasoning for how she is going to vote on this topic stating that her comments are not about Staff or MPA as she feels Members get excellent service from all Staff. Orologas shared that the City of El Cerrito is experiencing complex budget challenges and explained that pre-COVID and during the pandemic they continue to have layoffs, furloughs that equate to 10% of an employee's salary, and bargaining units paying more into their CalPERS.

McPhillips shared that the City of Gilroy is experiencing financial hardship as well with layoffs, freeze in salary increases, concessions with labor groups, and exempt employees experiencing a 10% pay cut that just recently stopped now that the City is receiving financial help from the government.

Rankin shared that it is not conducive to give a 2% COLA when cities are experiencing financial hardship.

*Motion made by Rob Ewing to approve the Cost of Living Adjustment. Seconded by Tim Przybyla. Board Clerk Thomas took roll call for the vote. Approved by majority count of roll call votes. (13-4 Cities: El Cerrito, Gilroy, Orinda, and Manteca voted no).*

## VII. INFORMATIONAL ITEMS

### 6. General Liability and Workers' Compensation Updated Experience Modification Reports.

Cox reminded the Board that Members were asked to provide Staff with updated payroll numbers. By doing this, it reduced the premiums by \$605,000. Staff also took into consideration any lump sum payouts that cities may have had to payout in the past year due to encouraged retirements, unanticipated employment separations to help reduce the workforce due to budget constraints. Some Members experienced significant payouts, which should not be included in premiums as it is generally a payout of vacation time or an incentive to leave. Subtracting those numbers from total payroll proved to be a benefit, causing a repositioning of premiums for Members. Some Members received a premium reduction while others received a premium increase.

Cox said that Staff will do an audit at the end of the year and collect actual payroll and will compare those numbers with what is used today. If there is an over estimation of payroll even with updated numbers, Members will receive a credit in next year's premium and if payroll was under realized, then MPA will charge the Member the difference. Cox said that this will be a new procedure going forward as it will help balance out the inconsistency that Staff receives from Members.

Staff hopes to present the final Experience Modification reports at the June meeting.

### 7. Update to MPA's 1, 3, and 5 Year Goals

Staff presented the MPA's 1, 3, and 5 year goals. Due to the pandemic, some goals were completed sooner than planned such as: moving emails to the Cloud, moving more towards becoming a paperless agency, moving drives from the server to the Cloud is in progress, reviewing different options for the building with the Building Committee, transitioning payments to claimants to electronic to eliminate printing checks is in the process.

### 8. Property, Crime, Cyber, Deadly Weapons Market Update

Dennis Mulqueeny was in attendance to present the market update.

Cox asked Mulqueeny when he could anticipate receiving rates. Mulqueeny replied they are targeting for June 1<sup>st</sup>.

### 9. Employee Assistance Programs Utilization Reports

Staff presented the utilization reports for Claremont's EAP and the Cordico App.

Both programs are being used. The utilization is high, but it is unknown as to who is using it because the systems are confidential. .

### 10. General Liability and Workers' Compensation Dashboards

There was no discussion.

VIII. MANAGERS' REPORTS

There was no discussion.

IX. MEMBERS' COMMENTS

De La Rosa announced that the City of Pinole recently received a claim for approximately \$25,000. The claimant states that their website was not Closed Caption capable, making it not ADA compliant. The claim comes from an individual in southern California who has filed other claims against big companies like Petco and smaller sized cities.

- X. ADJOURNMENT – *Motion made by LeeAnn McPhillips to adjourn the meeting. Seconded by Mike Chandler. Approved by majority count of votes. (17-0)*  
Meeting was adjourned at 12:12pm