

**MONTEREY BAY AREA SELF INSURANCE AUTHORITY**

**BYLAWS**

Amended March 15, 2010

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## **BYLAWS**

### **MONTEREY BAY AREA SELF INSURANCE AUTHORITY**

#### **ARTICLE I** **PURPOSES**

The Monterey Bay Area Self Insurance Authority ("MBASIA") is a joint powers authority established under the laws of the State of California (Government Code, Section 6500 et seq.) for the purposes of exercising and shall exercise the powers set forth in that certain Amended and Restated Joint Powers Agreement of the Monterey Bay Area Self Insurance Authority, effective the 2nd day of February, 2015, (the "Agreement"). The definition of terms used in these Bylaws shall be the same as contained in the Agreement, unless otherwise expressly provided herein, and if any provision of these Bylaws conflicts with the Agreement, the Agreement shall govern.

#### **ARTICLE II** **OFFICES**

The principal office for the transaction of the business of MBASIA shall be located within the area where MBASIA is qualified to do business. The principal office is 560 Mission Street, 6<sup>th</sup> Floor, San Francisco, CA 94105.

#### **ARTICLE III** **BOARD OF DIRECTORS**

##### **Section 1. Powers of Board of Directors.**

Subject to the powers and limitations as provided by law, the Agreement, or these Bylaws, all powers of MBASIA shall be exercised, its property controlled and its affairs conducted by the Board of Directors (the "Board"), as is further specified in the Agreement.

##### **Section 2. Composition of the Board and Terms of Board of Directors.**

The Board shall be composed of one (1) Board Member representing each municipality which participates in MBASIA's liability and worker's compensation program. Members of the Board shall be the City Manager or a specified delegate from each of the participating cities ("Member").

Board Members shall not have fixed terms of office, but each shall serve on this Board at the pleasure of the Member, except as provided herein. A City Manager or their designee shall remain a voting member while employed by the Member City.

### **Section 3. Voting Rights.**

- (a) Board Members shall have one (1) vote each at meetings of the Board. There shall be no voting by proxies.
- (b) **Manner of Voting.** The voting on formal resolutions, matters to any federal, state, county or city agency, and on such other matters as may be requested by a majority of MBASIA Members present, shall be by roll call, and the ayes, noes, and Members present not voting shall be entered upon the minutes of such meeting, except on the election of officers, which may be by ballot.
- (c) **Two-Thirds (2/3) Vote Required.** Notwithstanding the provisions of Article IV, Section 3, a two-thirds (2/3) vote of the full membership will be required in any matters involving distribution of funds from MBASIA to the Member agencies and for any amendment to these Bylaws.

### **Section 4. Vacancies.**

- (a) **Absences and Vacancies.** In the temporary absence of the Chairperson and Vice-Chairperson, MBASIA Members shall elect a Member present as temporary Chairperson for the purpose of conducting meetings and performing the duties of the Chairperson. Should the offices of Chairperson or Vice-Chairperson become vacant, MBASIA shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office. Should any office other than Chairperson or Vice-Chairperson become vacant, MBASIA shall appoint a successor within a reasonable time or by resolution determine that such office shall remain vacant for a definite or indefinite period of time.
- (b) **Additional Personnel.** MBASIA may from time-to-time appoint or employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Agreement and all other laws of the State of California applicable thereto, the selection, duties and compensation of such personnel shall be determined by MBASIA, subject to the laws of the State of California.

## **ARTICLE IV** **MEETINGS OF THE BOARD**

### **Section 1. Regular Meetings.**

An annual calendar for Board Meetings shall be presented for consideration at the last meeting of the fiscal year for the following fiscal year. The calendar shall be approved by Board action. The Board shall meet from time to time as necessary, at the discretion of the Board. Four regular Board Meetings shall be held each year.

## **Section 2. Election or Appointment of Officers.**

Last meeting of the fiscal year, officers shall be appointed or reappointed on the first day of the next fiscal year.

## **Section 3. Quorum.**

Six (6) Members of MBASIA shall constitute a quorum for the purpose of conducting MBASIA business, exercising MBASIA powers, and for all other purposes, but a smaller number may adjourn from time-to-time until the quorum is obtained. Except as noted below, every official act of MBASIA shall be adopted by a majority vote. A "majority vote" shall mean a majority of all Members present when a quorum is present.

In cases where no quorum of the Board can be obtained and urgent business needs action, a Special Executive Committee meeting will be scheduled as soon as possible in compliance with the Brown Act and the Executive Committee (EC) is granted authority to conduct such necessary business. The actions will be presented for ratification by the Board at the next regular Board Meeting.

## **Section 4. Board. Actions and Limitations.**

Except as provided otherwise by these Bylaws or the Agreement, actions of the majority of the persons entitled to vote at any meeting at which a quorum is present shall be considered actions of the Board.

## **Section 5. Public Meetings.**

- (a) All meetings of the Board, whether regular, special, or adjourned, shall be open to the public, except for closed or executive sessions authorized by law.
- (b) Unless a different procedure is established by resolution of MBASIA or set forth in these Bylaws, the rules of parliamentary procedure as set forth in Robert's Rules of Order Newly Revised shall govern all meetings of MBASIA.

## **Section 6. Special Meetings.**

The Chairperson of MBASIA may, when it is deemed expedient, and shall, upon the written request of three (3) Members of MBASIA, call a special meeting of MBASIA for the purposes of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, Government Code Sections 54950 et seq. At such special meeting, no business shall be considered other than as designated in the call.

## **Section 7. Notices of Meetings.**

Notices of the time and place of any meeting for which notice is required by law or these Bylaws shall be delivered electronically to each Board Member, such notice shall be delivered at least seventy-two (72) hours and twenty-four (24) hours for special meetings prior to the hour set for the meeting.

**Section 8. Order of Business.** At the regular meetings of MBASIA, the order of business shall routinely be presented as follows:

- A. Call to Order
- B. Oral Communications & Public Comments
- C. Consent Calendar
  - a. Approval of Minutes
  - b. Bills and Correspondence
- D. General Risk Management Issues
- E. Board of Directors
  - a. Committee Reports
  - b. Unfinished Business
  - c. New Business
- F. Program Administrator Report
- G. Loss Report
  - a. Closed Session
- H. Correspondence/Information
- I. Adjournment

All resolutions shall be in writing and designated by number, with a reference to which inscribed in the minutes and an approved copy of each resolution filed in the official book of resolutions of MBASIA.

## **Section 9. Adjournment of Meetings.**

The Board may adjourn any regular, special, or adjourned special meeting to a time and place specified in the order of adjournment, provided that the provisions of Section 54955 of the Government Code are complied with.

## **Section 10. Posting of Agendas.**

The Board Secretary shall post agendas of all regular meetings, containing a brief general description of each item of business to be transacted or discussed at the meeting at least seventy-two (72) hours before such regular meeting. The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public. No action shall be taken on any item not appearing on such posted agendas, except as provided by Section 54954.2 of the Government Code.

**Section 11. Opportunity for Public to Address the Board.**

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the Board directly on matters of interest to the public, provided that such matters are within the subject matter jurisdiction of the Board, and provided that no action shall be taken by the Board on any item arising out of such speeches unless the matter already appears on the agenda. The Board may adopt reasonable regulations which limit the total amount of time allotted for public speakers and for each individual speaker.

**Section 12. Compensation of Board Members.**

Board Members, Members of committees, and officers shall receive no compensation for their services.

**ARTICLE V**  
**OFFICERS**

**Section 1. Officers.**

The Officers of MBASIA shall be a Chairperson, Vice-Chairperson, Secretary, Treasurer and the Immediate Past Chairperson. Should the Immediate Past Chairperson be unavailable or unwilling to serve, the Chairperson shall have the authority to appoint an alternate Member. Other officials acting as its staff shall be the Program Administrator who shall have the duties vested in them by MBASIA.

**Section 2. Election.**

The Board shall elect the Chairperson, Vice-Chairperson, Treasurer, and Secretary from among the Board Members and they shall serve two-year terms or until removed or replaced.

**Section 3. Vacancies.**

In case any office becomes vacant by reason of death, resignation, retirement, disqualification, or any other cause, the Chairperson may select a Board Member to fill such vacancy, and the officer so selected shall hold office and serve until the next meeting of the Board, when such appointment shall be confirmed or terminated by the Board, and if terminated, shall be filled by a replacement determined by the Board.

#### **Section 4. Chairperson.**

The Chairperson shall preside at all meetings of the Board and the Executive Committee and shall have such other powers and duties as may be designated from time to time by the Board. The Chairperson of MBASIA shall be elected by Members from among the Members and shall serve at the pleasure of MBASIA. The Chairperson shall preside at all meetings of MBASIA, except as otherwise authorized by resolution of MBASIA or the provisions of these Bylaws, the Chairperson shall sign all contracts, resolutions and other instruments made by MBASIA.

#### **Section 5. Vice-Chairperson.**

The Vice-Chairperson shall be elected by the Members from among the Members and shall serve at the pleasure of MBASIA. The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In case of the resignation, removal, or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the MBASIA shall elect a new Chairperson.

#### **Section 6. Secretary.**

The Secretary shall keep, or cause to be kept a full and complete record of the proceedings of the Board, of the Executive Committee and of any other committees, shall make service of such notices as may be necessary or property, shall supervise the keeping of the records of MBASIA, and shall discharge such other duties as pertain to the office or as are designated by the Board.

#### **Section 7. Treasurer.**

The Treasurer shall be appointed by MBASIA or elected by the Members from among the Members. The Treasurer shall give such bond for faithful performance of the Treasurer's duties as MBASIA may determine. The Treasurer and the Secretary may be served by one Board Member.

The Treasurer shall review quarterly MBASIA's books of accounts, bank Reconciliations, etc. The Treasurer shall have duties and responsibilities outlined in MBASIA's Accounting Guide Policy and Procedure.

**ARTICLE VI**  
**EXECUTIVE & FINANCE COMMITTEE**

**Section 1. Composition, Terms, and Vacancies.**

There shall be an Executive & Finance Committee (the "Executive Committee") of the Board composed of four (4) persons. The elected officers of MBASIA (the Chairperson, Vice-Chairperson, Secretary/Treasurer, and past Chairperson) shall serve as the Executive Committee, and the Chairperson shall preside at its meetings.

Members may be removed for failure to attend two consecutive meetings without reasonable excuses. The Chairperson may appoint replacements to fill any vacancies caused by death, disability, resignation, disqualification or removal for unexcused absences, and such appointees shall serve until the next annual meeting of the Board, at which time they shall be elected or replaced by vote of the Board. The Chairperson may agendize the removal for consideration and instruct the Program Administrators to agendize.

**Section 2. Meetings.**

Meetings of the Executive Committee shall be held in accordance with the provisions for notice and meetings of the Board contained in Article IV hereof, except that regularly scheduled Executive Committee meetings shall be held on such scheduled days if the Chair of the Committee or any Board Member finds it necessary to hold a meeting. Notices, posting of agendas, requirements for a quorum, and scheduling of meetings shall comply with California's Ralph M. Brown Act.

Special meetings of the Executive Committee may be called by the Chairperson, individually or at the request of another Authority Board Member. Special meetings of the Executive Committee shall not be held more than two (2) times between meetings of the full Board.

Agendas for Executive Committee meetings shall be set by the Chairperson, individually or at the request of any Authority Board Member.

**Section 3. Quorum.**

A majority of the Executive Committee, which is three of four Members serving on the Committee, shall constitute a quorum for the transaction of business at any meeting.

#### **Section 4. Authority.**

The Executive Committee shall exercise all powers and authority of the Board including but not limited to personnel matters concerning salary, benefits, and working conditions of staff; approval of warrants; approval of requests for Certificates of Coverage; approval of requests to add Additional Covered Parties; covered loss settlement authority up to the maximum limits established by the Board, approval of contracts for routine services including claims and financial audits and actuarial studies; and, any other power or authority delegated by the Board.

The Executive Committee shall not have the powers and authority over election of officers and Members of the Executive Committee, final approval of special assessments from or refunds to Members, and final approval of modifications or amendments of these Bylaws, the Agreement, the Budget, the Memorandum of Coverage, and other principal coverage documents. The Executive Committee may also establish other committees, define their functions and responsibilities, appoint Members to them, and exercise such other powers and perform such other duties as these Bylaws or the Board may prescribe.

### **ARTICLE VII** **OTHER COMMITTEES**

Committees may be formed as necessary by either the Board of Directors or the Executive Committee for the purposes of overseeing any functions that the Board or Executive Committee has authority to control, such as, but not limited to, administration and policy direction, claims administration, investments, safety/loss control, etc. Ad Hoc Committees will be formed, as necessary. Standing Committees will exist as follows:

#### **Coverage and Claims Committee:**

##### **Composition:**

The Coverage and Claims Committee shall be comprised of the Chairperson, the Excess Coverage Representative and two Board Members appointed by the Board at the last meeting of the fiscal year and they shall serve a one-year term or until removed or replaced. The Chairperson will act as the Committee Chair.

An annual calendar for Coverage and Claims Committee Meetings shall be presented for consideration at the last meeting of the fiscal year. The calendar shall be approved by Board action.

##### **Duties:**

1. Monitor proper claim reporting to MBASIA by all Member cities.
2. Recommend to the Board appointment of the claims auditor and claims administrator.
3. Administer claims auditing and claims administration contracts.

4. Recommend and keep current claims administration policy and procedures.
5. Review and provide oversight regarding the handling and defense of all claims.
6. Keep Board of Directors completely informed on all claims matters.
7. Interpret coverage issues, as they relate to specific claims, and make recommendations to the Board.
8. Make case settlement recommendations to the Board.
9. Review membership criteria and applications of prospective Members.
10. Oversee administration of actuarial services.
11. Interpret and make recommendations on revisions to the Memorandum of Coverage.
12. Review and recommend any coverage or exposure issues brought to the Board.
13. Review and make recommendations to the Board on underwriting related issues.
14. Perform other duties as may be assigned by the Board.

**Safety Committee:**

**Composition:**

The Safety Committee shall be comprised of the Vice-Chairperson and two Board Members appointed by the Board at the last meeting of the fiscal year and they shall serve a one-year term or until removed or replaced. The Vice-Chairperson will act as the Committee Chair.

**Duties:**

1. Review and recommend policy and procedures for the Authority and Member Agencies
2. Assist in coordinating and recommending Loss Control efforts
3. Assist in coordinating and recommending the implementation and maintaining safety programs
4. Evaluate cost saving opportunities
5. Evaluate the effectiveness of safety policies
6. Review loss trends to identify exposures that are negatively impacting the Authority
7. Oversee Safety activities performed by the Authority or Safety oriented vendors and programs
8. Review and provide oversight for contracts regarding Safety
9. Perform other duties as may be assigned by the Board.

**ARTICLE VIII**  
**ADMINISTRATION**

**Section 1. Program Administrator.**

The Program Administrator shall attend meetings of the Board and of the Executive Committee, ex officio, but shall have no vote, and shall administer the business and activities of MBASIA, including those specific duties assigned by the Board or the Executive Committee or required by the Agreement. The duties as Secretary shall be as prescribed by Section 6 of Article V, above.

The Program Administrator shall provide for such other employees as may be necessary for management of MBASIA's business, subject to approval by the Board or the Executive Committee.

**Section 2. Duties of Program Administrator.**

Subject to general supervision and direction of policy by the Board or the Executive Committee, authority and responsibility of the Program Administrator, or their designee, shall include:

- A. Exercising responsibility for the selection, employment, and supervision of all other employees of MBASIA, if applicable;
- B. Coordinating and carrying out MBASIA's purposes and objectives according to MBASIA's established policies and procedures, policy directives from the Board or the Executive Committee and the approved work program;
- C. Attending, as a non-voting Member, the meetings of the Board, the Executive Committee and other committees;
- D. Representing the Board and MBASIA in dealings with the public and other organizations;
- E. Reporting MBASIA's activities to the Members at such times and in such manner as prescribed by them;
- F. Performing specific duties as are set forth in the Agreement; and
- G. Performing other duties as are delegated by the Board or the Executive Committee.

**ARTICLE IX**  
**BUDGET**

An annual budget for MBASIA shall be prepared and shall separately show the following for liability and worker's compensation:

- A. A general and administrative section;
- B. An interest income section;
- C. A capital expenditure section; and
- D. Sections for each coverage layer of each program year of each program specifying:
  - 1. The actuarially estimated claims and allocated claims adjustment costs;
  - 2. An equitable allocation of the general and administrative costs;
  - 3. An equitable allocation of the interest income.
- E. The prior calendar year shall be the period used to develop the budget of the Authority for the next fiscal year and the respective premiums for each Member city for the next fiscal year.

**ARTICLE X**  
**INVESTMENT AND DISBURSEMENT OF FUNDS**

**Section 1. Investment.**

The Treasurer may invest money not required for the immediate necessities of MBASIA as directed by the Board or the Executive Committee in the same manner and on the same conditions as local agencies as provided by Government Code Section 53601

**Section 2. Disbursement.**

The Program Administrator shall draw warrants to pay demands on behalf of MBASIA after such demands have been approved by the Treasurer.

All checks disbursing funds of MBASIA shall be signed by the Treasurer. and if they are unavailable, alternate check signing authority is outlined in the MBASIA Accounting Guide Policy and Procedure.

**ARTICLE XI**  
**MISCELLANEOUS**

**Section 1. Agents and Representatives.**

The Executive Committee or the Board may appoint such agents and representatives of MBASIA with such power and to perform such acts or duties on behalf of MBASIA, as the Executive Committee or the Board may see fit, so far as may be consistent with the Agreement, these Bylaws and applicable laws,

**Section 2. Contracts.**

- (a) Except as otherwise provided in these Bylaws, the Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument, in the name of and on behalf of MBASIA, and such authority may be general or confined to a specific instance. Unless so authorized by the Executive Committee or the Board, no officer, agent, or employee shall have any power or authority to bind MBASIA by any contract or engagement, nor to pledge its credit, nor to render it liable for any purpose or to any amount.
- (b) **Contract Review.** There will be an annual review of the Program Administrator's contract by the Executive Committee.

**Section 3. Bonding.**

Officers, Board Members and employees handling funds shall be properly bonded as determined by the Board.

**Section 4. Fiscal Year.**

MBASIA's fiscal year shall end on June 30 of each year.

**Section 5. Authority for Payments.**

All invoices, billings and claims for payment of losses in excess of the amount delegated by the Board to the contracted claims administrative firm shall be approved and signed by the Treasurer and Program Administrator, before payment.

**Section 6. Claims Audits.**

A claims audit shall be performed at least every two (2) years for Workers' Compensation beginning in the 2003/2004 FY.

A claims audit shall be performed at least every three (3) years for Liability beginning in the 2003/2004 FY.

**Section 7. Additional Guidance.**

Except as provided in (i) the Agreement, (ii) these Bylaws, and (iii) the Ralph M. Brown Act, as amended, meetings of the Board shall be conducted pursuant to the Rosenberg's Rules of Order, as amended.

**ARTICLE XII**  
**AMENDMENTS**

These Bylaws may be amended by a two-thirds vote of the Board present and voting at any duly convened regular or special meeting. The Secretary shall prepare and distribute any proposed revisions to all Members of the Board with the notice of such meeting. Any such amendment shall become effective immediately, unless otherwise stated therein.