



Monterey Educational Risk Management Authority
P.O. Box 3320, Salinas, CA 93912
www.merma.org

**BOARD OF DIRECTORS' MEETING
MAY 23, 2018
SUMMARY MINUTES**

The Board of Directors of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on May 23, 2018 at 1:00 p.m.

Board of Directors Present

Jerry Stratton, President, Salinas City ESD
Veronica Flournoy, Spreckels USD
Colleen Stanley, MCOE
Mary Dawson, Gonzales USD - *arrived at 1:15 p.m.*
Rory Livingston, King City USD – *arrived at 1:44 p.m.*

Board Members Absent

Ian Trejo, Bradley USD
Gordon Piffero, Big Sur USD
Rick Blanckmeister, Carmel USD
Eva Contreras, Chualar USD
Rosemary Grounds, Graves SD
Angel Cante, Greenfield USD
Daniel Stonebloom, Lagunita SD
Jinane Annous, Mission USD
Ralph Gomez Porras, Pacific Grove USD
Ana Aguillon, Salinas UHSD
Pam Hernandez, San Antonio USD
Catherine Reimer, San Ardo USD
Nicole Hester, San Lucas USD
Shelly Morr, Santa Rita USD
Cesar Vega, Soledad USD
Sherrie Castellanos, SMCJHSD
Tracie Corpuz, Washington USD

Guests and Staff

Becky Moore, Gonzales USD – *arrived at 1:15 p.m.*
Connie Hampson, Intercare
Karen Callahan, Intercare
Marlene Richardson, Intercare

Guests and Staff (continued)

Marcus Beverly, Alliant
Matt Gowan, Alliant
Julio Jauregui, MERMA
Hallie Pacheco, MERMA

A. CALL TO ORDER

President Stratton called the meeting to order at 1:03 p.m.

B. ROLL CALL

Present: Jerry Stratton, Veronica Flournoy, Colleen Stanley

3 Board members present & 19 Board members absent. Since a quorum of the Board was not present the Executive Committee is empowered to act as the governing body on all matters to be considered at the meeting. A quorum of the Executive Committee was present.

C. APPROVAL OF AGENDA AS POSTED

Motion was made to modify the agenda to address all of the action items first then continue with the remaining information items.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 19
AYES:	Colleen Stanley, Veronica Flournoy, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Mary Dawson, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz		

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were presented.

1. Board of Directors' Minutes – January 31, 2018
2. North Bay Associates – Engagement Letter and Proposal for Claims Audit

Motion was made to approve items 1 and 2 as presented with a single motion.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 3	NOES: 0	ABSTAIN: 0
ABSENT: 19		
AYES:	Veronica Flournoy, Colleen Stanley, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Mary Dawson, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz	

Jerry Stratton stated to move past item F. Administrative Reports and move on to item G. JPA Business.

G. JPA BUSINESS

1. Workers' Compensation Excess Insurance Proposal FY 2018-19

Matt Gowan presented the proposals for Excess Workers' Compensation Coverage. This item was presented to the Executive Committee at their April 11, 2018 meeting and options have been reviewed. The Committee recommends the Equivalent Option, with funding at a 75% Confidence Level and with a \$75,000 Self-Insured Retention for the Board to review and approve.

Motion was made to approve the Workers' Compensation Excess Insurance for FY 2018-19 with Great American and State National with Self-Insured Retention of \$75,000.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 3	NOES: 0	ABSTAIN: 0
ABSENT: 19		
AYES:	Veronica Flournoy, Colleen Stanley, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Mary Dawson, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz	

Jerry Stratton stated we will skip information item 2.A. at this time and move on to item 2.B.

2.B. Risk Control Program

Matching Safety Funds Update & Funding Request for FY 2018-19

Julio Jauregui presented an update on the Matching Safety Funds. He stated ten of the members have used their funds to date. Some will wait until June to request their funds. He stated he would like this program to continue in FY 2018-19 as it is a very useful program that helps the members.

After discussion, motion was made to approve the Matching Safety Funds for FY 2018-19 in the amount of \$80,000.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 19
AYES:	Veronica Flournoy, Colleen Stanley, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Mary Dawson, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz		

3. Budget for FY 2018-19

Marcus Beverly presented the budget for Fiscal Year 2018-19. The Executive Committee previously reviewed and provided direction. Discussion held.

Motion was made to approve the budget for FY 2018-19.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 19
AYES:	Colleen Stanley, Veronica Flournoy, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Mary Dawson, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz		

4. Program Funding for FY 2018-19

Marcus Beverly presented the recommended funding options for FY 2018-19. The funding options have been reviewed by the Executive Committee and Program Administrators at various retention and Confidence Levels. The Executive Committee has recommended funding with a Self-Insured Retention of \$75,000 and recommends funding at the 75% Confidence Level for the Board to review and approve.

Mary Dawson arrived at 1:15 p.m. in time to listen to discussion and vote on this item.

A motion was made to approve the FY 2018-19 premium assessments based on a 75% Confidence Level, \$75,000 SIR, and 1.5% discount rate. The base rate of \$2.5515 per \$100 payroll was also approved.

MOTION: Colleen Stanley	SECONDED: Mary Dawson	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 18		
AYES:	Colleen Stanley, Mary Dawson, Veronica Flournoy, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz	

5. Funding Policy

Marcus Beverly presented a handout for the Funding Policy revision to increase the annual funding goal from 70% to 80% Confidence Level and a maximum goal of 90% Confidence Level. Marcus stated the Funding Policy revision sent out in the agenda packet did not include the maximum goal of 90%.

The Executive Committee has reviewed and is recommending the Board approve the revised Funding Policy with an annual funding goal of 80% Confidence Level and a maximum goal of 90% Confidence Level.

Motion was made to approve the revision to the Funding Policy to increase the annual funding goal to 80% Confidence Level and a maximum goal of 90% Confidence Level.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 18		
AYES:	Veronica Flournoy, Colleen Stanley, Mary Dawson, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz	

6. Election of Executive Committee Members

Marcus Beverly stated three Executive Committee Member's terms are ending June 30, 2018. President Jerry Stratton, Vice President Rory Livingston and Ana Aguillon, who was filling a vacancy left by another member last year. One nomination was received from Brian Walker, Superintendent of South Monterey County Joint Union High School District, nominating Sherrie Castellanos, the District's Chief Business Official. Discussion held.

Motion was made to nominate and re-elect President Jerry Stratton, Vice President Rory Livingston, and Ana Aguillon to serve on the Executive Committee from July 1, 2018 to June 30, 2020.

MOTION: Veronica Flourney	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 18		
AYES:	Veronica Flourney, Colleen Stanley, Mary Dawson, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Angel Cante, Rory Livingston, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz	

Returning back to item F. Administrative Reports

F. ADMINISTRATIVE REPORTS

1. President's Report

Jerry Stratton stated he would really like to encourage Sherrie Castellanos and anyone else to participate and who would like to be a part of the Executive Committee.

2. Pool Administrator's Report

Marcus Beverly stated the claims audit will take place in August.

3. Claims Administrator's Report

Intercare provided and reviewed with the Board the following reports:

- Annual and Monthly Results for March and April 2018,
- New Claim Analysis as of April 30, 2018,
- Monthly Frequency & Severity Reports as of April 30, 2018,
- Claim Closing Analysis YTD as of April 30, 2018,
- Net Reserve Changes –YTD 2017/18 as of April 30, 2018
- MERMA Company Nurse Results for March and April 2018,
- MERMA Bill Review Results for March and April 2018.

Rory Livingston arrived at 1:44 p.m.

4. Board of Directors Report

No comments from Board members.

G. JPA Business

2.A. Risk Control Program – Update on Risk Control Services

Julio Jauregui provided an update on his activity. He has provided OSHA support and training for a couple of members. He stated he is available and will provide OSHA training support for members as requested. Julio has completed the Injury Illness Prevention Plan (IIPP) for Salinas Union High School District and Salinas City Elementary School District. He provided statistics on 90 ergonomic evaluations he has performed.

7. Meeting Schedule for FY 2018-19

The meeting schedule for FY 2018-19 for MERMA Board of Directors and Executive Committee was provided to the Board.

H. Closing Comments

None

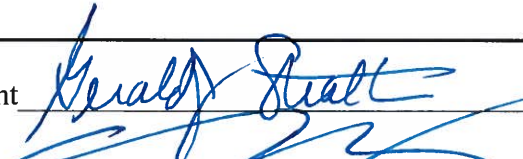
I. Upcoming Meetings

Board of Directors Meeting – October 10, 2018 – 9:00 a.m. – 3:00 p.m.
Location: Monterey Peninsula Yacht Club

J. ADJOURNMENT

Motion was made to adjourn the meeting at 2:00 p.m.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
		ABSENT: 17
AYES:	Veronica Flournoy, Colleen Stanley, Mary Dawson, Rory Livingston, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Angel Cante, Daniel Stonebloom, Jinane Annous, Ralph Gomez Porras, Ana Aguillon, Pam Hernandez, Catherine Reimer, Nicole Hester, Shelly Morr, Cesar Vega, Sherrie Castellanos, Tracie Corpuz	

President/Vice President 

Executive Director

Date 10.10.18