



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

EXECUTIVE COMMITTEE MINUTES
November 14, 2018

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on November 14, 2018 at 1:30 p.m.

Executive Committee Members Present

Jerry Stratton, President, Salinas City Elementary School District
Veronica Flournoy, Spreckels Union School District
Colleen Stanley, Monterey County Office of Education
Ana Aguillon, Salinas Union High School District

Executive Committee Members Absent

Rory Livingston, Vice President, King City Union School District.

Guests and Staff

Marcus Beverly, Alliant
Matt Gowan, Alliant
Marlene Richardson, Intercare
Connie Hampson, Intercare
Karen Callahan, Intercare
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman
Hallie Pacheco, MERMA

A. CALL TO ORDER

Jerry Stratton called the meeting to order at 1:32 p.m.

B. ROLL CALL

Present: Jerry Stratton, Veronica Flournoy, Colleen Stanley, Ana Aguillon
Absent: Rory Livingston

C. APPROVAL OF AGENDA AS POSTED

Motion was made to approve the agenda as posted.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Jerry Stratton			
ABSENT: Rory Livingston			

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were presented:

1. Executive Committee Minutes – August 15, 2018
2. Payment Registers and Board Reports – August, September, October 2018
3. Change Order Form/Addendum – McGilloway, Ray, Brown & Kaufman
Regarding Ownership of Records

Veronica Flournoy asked for a description of the Change Order Form/Addendum. Marcus Beverly stated this was a requirement for the CAJPA Re-Accreditation. This is a no fee amendment that states more clearly that we could get the records and who owns the records.

Motion was made to approve items 1 through 3 as presented with a single motion.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Colleen Stanley, Veronica Flournoy, Ana Aguillon, Jerry Stratton			
ABSENT: Rory Livingston			

F. ADMINISTRATIVE REPORTS

1. President's Report

Jerry Stratton wished Marlene Richardson, Intercare Claims Supervisor, happy birthday.

2. Pool Administrator's Report

Matt Gowan would like to thank Jerry Stratton, President of the Executive Committee for hosting another JPA a couple of weeks ago. The JPA is interested in changing how they do business.

Jerry Stratton stated he shared what this JPA went through and how we survived and thrived and where we are now.

3. Claims Administrator's Report

Connie Hampson of Intercare provided the Executive Committee with the following reports:

- Annual and Monthly Claim Results – September and October 2018
- New Claim Analysis Received YTD 2018/19 – as of 10/31/18
- Monthly Frequency & Severity Reports Claims Reported 7/1/18 – 10/31/18
- Claim Closing Analysis YTD 2018/19 – as of 10/31/18
- Net Reserve Changes – YTD 2018/19 – as of 10/31/18
- MERMA Company Nurse Results for September and October 2018
- MERMA Bill Review Results for September and October 2018

4. Executive Committee Report

Veronica Flournoy wanted to thank everyone for the retreat. The food was delicious and the meeting was good.

G. FINANCIAL REPORTS

1. Report on MERMA’s Retiree Benefit Valuation as of June 30, 2018

Marcus Beverly presented the OPEB Retiree’s Benefit Valuation as of June 30, 2018 prepared by MacLeod Watts, Inc.

Veronica Flournoy asked if we were now on a 2-year cycle instead of a 3-year for the OPEB report.

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman replied that there are two cycles. One is for the planned valuation which is valuating what the experience is like, actual benefits being paid, what the investment earnings are and are they tying back and to reconcile all the investments. This planned valuation is done every two years.

The GASB 75 valuation is done on an annual basis. This is the estimate of how much you are going to pay in the long run for all employees based on the actual planned valuation.

Motion was made to accept and file the Report on MERMA’s Retiree Benefit Valuation as of June 30, 2018 as presented.

MOTION: Veronica Flournoy	SECONDED: Ana Aguillon	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
ABSTAIN: 0		
AYES: Veronica Flournoy, Ana Aguillon, Colleen Stanley, Jerry Stratton		
ABSENT: Rory Livingston		

2. Financial Statements with Accountant’s Compilation Report

Jacinto Bernal of McGilloway, Ray, Brown and Kaufman presented the Final Financial Statements with Accountant’s Compilation Report for years ended 2018 and 2017. This report was initially presented in draft form at the October 10, 2018 Board of Directors Meeting. Jacinto Bernal went over the updated OPEB information now that the OPEB Retiree’s Benefit Valuation Report has been completed.

Motion was made to accept and file the Financial Statements with Accountant’s Compilation Report for years ended 2018 and 2017 as presented.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 1		
AYES: Colleen Stanley, Veronica Flournoy, Ana Aguillon, Jerry Stratton		
ABSENT: Rory Livingston		

3. Financial Reports for Period Ending September 30, 2018

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the Financial Reports for period ending September 30, 2018.

Motion was made to accept and file the Financial Reports for Period Ending September 30, 2018 with the one correction of a missed line as presented.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 1		
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Jerry Stratton		
ABSENT: Rory Livingston		

H. JPA BUSINESS

1. Claims Audit – 2018

Marcus Beverly presented the North Bay Associate’s Claims Audit. The overall score went up from the audit two years ago from 88.8% to 94.6%. Ten out of fifteen categories audited scored 100%. The only decrease was Initial Employee Contact that went from 85.4% to 76.5%.

Intercare provided a response to the Claims Audit. Karen Callahan stated there are a few areas that need to be addressed regarding requirements for initial/ongoing employee and physician contact. She stated Intercare continues to provide training through internal audits and in Supervisor reviews. The initial contact is key and needs to be worked on and Marlene Richardson, Claims Supervisor, will follow-up with her staff on that.

Motion was made to accept the Claims Audit for 2018 as presented.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 1		
AYES: Colleen Stanley, Veronica Flournoy, Ana Aguillon, Jerry Stratton		
ABSENT: Rory Livingston		

2. Deadly Weapons Response Coverage

Matt Gowan presented more information and costs for the Deadly Weapons Response Coverage that was first presented at the August 15, 2018 Executive Committee Meeting. He stated he received a quote of \$18,000 for coverage with a \$10,000 per incident deductible. The policy limit is \$500,000 per incident and \$2,500,000 in aggregate. It covers all locations, anything that is on your schedule, including buses that you schedule and own. The coverage provides instant access to the following with sub-limits of \$250,000:

- 1st Party Property Damage
- Business Interruption
- Crisis Management Services
- Public Relation Services
- Counseling Services for students and staff
- Additional Security if required
- Funeral Expenses
- Monitoring of Social Media
- Repairing Property Damage
- Creation of Memorial

Lengthy discussion held.

Motion was made to table this item and bring back to discuss as an action item at the January 9, 2019 Executive Committee Meeting.

MOTION: Veronica Flournoy	SECONDED: Ana Aguillon	MOTION CARRIED
AYES: 4	NOES: 0	ABSENT: 1
ABSTAIN: 0		
AYES: Veronica Flournoy, Ana Aguillon, Colleen Stanley, Jerry Stratton		
ABSENT: Rory Livingston		

3. Administrative Service Agreement Review

Matt Gowan stated the Alliant contract for administration and consulting services will expire on June 30, 2019. He stated traditionally an ad hoc committee has been appointed to re-negotiate the contract and bring back to the Committee for approval.

The Committee gave direction to appoint Jerry Stratton and Ana Aguillon to the ad hoc committee. No action was taken as only direction was given.

I. Closing Comments

None

J. Upcoming Meetings

Executive Committee Meeting – January 9, 2019, 1:30 p.m.

K. ADJOURNMENT

Motion was made to adjourn the meeting at 3:12 p.m.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 1		
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Jerry Stratton		
ABSENT: Rory Livingston		

Gerald Stratton, President: 

Marcus Beverly, Executive Director: 

Date: 1/9/19