



**BOARD OF DIRECTORS' MINUTES
October 8, 2014**

The Board of Directors of the Monterey Educational Risk Management Authority met at the Monterey Yacht Club in Monterey, CA at 9:00 a.m., on October 8, 2014.

Board of Directors Present

Sara Perez, President, Gonzalez USD
Jerry Stratton, Vice President, Salinas City ESD
Melody Canady, Greenfield USD
Veronica Flournoy, Spreckels USD
Rory Livingston, King City USD
Colleen Stanley, MCOE
Ana Aguillon, Salinas UHSD
Dr. Shelly Morr, Santa Rita USD
Gordon Piffero, Big Sur USD
Jorge Guzman, Soledad USD
Duane Wolgamott, SMCJHSD
Dee Baker – Alternate – Washington USD (arrived at 1:05 pm)

Board Members Absent

Ian Trejo, Bradley USD
Rick Blanckmeister, Carmel USD
Eva Contreras, Chualar USD
Rosemary Grounds, Graves SD
Nadene Dermody, Lagunita SD
Tim Ryan, Mission USD
Rick Miller, Pacific Grove USD
Eli Johnson, San Antonio USD
Catherine Reimer, San Ardo USD
Nicole Hester, San Lucas USD
Tracie Corpuz, Washington USD

Guests and Staff

Roxanne Regules – Alternate- Santa Rita USD
Marcus Beverly, Alliant
Mike Simmons, Alliant
Matt Gowan, Alliant
Danielle Buri, Intercare
Karen Callahan, Intercare
Dave Swiatlo, Intercare
Gary Metzler, MERMA
Hallie Pacheco, MERMA
Connie Martin, MERMA

CALL TO ORDER

Sara called the meeting to order at 9:02 a.m.

ROLL CALL

Introduction of Board of Directors and Guests

APPROVAL OF AGENDA AS POSTED

Motion was made to approve the agenda as amended by moving Item G-2 before Item 5.

MOTION: Jerry Stratton **SECONDED:** Melody Canady **MOTION CARRIED**

AYES: 11 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 11

AYES: Jerry Stratton, Melody Canady, Rory Livingston, Veronica Flournoy, Colleen Stanley, Ana Aguillon, Shelly Morr, Gordon Piffero, Jorge Guzman, Duane Wolgamott, Sara Perez

ABSENT: Ian Trejo, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Nadene Dermody, Tim Ryan, Rick Miller, Eli Johnson, Catherine Reimer, Nicole Hester, Tracie Corpuz

PUBLIC COMMENTS

None

CONSENT CALENDAR

The following item was approved:

1. Board of Directors' Minutes – May 22, 2014

MOTION: Melody Canady **SECONDED:** Colleen Stanley **MOTION CARRIED**

AYES: 11 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 11

AYES: Jerry Stratton, Melody Canady, Rory Livingston, Veronica Flourney, Colleen Stanley, Ana Aguillon, Shelly Morr, Gordon Piffero, Jorge Guzman, Duane Wolgamott, Sara Perez

ABSENT: Ian Trejo, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Nadene Dermody, Tim Ryan, Rick Miller, Eli Johnson, Catherine Reimer, Nicole Hester, Tracie Corpuz

ADMINISTRATIVE REPORTS

1. President's Report

Sara Perez thanked everyone for attending the meeting. She was pleased with the great turn-out and looked forward to a very productive day.

2. Administrative Report

Matt Gowan introduced Marcus Beverly to the Board. Marcus replaced Susan Adams who was offered a job at a JPA in Modesto. Matt informed the Board that Marcus has over 25 years of experience in claims, risk management and insurance. Marcus thanked Matt for the kind introduction. Marcus added that he has had the good fortune of working with a variety of different pools and has experience in dealing with public entities from school districts to special districts, cities, and counties and he brings that experience and dedication to MERMA.

3. Claim's Administrator's Report

Intercare provided the Board with a status report on the first 5 months of the transition. They provided the Board with a current caseload status, claim closure analysis, reserve changes report, bill review summary analysis and their goals for 2014-15.

4. Board of Directors

None

Recessed for a break at 10:33 a.m., reconvened at 10:52 a.m.

JPA BUSINESS

1. MERMA Orientation – Programs & Services

Marcus and Matt presented an overview of MERMA's programs and services. They also Reviewed some of MERMA's activities over the past year:

- October 2012 MERMA contracted with Alliant to be MERMA's program administrator.
- Intercare entered into contract with MERMA on February 2014 and began managing claims in May 2014.
- July 2013 Excess Coverage moved to CSAC-EIA
- June 2014 Outstanding Liabilities decreased by over \$5,000,000
- July 2014 changes result in Administration savings of over \$200,000 per year plus \$100,000 in one-time savings
- July 2014 Discount factor lowered to 1.5% from 3%.

2. CAJPA Accreditation Overview

Marcus explained the CAJPA Accreditation process to the Board. He explained the California Association of Joint Powers Authorities is an association of most of the self-insured risk pools in California. They provide accreditation standards designed to assist pools by establishing best Practices and benchmarks for their operations. In order to follow CAJPA accreditation, Marcus Informed the Board that a pre-audit of MERMA's ability to achieve accreditation is a useful tool to determine its operation and potential areas of improvement. Marcus provided the Board with a gap analysis of MERMA's current practices along with the CAJPA standards, and a summary of areas that need to be addressed for MERMA to pursue the accreditation.

Motion was made for MERMA to apply for the CAJPA accreditation and to focus on key areas by adopting policies on investments, funding, record retention, claims management, and underwriting.

MOTION: Rory Livingston **SECONDED:** Melody Canady **MOTION CARRIED**

AYES: 11 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 11

AYES: Jerry Stratton, Melody Canady, Rory Livingston, Veronica Flournoy, Colleen Stanley, Ana Aguillon, Shelly Morr, Gordon Piffero, Jorge Guzman, Duane Wolgamott, Sara Perez

ABSENT: Ian Trejo, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Nadene Dermody, Tim Ryan, Rick Miller, Eli Johnson, Catherine Reimer, Nicole Hester, Tracie Corpuz

3. Investment Policy

Marcus reported that MERMA's investments are managed by Monterey County's Treasurer and investments are guided by an Investment Policy in accord with the standards of the Government Code. Marcus stated that JPAs are required to establish an investment policy and review it annually. Marcus informed the Board since MERMA relies on the County to invest its funds, he recommends the Board adopt the County's policy as its own. Marcus also informed the Board that the policy allows for the establishment of a special fund for the portion of the portfolio that is not needed for normal operating expenses. Discussion held.

Motion was made to adopt the Investment Policy of Monterey County and approve the plan to establish a special fund to invest that portion of the portfolio needed to pay MERMA's long-term liabilities.

MOTION: Gordon Piffero **SECONDED:** Rory Livingston **MOTION CARRIED**

AYES: 11 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 11

AYES: Jerry Stratton, Melody Canady, Rory Livingston, Veronica Flournoy, Colleen Stanley, Ana Aguillon, Shelly Morr, Gordon Piffero, Jorge Guzman, Duane Wolgamott, Sara Perez

ABSENT: Ian Trejo, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Nadene Dermody, Tim Ryan, Rick Miller, Eli Johnson, Catherine Reimer, Nicole Hester, Tracie Corpuz

Recessed for lunch at 11:26 a.m., reconvened at 12:36 p.m.

Veronica Flournoy left the meeting at 1:02 p.m.

Dee Baker arrived at meeting at 1:05 p.m., alternate representing Washington USD in place of Tracie Corpuz.

4. Mission Statement Review and Discussion

Marcus reported that in order to discuss MERMA's strategic plan that it would be useful to review MERMA's Mission Statement and to come to a general consensus of how the Mission Statement guides the JPA's goals and objectives.

Points of Discussion –Flip Chart Notes

- Employees and Volunteers---Resolution
- Injury Resources-value
- Ergonomics – Loss Control
- Belong to JPA
- Assets – Rates – we change
- Fair/ equitable
- Support Safety Support – keep down time to a minimum
- Tools employees use – ergonomics
- Outsource Loss Control to non-members
- Offer “market” to non-members
- “Support” dollars back to school
-

Support – Future

- Dollars to pay claims “efficiency”

Productivity

- Kids want to stay in public education v. charter/private schools
- What can we buy with the dollars saved
- Have a better product
- Creative

5. Funding Policy

After some discussion, it was decided to table this item until the next meeting.

6. SWOT Analysis

STRENGTHS	WEAKNESSES
- INTERCARE/TPA OUTSOURCE	- SIZE (SMALL)
- MEMBERSHIP (PERSONAL TOUCH)	- LACK OF RECRUITMENT (MARKETING)
- RATES (CURRENT)	
- FINANCIAL STABILITY	
- SIZE (SMALL)	
- ALLIANT	
- MERMA(INHOUSE STAFF)	
- COMPANY NURSE	
OPPORTUNITIES	THREATS
- GROWTH	- DISRICTS LEAVING
- STABILITY	- RATE FLUCTUATIONS
- CONFIDENCE LEVEL	- FUND FORWARD
- EFFORT TO REDUCE RATES	- ECONOMIC DOWN-TURN
- CONTINUE WHAT WE ARE DOING	
- OTHER AGENCIES JOINING – DIVERSITY OF TYPES OF ORGANIZATIONS	

Jorge Guzman left at 2:05

Dr. Morr left at 2:41

Wrap Up

Marcus thanked everyone for attending the meeting. Sara also thanked everyone for attending the meeting and Jerry commented that it was a great group.

CLOSING COMMENTS

None

ADJOURNMENT

Motion was made to adjourn the meeting at 2:46 p.m.

MOTION: Jerry Stratton **SECONDED:** Melody Canady **MOTION CARRIED**

AYES: 9 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 13

AYES: Jerry Stratton, Melody Canady, Rory Livingston, Colleen Stanley, Ana Aguillon, Gordon Piffero, Duane Wolgamott, Dee Baker, Sara Perez

ABSENT: Veronica Flournoy, Dr. Shelly Morr, Jorge Guzman, Ian Trejo, Rick Blanckmeister, Eva Contreras, Rosemary Grounds, Nadene Dermody, Tim Ryan, Rick Miller, Eli Johnson, Catherine Reimer, and Nicole Hester.

President/Vice President 

Executive Director 

Date 5/27/2015
