



BOARD OF DIRECTORS' MINUTES
May 25, 2016

The Board of Directors of the Monterey Educational Risk Management Authority met on May 25th at 76 Stephanie Drive, Salinas, CA, at 2:00 p.m.

Board of Directors Present

Jerry Stratton, President, Salinas City ESD
Veronica Flournoy, Spreckels USD
Colleen Stanley, MCOE
Duane Wolgamott, SMCJHSD
Tracie Corpuz, Washington USD
Ana Aguillon, Salinas USD
Roxanne Regules, Santa Rita USD – Alternate
Scott Smith, Greenfield USD
Rick Blanckmeister, Carmel USD- via teleconference

Board Members Absent

Mary Dawson, Gonzales USD
Rory Livingston, Vice President, King City USD
Ian Trejo, Bradley USD
Gordon Piffero, Big Sur USD
Eva Contreras, Chualar USD
Rosemary Grounds, Graves SD
Nadene Dermody, Lagunita SD
Tim Ryan, Mission USD
Rick Miller, Pacific Grove USD
Pam Hernandez, San Antonio USD
Catherine Reimer, San Ardo USD
Nicole Hester, San Lucas USD
Cesar Vega, Soledad USD

Guests and Staff

Marcus Beverly, Alliant
Matt Gowan, Alliant
Mike Fleming, CAJPA
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman
Greg Rolen, Haight, Brown Bonesteel
Agnes Hoerberling, Intercare

Marlene Richardson, Intercare
Danielle Buri, Intercare
Bruce Miller, Intercare
Gary Metzler, MERMA
Connie Martin, MERMA

CALL TO ORDER

President Stratton called the meeting to order at 2:00 p.m.

ROLL CALL

9 Board members present & 13 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.

Introduction of Board of Directors and Guests

APPROVAL OF AGENDA AS POSTED

Motion was made to approve the agenda as presented.

MOTION: Roxanne Regules		SECONDED: Colleen Stanley		MOTION CARRIED	
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13		
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton				
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega				

PUBLIC COMMENTS

None

CONSENT CALENDAR

The following item was approved:

1. Board of Directors' Minutes – May 27, 2015

MOTION: Veronica Flournoy	SECONDED: Duane Wolgamott	MOTION CARRIED
----------------------------------	----------------------------------	-----------------------

AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega		

ADMINISTRATIVE REPORTS

1. President's Report

President Stratton reported that he ran into former MERMA President Sara Perez and stated that Sara looks great. Sara sends her best to everyone. President Stratton informed the Board that Sara officially retires on June 30th.

2. Pool Administrator's Report

Matt Gowan informed the Board that four years ago one of MERMA's goals was to be CAJPA accredited. Matt informed the Board that everyone has worked very hard to make this happen. Matt introduced Mike Fleming, Executive Director of CSAC and the CAJPA Accreditation Committee Chair. Mr. Fleming gave a brief history of CAJPA and informed the Board that CAJPA focuses on the following areas: Training and Education, Legislation, and Accreditation. The purpose is to promote professional standards and management and fiscally sound practices among the pooling industry, to create a self-regulating process.

Mr. Fleming stated this is the first time MERMA has been accredited. He explained that it is quite an arduous process. It starts with a consultant being assigned to collect and review documents. Eventually the consultant fills out a form comparing all of the CAJPA standards to how MERMA operates and presents a report to the Accreditation Committee for review and recommendation. After the review, there are usually outstanding items that need to be completed. The Accreditation Committee allows 6 months for completion of the outstanding items. Mr. Fleming explained the extensive process covers: 1.) Government Rules, 2.) Government Code, 3.) Contracts, 4.) Insurance Coverages, 5.) Accounting and Finance, 6.) Investments, 7.) Underwriting, 8.) Risk Control Management, 9.) Claims Management, and 10.) Operations and Administrative Management.

Mr. Fleming stated that CAJPA is constantly updating their standards and encourages MERMA to go through the process again after 3 years. Mr. Fleming informed the Board that there are 95 pools in CAJPA, 60 pools are accredited, 56 pools are accredited with excellence which includes MERMA. He congratulated MERMA and presented MERMA with Accreditation with Excellence Plaque for the period of November 3, 2015 to November 3, 2018. President Stratton thanked Mr.

Pool Administrator's Report –continued

Fleming for the very informative and excellent presentation. President Stratton stated that MERMA is very proud of the Accreditation with Excellence, everyone worked hard to accomplish it.

Marcus Beverly reminded the Board that the CAJPA conference is scheduled for September and he highly recommends the Board to attend the conference.

Marcus Beverly also reported that overall MERMA is in very good shape, very healthy. Marcus stated that MERMA's net position, net assets are above the benchmarks. Marcus informed the Board that MERMA will be looking at rate stabilization going forward and that rates have dropped for the last 5 years in a row. Marcus stated that he hopes to continue with that trend and also look at individual member's rate increases/decreases and stabilize rates.

3. Claim's Administrator's Report

Intercare provided the Board with the following reports:

1. Annual and Monthly Results on claims,
2. New Claim Analysis – Received YTD 2015/2016,
3. Frequency & Severity Report – April 2016,
4. Claim Closing Analysis Report – YTD 2015/2016,
5. Net Reserve Changes – YTD 2015/2016,
6. MERMA Company Nurse Results for April 2016 and,
7. MERMA Bill Review Results for April 2016.

Danielle Buri of Intercare also mentioned that there are 6 districts that have not rolled-out the Medical Provider Network to their employees. Agnes Hoerberling of Intercare informed the Board that she encourages 100% participation of the MPN since it controls medical costs.

Danielle introduced Bruce Miller, Vice President of Claims and Agnes Hoerberling, Chief Operating Officer for Intercare. Danielle also introduced Marlene Richardson, new Claims Supervisor for the Salinas office. Marlene has 25 to 30 years' experience in the workers' comp field. Marlene stated that she is happy to be working with Intercare again. She worked for Intercare several years ago in Southern California.

4. Board of Directors

President Stratton asked Marcus to report on behalf of Big Sur Unified School District. Marcus reported that he had received a request from Big Sur Unified School District to review their rate for this year. Marcus stated that Big Sur's workers' comp rate increased over 100% due to a small claim of \$14,000.00, and the district is requesting that the Board consider reducing their FY 2016-17 workers' comp rate. This matter will be discussed under item H-3.

President Stratton informed the Board that Gordon Piffero, Big Sur's Superintendent was unable to be present at the meeting because he is currently teaching also at Big Sur Unified School District.

FINANCIAL REPORTS

1. Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the financial report as of March 31, 2016 for the Board to review, accept & file. After discussion, motion was made to accept the financial report as presented.

MOTION: Veronica Flournoy SECONDED: Duane Wolgamott MOTION CARRIED			
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega		

JPA BUSINESS

1. Workers' Compensation Excess Insurance Proposal – FY 2016-17

This item was presented to the Executive Committee at their April 13, 2016 meeting. After discussion, the Executive Committee recommended that 70% Confidence Level with an SIR of \$75,000 be presented to the Board at their May meeting for adoption.

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

MOTION: Veronica Flournoy SECONDED: Colleen Stanley MOTION CARRIED			
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega		

2. Budget – FY 2016-17

The Executive Committee recommended that the Board of Directors adopt the budget as presented for FY 2016/2017.

Motion was made to adopt the budget for FY 2016/2017.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED	
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega		

3. Loss Funding for FY 2016-17

The Board approved FY 2016-17 premium assessments based on a 70% Confidence Level, \$75,000 SIR and 1.5% discount rate. The base rate of \$2.4288 per \$100 payroll was also approved.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED	
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega		

4. Election of Executive Committee Members

The Board elected Jerry Stratton, Rory Livingston and Tracie Corpuz to serve on the Executive Committee from July 1, 2016 to June 30, 2018.

MOTION: Veronica Flournoy	SECONDED: Roxanne Regules	MOTION CARRIED	
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13

AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega

5. CSAC-EIA Risk Management Subsidy Funds & Resolution

Marcus Beverly reported that CSAC-EIA notified MERMA of the availability of a subsidy fund. The subsidy fund of \$2,000 is to be used for risk management purposes. In order for MERMA to receive the funds, MERMA needs to designate a person on behalf of MERMA. The Executive Committee recommends that the Board designate Jerry Stratton, MERMA President to act on behalf of MERMA and the Executive Committee recommends to the Board adoption of Resolution to Delegate Authority in order to proceed with obtaining the \$2,000 from CSAC-EIA.

Motion was made to designate Jerry Stratton, President, to act on behalf of MERMA to obtain the funds from CSAC-EIA.

MOTION: Colleen Stanley	SECONDED: Roxanne Regules	MOTION CARRIED
AYES: 9	NOES: 0	ABSTAIN: 0
		ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton	
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega	

6. Proposal to Study Rating Plan Options

The Executive Committee discussed the loss funding of the current rating plan at their May 25th meeting. The Committee is concerned how the current rating plan affects the smaller districts with few claims. Two of MERMA's smaller districts' premiums doubled after experiencing small claims. The Executive Committee motioned to recommend to the full Board to study options at the October Board meeting.

Motion was made to study rating plan options at the October meeting.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED
--------------------------------	------------------------------------	-----------------------

AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13
AYES:	Roxanne Regules, Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton		
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega		

7. Matching Safety Funds

Gary Metzler, Loss Control Manager presented an update on the Matching Safety Fund. Gary suggested dropping the matching fund requirement as to maybe increase the participation in the program. Gary also stated that eliminating the matching requirement also simplifies the approval process. After much discussion, the Executive Committee decided to continue the Matching Safety Fund as is and no motion is required. This item will be discussed at the October Board meeting.

8. Meeting Schedule for FY 2016-17

A copy of the scheduled meeting dates/calendar for FY 2016-17 was provided to the Board. The Executive Committee adopted a resolution to establish the meeting dates at their March 9, 2016 meeting.

CLOSING COMMENTS

None

UPCOMING MEETING - October 12, 2016

ADJOURNMENT

Motion was made to adjourn the meeting at 3:45 p.m.

MOTION:	Veronica Flournoy	SECONDED:	Colleen Stanley	MOTION CARRIED
AYES: 9	NOES: 0	ABSTAIN: 0	ABSENT: 13	
AYES:	Veronica Flournoy, Colleen Stanley, Duane Wolgamott, Roxanne Regules, Scott Smith, Ana Anguillon, Tracie Corpuz, Rick Blanckmeister, Jerry Stratton			
ABSENT:	Ian Trejo, Gordon Piffero, Eva Contreras, Mary Dawson, Rosemary Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Rick Miller, Pam Hernandez, Catherine Reimer, Nicole Hester, Cesar Vega			

President/Vice President *Gerald Strath*

Executive Director *[Signature]*

Date *10/5/16*
