



**EXECUTIVE COMMITTEE MINUTES
May 13, 2015**

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on May 13, 2015, at 1:30 p.m.

Executive Committee Members Present

Sara Perez, President,
Gerald (Jerry) Stratton, Vice President
Veronica Flournoy
Rory Livingston

Executive Committee Member Absent

Melody Canady

Guests and Staff

Jacinto Bernal, McGilloway, Ray, Brown, Kaufman
Marcus Beverly, Alliant
Matt Gowan, Alliant
Karen Callahan, Intercare
Katy Busby, Intercare
Danielle Buri, Intercare
Derek Burkhalter, Bickmore Risk Services *(via teleconference)*
Connie Martin

A. CALL TO ORDER

Sara Perez called the meeting to order at 1:30 p.m.

B. ROLL CALL

C. APPROVAL OF AGENDA POSTED

Motion was made to approve the agenda as posted.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
		ABSENT: 1

AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton, Sara Perez
ABSENT: Melody Canady

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were discussed:

1. Executive Committee Minutes – April 21, 2015
2. Payment Registers and Board Reports – April 2015

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

MOTION: Rory Livingston	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
ABSENT: 1		
AYES: Rory Livingston, Veronica Flournoy, Jerry Stratton, Sara Perez		
ABSENT: Melody Canady		

F. ADMINISTRATIVE REPORTS

1. **President’s Report**

None

2. **MERMA Administrative Update**

Marcus reported:

- Claim review with Intercare went well, the files are in good shape. Some of the more difficult files will be litigated. Marcus stated he is very impressed with Katy Busby, Claims Supervisor.
- Marcus will visit member districts with Katy.
- Marcus reported that MCOE is on board with the Return- To-Work Program, making progress.
- Marcus will be setting up a meeting with the county regarding investments.

3. Claims Administrator's Report

Intercare introduced Katy Busby. Katy is the new Claims Supervisor. Katy stated she is excited to be working with Intercare on the MERMA account. Katy informed the Committee that she has been in workers' comp since the 1990s. She has experience working with school districts and other public entities.

Intercare provided the Executive Committee with the following reports:

- Year-to-Date
- Claim Summary,
- Bill Review,
- MERMA Company Nurse reports for April 2015

Discussion held. The Executive Committee thanked Intercare for the great information.

4. Executive Committee Report

None

G. FINANCIAL REPORTS

1. Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the financial reports, January through March 2015.

Motion was made to accept the financial reports for the period ending March 2015 as presented.

MOTION: Jerry Stratton	SECONDED: Rory Livingston	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
AYES: Jerry Stratton, Rory Livingston, Veronica Flournoy, Sara Perez		ABSENT: 1
ABSENT: Melody Canady		

H. JPA BUSINESS

1. **Actuarial Review of Self-Insured Workers' Compensation Program**

Derek Burkhalter of Bickmore Risk Services presented the final results of the actuarial review and the FY 2015-16 funding levels. The Executive Committee was pleased with the great results.

Motion was made to approve the actuarial review and funding levels for FY 2015-16. The Executive Committee also gave direction to release the estimated premiums for FY 2015-16 to

the member districts for use in their FY 2015-16 budget preparations.

MOTION: Veronica Flournoy	SECONDED: Jerry Stratton	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez			
ABSENT: Melody Canady			

2. **Workers' Compensation Excess Insurance Update/ Proposal**

Matt Gowan provided the Executive Committee with two options for the Excess Insurance. The Executive Committee decided to bring back Option 1 with Great American & State National to the Board of Directors and the Committee also gave direction to contact CSAC to see if they could match Option 1.

MOTION: Veronica Flournoy	SECONDED: Jerry Stratton	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez			
ABSENT: Melody Canady			

3. **Underwriting Policy**

Marcus Beverly presented the Underwriting Policy to the Executive Committee for their review. The Executive Committee approved the Underwriting Policy which is part of the CAJPA Accreditation process.

Motion was made to recommend adoption of the Underwriting Policy to the Board of Directors at their May 27th meeting.

MOTION: Rory Livingston	SECONDED: Veronica Flournoy	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Rory Livingston, Veronica Flournoy, Jerry Stratton, Sara Perez			
ABSENT: Melody Canady			

4. Request for Qualifications for Board Counsel

MERMA issued a Request for Qualifications for Board Counsel to four attorney firms and received three responses. The request was sent in anticipation of needing counsel familiar with JPA operations to assist MERMA in updating the Bylaws for CAJPA accreditation and also for responding to questions regarding legal requirements in running the JPA.

The Executive Committee reviewed all three responses, and made the motion to select the firm of Haight, Brown & Bonesteel.

MOTION: Rory Livingston	SECONDED: Jerry Stratton	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Rory Livingston, Jerry Stratton, Veronica Flournoy, Sara Perez			
ABSENT: Melody Canady			

5. MERMA Employee COLA

The MERMA salary schedule for current employees is adjusted on an as-needed basis. The Executive Committee reviewed current job descriptions, salary schedules, and inflationary factors. The Committee will address the status of the PERS contribution and 2015-16 Benefits at a future EC meeting.

Motion was made to approve a 4% Cost of Living Allowance for the MERMA employees, effective July 1, 2015.

MOTION: Veronica Flournoy	SECONDED: Jerry Stratton	MOTION CARRIED	
AYES: 4	NOES: 0	ABSTAIN: 0	ABSENT: 1
AYES: Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez			
ABSENT: Melody Canady			

6. Preliminary Budget FY 2015-16

Marcus Beverly presented the preliminary budget for FY 2015-16 to the Executive Committee for their review, discussion and direction. After discussion, the Executive Committee voted to recommend the preliminary budget for FY 2015-16 to the Board of Directors for adoption at their May 27th meeting.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED	
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AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1
AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton, Sara Perez
ABSENT: Melody Canady

7. Meeting Schedule for FY 2015-16

The annual schedule for regular EC and Board meetings is set by resolution of the Executive Committee. After discussion, the Executive Committee adopted Resolution 15-02 to set meeting dates for fiscal year 2015-16.

MOTION: Veronica Flournoy SECONDED: Jerry Stratton MOTION CARRIED
AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1
AYES: Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez
ABSENT: Melody Canady

8. Election of Officers

Each year the term of office for certain members of the Executive Committee expires and the Board of Directors must appoint new members. This year two members are up for election, Veronica Flournoy and Rory Livingston. The Executive Committee is requested to solicit nominees for the expiring positions. The Board of Directors will accept nominations for the expiring positions at their May 27th meeting. Information item, no action taken.

H. Closing Comments

None

I. Upcoming Meeting

Next Executive Committee meeting will be held on August 12, 2015.

J. ADJOURNMENT

Motion was made to adjourn the meeting at 3:20 p.m.

MOTION: Veronica Flournoy	SECONDED: Jerry Stratton	MOTION CARRIED
AYES: 4	NOES: 0	ABSTAIN: 0
AYES: Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez		ABSENT: 1
ABSENT: Melody Canady		

President/Vice President *Ann M. [Signature]*
 Executive Director *[Signature]*
 Date *8/20/15*