



**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.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Rory Livingston	<b>MOTION CARRIED</b>
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0
		<b>ABSENT:</b> 1

<b>AYES:</b> Veronica Flournoy, Rory Livingston, Jerry Stratton, Sara Perez
<b>ABSENT:</b> 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.

<b>MOTION:</b> Rory Livingston	<b>SECONDED:</b> Veronica Flournoy	<b>MOTION CARRIED</b>
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 1</b>		
<b>AYES:</b> Rory Livingston, Veronica Flournoy, Jerry Stratton, Sara Perez		
<b>ABSENT:</b> 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.

<b>MOTION:</b> Jerry Stratton	<b>SECONDED:</b> Rory Livingston	<b>MOTION CARRIED</b>	
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0	<b>ABSENT:</b> 1
<b>AYES:</b> Jerry Stratton, Rory Livingston, Veronica Flournoy, Sara Perez			
<b>ABSENT:</b> 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.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Jerry Stratton	<b>MOTION CARRIED</b>	
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0	<b>ABSENT:</b> 1
<b>AYES:</b> Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez			
<b>ABSENT:</b> 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.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Jerry Stratton	<b>MOTION CARRIED</b>	
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0	<b>ABSENT:</b> 1
<b>AYES:</b> Veronica Flournoy, Jerry Stratton, Rory Livingston, Sara Perez			
<b>ABSENT:</b> 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 27<sup>th</sup> meeting.

<b>MOTION:</b> Rory Livingston	<b>SECONDED:</b> Veronica Flournoy	<b>MOTION CARRIED</b>	
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0	<b>ABSENT:</b> 1
<b>AYES:</b> Rory Livingston, Veronica Flournoy, Jerry Stratton, Sara Perez			
<b>ABSENT:</b> 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.

<b>MOTION:</b> Rory Livingston	<b>SECONDED:</b> Jerry Stratton	<b>MOTION CARRIED</b>	
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0	<b>ABSENT:</b> 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.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Jerry Stratton	<b>MOTION CARRIED</b>	
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0	<b>ABSENT:</b> 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 27<sup>th</sup> meeting.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Rory Livingston	<b>MOTION CARRIED</b>	
----------------------------------	----------------------------------	-----------------------	--

<b>AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1</b>
<b>AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton, Sara Perez</b>
<b>ABSENT: Melody Canady</b>

**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.

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

**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 27<sup>th</sup> 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.

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

President/Vice President   
 Executive Director   
 Date 8/20/15