

# MERMA

## MINUTES OF THE EXECUTIVE COMMITTEE MEETING November 6, 2013

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, CA at 9:00 a.m., on November 6, 2013.

### **Executive Committee Members Present**

Sara Perez, President  
Veronica Flournoy, Vice President  
Melody Canady  
Gerald (Jerry) Stratton

### **Executive Committee Members Absent**

Mike Brusa

### **Guests and Staff**

Thomas Mannielli, Lozano Smith  
Matt Gowan, Alliant Insurance Services  
Pamela Dominguez, Alliant Insurance Services  
Mike Simmons, Alliant Insurance Services  
David Donn, David Donn Consulting  
Court Orsborn, David Donn Consulting, via telephone conference  
Connie Martin

### **CALL TO ORDER**

Sara Perez called the meeting to order at 9:18

### **ROLL CALL**

### **APPROVAL OF AGENDA POSTED**

The agenda was approved as posted.

**MOTION:** Melody Canady **SECOND:** Veronica Flournoy **MOTION CARRIED**

### **PUBLIC COMMENTS**

None

## **CONSENT CALENDAR**

The following items were discussed and approved:

1. Executive Committee Minutes – June 26, 2013,
2. Payment Registers and Board Reports for September, August, July, June and May 2013,
3. Loss Control Services Policy- Ergonomic Evaluation Option for Remote Offices and,
4. Matching Safety Funds Program for Fiscal Year 2013-14.

**MOTION:** Melody Canady **SECONDED:** Veronica Flourney **MOTION CARRIED**

## **CLOSED SESSION**

The Executive Committee went into closed session at 9:40 a.m. to discuss: Closed session pursuant to Government Code Section 54957 “Public Employee Discipline/Dismissal/Release/Complaint” and Government Code Section 54956.95 “MERMA vs CorVel.”

## **REPORT CLOSED SESSION**

The Executive Committee reconvened from closed session at 10:40 a.m. Sara Perez reported that no action was taken in closed session.

## **ADMINISTRATIVE REPORTS**

### **President’s Report**

None

### **MERMA Administrative Update**

Matt Gowan and Mike Simmons addressed the Committee on matters pertinent to MERMA:

1. Mike reported he has interviewed candidates to replace Susan Adams. Mike has a lead candidate and hopes to make an offer of employment on December 1<sup>st</sup>.
2. Matt reported on the purchase of 5 new computers for the administrative staff. Matt informed the Committee that the claims staff computers/software has been put on hold at this time.
3. Matt provided the Committee with an update on StrataCare. Matt informed the Committee that David Donn Consulting has been working closely with Angela and Hallie to correct errors on StrataCare’s part. Matt stated that StrataCare has corrected a lot of the issues that were causing problems. Sara Perez asked if David Donn Consulting will be processing all appropriate credit to MERMA? Matt informed Sara that this issue will be discussed under a separate agenda item, I-3.

## **MERMA Administrative Update (continued)**

4. Matt also reported that he has been working on CorVel issues and the RFP.

### **Executive Committee**

Sara Perez reported that she attended an International Conference in Las Vegas that focused on managing workers' compensation, health & welfare, and property/liability all under one JPA. Sara stated that the conference was very informative.

### **JPA BUSINESS**

#### **Claims Audit**

Matt Gowan provided the Committee with a draft copy of the claims audit via email. The claims audit was conducted by Farley Consulting Services on August 28, 2013. The last claims audit was conducted in 2010. Lengthy discussion held.

Motion was made to accept the audit findings, and to have Matt Gowan and Pamela Dominquez meet with the examiners to review issue(s), and for Matt and Pamela to determine if a more comprehensive audit is necessary.

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

#### **Gilbert Associates Engagement Letter for June 30, 2013 Audited Financial Report**

Matt provided the Committee with an Engagement Letter from Gilbert Associates to perform the June 30, 2013 financial audit. The fee for Gilbert Associates services are \$16,500 plus out of pocket costs such as report reproduction, travel, processing, etc. This represents no change over the expiring contract cost. MERMA budget \$19,000 for the financial budget.

Motion was made to approve the Engagement Letter between Gilbert Associates and MERMA for the June 30, 2013 financial audit.

**MOTION:** Veronica Flournoy      **SECONDED:** Jerry Stratton      **MOTION CARRIED**

The Executive Committee recessed for a break at 11:00 a.m. They reconvened from their break at 11:10 a.m.

**David Donn Consulting – Contract Renewal**

David Donn and Court Orsborn (via telephone conference) of David Donn Consulting presented the interim contract renewal through July 1, 2014 to the Committee. David Donn also provided the Committee with a summary of savings over the last 19 months. Lengthy Discussion held.

Motion was made to approve the interim contract renewal with David Donn Consulting through July 1, 2014.

**MOTION:** Veronica Flournoy                      **SECONDED:** Jerry Stratton   **MOTION CARRIED**

**Claims RFP Update and Process Next Steps**

Matt Gowan gave the Committee an update on the Request for Proposal for Workers' Compensation Claims Administration. Matt informed the Committee on the next steps to be taken in the RFP process. Discussion held.

**CLOSING COMMENTS**

None

**ADJOURNMENT**

Motion was made to adjourn the meeting at 11:45 a.m.

**MOTION:** Veronica Flournoy                      **SECONDED:** Melody Canady                      **MOTION CARRIED**

**UPCOMING MEETING**

Next meeting will be held on December 11, 2013.

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President/Vice President Sam M. Orsborn

Interim Management Matt Gowan

Date 12/11/2013

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