



Monterey Educational Risk Management Authority
P.O. Box 3320, Salinas, CA 93912
www.merma.org

EXECUTIVE COMMITTEE MINUTES
April 13, 2016

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on March 9, 2016 at 1:30 p.m.

Executive Committee Members Present

Jerry Stratton, President
Rory Livingston, Vice President
Veronica Flournoy

Executive Members Absent

Colleen Stanley
Duane Wolgamott

Guests and Staff

Derek Burkhalter, Bickmore Risk Service – via teleconference
Marcus Beverly, Alliant
Matt Gowan, Alliant
Danielle Buri, Intercare
Gary Metzler, Loss Control Manager
Connie Martin, Administrative Assistant

CALL TO ORDER

Jerry Stratton called the meeting to order at 1:45 p.m.

ROLL CALL

Jerry Stratton, Rory Livingston, Veronica Flournoy present.

Collen Stanley and Duane Wolgamott absent.

APPROVAL OF AGENDA POSTED

Motion was made to approve the agenda as posted.

MOTION: Veronica Flourmoy	SECONDED: Rory Livingston	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 2
AYES: Veronica Flourmoy, Rory Livingston, Jerry Stratton			
ABSENT: Colleen Stanley, Duane Wolgamott			

PUBLIC COMMENTS

None

CONSENT CALENDAR

The following items were presented:

1. Executive Committee Minutes – March 9, 2016
2. Payment Registers and Board Reports – March 2016

Motion was made to approve items as 1 through 2 as presented with a single motion.

MOTION: Veronica Flourmoy	SECONDED: Rory Livingston	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 2
AYES: Veronica Flourmoy, Rory Livingston, Jerry Stratton			
ABSENT: Colleen Stanley, Duane Wolgamott			

ADMINISTRATIVE REPORTS

President’s Report

President Stratton stated that an action item will be coming up which will be addressed later in the agenda but he wanted to briefly discuss it. President Stratton informed the Executive Committee that he and Rory Livingston met with Alliant to discuss their contract. President Stratton stated that it was a good meeting. He informed the Committee that they looked at what Alliant had done versus what they thought was going to happen when they met a year and half ago with Mike Simmons. President Stratton stated that they realized Alliant had spent more hours than anticipated. President Stratton stated that they were very optimistic about reducing Alliant’s signature presence but that didn’t happen. The new contract will reflect a baseline from where the hours were cut, about \$10,000.00 less and move forward from there. President Stratton stated that this action item will be discussed further on under item G-5.

MERMA Administrative Update

Marcus Beverly reported:

1. CAJPA Accreditation with Excellence – MERMA received CAJPA Accreditation with Excellence Certificate. Marcus displayed the certificate to the Committee and will also put the certificate on display at the Board of Directors’ meeting on May 25th .
2. Training Ideas – Marcus discussed Workers’ Compensation training topics, including a session on coordinating leaves with temporary disability. Marcus stated that the training will benefit new employees who have questions on temporary disability, leaves, etc. Marcus will contact Lozano Smith to see if they are able to conduct the training.
3. Return-to-Work Program – Marcus reported that MCOE is working with Norm Peterson Associates on getting their Return to Work Program started and are scheduled for a Webinar with Norm Peterson Associates. Marcus stated that he will be working with Salinas Union High School on their Return to Work Program once the district makes the transition to the Human Resources department.

Claims Administrator’s Report

Intercare provided the Executive Committee with the following reports:

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

Danielle also informed the Committee that Karen Callahan has been at the Intercare (MERMA) office on a weekly basis. Karen had just been in the office conducting a file review with Gonzales Union School District.

Danielle also informed the Committee that they have a potential claims supervisor, an offer has been extended. Applicant comes from southern California and has been looking to locate to central California for a while. Danielle informed the Committee that applicant has 9 years’ experience as a claims supervisor and previously had worked at the Intercare Office in Irvine before working with her current employer. Danielle stated they are hoping to have the position filled within the next few weeks, they are waiting on the background check report.

Danielle Buri also reported on the Medical Provider Network (MPN). Danielle informed the Committee that a third reminder was sent out on April 12th to all member districts Danielle reported that to date, they have received notification acknowledging that information was sent to all of their employees from Greenfield USD, San Antonio USD, South Monterey JUHSD, Spreckels USD, San Lucas USD, Bradley USD, Gonzales USD, San Ardo USD. King City USD is in the process of adding providers to their MPN. Discussion held.

Executive Committee Report

None

JPA BUSINESS

Actuarial Review of the Self-Insured Workers' Compensation Program

Derek Burkhalter of Bickmore Risk Services presented the FY 2016-17 Actuarial Report along with the FY 2016-17 Experience Modification Factors via teleconference. Derek projected an overall decrease in the premium base rate from \$.143 to \$1.39 per \$100 of payroll. Derek stated that the total outstanding liabilities have dropped by \$488,000. Discussion held on future calculation/formula of Ex-Mods. This issue will be discussed further at the October 12th Board meeting.

Motion was made to accept and issue final Actuarial Review for FY 2016-2017, FY 2016-17 Experience Modification Factors, and recommend the FY 2016-2017 premium assessments to the Board for approval at their May 25th meeting.

MOTION: Rory Livingston	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 3	NOES: 0	ABSTAIN: 0
ABSENT: 2		
AYES: Rory Livingston, Veronica Flournoy, Jerry Stratton		
ABSENT: Colleen Stanley, Duane Wolgamott		

Workers' Compensation Excess Insurance Update

Matt Gowan presented two options for excess insurance coverage. One option with a 70% Confidence Level and the other with a 90% Confidence Level and both with a \$75,000 SIR (self insured retention). Matt also provided a chart of claims over \$75,000 for the last five years. After much discussion, the Executive Committee gave direction to Matt to recommend to the Board of Directors for approval at their May 25th meeting, Option 1 at a 70% Confidence Level with an SIR of \$75,000.

Loss Control Services Quarterly Report

The Executive Committee reviewed the 3rd Quarter Loss Control Report (January to March) presented by Gary Metzler, Loss Control Manager. Discussion held. Informational item only.

Claims Audit Proposals

Three responses were received for the claims audit request. A summary of the responses were reviewed and discussion was held. A motion was made to accept the proposal submitted by North Bay Associates.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 2
AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton			
ABSENT: Colleen Stanley, Duane Wolgamott			

MERMA Program Administration Agreement

An Ad Hoc Committee was appointed by the Executive Committee to review, negotiate and recommend an extension of MERMA’s Administration, Brokerage and Consulting Services agreement. Discussion held. Motion was made to approve contract extension with Alliant Insurance Services for a three year term with two optional years.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 2
AYES: Veronica Flournoy, Rory Livingston , Jerry Stratton			
ABSENT: Colleen Stanley, Duane Wolgamott			

Preliminary Budget FY 2016-17

Marcus Beverly presented the preliminary budget for FY 2016-17 for review and approval. The Committee approved the recommendation of the budget to the Board of Directors with the adjustment to PERS. The Board of Directors will review and adopt the budget at their May 25 meeting.

Closing Comments

None

Upcoming Meeting

Next Executive Committee meeting will be held on May 11, 2016.

ADJOURNMENT

Motion was made to adjourn the meeting at 3:40 p.m.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED	
AYES: 3	NOES: 0	ABSTAIN: 0	ABSENT: 2
AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton			
ABSENT: Colleen Stanley, Duane Wolgamott			

President/Vice President *Jerry Stratton*

Executive Director *[Signature]*

Date 5-25-16