



**EXECUTIVE COMMITTEE MINUTES**  
**November 18, 2015**

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on November 18, 2015 at 1:30 p.m.

**Executive Committee Members Present**

Gerald (Jerry) Stratton, Vice President  
Veronica Flournoy  
Colleen Stanley

**Executive Committee Member Absent**

Sara Perez, President

**Guests and Staff**

Marcus Beverly, Alliant  
Matt Gowan, Alliant  
Karen Callahan, Intercare  
Katy Busby, Intercare  
Danielle Buri, Intercare  
Patricia Kaufman, McGilloway, Ray, Brown & Kaufman  
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman  
Gary Metzler, Loss Control Manager  
Connie Martin, Administrative Assistant

**A. CALL TO ORDER**

Jerry Stratton called the meeting to order at 1:34 p.m.

**B. ROLL CALL**

Jerry Stratton reported that due to Sara Perez's extended absence the committee would move forward later in the meeting to name an interim replacement for her position.

**C. APPROVAL OF AGENDA POSTED**

Motion was made to approve the agenda as posted.

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

<b>AYES: 3 NOES: 0 ABSTAIN: 0 ABSENT: 1</b>
<b>AYES: Veronica Flournoy, Colleen Stanley, Jerry Stratton,</b>
<b>ABSENT: Sara Perez</b>

**D. PUBLIC COMMENTS**

None

**E. CONSENT CALENDAR**

The following were included in the consent calendar:

1. Executive Committee Minutes – August 26, 2015
2. Payment Registers and Board Reports – August, September & October 2015
3. FYE 2016 Financial Services Engagement Letter – McGilloway, Ray, Brown & Kaufman

Motion was made to approve items 1 through 3 with a single motion.

<b>MOTION: Colleen Stanley</b>	<b>SECONDED: Veronica Flournoy</b>	<b>MOTION CARRIED</b>
<b>AYES: 3 NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
<b>AYES: Veronica Flournoy, Colleen Stanley, Jerry Stratton</b>		
<b>ABSENT: Sara Perez</b>		

**F. ADMINISTRATIVE REPORTS**

**1. President’s Report**

Jerry Stratton reported on the Board Retreat that was held on October 7, 2015. He was pleased with the great topics that were discussed and stated that it was a great day. Jerry also stated that the Interactive Process topic was very timely for his district.

**2. MERMA Administrative Update**

Marcus Beverly reported:

1. Return to Work Program – Marcus informed the Committee that Sandy Hollingsworth will be in the area next week to meet with Gonzales Unified School District to start up the Return to Work Program. Carmel Unified School District has decided to wait and start the Return to Program in the Spring. MCOE is ready to start the program. Marcus also stated that Soledad Unified School District is not quite ready to start the program, so they will switch with Salinas Union High School District.

2. County Investments – Marcus reported that he heard back from Garry Bousum at MCOE on the County Investments. Marcus informed the Committee that the County won't be ready until the 1<sup>st</sup> quarter of 2016 due to changes in their operations. Marcus also informed the Committee that MCOE has amended their contract with Chandler Investments be able to manage the investments for MERMA. Marcus will continue to follow up with Garry.

**3. Claims Administrator's Report**

Intercare provided the Executive Committee with the following reports:

1. Monthly Report for October 2015 (claim status),
2. Annual Results Report,
3. New Claim Analysis Report YTD 2015/2016,
4. Claim Closing Analysis YTD 2015/2016,
5. Net Reserve Changes YTD 2015/2016,
6. Claim Summary Report by Member District for October 2015,
7. MERMA Company Nurse Results by Member District for October 2015 and,
8. MERMA Bill Review Results for October 2015 along with Bill Review Analysis for October.

Discussion held, the Committee thanked Intercare for the informative reports.

**4. Executive Committee Report**

Veronica Flournoy and Colleen Stanley thanked Jerry Stratton for hosting the Board Retreat at the Monterey Peninsula Yacht Club.

**G. FINANCIAL REPORTS**

**1. Financial Statements with Accountant's Compilation Report – FYE 2015 and 2014**

The Executive Committee accepted the Financial Statements and Compilation Report for the years ended 2015 and 2014 as presented by Patricia Kaufman of McGilloway, Ray, Brown & Kaufman. Lengthy discussion was held on the Public Employees' Pension Reform Act. The Committee requested that the Public Employees' Pension Reform Act be placed on the January agenda along with the salary schedules showing a 7% increase to be effective on January 1, 2016 payroll.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0
<b>AYES:</b> Veronica Flournoy, Colleen Stanley, Jerry Stratton		<b>ABSENT:</b> 1
<b>ABSENT:</b> Sara Perez		

**2. Financial Reports for Period Ending September 30, 2015**

The Executive Committee accepted the financials reports for the period ending September 30, 2015 as presented by Jacinto Bernal of McGilloway, Ray, Brown & Kaufman.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0
<b>AYES:</b> Veronica Flournoy, Colleen Stanley, Jerry Stratton		<b>ABSENT:</b> 1
<b>ABSENT:</b> Sara Perez		

**H. JPA BUSINESS**

**1. CAJPA Accreditation Status**

Marcus Beverly reported that the CAJPA Accreditation Committee has approved MERMA's application. MERMA has to meet two requirements within the next six months for full accreditation and three more for accreditation with excellence. MERMA will start working on the two requirements and will submit to CAJPA as soon as possible.

**2. Claim Policy Approval**

Motion was made to approve a Claim Policy as presented. The policy objectives are to maintain sufficient resources to manage claims, provide experienced legal counsel to defend claims and to resolve disputes in a fair and cost-effective manner. The policy also establishes the Executive Director's settlement authority and a standard for conducting a claims audit every two years.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0
<b>AYES:</b> Veronica Flournoy, Colleen Stanley, Jerry Stratton		<b>ABSENT:</b> 1
<b>ABSENT:</b> Sara Perez		

**3. Funding Policy Revision**

Marcus Beverly presented a revised Funding Policy for the Executive Committee's approval. The Funding Policy revision includes a reference to an annual actuary study. The revision was needed in order to meet the CAJPA Accreditation Standards. The Executive Committee approved the revised Funding Policy.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES:</b> 3	<b>NOES:</b> 0	<b>ABSTAIN:</b> 0
		<b>ABSENT:</b> 1

<b>AYES:</b> Veronica Flournoy, Colleen Stanley, Jerry Stratton
<b>ABSENT:</b> Sara Perez

4. **Proxy Voting**

Marcus Beverly provided the Executive Committee with Greg Rolen’s analysis on the possibility of allowing proxy voting due to the difficulty in obtaining a quorum for board meetings. Greg is the Board’s legal counsel. Based on Greg’s research, he does not believe proxy voting is allowed under the Brown Act and he found no other legal basis to allow it. Discussion held. The Executive Committee stated that the teleconference will continue to be made available to members, and Board agendas will be noted to indicate if a quorum is not obtained by the Board, the Executive Committee will conduct the Board meetings as long as the Executive Committee has a quorum.

5. **Loss Control Services Quarterly Report**

Gary Metzler, Loss Control Manager, provided the Executive Committee with the 1<sup>st</sup> Quarter Report (July to September).

6. **Lunch & Learn Topics**

MERMA is sponsoring a series of “Lunch & Learn” training workshops for members. Marcus Beverly discussed the workshop held on August 25<sup>th</sup>. He asked the Committee for feedback for the “Lunch & Learn” topics. The next training will be in February and the Interactive Process will be discussed.

7. **Executive Committee Vacancy**

The Executive Committee took action to fill two vacancies on the Executive Committee. They appointed two interim positions, one to fill Melody Canady’s position and the other to fill Sara Perez’s position. Rory Livingston and Duane Wolgamott were appointed to the interim positions. The interim terms end on June 30, 2016.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Veronica Flournoy	<b>MOTION CARRIED</b>
<b>AYES: 3</b>	<b>NOES: 0</b>	<b>ABSENT: 0</b>
<b>ABSTAIN: 0</b>		
<b>AYES:</b> Veronica Flournoy, Colleen Stanley, Jerry Stratton		
<b>ABSENT: 0</b>		

I. **Closing Comments**

Veronica Flournoy requested that the Executive Committee place on the next agenda a

Statement of Recognition to acknowledge Sara Perez for her many years of devoted service on the Executive Committee and Board of Directors.

**J. Upcoming Meeting**

Next Executive Committee meeting will be held on January 13, 2016.

**L. ADJOURNMENT**

Motion was made to adjourn the meeting at 3:00 p.m.

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

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President/Vice President *Jerry Stratton*

Executive Director *[Signature]*

Date *1/20/2016*