



Monterey Educational Risk Management Authority  
P.O. Box 3320, Salinas, CA 93912  
[www.merma.org](http://www.merma.org)

**President**  
Sara M. Perez  
Gonzales USD

**Vice President**  
Veronica Flournoy  
Spreckels USD

## BOARD OF DIRECTORS MEETING

**Date:** June 12, 2013  
**Time:** 8:30 AM

**Locations:** MERMA  
Conference Room Upstairs  
76 Stephanie Drive  
Salinas, CA 93901  
(831) 783-3300

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously Mailed**

### Webinar / Teleconference Locations:

1. King City Unified School District - 435 Pearl St., King City, CA 93930
2. Pacific Grove Unified School District - 435 Hillcrest Avenue, Pacific Grove CA 93950-4900
3. South Monterey County Joint Union High School District – 800 Broadway, King City, CA
4. San Antonio Unified School District - 67550 Lockwood-Jolon Rd., Lockwood, CA 93932
5. MERMA – 76 Stephanie Drive, Salinas, CA 93901

PAGE **A. CALL TO ORDER**

**B. ROLL CALL**

**C. APPROVAL OF AGENDA AS POSTED**

A 1

Pg. 1 **D. CONSENT CALENDAR**

A 1

*All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request any item to be considered separately.*

Pg. 2 1. Board of Directors Meeting Minutes – October 31, 2012 - Draft

*Our mission is to protect the human resources  
And financial assets of our member districts in order to support  
The future of public education.*



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**E. ADMINISTRATIVE REPORTS**

- 1. **President’s Report** I 4  
*Sara Perez will address the Board of Directors on items pertaining to MERMA - VERBAL*
- 2. **MERMA Administrative** I 4  
*Pool Consultant, Alliant, will update the Board on matters pertinent to MERMA- VERBAL*
- 3. **Loss Control Manager** I 4  
*The Loss Control Manager may comment or report on various matters or concerns of the JPA. - VERBAL*
- 4. **Board of Directors** I 4  
*The Board of Directors members may comment or report on various matters or concerns of the JPA. - VERBAL*

**F. JPA BUSINESS**

- Pg. 5 1. **2013/2014 Excess Workers’ Compensation Renewal Proposal** A 1  
*Matt Gowan from Alliant Insurance Services will present to the Board of Directors for their approval, the 2013/14 Workers’ Compensation proposals for Workers’ Compensation coverage for MERMA.*
- Pg. 8 2. **Resolution #1 to Join CSAC Excess Insurance Authority JPA** A 1  
*The Board should review and approve MERMA Resolution #1 approving MERMA joining CSAC EIA JPA for Excess Workers’ Compensation coverage effective July 1, 2013.*
- Pg. 10 3. **2013-14 Budget for FY 2013-14** A 1  
*Susan Adams from Alliant Insurance Services will present the Budget to the Board of Directors for their approval.*
- Pg. 12 4. **Matching Safety Fund** I 1  
*Gary Metzler will provide the Board of Directors with a review of the Matching Safety Fund program.*

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**G. CLOSING COMMENTS**

**ADJOURNMENT**

**IMPORTANT NOTICES AND DISCLAIMERS:**

*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Connie Martin at Monterey Educational Risk Management Authority (MERMA) at (831) 783-3300.*

*The Agenda packet will be posted on the MERMA website at [www.merma.org](http://www.merma.org). Documents and material relating to an open session agenda item that are provided to the MERMA Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 76 Stephanie Drive, Salinas, CA 93901.*

*Access to some buildings and offices may require routine provisions of identification to building security. However, MERMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3*

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## CONSENT CALENDAR

### ACTION ITEM

**ISSUE:** Items on the Consent Calendar should be reviewed by the Board of Directors and, if there is any item requiring clarification or amendment, such item(s) should be pulled from the agenda for separate discussion.

**RECOMMENDATION:** The Pool Consultant recommends adoption of the Consent Calendar after review by the Board of Directors. *Items requested to be pulled from the Consent Calendar by a member will be placed in an order, back on the agenda, by the President.*

**FISCAL IMPACT:** None.

**BACKGROUND:** The Board of Directors places the following items on the Consent Calendar for adoption. The Board of Directors may accept the Consent Calendar as presented, or pull items for discussion and separate action while accepting the remaining items.

### ATTACHMENT(S):

- |  |
|--|
| 1. Board of Directors Meeting Minutes – October 31, 2012 |
|--|

## **Board of Directors' Retreat Minutes**

October 31, 2012

The Board of Directors of the Monterey Educational Risk Management Authority met at the Monterey Peninsula Yacht Club, Municipal Wharf #2, Monterey, CA at 10:00 a.m., on October 31, 2012.

### **Board of Directors Present**

Sara Perez, President  
Veronica Flournoy, Vice President  
Mike Brusa  
Melody Canady  
Gerald (Jerry) Stratton  
Rory Livingston  
Diana Palmer  
Rais Abbasi

### **Guests and Staff**

Veronica Makaveckas  
Gary Metzler  
Hallie Pacheco  
Angela Lorono

### **Call to order**

Sara Perez called the meeting to order at 10:53 a.m.

### **Adoption of Agenda**

Melody Canady moved and Veronica Flournoy seconded to approve the agenda as presented.  
Motion carried.

Board of Directors' Retreat Minutes  
October 31, 2012  
Page 2 of 3

### **Comments from the Public**

None

### **Election of Officers**

The Board of Directors needs to elect Executive Committee Members to serve from October 1, 2012 to September 30, 2014. Veronica Flournoy and Mike Brusa's term on the Executive Committee ended on September 30, 2012.

Rory Livingston moved and Diana Palmer seconded to elect Veronica Flournoy and Mike Brusa as Executive Committee Members. Motion carried.

### **Response to MCSIG's Summary regarding Feasibility Study**

The Monterey Educational Risk Management Authority Executive Committee would like to respond to MCSIG. There are a few things that they felt are needed to go on the record.

The Executive Committee is disappointed in the results of the Feasibility Study. They feel that the kind of things they were looking for were not addressed in the report. The whole study seemed to slant to the view that MCSIG never embraced the idea of it from the very beginning. The Executive Committee stated the RFP was put out by MCSIG and entered into contract with MCSIG when all along it should have been a joint effort. The Workers' Compensation JPA wanted to be a part of the whole contract process. The Executive Committee wanted the consultant to look at other models of JPA's similar to what they were trying to do. This was never addressed in the study. The Executive Committee feels it needs to be put on the record and said very clearly that it was the Executive Director of MCSIG that brought the proposal initially forward that we can do this, outside of her contract. The main issue was that she proposed it with conditions that were extremely beneficial for her as an individual and once it became not beneficial in another sense, she was not going to go for it. That was the critical piece of all of this. The Executive Committee should identify the areas of disappointment where we disagreed and what we think was not adequately addressed in the study. The Executive Committee will ask to be put on the MCSIG Full Board Agenda to formally present concerns.

### **Claims Department – Workers' Compensation Reform**

Discussion held regarding the Workers' Compensation Reform that goes into effect January 1, 2013. Veronica Makaveckas stated she received a lot of information regarding the reform changes that are coming up next year. She discussed the areas that will impact the JPA financially.

Board of Directors' Retreat Minutes  
October 31, 2012  
Page 3 of 3

The Board of Directors broke for lunch at 12:04 p.m.

Reconvened from lunch at 12:41 p.m.

**Loss Control**

Matching Safety Fund

Gary Metzler stated some districts still are not utilizing their funds. He is at a loss as to why as he has emphasized the availability of these funds. Just about anything that will improve the safety program of a district is allowed for safety funds as well as safety training certification. Jerry Stratton stated his district was able to purchase items that they normally would not have been able to, using the Matching Safety Funds. He stated those funds are really good. Discussion held.

Claims Data FY 11/12

Discussion regarding the 5 highest incurred claims, 5 leading causes of injury, 5 most common nature of injury, 5 most common body parts injured, lost time injuries, open and closed claims and medical only and indemnity claims for the total JPA.

Claims Overview

Discussion held regarding available resources the JPA Loss Control offers to districts to help reduce their losses and what can be done to encourage all district employers to take more control of their safety programs and loss control efforts.

**Adjournment**

Melody Canady moved and Veronica Flournoy seconded to adjourn the meeting.

Sara Perez adjourned the meeting at 2:02 p.m.



Chairperson/Vice Chairperson \_\_\_\_\_

Executive Director \_\_\_\_\_

Date \_\_\_\_\_

## 2013/2014 EXCESS WORKERS' COMPENSATION INSURANCE RENEWAL

### ACTION ITEM

**ITEM:** Annually, Matt Gowan, MERMA's Broker from Alliant Insurance Services, Inc. reviews the current Excess Workers' Compensation program to determine if improvements can be made as respects limits, coverage, premium and plans. Matt will review with the Board of Directors, the proposals received from the insurance market as a result of marketing the program this year.

**RECOMMENDATION:** The Executive Committee reviewed the options at their May 23<sup>th</sup> meeting and is recommending joining CSAC EIA JPA attaching at a \$125,000 SIR as the combined contributions and excess premiums are less than the current provider is offering excess coverage at a \$400,000 attachment.

Board of Directors should approve review and discuss and approve the 2013/14 Workers' Compensation insurance program.

**FISCAL IMPACT:** The combined contributions including funding the Self Insured Retention and the Excess Workers' Compensation premium is a \$458,990 decrease from Starr (current provider). Overall the total contributions have increase due to a \$1,732,000 Surplus offset the Board approved to apply to the 2012/13 contributions.

**BACKGROUND:** Alliant has placed MERMA's Excess Workers' Compensation coverage for over 10 years. Currently MERMA purchases \$50,000,000 in limits excess of a \$400,000 SIR from US Specialty.

### ATTACHMENT:

1. Workers' Compensation Insurance Options Exhibit
2. 2013-14 Premium Assessment Calculations



# MERMA

2013-14 Workers' Compensation Renewal Options				
	CURRENT 2012-13 \$400,000	2013-14 \$400,000	2013-14 Primary	2013-14 \$125,000
Self Insured Retention (S.I.R)				
Carrier	Star Insurance	Star Insurance	CSAC EIA (indication)	CSAC EIA (indication)
A.M. Best Rating	A- (Excellent)	A- (Excellent)	N/A	N/A
A.M. Best Financial Size Category	IX (\$250 MM to \$500MM)	IX (\$250 MM to \$500MM)	N/A	N/A
WC LIMIT	\$ 50,000,000	\$ 50,000,000	Statutory	Statutory
Employer's Liability Limit	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000	\$ 5,000,000
Rate	\$ 0.2538	\$ 0.3054	\$ 2.7483	\$ 0.7411
Premium	\$ 782,153	\$ 988,990	\$ 8,900,000	\$ 2,400,000
Payroll	\$ 308,176,907	\$ 323,834,290	\$ 323,834,290	\$ 323,834,290
Discounted Funding at 70% Confidence Level *	\$ 7,338,000	\$ 8,129,000	N/A	\$ 6,259,000
<b>Actual Rate(per \$100 of payroll)</b>	<b>\$2.635</b>	<b>\$2.816</b>	<b>\$2.748</b>	<b>\$2.674</b>
<b>Total</b>	<b>\$8,120,153</b>	<b>\$9,117,990</b>	<b>\$8,900,000</b>	<b>\$8,659,000</b>
Staff Claims Cost (estimated)	\$300,000	\$300,000	\$0	\$300,000
Administrative Expenses ** (estimated)	\$50,000	\$50,000	\$0	\$50,000
<b>TOTAL</b>	<b>\$8,470,153</b>	<b>\$9,467,990</b>	<b>\$8,900,000</b>	<b>\$9,009,000</b>

\*\*Recommended by  
the EC

\* Discount Factor lowered to 3% in 2013

\*\* New computers, claims system, supplies, etc

## MERMA 2013-2014 PREMIUM ASSESSMENTS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>\$125,000 SIR 70% CL 3% Discount</b>	<b>Projected 2013-14 Payroll</b>	<b>3% Disc. 70% CL Rate</b>	<b>Manual Premium</b>	<b>Off-Balance EMF</b>	<b>Off-Balance Factor</b>	<b>Modified Premium</b>	<b>Preliminary 2013-14 Rates</b>	<b>2012-13 Rates prior to Offset</b>	<b>FINAL 2012-13 Rates with offset</b>
Bradley Union	\$ 480,365	\$2.87	\$ 13,786	0.796	0.7419	\$ 8,142	1.6949	1.7269	1.2028
Carmel Unified	\$ 27,530,022	\$2.87	\$ 790,112	0.700	0.7419	\$ 410,329	1.4905	1.7363	1.2125
Chualar Union	\$ 2,227,078	\$2.87	\$ 63,917	0.965	0.7419	\$ 45,760	2.0547	1.5080	0.9818
Gonzales Unified	\$ 12,405,620	\$2.87	\$ 356,041	0.970	0.7419	\$ 256,223	2.0654	2.3686	1.8513
Graves Union	\$ 183,183	\$2.87	\$ 5,257	0.750	0.7419	\$ 2,925	1.5969	1.6800	1.5554
Greenfield Union	\$ 14,690,563	\$2.87	\$ 421,619	0.832	0.7419	\$ 260,249	1.7715	2.0232	1.5024
King City Union	\$ 12,774,781	\$2.87	\$ 366,636	1.532	0.7419	\$ 416,715	3.2620	2.0553	1.5348
South Monterey County I	\$ 11,488,095	\$2.87	\$ 329,708	1.573	0.7419	\$ 384,772	3.3493	2.7215	2.2079
Lagunita Union	\$ 412,585	\$2.87	\$ 11,841	0.750	0.7419	\$ 6,589	1.5969	1.6796	1.1555
Mission Union	\$ 678,858	\$2.87	\$ 19,483	0.771	0.7419	\$ 11,144	1.6417	1.6702	1.1457
North Monterey County I	\$ 23,019,359	\$2.87	\$ 660,656	1.927	0.7419	\$ 944,501	4.1031	5.3525	4.8662
Big Sur Unified	\$ 575,777	\$2.87	\$ 16,525	0.785	0.7419	\$ 9,624	1.6715	3.2085	2.7000
Pacific Grove Unified	\$ 16,542,653	\$2.87	\$ 474,774	1.070	0.7419	\$ 376,891	2.2783	2.3743	1.8571
Salinas City Union	\$ 41,033,492	\$2.87	\$ 1,177,661	0.875	0.7419	\$ 764,494	1.8631	1.9477	1.4261
Salinas Union High	\$ 75,466,014	\$2.87	\$ 2,165,875	1.139	0.7419	\$ 1,830,216	2.4252	2.5649	2.0497
San Antonio Union	\$ 947,992	\$2.87	\$ 27,207	0.782	0.7419	\$ 15,785	1.6651	1.4778	0.9512
San Ardo Union	\$ 736,247	\$2.87	\$ 21,130	0.750	0.7419	\$ 11,757	1.5969	1.5420	1.0161
San Lucas Union	\$ 483,740	\$2.87	\$ 13,883	0.931	0.7419	\$ 9,589	1.9823	1.7722	1.2486
Santa Rita Union	\$ 11,472,955	\$2.87	\$ 329,274	2.507	0.7419	\$ 612,431	5.3380	3.2556	2.7476
Soledad Unified	\$ 25,210,387	\$2.87	\$ 723,538	1.905	0.7419	\$ 1,022,591	4.0562	3.5803	3.0756
Spreckels Union	\$ 3,891,938	\$2.87	\$ 111,699	0.894	0.7419	\$ 74,085	1.9036	2.3554	1.8380
Washington Union	\$ 4,435,459	\$2.87	\$ 127,298	1.682	0.7419	\$ 158,852	3.5814	3.2198	2.7114
MCSIG	\$ 669,032	\$2.87	\$ 19,201	0.750	0.7419	\$ 10,684	1.5969	1.5268	1.0008
MERMA	\$ 939,756	\$2.87	\$ 26,971	1.015	0.7419	\$ 20,310	2.1612	2.0100	1.4890
SELPA	N/A	\$2.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Monterey COE	\$ 45,253,049	\$2.87	\$ 1,298,763	1.981	0.7419	\$ 1,908,796	4.2181	4.4126	3.9166
<b>Total</b>	<b>\$ 333,549,000</b>	<b>\$2.87</b>	<b>\$ 9,572,856</b>		<b>0.7419</b>	<b>\$ 9,573,454</b>	<b>2.8702</b>	<b>2.9269</b>	<b>2.38498</b>

-2%

**APPROVAL OF MERMA RESOLUTION #1  
JOINING CSAC EIA FOR EXCESS WORKERS' COMPENSATION**

**ACTION ITEM**

**ISSUE:** The MERMA Board of Directors should review and approve the Resolution #1 attached to join CSAC EIA JPA for Excess Workers' Compensation Coverage. The Board should also select a Board member to represent MERMA on the CSAC EIA Board of Directors.

**RECOMMENDATION:** The JPA Administrator and Executive Committee is recommending joining CSAC EIA for Excess Workers' Compensation coverage (and currently attaching at a \$125,000 SIR) and approving this resolution.

**FISCAL IMPACT:** None.

**BACKGROUND:** CSAC EIA is a Joint Powers Authority providing coverage to public entities in California. In order to become a member of CSAC EIA, the member must execute a resolution to be on file with CSAC EIA.

**ATTACHMENT(S):** MERMA Resolution #1

RESOLUTION NO.: \_\_\_1\_\_\_

**RESOLUTION OF THE MONTEREY EDUCATIONAL RISK MANAGEMENT  
AUTHORITY (MERMA)  
TO JOIN CSAC EXCESS INSURANCE AUTHORITY**

**WHEREAS**, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

**WHEREAS**, the Monterey Educational Risk Management Authority desires to join together with the members of the CSAC Excess Insurance Authority (Authority) for the purpose of jointly funding and/or establishing excess and other insurance programs as determined; and

**WHEREAS**, the Authority has determined that it is necessary for each member of the Authority to delegate to a person[s] or position[s] authority to act on the member's behalf in matters relating to the member and the Authority;

**NOW THEREFORE, BE IT RESOLVED** by the Monterey Educational Risk Management Authority that said does hereby approve becoming a member of the CSAC Excess Insurance Authority, authorizes execution of the CSAC Excess Insurance Authority Joint Powers Agreement, and except as to actions that must be approved by the Monterey Educational Risk Management Authority, [insert name of person[s] or position[s]] is hereby appointed to act in all matters relating to the member and the Authority.

**PASSED AND ADOPTED** by the Monterey Educational Risk Management Authority this 12th day of June, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Vice President

## FISCAL YEAR 2013-2014 BUDGET

### ACTION ITEM

**ISSUE:** Annually, the Board of Directors approves and adopts the fiscal year budget. Susan Adams from Alliant will review this Budget with the Board of Directors. The budget has been created at the Executive Committee's recommendation of lowering MERMA's Self Insured Retention (SIR) from the current level, \$400,000 down to \$125,000.

**RECOMMENDATION:** The Pool Consultant recommends approval of the budget subject the any changes or recommendations of the Board of Directors.

**FISCAL IMPACT:** The FY2013/14 budget has increased from 2012/13 from \$58,123 to (\$154,075) or \$212,198. This is due primarily to Total Claims Expense which has increased \$588,647 from the prior budget. Line item 5810-2 – Change in claims liabilities has increased \$906,613 based on the current actuarial report.

**BACKGROUND:** Annually MERMA's accountant works assists in creating the budget for MERMA and it's members that includes the assessments as determined by the Actuary. The budget was reviewed one final time on June 4<sup>th</sup> with the accountant to finalize.

**ATTACHMENTS:** MERMA 2013-2014 Budget.

**Monterey County Schools Workers' Compensation JPA  
Comparative Statement of Revenues and Expenditures  
FYE 06/30/12 and Proposed Budget for FYE 06/30/13**

\$125,000 SIR	FYE 06/30/12			Final Approved Budget FYE 06/30/13			Preliminary Budget FYE 06/30/14		
	Estimated 4/12-		Estimated FYE 06/30/12	FYE 06/30/13		FYE 06/30/14 Proposed Budget	FYE 06/30/14		
	YTD 03/12	6/12		Proposed Budget	\$ Change		%Change	\$ Change	%Change
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
8660 - Investment income	\$ 149,182	\$ 31,344	\$ 180,526	\$ 184,136	\$ 3,610	2%	\$ 169,380	\$ (14,756)	-8%
8674 - Member Contributions	6,602,111	2,400,000	9,002,111	7,622,941	(1,379,170)	-15%	9,573,439	1,950,498	26%
<b>Total Income</b>	<b>6,751,293</b>	<b>2,431,344</b>	<b>9,182,637</b>	<b>7,807,077</b>	<b>(1,375,560)</b>	<b>-15%</b>	<b>9,742,819</b>	<b>1,935,742</b>	<b>25%</b>
<b>Expense</b>									
<b>Salaries and Benefits</b>									
<b>2000 - Salaries</b>									
2300 - Classified Supervisors & Admin.	181,662	55,494	237,156	358,752	121,596	51%	216,442	(142,310)	-40%
2400 - Clerical & Office Salaries	148,761	49,587	198,348	182,224	(16,124)	-8%	182,224	-	0%
2900 - Other Classified Salaries	331,970	111,051	443,021	461,001	17,980	4%	461,001	-	0%
2950 - Auto Allowance	6,300	2,100	8,400	12,600	4,200	50%	8,400	(4,200)	-33%
<b>Total 2000 - Salaries</b>	<b>668,693</b>	<b>218,232</b>	<b>886,925</b>	<b>1,014,577</b>	<b>127,652</b>	<b>14%</b>	<b>868,067</b>	<b>(146,510)</b>	<b>-14%</b>
<b>3000 - Benefits</b>									
3202 - PERS, Classified	111,386	37,362	148,748	173,800	25,052	17%	149,000	(24,800)	-14%
3302 - Soc Sec/Medicare/Atl Retire, CI	49,871	16,494	66,365	76,649	10,284	15%	65,767	(10,882)	-14%
3402 - Health & Welfare, Classified	135,799	45,252	181,051	255,540	74,489	41%	255,540	-	0%
3502 - State UI, classified	10,657	3,471	14,128	7,222	(6,906)	-49%	6,178	(1,044)	-14%
3602 - Workers Comp, Classified	13,000	4,233	17,233	14,461	(2,772)	-16%	12,373	(2,088)	-14%
3702 - Retiree benefits classified	8,313	2,598	10,911	10,800	(111)	-1%	10,800	-	0%
3000 - Benefits - Other	-	35,000	35,000	35,000	-	0%	37,502	2,502	7%
<b>Total 3000 - Benefits</b>	<b>329,026</b>	<b>144,410</b>	<b>473,436</b>	<b>573,472</b>	<b>100,036</b>	<b>21%</b>	<b>537,160</b>	<b>(36,312)</b>	<b>-6%</b>
<b>Total Salaries and Benefits</b>	<b>997,719</b>	<b>362,642</b>	<b>1,360,361</b>	<b>1,588,049</b>	<b>227,688</b>	<b>17%</b>	<b>1,405,227</b>	<b>(182,822)</b>	<b>-12%</b>
4300 - Supplies & Materials	18,728	6,000	24,728	30,000	5,272	21%	30,000	-	0%
4400 - Non-capitalized equipment	1,309	-	1,309	-	(1,309)	-100%	12,000	12,000	0%
5200 - Travel & Conference	4,818	2,499	7,317	8,000	683	9%	15,000	7,000	88%
5300 - Dues and Membership	400	724	1,124	1,127	3	0%	1,127	-	0%
5450 - Property & Liability Insurance	6,100	-	6,100	6,168	68	1%	6,500	332	5%
5450-1 - Excess Insurance	807,469	24,993	832,462	782,153	(50,309)	-6%	2,400,000	1,617,847	207%
5500 - Utilities & Housekeeping	22,715	8,835	31,550	38,028	6,478	21%	39,240	1,212	3%
5600 - Rental, Leases, Repairs	42,370	13,566	55,936	70,407	14,471	26%	71,007	600	1%
5800 - Other services and Ops expenses									
<b>5810 Claims Expense</b>									
5810 - Claims Paid, net of refunds	3,079,231	1,425,000	4,504,231	4,576,189	71,958	2%	4,058,895	(517,294)	-11%
5810-1 - Administrative runoff (ULAE)	-	200,000	200,000	200,000	-	0%	289,528	89,528	45%
5810-2 - Change in claims liabilities	-	2,000,000	2,000,000	280,153	(1,719,847)	-86%	1,186,766	906,613	324%
5810-3 - Claims refunds	(11,167)	(15,000)	(26,167)	-	26,167	-100%	-	-	-
5811 - Medical Cost containment	180,357	20,000	200,357	90,000	(110,357)	-55%	200,000	110,000	122%
5812 - Claims Clearing	9,668	-	9,668	-	(9,668)	-100%	-	-	-
5815 - Claims Reinsurance recoveries	(224,560)	(60,000)	(284,560)	(300,000)	(15,440)	5%	(300,000)	-	0%
<b>Total 5810 - Claims Expense</b>	<b>3,033,529</b>	<b>3,570,000</b>	<b>6,603,529</b>	<b>4,846,342</b>	<b>(1,757,187)</b>	<b>-27%</b>	<b>5,435,189</b>	<b>588,847</b>	<b>12%</b>
5820 - Claims Support Services				7,080	7,080	0%	7,080	-	0%
5850 - Local admin/temp services									
5850-1 - Temp services	-	-	-	2,100	2,100	0%	2,100	-	0%
5850-2 - Self Insurance Plans	105,324	-	105,324	125,000	19,676	19%	125,000	-	0%
5850-4 - Contract Services	-	12,000	12,000	12,000	-	0%	12,000	-	0%
5850-5 - Accounting Services	5,099	-	5,099	6,600	1,501	29%	-	(6,600)	-100%
5850-7 - Other Operating Expenses	33,690	28,934	62,624	35,916	(26,708)	-43%	35,436	(480)	-1%
5850-8 - Accounting svcs - MCOE	2,852	22,000	24,852	22,000	(2,852)	0%	22,000	-	0%
5850-9 - Alliant - Interim JPA Administration							105,000	105,000	
5850-10 - Agility Recovery - Disaster Recovery							5,004	5,004	
<b>Total 5850 - Local admin/temp services</b>	<b>146,965</b>	<b>62,934</b>	<b>209,899</b>	<b>203,616</b>	<b>(6,283)</b>	<b>-3%</b>	<b>306,540</b>	<b>102,924</b>	<b>51%</b>
5860 - Bnk Charges Trust Account	2	-	2	-	(2)	-100%	-	-	-
5870 - Financial audit fee	3,509	19,000	22,509	19,000	(3,509)	-16%	19,000	-	0%
5875 - Claims audit fee	-	21,500	21,500	21,500	-	0%	21,500	-	0%
5850-3 - Actuarial	-	8,500	8,500	8,500	-	0%	8,500	-	0%
5880 - Accounting Services	15,075	17,375	32,450	40,000	7,550	23%	40,000	-	0%
5890 - Safety exp. Matching Safety Funds	8,145	12,750	20,895	63,996	43,101	206%	63,996	-	0%
<b>Total 5800 - Other services and Ops expenses</b>	<b>3,207,225</b>	<b>3,712,059</b>	<b>6,919,284</b>	<b>5,210,034</b>	<b>(1,709,250)</b>	<b>-25%</b>	<b>5,901,805</b>	<b>691,771</b>	<b>13%</b>
6400 - Capital outlay/equipment/deprec									
6400-1 - Depreciation	11,239	3,747	14,986	14,988	2	0%	14,988	-	0%
<b>Total 6400 - Capital outlay/equipment/deprec</b>	<b>11,239</b>	<b>3,747</b>	<b>14,986</b>	<b>14,988</b>	<b>2</b>	<b>0%</b>	<b>14,988</b>	<b>-</b>	<b>0%</b>
7299 - All other trans - deficit asses	-	-	-	-	-	0%	-	-	0%
8999 - Trust Account O/S Checks	-	-	-	-	-	0%	-	-	0%
9910 - Suspense Clearing	-	-	-	-	-	0%	-	-	0%
<b>Total Expense</b>	<b>5,120,092</b>	<b>4,135,065</b>	<b>9,255,157</b>	<b>7,748,954</b>	<b>(1,506,203)</b>	<b>-16%</b>	<b>9,896,894</b>	<b>2,147,940</b>	<b>28%</b>
<b>Net Ordinary Income</b>	<b>1,631,201</b>	<b>(1,703,721)</b>	<b>(72,520)</b>	<b>58,123</b>	<b>130,643</b>	<b>-180%</b>	<b>(154,075)</b>	<b>(212,198)</b>	<b>-365%</b>
<b>Other Income/Expense</b>									
<b>Other Income</b>									
8662 - Net Increase (Decrease) in FMV	92,068	-	92,068		(92,068)	-100%			#DIV/0!
<b>Total Other Income</b>	<b>92,068</b>	<b>-</b>	<b>92,068</b>	<b>-</b>	<b>(92,068)</b>	<b>-100%</b>	<b>-</b>	<b>-</b>	<b>#DIV/0!</b>
<b>Net Other Income</b>	<b>92,068</b>	<b>-</b>	<b>92,068</b>	<b>-</b>	<b>(92,068)</b>	<b>-100%</b>	<b>-</b>	<b>-</b>	<b>#DIV/0!</b>
<b>Net Income</b>	<b>1,723,269</b>	<b>(1,703,721)</b>	<b>19,548</b>	<b>58,123</b>	<b>38,575</b>	<b>197%</b>	<b>(154,075)</b>	<b>(212,198)</b>	<b>-365%</b>

## MATCHING SAFETY FUNDS UPDATE

### INFORMATON ITEM

**ISSUE:** This is an informational staff report regarding the MERMA Matching Safety Funds Program for FY 12/13.

**RECOMMENDATION:** It is recommended that all MERMA members take advantage of the Matching Safety Funds Program.

**FISCAL IMPACT:** Members that do not use their allocation will lose the funding allocation for FY 12/13 – unused funds do not carry over into following fiscal year.

**BACKGROUND:** The MERMA Executive Committee authorized continued funding of the MERMA Matching Safety Funds Program for FY 12/13 in the amount of \$64,000.00. The eight small districts are allocated \$500. Each large district is allocated \$500 plus a percentage of the fund balance based on payroll size. Matching is done on a dollar for dollar basis – i.e., an expenditure of \$1,000.00 would be eligible for \$500.00 in matching funds.

It is very easy to use the Matching Safety Funds Program:

1. **Identify** an appropriate expenditure for funding. Ergonomic furniture or accessories, facility security equipment, facility/grounds repair/improvement to eliminate hazards, personal protective gear, and employee safety training/certification are examples of appropriate requests. It is also suggested that members consolidate their requests to cover their available total allocation; this will help reduce administrative costs and processing time. Please note that requests must relate to employee safety issues and that the funds cannot be used for subvention of employee salaries.
2. **Complete** Section 1 of the FY 12/13 Request Form with a brief explanation of what the funds will be used for with supporting invoices, paid warrants or receipts – the MERMA Board Member must sign and date the request form.
3. **Submit** the completed form to MERMA with receipts or invoices that verify the expenditure. Upon MERMA administrative approval, a warrant will be issued on a dollar for dollar basis.

**Monterey Educational Risk Management Authority  
Board of Directors Meeting  
June 12, 2013**

**ALLOCATION STATUS:** Updated May 17, 2013

<b>DISTRICT</b>	<b>12-13 ALLOCATION</b>	<b>APPROVED/PAID</b>	<b>BALANCE</b>
Bradley	\$500.00		\$500.00
Carmel	\$4,750.00		\$4,750.00
Chualar	\$765.00		\$765.00
Gonzales	\$2,725.00		\$2,725.00
Graves	\$500.00		\$500.00
Greenfield	\$2,783.00		\$2,783.00
King City Union	\$2,390.00		\$2,390.00
SMCJUHSD.KC	\$2,600.00		\$2,600.00
Lagunita	\$500.00		\$500.00
MCOE	\$7,975.00		\$7,975.00
Mission	\$500.00	Denied: Did not meet criteria.	\$500.00
NMC	\$4,515.00	\$4,515.00	\$0.00
Big Sur USD	\$500.00		\$500.00
Pacific Grove	\$3,388.00		\$3,388.00
Salinas City	\$6,315.00	Has made inquiry.	\$6,315.00
Salinas High	\$12,250.00	\$12,250.00	\$0.00
San Antonio	\$500.00	\$500.00	\$0.00
San Ardo	\$500.00	Has made inquiry.	\$500.00
San Lucas	\$500.00	\$500.00	\$0.00
Santa Rita	\$2,833.00	\$2,786.51	\$46.49
Soledad	\$4,275.00		\$4,275.00
Spreckels	\$1,201.00		\$1,201.00
Washington	\$1,235.00		\$1,235.00
<b>TOTAL</b>	<b>\$64,000.00</b>	<b>\$20,551.51</b>	<b>\$43,448.49</b>