



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

President
Sara M. Perez
Gonzales USD

Vice President
Veronica Flournoy
Spreckels USD

**SPECIAL
EXECUTIVE COMMITTEE MEETING**

Date: May 9, 2013
Time: 9:15 AM

Location: 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**

PAGE **A. CALL TO ORDER**

B. ROLL CALL

C. APPROVAL OF AGENDA AS POSTED

A 1

D. JPA BUSINESS

Pg.1

1. FY 13/14 Staff Management Oversight Options

A 1

The Executive Committee will receive a report from the Ad Hoc Committee and discuss and take action on additional staff oversight services to staff.

E. CLOSING COMMENTS

ADJOURNMENT

**Next Meeting – Executive Meeting – May 23, 2013 – 1:00 p.m.
Board Meeting – May 23, 2013 – 3:00 p.m.**

*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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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. 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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Agenda Item D.1.

FY 13/14 STAFF MANAGEMENT OVERSIGHT

ACTION ITEM

ISSUE: The Executive Committee is holding this Special Meeting for a working session to talk about the Scope of Work that was included in Alliant's original proposal which included work as a JPA Consultant and Alliant is now providing additional services, more of an internal manager.

The Committee should review the original Scope of Work and the Modified Scope of Work and add or delete from it once they agree on the scope of work to be provided by Alliant.

In December 2012, MERMA contracted with Alliant to provide Solutions Consulting, and to provide a well thought out, and possibly new organizational structure to be implemented by July, 2014. In the past few months a number of issues have surfaced that have impacted that process and potential timeline. In the original proposal Alliant stated:

“The timeline of *Solutions* Tasks and the Conversion to a Long-Term Management plan has not been developed at this time. In order to create a specific timeline, Matt Gowan and Michael Simmons will begin by meeting with the current Board President; and then, through a 3 to 6 month process they will propose a plan and timeframe for transition to a Long-Term Management structure.

At this point we do not have a firm recommendation on the best direction to secure long-term success; we do believe that in-house management is likely a preferred structure, but it has to be delivered at an appropriate cost to make the most sense as an option. It may be that, only after we make a number of process improvements that we can identify the best long-term solution.”

Alliant Proposal - Increase Alliant time commitment and in-office time: Alliant is currently in the Interim Management Oversight role. Alliant staff has committed to two 6 hour days twice a month, on a regular schedule. Effective July 1, 2014, we will endeavor to double this time in the office and be in Salinas almost every week.

This increased role would include a management rather than oversight responsibility including developing and managing much needed and overdue staff reviews. As previously discussed, not all time present will be fully dedicated to MERMA; our ongoing *Solutions Tasks* require extended work outside the MERMA office, and Susan may need to be involved in other clients' work when not availing herself to MERMA staff issues while present in Salinas. *We believe the annual budget for this solution to be in the range of an additional \$35,000 to \$55,000 service fee.* [The Professional Liability exposure for this option would need some consideration; Alliant carriers both E&O and EPL insurance but, if acting in this role they will most likely need MERMA to indemnify and defend them involving employment actions that may arise (except of course for their sole negligence). This will need to be addressed with legal counsel.]

Monterey Educational Risk Management Authority
Executive Committee Meeting
May 9, 2013

RECOMMENDATION: Request the Ad Hoc committee, to provide future details and a recommendation to the Executive Committee at this meeting.

FISCAL IMPACT: *None* during this interim process; based on the EC's direction, Alliant will develop a plan of action for adoption at the Executive Committee meeting scheduled for June 25th (*Currently, MERMA is saving an additional \$1,000 per month previously paid to Veronica for Interim Executive Director services*).

BACKGROUND: Effective April, 2013 Alliant committed to an increase of time at the MERMA office adding two days, every other week of on-site service on a senior pool administrator on a regular schedule. Susan's time commitment creates increased staff and Member in-person access. Her physical presence in MERMA's office increases approximately 6 hours both Wednesday's and Thursday's every other week; while there she will be 1) working on MERMA administrative items, 2) meeting with MERMA staff and 3) working as needed on MERMA projects (*but not exclusively*).

ATTACHMENTS:

1. A summary page from Alliant's Oral Presentation with the EC
2. The (modified) Scope of Service proposed – will be sent under separate cover.

EXCERPTS FROM ALLIANT'S ORAL PRESENTATION – October 18, 2012

Staff of any organization needs to have a full understand the reporting standards. MERMA has been without a full time Executive Director for 20 months; colleagues need to know who if available to respond to them, and Board and Executive members (and their Districts) need to have a full understanding of the commitment these individuals are asked to provide within this elected role. MERMA's organization is no exception.

Assumptions: As an outsider looking in to your organization we believe the following to be true:

- Department and independent contracted services all seem to be running smoothly.
- Currently the organization is meeting the on-going service needs of its Member agencies.
- Right now, neither the budget nor the workload seems to suggest the need for a full-time "manager".
- Long-term planning, Leadership and Fiscal Management are areas that are not being fully addressed at this time.

Benefits: Although it goes without saying that a clear management structure always best serves an organization, now may not be the right time to lock into any one specific structure. Remaining flexible with management, while streamlining processes and improving JPA administration, is likely a good course to consider.

Risks: An inherent risk whenever changing management structures involves insuring that the NEW structure will meet and improve the organizations long-term goals and not replace it with a short-term 'fix' that will need to be corrected again a year later.

Goals & Objectives: To have in place a structure that provides for planning, direction, management and oversight of the operations of the Monterey Educational Risk Management Authority (JPA) including Claims Administration, Loss Control and General Administration Departments. This **Solutions Approach** provides a more holistic view of your needs and allows for you to:

- ❖ Take the time to do it systematically right,
- ❖ Create permanent fixes to the core issues that support any organization,
- ❖ Stabilize the activities of the JPA,
- ❖ Create proper benchmarks to measure achievements
- ❖ Minimize the effects of the transition into a Long-Term solution when it best meets the organizational needs.

Our Plan: A one to two year process to leave MERMA as a lean, well run "CAJPA Best Practices" pool that can be smoothly transitioned to a permanent solution. We will assist you in developing the best solutions and work with staff and the Executive Committee toward implementation. This is your organization and, in order of importance, we will:

- **Identify what's best for MERMA.**
 - **Not lock MERMA into any one program that minimizes flexibility.**
 - **Develop Critical systems so you create a Turn-key operation**
 - **Assist in the transition to either include an in-house Executive Director or Outside Service Provider.**