



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

BOARD OF DIRECTORS MEETING

Date: May 23, 2013
Time: 3:00 PM

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**

- | | | |
|-------------|---|-----|
| <i>PAGE</i> | A. CALL TO ORDER | |
| | B. ROLL CALL | |
| | C. APPROVAL OF AGENDA AS POSTED | A 1 |
| Pg. 1 | D. <u>CONSENT CALENDAR</u> | A 1 |
| | <i>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.</i> | |
| Pg. 2 | 1. <u>Board of Directors Meeting Minutes – October 31, 2012 - Draft</u> | |
| | E. ADMINISTRATIVE REPORTS | |
| | 1. President’s Report | I 4 |
| | <i>Sara Perez will address the Board of Directors on items pertaining to MERMA - VERBAL</i> | |

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

MERMA

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2. **MERMA Administrative** I 4
*Pool Consultant, Alliant, will update the Board on matters pertinent to MERMA-
VERBAL*
3. **Claims Manager** I 4
*The Claims Manager may comment or report on various matters or concerns of
the JPA. - VERBAL*
4. **Loss Control Manager** I 4
*The Loss Control Manager may comment or report on various matters or
concerns of the JPA. - VERBAL*
5. **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. **Matching Safety Fund** I 1
*Gary Metzler will provide the Board of Directors with a review of the Matching
Safety Fund program.*
- Pg. 7 2. **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 3. **2013-14 Budget for FY 2013-14** A 1
*Susan Adams from Alliant and Helen Rodriguez of McGilloway, Ray, Brown &
Kaufman will present the Budget to the Board of Directors for their approval.*

G. CLOSING COMMENTS

ADJOURNMENT

*Our mission is to protect the human resources
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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.

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 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 |
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MERMA 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.

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.

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 _____

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
May 23, 2013**

ALLOCATION STATUS: Updated May 17, 2013

DISTRICT	12-13 ALLOCATION	APPROVED/PAID	BALANCE
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
TOTAL	\$64,000.00	\$20,551.51	\$43,448.49

2013/2014 EXCESS WORKERS' COMPENSATION INSURANCE RENEWAL

ACTION ITEM

ITEM: Annually, Matt Gowan 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 Board of Directors should approve review and discuss and approve the 2013/14 Workers' Compensation insurance program or provide direction to the Executive Committee if necessary to finalize the program.

FISCAL IMPACT: Unknown at this time.

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.

SEPARATE COVER: Workers' Compensation insurance options will be provided under separate cover.

BUDGET FOR FY 2013-2014

ACTION ITEM

ISSUE: Annually, the Board of Directors approves and adopts the fiscal year budget. Susan Adams from Alliant and Helen Rodriguez from McGilloway, Ray, Brown & Kaufman will be in attendance at the meeting to review this Budget with the Board of Directors.

RECOMMENDATION: Pool Consultant recommends approval of the budget subject the any changes or recommendations of the Executive Committee and Board of Directors.

FISCAL IMPACT: TBD – the budget will be finalized once the excess Workers’ Compensation placement is determined.

BACKGROUND: Annually MERMA’s accountant works with the Executive Director on creating a budget for MERMA and it’s members that includes the assessments as determined by the Actuary.

SEPARATE COVER: MERMA 2013-2014 Budget.