



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 WORKSHOP

Date: September 18, 2013
Time: 1:30 PM

Location: MERMA
Conference Room Upstairs
76 Stephanie Drive
Salinas, CA 93901

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

- | | | |
|-------------|--|-----|
| PAGE | A. WELCOME AND INTRODUCTIONS | |
| | 1. President's Welcome | |
| | 2. Introductions / Roll Call | |
| | B. APPROVAL OF AGENDA AS POSTED | A 1 |
| 3. | C. CONSENT CALENDAR | 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> | |
| | 1. Board of Directors Meeting Minutes – June 12, 2013 - Draft | |
| 8. | D. CSAC EIA Primary Workers' Compensation Program | A 1 |
| | <i>MERMA's JPA Consultant will facilitate a discussion with the Board regarding joining CSAC EIA's Primary Workers' Compensation program and how it would impact the JPA philosophically, operationally and financially.</i> | |
| 9. | E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 | A 1 |
| | "PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE/COMPLAINT" | |

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And financial assets of our member districts in order to support
The future of public education.*



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F. CLOSING COMMENTS

G. 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. 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 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 – June 12, 2013 - Draft |
|---|

Board of Directors' Minutes

June 12, 2013

The Board of Directors of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, CA at 8:30 a.m., on June 12, 2013.

Board of Directors Present

Sara Perez, President
Veronica Flournoy, Vice President
Mike Brusa
Gerald (Jerry) Stratton
Diana Palmer
Colleen Stanley
Teresa Santa Maria
Jerry Tollefson

Board of Directors Via Webinar/Teleconference

Rick Miller, Pacific Grove Unified School District,
435 Hillcrest Ave., Pacific Grove, CA 93950

Linda Irving, San Antonio Union School District,
67550 Lockwood-Jolon Rd., Lockwood, CA 93932

Board of Directors Not Present

Ian Trejo
Rick Blanckmeister
Lucia Alvarez
Rosemarie Grounds
Melody Canady
Rory Livingston
Raenna Thomasson
Carlos Vega
Nicole Hester
Nadene Dermody
Tim Ryan
Claudia Arellano

Guests and Staff

Mike Simmons, Pool Consultant, Alliant
Susan Adams, Pool Consultant, Alliant (via teleconference)
Matt Gowan, Pool Consultant, Alliant (via teleconference)
Leigh Butler, Soledad Unified School District (via teleconference)
Gary Metzler
Hallie Pacheco

CALL TO ORDER

Sara Perez called the meeting to order at 8:33 a.m.

ROLL CALL

APPROVAL OF AGENDA AS POSTED

Sara Perez asked for a motion to approve the agenda as posted.

MOTION: Jerry Stratton **SECONDED:** Colleen Stanley **MOTION CARRIED**

PUBLIC COMMENTS

None

CONSENT CALENDAR

The following items were discussed and approved:

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

MOTION: Veronica Flournoy **SECONDED:** Jerry Stratton **MOTION CARRIED**

ADMINISTRATIVE REPORTS

President's Report

Nothing to report.

MERMA Administrative, Pool Consultant

Susan Adams thanked everyone for taking part in this meeting.

ADMINISTRATIVE REPORTS (continued)

Loss Control Manager

Nothing to report.

Board of Directors

Nothing to report.

JPA BUSINESS

2013/2014 Excess Workers' Compensation Renewal Proposal

Matt Gowan discussed the excess workers' compensation renewal proposal for 2013/14. Lengthy discussion held.

2013/14 Excess Workers' Compensation Renewal Proposal was approved as presented at \$125,000 SIR with CSAC.

MOTION: Veronica Flournoy **SECONDED:** Mike Brusa **MOTION CARRIED**

Resolution #1 to Join CSAC Excess Insurance Authority JPA

Discussion regarding the Resolution #1 to join CSAC (California State Association of Counties) Excess Insurance Authority JPA for Excess Workers' Compensation Coverage. Mike Simmons stated this is to join an insurance pool. There is a 1-year commitment to this particular program that MERMA would be joining. MERMA could leave the program after a year and with almost only 3 days notice, but then MERMA cannot join again for about 3 years. He stated it is not the County association but it is the Insurance Pool that is associated with the County organization. He also mentioned that by joining CSAC, MERMA is able to achieve the low \$125,000 SIR as it is pooling together with many other schools and public entities in California. Susan Adams of Alliant stated that the Board needs to elect someone to represent MERMA on the CSAC Board. Lengthy discussion held.

A motion was made to approve MERMA Resolution #1 joining the CSAC for Excess Workers' Compensation and to nominate the Board President, Sara Perez, to represent MERMA on the CSAC EIA Board of Directors.

MOTION: Veronica Flournoy **SECONDED:** Mike Brusa **MOTION CARRIED**

Budget for FY 2013-14

Susan Adams of Alliant discussed MERMA's budget for fiscal year 2013-14. She mentioned that it was presented a couple weeks ago to the Executive Committee and the Board and she has since met with the accountant and she made a few changes to the budget. It is a little different than what was presented a couple weeks ago. The major change is under claims expense. The change in claim liabilities increased substantially from what was showed previously. This is due to what the actuary decides that MERMA needs to carry on its books. This is something that will change every year. Although it should become a more stable number in a couple years because MERMA has a low self insured retention at \$125,000. So MERMA will have a more stable claims liabilities that we will be looking at. The Executive Director's salary and benefits have been deleted, we have included an increase for computer equipment, increased the travel and conference budget to allow Board Members to attend CAJPA and PARMA. The other item is Alliant's expense to allow Alliant to be the contracted administrator for MERMA. Also, \$5,000 for the Disaster Recovery Program to get implemented at the MERMA office to protect the claim files and the property.

A motion was made to approve the FY 2013-14 Budget as presented.

MOTION: Veronica Flournoy **SECONDED:** Jerry Stratton **MOTION CARRIED**

Matching Safety Funds

Gary Metzler updated the Board about a couple of more requests that have come in. Once all of the disbursements are out, he will provide another report after the fiscal year updating everyone on what was actually disbursed and who used the funds. The only change he may be making would be revising the policy to require a paid receipt or a voucher to indicate the money was actually expended by the district.

CLOSING COMMENTS

None

ADJOURNMENT

Motion was made to adjourn the meeting at 9:06 a.m.

MOTION: Mike Brusa **SECONDED:** Veronica Flournoy **MOTION CARRIED**

Chairperson/Vice Chairperson _____

Interim Management _____

Date _____

CSAC EIA PRIMARY WORKERS' COMPENSATION PROGRAM

ACTION ITEM

ITEM: Matt Gowan from Alliant Insurance Services, Inc., MERMA's JPA Control Administrator will facilitate a discussion with the Board of Directors regarding looking at joining CSAC EIA's Primary Workers' Compensation (PWC) program and the requirements of joining that program and how they would impact MERMA philosophically, operationally and financially.

RECOMMENDATION: JPA Contract Administrator recommends the Board give direction to the Administrator to further investigate joining CSAC EIA's Primary Workers' Compensation program and report back to the Executive Committee.

FISCAL IMPACT: TBD

BACKGROUND: Effective July 1, 2013, the Excess Workers' Compensation coverage for MERMA was placed with CSAC EIA which resulted in a lower Self Insured Retention (SIR). The SIR decreased from \$400,000 per occurrence to \$125,000 per occurrence, which also resulted in premium savings of approximately \$500,000 from the proposal the incumbent, Star Insurance presented as well as provides MERMA with more stability and predictability of losses within this lower retention.

At the June Board meeting, Matt Gowan provided the Board with an exhibit detailing the current program, proposal from incumbent and the two options from CSAC EIA, the \$125,000 SIR and the Primary Workers' Compensation program. The Board approved placing coverage with CSAC EIA at the \$125,000 SIR and discussed investigating the PWC program as a future option.

HANDOUTS: Will be distributed at the meeting.

Agenda Item E.

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956
"PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE/COMPLAINT"**

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54957, the Executive Committee will hold a Closed Session to discuss "Public Employee Discipline/Dismissal/Release/Complaint"

RECOMMENDATION: None

FISCAL IMPACT: Unknown

BACKGROUND: Confidential

ATTACHMENT(S): None