

MERMA

MINUTES OF THE BOARD OF DIRECTORS' MEETING May 22, 2014

The Board of Directors of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, CA at 2:00 p.m., on May 22, 2014.

Board of Directors Present

Sara Perez, President, Gonzales USD
Veronica Flournoy, Vice President, Spreckels USD
Jerry Stratton, SCESD
Melody Canady, Greenfield USD
Colleen Stanley, MCOE
Tim Vanoli, SUHSD
Duane Wolgamott, SMCHSD
Tracie Corpuz, Washington USD

Board of Directors Absent

Gordon Piffero, Big Sur Unified
Ian Trejo, Bradley USD
Rick Blanckmeister, Carmel USD
Lucia Alvarez, Chualar USD
Rosemarie Grounds, Graves SD
Rory Livingston, King City USD
Nadene Dermody, Lagunita SD
Tim Ryan, Mission USD
Kari Yeater, NMCUSD
Rick Miller, PGUSD
Peter Zotovich, San Antonio USD
Carlos Vega, San Ardo USD
Nicole Hester, San Lucas USD
Michael Brusa, Santa Rita USD
Jorge Guzman, Soledad USD

Guests and Staff

Matt Gowan, Alliant Insurance Services
Marcus Beverly, Alliant Insurance Services
Dave Swiatlo, Intercare
Danielle Buri, Intercare
Roxanne Regules, Santa Rita USD
Gary Metzler, MERMA
Hallie Pacheco, MERMA

A. CALL TO ORDER

Sara Perez called the meeting to order at 2:04 p.m.

B. ROLL CALL

Introduction of Board of Directors and guests.

C. APPROVAL OF AGENDA AS POSTED

Motion was made to approve the agenda as posted.

MOTION: Melody Canady **SECONDED:** Jerry Stratton **MOTION CARRIED**

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following item was approved:

- 1. Board of Directors’ Meeting Minutes – January 23, 2014

MOTION: Jerry Stratton **SECONDED:** Tracie Corpuz **MOTION CARRIED**

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

F. ADMINISTRATIVE REPORTS

1. President's Report

Sara Perez stated she had nothing to report.

2. Administrative Report

Matt Gowan stated the Executive Committee and staff has done a ton of work this year to get to where we are today. He discussed JPA management cost savings for 2013/14. Saved by moving claims administration to an in-house third party provider who is providing a paperless IVOS claims management system and new computers for their claim staff, eliminated managed med care oversight, moved the excess insurance to CSAC which lowered the base rate, and improved actuarial projections. Looking at about \$150,000 savings for administration this year and continuing into the future. With not having to buy new computers and software the savings are about \$300,000 for this year.

3. Claims Administrator's Report

Danielle Buri of Intercare informed the Board of everything that has been taking place since Intercare has taken over claims as of May 1, 2014, including claim system installation, completion of data conversion, banking setup and issuing checks, new equipment installation, staff training, district training, and claim kits were sent out to each district. Company Nurse claim reporting went into effect on May 12th. Danielle stated Intercare is happy to provide more hands-on training to the districts no matter how big or small and to just let them know. Discussion of claim closures and reserve changes. She stated staff will need more time to get all the files triaged. She would like to see this done by August 31st.

4. Board of Directors

Jerry Stratton commented, "Wow, thank you Danielle, it's nice to be in the 21st century!"

G. JPA BUSINESS

1. 2014-15 Excess Workers' Compensation Renewal Proposal

Matt Gowan reported the excess coverage rate for the entire JPA decreased 3.8%. With the loss of North Monterey County USD as a member, the rate drops another 4% to \$0.6509. The excess premium for 2014-15 is \$303,736 less than the total for 2013-14.

Motion was made to approve the 2014/15 Excess Workers' Compensation Renewal Proposal as presented with a rate of \$0.6509.

MOTION: Melody Canady

SECONDED: Jerry Stratton

MOTION CARRIED

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

2. Loss Funding for FY 2014-15

Marcus Beverly discussed continuing to lower the discount rate for the pool’s outstanding liabilities. Recommending dropping it to 1.5% for FY 14/15. It does increase the loss funding by \$240,529. This was a good time to lower the rate, in part due to the outstanding liabilities decreased by \$5,394,000, which is a huge decrease from what the actuary originally projected.

Marcus also recommended the Board may want to consider for next year establishing a funding policy for how the pool is funded and possibly setting some type of cap on rates or funding. Most pools do have some type of cap in place. This would help with minimizing the fiscal impact for those that have a large rate increase. Lengthy discussion held.

Motion was made to approve the rates for Fiscal Year 2014-15 as presented.

MOTION: Melody Canady SECONDED: Veronica Flournoy MOTION CARRIED

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

3. Budget for FY 2014-15

Marcus presented the budget for FY 2014-15. Revenues dropped by 2% due to lower rates. Overall revenues dropped 9% due to the withdrawal of North Monterey County. Overall total expenses are expected to decrease by almost \$1.5 million. Payroll is down due to moving to a third party claims administrator, outstanding claims liability is down, and no longer budgeting \$200,000 a year for medical cost containment.

Motion was made to approve the budget for fiscal year 2014-15 as presented.

MOTION: Melody Canady SECONDED: Colleen Stanley MOTION CARRIED

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

4. Matching Safety Funds

Gary Metzler discussed that only a couple of the districts have used their matching safety funds so far this year. Discussed whether the Board would like for members to be allowed to roll over any unused 2013-14 funding to 2014-15. The Board is not ready to make a decision at this time and would like more discussion.

Motion was made to table this item.

MOTION: Veronica Flournoy SECONDED: Melody Canady MOTION CARRIED

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Roxanne Regules, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

5. Election of Executive Committee and Officers

Marcus Beverly discussed that three Executive Committee members' terms are expiring, Sara Perez, Melody Canady, and Jerry Stratton. Michael Brusa is retiring and that creates another opening. Matt Gowan stated that Rory Livingston has asked to join the Executive Committee.

Motion was made to nominate Melody Canady, Sara Perez, and Jerry Stratton for a repeat of a 2-year term and Rory Livingston to take Michael Brusa's position for a 1-year term. Election of Officers was tabled until the Executive Committee meeting immediately following the Board meeting.

MOTION: Veronica Flournoy SECONDED: Tracie Corpuz MOTION CARRIED

AYES: 8 NOES: 0 ABSTAIN: 0 ABSENT: 15

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

6. Meeting Schedule for FY 2014-15

Marcus Beverly discussed the Resolution of the Monterey Educational Risk Management Authority to set meeting dates for Fiscal Year 2014/15. Discussion held regarding what dates work best for all.

Motion was made to adopt the meeting schedule as modified for FY 2014-15. Executive Committee Meetings to be held the second Wednesday of each month at 1:30 p.m. and the Board of Directors meetings will be held on October 8, 2014 which is an all-day retreat and May 27, 2015 at 2:00 p.m.

MOTION: Melody Canady **SECONDED:** Veronica Flournoy **MOTION CARRIED**

AYES: **8** **NOES:** **0** **ABSTAIN:** **0** **ABSENT:** **15**

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

H. CLOSING COMMENTS

None

ADJOURNMENT

Motion was made to adjourn the meeting at 3:22 p.m.

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

AYES: **8** **NOES:** **0** **ABSTAIN:** **0** **ABSENT:** **15**

AYES: Sara Perez, Veronica Flournoy, Jerry Stratton, Melody Canady, Colleen Stanley, Tim Vanoli, Duane Wolgamott, Tracie Corpuz

ABSENT: Gordon Piffero, Ian Trejo, Rick Blanckmeister, Lucia Alvarez, Rosemarie Grounds, Rory Livingston, Nadene Dermody, Tim Ryan, Kari Yeater, Rick Miller, Peter Zotovich, Carlos Vega, Nicole Hester, Jorge Guzman, Michael Brusa

Upcoming Meeting

Next meeting will be held October 8, 2014.

President/Vice President *Jan M. Ross*

Executive Director *[Signature]*

Date *10/8/14* _____