

MERMA

MINUTES OF THE EXECUTIVE COMMITTEE MEETING September 10, 2014

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, CA at 1:30 p.m., on September 10, 2014.

Executive Committee Members Present

Sara Perez, President
Gerald (Jerry) Stratton, Vice President
Melody Canady
Veronica Flournoy
Rory Livingston

Guests and Staff

Karen Callahan, Intercare
Dave Swiatlo, Intercare
Helen Rodriguez, McGilloway, Ray, Brown & Kaufman
Marcus Beverly, Alliant
Matt Gowan, Alliant
Gary Metzler
Connie Martin

A. CALL TO ORDER

Sara Perez called the meeting to order at 1:30 p.m.

B. ROLL CALL

C. APPROVAL OF AGENDA POSTED

Motion was made to approve the agenda as posted.

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

AYES: 4 **NOES:** 0 **ABSTAIN:** 0 **ABSENT:** 1

AYES: Melody Canady, Veronica Flournoy, Rory Livingston, Sara Perez

ABSENT: Jerry Stratton

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were discussed:

1. Executive Committee Minutes – May 1 and May 22, 2014
2. Payment Registers and Board Reports – April, May, June, July 2014,

Motion was made to approve items 1 and 2 with a single motion.

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

AYES: 4 NOES: 0 ABSTAIN: 0 ABSENT: 1

AYES: Melody Canady, Veronica Flournoy, Rory Livingston, Sara Perez

ABSENT: Jerry Stratton

F. ADMINISTRATIVE REPORTS

1. President's Report

Sara Perez reported that she will be attending the CAJPA conference next week. Last year's conference was very informative so she is looking forward to attending the conference again this year.

Jerry Stratton arrived at 1:40 p.m.

Matt Gown informed the Committee that Alliant would be co-sponsoring a dinner on Tuesday night at the CAJPA Conference, and Alliant's official dinner will be held on Wednesday night. Karen Callahan also mentioned that Intercare will be hosting a lunch on Wednesday. Veronica Flournoy brought up the Conflict of Interest, 700 reporting. She asked if the meals are less than \$50.00. Marcus stated that generally meals are below \$50.00, but you can ask to make sure. Melody stated anything over \$50.00 needs to be declared on the 700 form.

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

2. MERMA Administrative Update

Marcus Beverly and Matt Gowan, addressed the Committee on matters pertinent to MERMA. Marcus provided the Executive Committee with the agenda for CAJPA conference. He recommended a few sessions that the Committee might be interested in attending while at the conference. Discussion held.

3. Intercare Update

Dave Swiatlo of Intercare gave an update on the transition process:

- He reported that the Triage of all pre-May 1, 2014 claims has been completed.
- Claim reviews and training are being scheduled and some claim reviews have already been held. Districts have been very receptive.
- In the process of coordinating visits with the industrial clinics and doctors in terms of to be better partners with the member districts in seeing patients, causation, getting people back to work faster by understanding the jobs at the districts better.
- CSAC EIA training was held for claims staff, guidelines were reinforced.
- CSAC Audit was conducted over a 3-day period. Received the audit report and are in the process of formalizing response. Overall score on the audit was 96.7%, a very good result and some ground to build on from there, good base line.

Sara asked if there was anything noteworthy on the claims audit. Dave stated nothing glaring, but there were some in regards to the transition process in terms of certain items that were not necessarily visible before as in file balancing that will be visible now. Dave called the action items areas of opportunity that Intercare can build on. He stated that overall it was a good baseline report.

Karen Callahan stated that the CSAC EIA training that the claims staff had will be very helpful in maintaining these guidelines in going forward. Karen also informed the Committee that the auditor was very complimentary to Dave and his involvement with his staff and the oversight that he is providing. Karen is very happy with his hire. Matt asked if Intercare had the actual audit. Karen stated that Intercare had received the audit last week. Matt asked the Committee if they would like a copy of the audit. Marcus informed the Committee that the audit along with the response would be placed on the next Executive Committee agenda.

4. Executive Committee

Jerry Stratton mentioned that Gary Metzler, Loss Control Manager, has done a great job conducting ergonomic evaluations at his district.

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

G. JPA BUSINESS

1. Intercare Claims Management Update

Karen Callahan provided the Executive Committee with a Transition Summary:

- Staff was finalized and quickly got into motion to move forward.
- Triage complete as of September 2, 2014. All claims reviewed and updated with pertinent information. All plan of actions established and claims on appropriate diary.
- Fifteen claims remain that need a full reserve analysis and possible increase over the next 90 days. They may increase or decrease over the next 90 days.
- \$5,000.00 received from a subrogation claim in July.
- Two claims settled by Compromise and Release over the last quarter.
- Seventy-two claims were reported to CSAC EIA.
- MERMA Confidential Claims Transition. Seven claims transferred from York, 3 open claims. The claims are handled by the Rocklin office. The Salinas office does not have access to the claims information because they are confidential.
- Transition Results - as of April 30th there were 611 open claims, received 119 new claims as of August 31st, pending claims are now at 561, good result. Claims staff has been working very hard to achieve these results.
- Reported on First Aid/Info Only claims, Medical Only Claims, Indemnity Claims, and future medical claims.
- Reported that the 2-year closure rule was not being followed. There were a lot of claims that were quickly closed. She also stated there were a lot of life pension claims.
- Reported on the Bill Review Summary Analysis, savings of 50.95%
- In the process of finalizing the Medical Provider Network.

Lengthy discussion held. The Committee stated that the information was very informative and recommended that this information be shared at the Board meeting next month and at the Superintendents' meeting.

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

2. Financial Report as of June 30, 2014

Helen Rodriguez of McGilloway, Ray, Brown & Kaufman provided the Executive Committee with the latest draft financial statements. Helen stated that MERMA's financial position has improved. Net assets have increased by \$2.9 million, even with the change in the discount factor from 3% to 1.50%. Discussion held. Information item, no action taken.

3. Matching Safety Grant & Risk Control Update

Gary Metzler, Loss Control Manager, gave an update on the Matching Safety funds. The Executive Committee authorized continued funding of Matching Safety funds for fiscal year 2014-15 in the amount of \$64,000.00. The small districts are allocated \$500.00, the large districts are allocated \$500.00 plus a percentage of the fund balance based on payroll size. Matching is done on a dollar for dollar basis.

Members are notified several times throughout the year of the funds available to them. Gary reported that only 75% percent of the members used the allocated funds for fiscal year 2013-14. Gary provided the Executive Committee with two tables, table 1 indicating the percentage of funds used per fiscal year from 2007-2008 to 2013-14, and table 2 showed the allocation status for fiscal year 2013-14. Gary informed the Executive Committee that the allocations for fiscal year 2014-15 will increase slightly due to North Monterey County USD no longer being a member of the JPA.

Discussion held. Information item only, no action taken.

4. CAJPA Accreditation Gap Analysis

Marcus Beverly explained the CAJPA Accreditation process. He explained the California Association of Joint Powers Authorities is an association of most of the Self-Insured Risk pools in California. They provide accreditation standards designed to assist pools by establishing best practice and benchmarks for their operations. He explained MERMA's ability to achieve accreditation is a useful tool to measure its operations and potential areas of improvement.

Marcus provided the Executive Committee with a summary gap analysis. Marcus recommended the Committee focus on key areas by adopting a Target Equity Policy and establishing a long-term funding account. These two key areas, along with other items will be discussed further at the Board meeting on October 8th.

MERMA will also need to address the position of Treasurer. Sara stated that an Executive Committee member can be appointed as Treasurer. Sara stated that the Bylaws should be changed to be in line with the other two sister JPAs to appoint a treasurer. Rory Livingston

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

was nominated to be appointed as MERMA's Treasurer. The treasurer position will be placed on the October 8th Board agenda for discussion and for action at the May Board meeting.

Marcus requested the Committee provide him with direction after reviewing the summary gap analysis. Discussion was held regarding the Investment Policy, developing a special long term funding policy with the County and to nominate a treasurer at the Board meeting on October 8th. Sara Perez discussed that the Property & Liability JPA is also going through the CAJPA accreditation process. Sara will provide Marcus with a copy of the Property & Liability's CAJPA's accreditation process documents.

Motion was made to give Marcus Beverly, Executive Director, direction to continue with CAJPA accreditation process and to accept the CAJPA Gap Analysis as presented.

MOTION: Veronica Flournoy **SECONDED:** Rory Livingston **MOTION CARRIED**

AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0

AYES: Veronica Flournoy, Rory Livingston, Melody Canady, Jerry Stratton, Sara Perez

5. Service Calendar 2014/15

Marcus Beverly provided the Executive Committee with a draft Service Calendar for fiscal year 2014-15. The service calendar will provide framework for identifying and completing activities needed to maintain and improve MERMA's operation. Discussion was held to send out a 1-page summary of action items after every Committee meeting to the Board of Directors. Information item only, no action taken.

6. Conflict of Interest Code

Marcus reported that MERMA is required to pass and maintain a Conflict of Interest Code requiring disclosure of economic interest for Board Members, Alternates, and other designated positions. The Code is to be formally reconsidered prior to October 1st of all even-numbered years. The JPA is also required to request the Form 700 reports from those holding designated positions. Marcus informed the Committee that the County of Monterey is the Approving Body for the Code. Marcus contacted Traci Kirkbride, Deputy County Counsel, County of Monterey, in regards to the 700 forms. Only the Board 700 forms will need to be filed with the County of Monterey.

The Conflict of Interest Code was first adopted in 2006, and then revised due to the JPA's new name, Monterey Educational Risk Management Authority.

Motion was made to adopt Resolution Number 14-04 to modify the Conflict of Interest Code.

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

MOTION: Rory Livingston **SECONDED:** Veronica Flournoy **MOTION CARRIED**

AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0

AYES: Rory Livingston, Veronica Flournoy, Melody Canady, Jerry Stratton, Sara Perez

7. Financial Audit Engagement Letter

Marcus provided the Committee with the Engagement Letter from Gilbert Associates for the financial audit for fiscal year ending June 2014.

Motion was made to approve the Engagement Letter between Gilbert Associates and MERMA for fiscal year ending 2014 financial audit.

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

AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0

AYES: Veronica Flournoy, Melody Canady, Rory Livingston, Jerry Stratton, Sara Perez

8. Planning Meeting Topics

Marcus Beverly provided a list of topics to be discussed at the planning Board meeting on October 8th. The planning meeting will address strategic objectives and policies. Sara asked the Committee if MERMA should have a logo. Veronica suggested maybe some student art. Discussion was held. Information item only, no action taken.

H. Closing Comments

Sara Perez stated that she would see everyone at the CAJPA conference on September 16th.

J. Upcoming Meeting

Board Planning Meeting on October 8, 2014, in Monterey, California.

K. ADJOURNMENT


Motion was made to adjourn the meeting at 3:25 p.m.


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

AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0

MERMA
MINUTES OF THE EXECUTIVE COMMITTEE MEETING
September 10, 2014

AYES: Veronica Flournoy, Jerry Stratton, Melody Canady, Rory Livingston, Sara Perez

President/Vice President 

Executive Director 

Date 10/12/14