

# MERMA

## MINUTES OF THE EXECUTIVE COMMITTEE MEETING December 11, 2013

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, CA at 1:30 p.m., on December 11, 2013.

### **Executive Committee Members Present**

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

### **Executive Committee Members Absent**

Mike Brusa

### **Guests and Staff**

Rory Livingston, KCUSD  
Mike Simmons, Alliant  
Matt Gowan, Alliant  
Connie Martin

### **CALL TO ORDER**

Sara Perez called the meeting to order at 1:40

### **ROLL CALL**

### **APPROVAL OF AGENDA POSTED**

The agenda was approved as posted.

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

**AYES:**     4                    **NOES:**    0                    **ABSTAIN:** 0

**AYES:** Melody Canady, Jerry Stratton, Veronica Flournoy, Sara Perez

### **PUBLIC COMMENTS**

None

**CONSENT CALENDAR**

The following items were discussed and approved:

1. Executive Committee Minutes – November 6, 2013
2. Current List of Alternates for Board of Directors

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

**AYES:** 4 **NOES:** 0 **ABSTAIN:** 0

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

**ADMINISTRATIVE REPORTS**

**President’s Report**

None

**MERMA Administrative Update**

Matt Gowan and Mike Simmons addressed the Committee on matters pertinent to MERMA:

1. Mike provided an update on Susan Adams’ replacement. Mike informed the Committee that the position has been offered to very qualified individual.
2. Matt advised the Committee that all staff had requested time off during the holidays. The Executive Committee approved staff’s requests to be off from December 23 to January 1<sup>st</sup>. The JPA office will be closed from December 23, 2013 to January 1, 2014.

**Executive Committee**

Mr. Stratton announced that Dr. Luza was appointed Superintendent of Salinas City Elementary School District.

**Risk Management**

Mike Simmons provided an update on risk control items.

I'd like the EC to know that, as requested, I met with Gary the week after our last EC Meeting. If was a very productive and valuable meeting; I believe that I have good clarity now on all the issues that were mentioned during the closed session at the last EC meeting.

Gary was originally given written authority to work from home as often as he wished in an employment verification letter in 2010. We agreed that him working from home; usually 3 days a month when work product could just as easily be accomplished there was not a problem due to the nature of this activities.

It was found that no MERMA computer property used by Gary was dismantled or removed from the premises; The laptop computer that was thought to be removed from the office is in Gary's office, and will properly be disposed of. Per Alliant instruction, the inoperative Acer laptop is secured in the Claims Manager office desk. The Desktop computer was still in use, since Gary's new system had not yet been set-up as of our meeting date. Both of these computers will be properly disposed of; and more importantly, Gary is drafting a MERMA Surplus Property Policy to address these kinds of things (that complies with the Ed Code) for presentation to the Board at the January EC meeting.

Gary now has a complete understanding of Alliant's role with the Authority and has stated his support of working together with Alliant and other MERMA colleagues to achieve organizational goals. We will continue to work closely with him to advance Risk Control services with Members.

Sara Perez advised that she had reservations that this matter was being discussed in open session.

Motion was made to accept the report as presented.

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

**AYES:** 3 **NOES:** 0 **ABSTAIN:** 1

**AYES:** Veronica Flournoy, Jerry Stratton, Melody Canady

**ABSTAIN:** Sara Perez

**CLOSED SESSION**

The Executive Committee went into closed session at 1:55 p.m., to discuss: Closed session pursuant to Government Code Section 54957 "Public Employee Discipline/ Dismissal/Release/Complaint"

**REPORT CLOSED SESSION**

The Executive Committee reconvened from closed session at 2:25 p.m. Sara Perez reported that no action was taken in closed session.

**JPA BUSINESS**

**Status of Allocation of JPA’s Equity as of June 30, 2013 Report**

Matt reported to the Executive Committee the reason why the report has not been sent out to the member districts. MERMA’s accountant has been trying to resolve several issues with payroll and amount of contribution remitted by MCOE to MERMA. This is a result of several member districts joining the new Escape system and other member districts on the FMS. At this time, we are on hold with the financials until a resolution can be made with MCOE. MERMA’s accountant is meeting with MCOE and expect a resolution in next few weeks.

**Discussion of TPA Client Visits**

Jerry Stratton, Rory Livingston, and Matt Gowan visited two school JPAs that work with the TPA finalist, York and Intercare. Merced County Schools Insurance Group works with Intercare and Central Regional Schools Insurance Group in Modesto works with York.

After reviewing the RFP responses, interviewing the 3 finalist TPAs and conducting site visits of two school JPAs similar to MERMA, the Executive Committee recommends that the MERMA organization proceed with a change from their current (in-house) claims staff to Intercare, effective as soon as practical, to generate long-term saving and create our ability to secure “guaranteed cost” coverage. Staff was directed to pursue final pricing and contract negotiations with Intercare and to invite Intercare to the next meeting for a final presentation and questions.

Motion was recommending to the Board of Directors that the MERMA organization proceed with a change from their current (in-house) claims staff to Intercare, effective as soon as practical, to generate long-term saving and create our ability to secure “guaranteed cost” coverage – a decision that will be evaluated before July 1<sup>st</sup>.

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

**AYES:**            4                                      **NOES:**    0                                      **ABSTAIN:** 0

**AYES:**    Veronica Flournoy, Jerry Stratton, Melody Canady, Sara Perez

**CLOSING COMMENTS**

None

**ADJOURNMENT**


Motion was made to adjourn the meeting at 3:05 p.m.

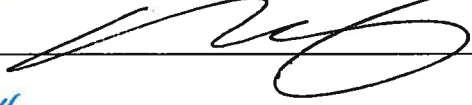
**MOTION:** Veronica Flournoy      **SECONDED:** Jerry Stratton      **MOTION CARRIED**

**UPCOMING MEETING**

Next meeting will be held on January 23, 2014

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President/Vice President 

Interim Management 

Date 3/12/2014

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