

MERMA

MINUTES OF THE EXECUTIVE COMMITTEE MEETING March 11, 2015

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, CA at 1:30 p.m., on March 11, 2015.

Executive Committee Members Present

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

Guests and Staff

Patricia Kaufman, McGilloway, Ray, Brown & Kaufman
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman
Thom Gilbert, Gilbert & Associates, via teleconference
Jamie Matthews, Gilbert & Associates, via teleconference
Danielle Buri, Intercare (*arrived at 2 pm*)
Karen Callahan, Intercare (*arrived at 2 pm*)
Marcus Beverly, Alliant
Mike Simmons, Alliant
Matt Gowan, Alliant
Connie Martin

A. CALL TO ORDER

Sara Perez called the meeting to order at 1:35 p.m.

B. ROLL CALL

C. APPROVAL OF AGENDA POSTED

Motion was made to approve the agenda as posted.

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

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were discussed:

1. Executive Committee Minutes – January 28, 2015
2. Payment Registers and Board Reports – January & February 2015

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

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

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

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

F. ADMINISTRATIVE REPORTS

1. **President's Report**

None

2. **MERMA Administrative Update**

Marcus Beverly and Matt Gowan addressed the Committee on matters pertinent to MERMA:

Matt gave an update on the RFQ for legal counsel. The RFQ for legal counsel is for the Board and services related to management of the JPA. MERMA's legal counsel for human resources and personnel issues will remain the same. Matt stated that as MERMA gets closer to accreditation, legal counsel for the Board will be needed for any changes to the Bylaws that may be needed. The RFQ has been posted and sent to several firms. Matt provided copies of the RFQ to the Committee. This item will be discussed again at the next meeting.

Matt also discussed the CASBO conference to be held at the end of the month in San Diego.

Marcus reported that after the last EC meeting, he met with Garry Bousum and County Treasurer, Mary Zeeb. They are still on board with MERMA's investment goals but the County is currently shorthanded and in the process of recruitment. When they have the position filled they will be able to dedicate resources to establishing an investment fund. They are going to

meet again within the next 30 to 60 days to get the process going. Marcus informed the Committee that Patricia Kaufman also met with Garry Bousum about the Treasurer's duties.

Marcus reminded the Committee that the Form 700 is due on April 1, 2015.

3. Claims Administrator's Report

The Intercare staff presented the Committee with an update on claims administration. They provided the Committee with a Claim Status and Claim Summary report for the month of February 2015, along with other analytic reports. Discussion held. Intercare also informed the Executive Committee that Dave Swiatlo resigned from his position of claims supervisor. Intercare is conducting a search for a new claims supervisor. In the interim, Andy Mathews from the Rocklin office has been assigned to the Salinas office. Andy will fill in as claims Supervisor until the new supervisor is hired. Karen informed the Committee that the Salinas claims staff are in constant contact with Andy and enjoy working with him.

Marcus also mentioned that a claims review will be held before the next EC meeting. Karen also informed the Committee that Republic Indemnity will be in the office on March 23, 2015 to audit excess claims.

Sara Perez reported that Gary Metzler, Loss Control Manager has taken a proactive approach with her district's claims. Gary is reviewing claims and stated that Gary has been following up on certain claims to make sure that the proper steps are taken to protect everyone involved. Rory Livingston also echoed Sara's comments. He stated that Gary has also been very proactive with a couple of incidents that popped-up at his district.

4. Executive Committee Report

None

G. FINANCIAL REPORTS

1. Financial Reports for Period Ending December 31, 2014

The Executive Committee took action to accept and file the financial reports for period ending December 2014 as presented by Patricia Kaufman of McGilloway, Ray, Brown and Kaufman.

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

2. MERMA FY 13/14 Financial Audit

The Executive Committee took action to accept and file the financial audit for fiscal year ending June 30, 2014 and 2013, as presented by Thom Gilbert and Jamie Matthews of Gilbert & Associates via teleconference. Discussion also held regarding GASB64. Patricia Kaufman and Jamie Matthews will work together with CALPERS on this issue.

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

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

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

H. JPA BUSINESS

1. Actuarial Review of Self-Insured Workers' Compensation Program

Marcus provided the Executive Committee with a summary of the preliminary actuarial report. Marcus stated that it was all good news. MERMA's outstanding liabilities dropped by about \$3 million. Derek Burkhalter will present the full report via teleconference at the next meeting. Marcus stated that Derek is estimating a rate of \$2.69. Marcus stated that the rate will depend on the SIR level. Discussion held. This was an information item only, no action taken.

2. Return to Work Services Proposal

The Executive Committee approved the Return-To-Work Services proposal as provided by Norm Peterson & Associates to develop a pilot program. Carmel USD, MCOE, Salinas Elementary, King City USD, and Gonzales USD expressed an interest in participating in the program. Soledad USD and South Monterey JUHSD might also participate. The pilot program will be funded out of the admin budget. This item was discussed at the last meeting.

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

3. FY 15/16 Pool Administration and Consulting Services Agreement

The Executive Committee took action to extend the current agreement with Alliant Insurance Services for fiscal year 2015-16.

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

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

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

4. Workers' Compensation Excess Insurance Update

Matt Gowan provided the Executive Committee with a spreadsheet indicating different options for Excess Insurance. Discussion held. Information item only, no action. This item will be discussed further at the next meeting.

5. Matching Safety Grant Program Funding

Marcus provided the Committee with a document showing the percentage of funds used per fiscal year and allocation status for fiscal year 2014-15 as prepared by Gary Metzler, Loss Control Manager. Discussion held regarding whether to continue funding the program at the current level of \$64,000 per year or increase the funding.

Motion was made to increase the Matching Safety Grant funding by 25% across the board effective 7/1/15 and continue to disallow carryover. The Matching Safety Grant funding will increase from \$64,000 to \$80,000 for FY 2015/16.

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

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

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

6. Claims Trust Account

Fees to maintain MERMA's claims trust account have increased over the past year.

Motion was made to proceed with Intercare handling the claims trust/checking account through their bank (CoAmerica) with no banking fees.

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

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

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

7. Preliminary Budget FY 15/16

Marcus presented the draft preliminary budget to the Committee for their review. Discussion held. Marcus stated that it was all good news, MERMA is on a good path, things are starting to stabilize. Marcus informed the Committee that the CAJPA Accreditation is a new item on the budget.

Veronica asked why there was a reduction on the staff salaries. Marcus stated prior year salaries were listed incorrect. Melody asked when MERMA staff gets a salary increase. Discussion held on MERMA staff salary increase and job descriptions. The MERMA salary increase will be placed on the next agenda along with the new job descriptions.

Motion was made to give Marcus direction to proceed with the preliminary budget adjustments and place on the next agenda for discussion.

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

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

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

I. Closing Comments

Discussed the venue for Board Strategic meeting in October. It was the consensus of the Committee to hold the meeting at the Monterey Peninsula Yacht Club again this year.

J. Upcoming Meeting

Next Executive Committee meeting will be held on April 8, 2015.


K. ADJOURNMENT

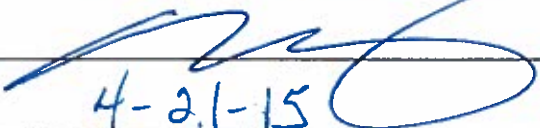
Motion was made to adjourn the meeting at 3:50 p.m.

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

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

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

President/Vice President 

Executive Director 

Date 4-21-15