



**Monterey Educational Risk Management Authority**  
P.O. Box 3320, Salinas, CA 93912  
[www.merma.org](http://www.merma.org)

**EXECUTIVE COMMITTEE MINUTES**  
**May 9, 2018**

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on May 9, 2018 at 1:30 p.m.

**Executive Committee Members Present**

Jerry Stratton, President, Salinas City Elementary School District  
Rory Livingston, Vice President, King City Union School District  
Veronica Flournoy, Spreckels Union School District  
Colleen Stanley, Monterey County Office of Education

**Executive Committee Members Absent**

Ana Aguillon, Salinas Union High School District

**Guests and Staff**

Marcus Beverly, Alliant  
Matt Gowan, Alliant  
Marlene Richardson, Intercare  
Alberto Verduzco, Salinas Union High School District  
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman  
Hallie Pacheco, MERMA

**A. CALL TO ORDER**

President Stratton called the meeting to order at 1:35 p.m.

**B. ROLL CALL**

Present: Jerry Stratton, Rory Livingston, Veronica Flournoy, Colleen Stanley  
Absent: Ana Aguillon

**C. APPROVAL OF AGENDA POSTED**

Motion was made to approve the agenda as posted.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Rory Livingston	<b>MOTION CARRIED</b>
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 1</b>		
AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton, Colleen Stanley		
ABSENT: Ana Aguillon		

**D. PUBLIC COMMENTS**

None

**E. CONSENT CALENDAR**

The following items were presented:

1. Executive Committee Minutes – April 11, 2018
2. Payment Register and Board Report – April 2018
3. Treasurer’s Report – December 2017

Motion was made to approve items 1 through 3 as presented with a single motion.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Veronica Flournoy	<b>MOTION CARRIED</b>
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 1</b>		
AYES: Colleen Stanley, Veronica Flournoy, Jerry Stratton, Rory Livingston		
ABSENT: Ana Aguillon		

**F. ADMINISTRATIVE REPORTS**

**1. President’s Report**

Jerry Stratton reported that with the three upcoming Executive Committee member terms expiring he would really like to get some new people in to continue the momentum going forward. We have one nomination now and hope we have more at the Board Meeting. He stated it is important to get some people who have some durability and stability over the next five to ten years.

**2. Pool Administrator’s Report**

Marcus Beverly reported that a claims audit will be conducted this next fiscal year in August. The Engagement Letter for the auditing firm was not ready for this meeting but will be placed on the Consent Calendar for the Board Meeting.

Marcus also stated that MERMA has received two Volunteer Resolutions, from Spreckels Union School District and Salinas Union High School District.

Marcus reported that all of the dividend checks have been cut and MERMA is the process of mailing out the last few.

**3. Executive Committee Report**

Nothing

**G. FINANCIAL REPORTS**

**1. Financial Report for Period Ending March 31, 2018**

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the financial report as of March 31, 2018. Discussion held.

Motion was made to accept and approve the Financial Report for Period Ending March 31, 2018 as presented.

<b>MOTION:</b> Rory Livingston	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>	
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
AYES: Rory Livingston, Colleen Stanley, Jerry Stratton, Veronica Flournoy			
ABSENT: Ana Aguillon			

**H. JPA BUSINESS**

**1. Proposed Budget FY 2018-19**

Marcus Beverly presented the proposed budget for Fiscal Year 2018-19. Discussion held.

Motion was made to present the Proposed Budget for FY 2018-19 with the requested adjustments to the PERS rate and COLA inclusion to the Board for their approval.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>	
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
AYES: Veronica Flournoy, Colleen Stanley, Jerry Stratton, Rory Livingston			
ABSENT: Ana Aguillon			

**2. Loss Funding for FY 2018-19**

Marcus Beverly presented the loss funding for FY 2018-19 with the updated figures from the actuary. He presented three options at 70%, 75%, and 80% confidence level. Discussion held.

Motion was made to present as discussed the Loss Funding for FY 2018-19 to the Board with a 75% confidence level.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Rory Livingston	<b>MOTION CARRIED</b>	
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
AYES: Veronica Flournoy, Rory Livingston, Jerry Stratton, Colleen Stanley			
ABSENT: Ana Aguillon			

**3. Executive Committee Member Terms Ending June 30, 2018**

Marcus Beverly provided an update on the interest in nominating members for the three Executive Committee terms that will expire June 30, 2018. He stated an email was sent out asking for solicitations for nominations. We received one nomination from Brian Walker, Superintendent of South Monterey County Joint Union High School District, nominating Sherrie Castellanos, the District's Chief Business Official.

The election of officers will take place at the May 23, 2018 Board of Director's Meeting.

**4. Funding Policy Update**

Marcus Beverly presented a Draft Funding Policy with revisions made to increase the annual funding goal from 70% to 80% confidence level. The Committee recommended placing a maximum goal of 90% confidence level to the Funding Policy.

The Funding Policy will be presented to the Board with a funding goal of 80% confidence level and a maximum goal of 90% confidence level.

**I. Closing Comments**

None

**J. Upcoming Meetings**

Board of Directors Meeting – May 23, 2018 at 1:00 p.m.

**K. ADJOURNMENT**

Motion was made to adjourn the meeting at 2:43 p.m.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Veronica Flournoy	<b>MOTION CARRIED</b>
<b>AYES:</b> 4	<b>NOES:</b> 0	<b>ABSENT:</b> 1
<b>ABSTAIN:</b> 0		
<b>AYES:</b> Colleen Stanley, Veronica Flournoy, Jerry Stratton, Rory Livingston		
<b>ABSENT:</b> Ana Aguillon		

Gerald Stratton, President:



Marcus Beverly, Executive Director:



Date: 8-15-18