



Monterey Educational Risk Management Authority
P.O. Box 3320, Salinas, CA 93912
www.merma.org

BOARD OF DIRECTORS MINUTES
May 22, 2019

The Board of Directors of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on May 22, 2019 at 2:00 p.m.

Board of Directors Present

Jerry Stratton, President, Salinas City ESD
Rory Livingston, Vice President, King City USD
Veronica Flournoy, Spreckels USD
Colleen Stanley, MCOE
Ana Aguillon, Salinas UHSD – *arrived at 2:07 p.m.*
Elizabeth Wilson, Soledad USD
Tracie Corpuz, Washington USD

Board of Directors Absent

Ian Trejo, Bradley USD
Debra Sheldon, Big Sur USD
Rick Blanckmeister, Carmel USD
Martha Eva Contreras, Chualar USD
Mary Dawson, Gonzales USD
Rosemary Grounds, Graves SD
Annette Mooneyham, Greenfield USD
Daniel Stonebloom, Lagunita SD
Dr. Jinane Annous, Mission USD
Song Chin-Bendib, Pacific Grove USD
Jose Garcia, San Antonio USD
Catherine Reimer, San Ardo USD
Jessica Riley, San Lucas USD
Cesar Torrico, Santa Rita USD
Sherrie Castellanos, SMCJHSD

Guests and Staff

Marcus Beverly, Alliant
Matt Gowan, Alliant
Marlene Richardson, Intercare

Guests and Staff continued

Connie Hampson, Intercare
Karen Callahan, Intercare
Julio Jauregui, MERMA
Angela Murguia, MERMA
Hallie Pacheco, MERMA

A. CALL TO ORDER

Jerry Stratton called the meeting to order at 2:04 p.m.

B. ROLL CALL

Present: Jerry Stratton, Rory Livingston, Veronica Fournoy, Colleen Stanley, Elizabeth Wilson, Tracie Corpuz

6 Board members present and 16 Board members absent. Since a quorum of the Board was not present, the Executive Committee is empowered to act as the governing body on all matters to be considered at the meeting. A quorum of the Executive Committee was present.

C. APPROVAL OF AGENDA AS POSTED

Motion was made to approve the agenda as posted.

MOTION: Rory Livingston	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 6	NOES: 0	ABSENT: 16
ABSTAIN: 0		
AYES: Rory Livingston, Colleen Stanley, Veronica Fournoy, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz,		
ABSENT: Ana Aguillon, Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

D. PUBLIC COMMENTS

None

Ana Aguillon arrived at 2:07 p.m.

E. CONSENT CALENDAR

The following item was presented:

1. Board of Directors Minutes – October 10, 2018

Motion was made to approve the Consent Calendar as presented.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED
AYES: 7	NOES: 0	ABSENT: 15
ABSTAIN: 0		
AYES: Veronica Flournoy, Rory Livingston, Colleen Stanley, Ana Aguillon, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

F. ADMINISTRATIVE REPORTS

1. President’s Report

Jerry Stratton stated at the last Executive Committee meeting Matt Gowan talked about soliciting one more bid for excess insurance. Matt received the quote and reviewed it with him. He stated it is definitely worth looking at when the item comes up later in the meeting. He thanked Matt for doing all the leg work and all of the details that go with it.

2. Pool Administrator’s Report

Matt Gowan stated he obtained the bind able Active Shooter quote for the upcoming fiscal year. He stated MERMA joined mid-term last year. The annual quote is \$20,640. There is a new phone number and email address to report in case of an active shooter situation. He let everyone know that Hallie Pacheco will be sending out the new contact information to the members.

3. Claims Administrator’s Report

Connie Hampson of Intercare provided the following reports:

- Annual and Monthly Claim Results – April 2019 with fiscal year to date comparison of year prior
- New Claim Analysis Received YTD 2018/19 – as of 4/30/19
- Monthly Frequency & Severity Reports Claims Reported 7/1/18 – 4/30/19
- Claim Closing Analysis YTD 2018/19 – as of 4/30/19
- Net Reserve Changes – YTD 2018/19 – as of 4/30/19
- MERMA Company Nurse Results for April 2019
- MERMA Bill Review Results for April 2019

4. Loss Control Manager’s Report

Julio Jauregui reported that MERMA just purchased an AED kit to provide training to the members. Greenfield has 10 employees to be trained and he is coordinating with Carmel for training dates and times. He stated he has provided forklift training and certification to 14 employees at Greenfield Unified and delivered forklift driver cards. He will be visiting Special Ed sites to evaluate the work environment to help reduce the incidents due to the high number of injuries. He will be evaluating the cost to purchase additional CPR equipment to include infant AED training.

He is also working on making changes to the MERMA website. He stated Angela designed a Loss Control Newsletter that was sent out to the members. Marcus Beverly thanked Angela for creating the newsletter and helping to improve communications with the members.

5. Board of Directors' Report

Nothing

G. JPA BUSINESS

1. Workers' Compensation Excess Insurance Proposal FY 2019-20

Matt Gowan presented the proposals for the Excess Workers' Compensation Coverage. The Executive Committee reviewed the options at their May 8, 2019 meeting and recommended Option 1, with direction to bring additional quotes to the Board if received.

Matt provided the Board with three options.

Option 1: Funding at a 75% Confidence Level, Self Insured Retention (SIR) at \$75,000, with Great American E&S Insurance and State National. This has a 10-year Sunset Clause, after ten years from the date of the policy, no new claims can be filed and the claims are given back to MERMA to administer. Return claim reserves on are negotiated with the insurer.

Option 2: Funding at a 75% Confidence Level, SIR at \$50,000, with State National. Standard Workers' Compensation policy.

Option 3: Funding at an 80% Confidence Level, SIR at \$50,000, with State National. Standard Workers' Compensation policy.

Motion was made to approve the Workers' Compensation Excess Insurance for FY 2019-20 with State National, Option 3. This option will reduce the Self Insured Retention to \$50,000, reduce the member average rate from the expiring member average rate and reach MERMA's stated goal of 80% Confidence Level.

MOTION: Colleen Stanley	SECONDED: Ana Aguillon	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
ABSENT: 15		
AYES: Colleen Stanley, Ana Aguillon, Veronica Fournoy, Rory Livingston, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

2. Budget for FY 2019-20

Marcus Beverly presented the budget for FY 2019-20. He stated based on the motion to approve Option 3 on the Workers' Compensation Excess Insurance, adjustments will be made to the admin expense, excess insurance and the loss funding. Marcus also stated he will bump up the amount \$2,640 for the Deadly Weapons Coverage.

Motion was made to approve the budget for FY 2019-20 as presented and modified by Marcus Beverly.

MOTION: Rory Livingston	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
ABSENT: 15		
AYES: Rory Livingston, Veronica Flournoy, Colleen Stanley, Ana Aguillon, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

3. Program Funding for FY 2019-20

Marcus Beverly presented the program funding for FY 2019-20. He stated he will have the actuary re-run the exhibit with the \$50,000 SIR, 80% Confidence Level, and adjustment to the admin expense.

Motion was made to approve the Program Funding and Premium Contributions for FY 2019-20 with the changes that Marcus Beverly presented, based on an 80% Confidence Level (CL), \$50,000 Self Insured Retention (SIR) and 1.5% discount rate.

MOTION: Rory Livingston	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
ABSENT: 15		
AYES: Rory Livingston, Colleen Stanley, Veronica Flournoy, Ana Aguillon, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

4. Election of Executive Committee Members

Marcus Beverly stated two Executive Committee Members' terms are up for re-election and both Veronica Flournoy and Colleen Stanley have agreed to be nominated. Marcus also stated that requests were sent out to solicit interest in serving on an upcoming vacancy with Jerry Stratton retiring June 30, 2019. Sherrie Castellanos of South Monterey County Joint Union High School District expressed interest but could not attend the meeting. Elizabeth Wilson was nominated from the floor to fill the expected vacancy created by Mr. Stratton's retirement.

A motion was made to re-elect Veronica Flournoy and Colleen Stanley and appoint Elizabeth Wilson to serve the remaining 1-year term of the retiring Board member.

MOTION: Rory Livingston	SECONDED: Ana Aguillon	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
ABSENT: 15		
AYES: Rory Livingston, Ana Aguillon, Veronica Flournoy, Colleen Stanley, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

5. Selection of Officers

Marcus Beverly stated the Board must select officers to serve as President, Vice President and Secretary for the next year.

A motion was made to appoint Rory Livingston as President and Colleen Stanley as Vice President.

MOTION: Veronica Flournoy	SECONDED: Ana Aguillon	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
ABSENT: 15		
AYES: Veronica Flournoy, Ana Aguillon, Rory Livingston, Colleen Stanley, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

A second motion was made to appoint Ana Aguillon as Secretary.

MOTION: Rory Livingston	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
ABSENT: 15		
AYES: Rory Livingston, Veronica Flournoy, Ana Aguillon, Colleen Stanley, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

6. CAJPA Accreditation Report

Marcus Beverly presented the California Association of Joint Powers Authorities (CAJPA) Accreditation Report. He stated MERMA was re-accredited with excellence. It is a rather rigorous process. He stated it is like a good housekeeping seal of approval for risk pools. Discussion held.

Motion was made to accept and file the CAJPA Accreditation Report as presented.

MOTION: Veronica Flournoy	SECONDED: Ana Aguillon	MOTION CARRIED	
AYES: 7	NOES: 0	ABSTAIN: 0	ABSENT: 15
AYES: Veronica Flournoy, Ana Aguillon, Rory Livingston, Colleen Stanley, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz			
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos			

7. Meeting Schedule for FY 2019-20

The meeting schedule for FY 2019-20 for MERMA Board of Directors and Executive Committee was provided to the Board.

8. Interest Allocation Correction

Marcus Beverly stated MERMA received too much interest income over the last 6 quarters. MERMA's financial auditors questioned the interest earned from the County, given the separated investment fund with PFM. When the interest was sent from the County to MCOE to be allocated to the districts based on their balances, MERMA's balance still contained the \$25 million in the separate fund. MCOE has calculated what MERMA's allocation was and what it should have been.

Colleen Stanley stated the \$604,499.88 overpayment is money that belongs to all of the districts. Before the end of this fiscal year they we will figure out what the districts' allocations should have been and will credit it to the districts.

9. Training to Mitigate Injuries in Special Education Classrooms

Marcus Beverly stated we have been working on gathering data for injuries occurring in Special Ed and what can be done to reduce the injuries. He asked around to other pools to see what they do and a lot of them focus on physical conditioning of the Special Ed employees, keeping them well and providing guidance on how to protect themselves.

Julio Jauregui, MERMA's Loss Control Manager, provided a presentation on calming and releasing stress through music. He stated there is research that supports music therapy. It will not only help the students, but the employees as well. It is being used successfully in San Diego.

Discussion held regarding what types of injuries are occurring and if personal protective equipment could be used to help. We are open to other innovative ways to help reduce injuries.

H. CLOSING COMMENTS

Matt Gowan stated this is Jerry Stratton's last meeting. Staff and Intercare provided him with a cake and a giant snickerdoodle cookie.

Jerry Stratton stated it's been a real pleasure working with all of you. There have been some great challenges in the early days and we have won all the battles.

We did the right thing and that's what it's all about. It's not always easy to do the right thing but it is always easy to defend it. He stated the staff and the Board members are all the best of the best. He has really appreciated it and it has been a real treat for him to serve on this Board. He stated he always looks forward to coming here and meeting with all of you.

I. UPCOMING MEETINGS

Board of Directors Meeting – October 9, 2019 – 9:00 a.m. – 3:00 p.m.
Location: Monterey Peninsula Yacht Club

J. ADJOURNMENT

Motion was made to adjourn the meeting at 3:40 p.m.

MOTION: Veronica Flournoy	SECONDED: Rory Livingston	MOTION CARRIED
AYES: 7	NOES: 0	ABSTAIN: 0
		ABSENT: 15
AYES: Veronica Flournoy, Rory Livingston, Colleen Stanley, Ana Aguillon, Jerry Stratton, Elizabeth Wilson, Tracie Corpuz		
ABSENT: Ian Trejo, Debra Sheldon, Rick Blanckmeister, Marth Eva Contreras, Mary Dawson, Rosemary Grounds, Annette Mooneyham, Daniel Stonebloom, Dr. Jinane Annous, Song Chin-Bendib, Jose Garcia, Catherine Reimer, Jessica Riley, Cesar Torrico, Sherrie Castellanos		

Rory Livingston, President:



Marcus Beverly, Executive Director:



Date: 10-9-2019