



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

**EXECUTIVE COMMITTEE MINUTES**  
**November 13, 2019**

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on November 13, 2019 at 1:30 p.m.

**Executive Committee Members Present**

- Rory Livingston, President, King City Union School District
- Colleen Stanley, Vice-President, Monterey County Office of Education
- Ana Aguillon, Secretary, Salinas Union High School District
- Veronica Flournoy, Spreckels Union School District
- Elizabeth Wilson, Soledad Unified School District

**Guests and Staff**

- Marcus Beverly, Alliant
- Matt Gowan, Alliant
- Marlene Richardson, Intercare
- Connie Hampson, Intercare
- Jacinto Bernal, McGilloway, Ray, Brown & Kaufman
- Elaine Tuazon, McGilloway, Ray, Brown & Kaufman
- Hallie Pacheco, MERMA

**A. CALL TO ORDER**

Rory Livingston called the meeting to order at 1:33 p.m.

**B. ROLL CALL**

Present: Rory Livingston, Colleen Stanley, Ana Aguillon, Veronica Flournoy, Elizabeth Wilson

**C. APPROVAL OF AGENDA AS POSTED**

Motion was made to approve the agenda as posted.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Elizabeth Wilson	<b>MOTION CARRIED</b>
<b>AYES: 5</b>	<b>NOES: 0</b>	<b>ABSENT: 0</b>
<b>ABSTAIN: 0</b>		
AYES: Colleen Stanley, Elizabeth Wilson, Ana Aguillon, Veronica Flournoy, Rory Livingston		
ABSENT: 0		

**D. PUBLIC COMMENTS**

None

**E. CONSENT CALENDAR**

The following items were presented:

1. Executive Committee Minutes – August 14, 2019
2. Payment Registers and Board Reports – August, September, October 2019
3. Pitney Bowes – Postage Meter Lease

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

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES: 5</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 0</b>		<b>ABSENT: 0</b>
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Elizabeth Wilson, Rory Livingston		
ABSENT: 0		

**F. ADMINISTRATIVE REPORTS**

**1. President's Report**

Nothing to report.

**2. Pool Administrator's Report**

Marcus Beverly presented the final MERMA Annual Report. This was initially presented in draft form at the Board of Directors meeting. Marcus reported that MERMA is in the process of updating their website to update the technology and make it more secure and ADA compliant. He asked the members to send in photos of school sites to possibly be included on the website and/or next Annual Report.

Matt Gowan updated the Committee on the San Mateo pool which is similar to MERMA and had toured the MERMA office a few months ago and met with the past President and staff. They liked what they saw and formed an Ad Hoc Committee and decided to move from their current program to one very similar to MERMA. It was a huge change as their prior set up was 25 years in the making. Matt stated he wanted the Committee to know that others are appreciating what MERMA is doing and following their type of program.

Matt Gowan informed the Committee that Julio Jauregui, MERMA Loss Control Manager, turned in his resignation and will be leaving MERMA. He stated Julio received an offer from another company that he could not refuse.

Matt asked the Committee if they know of anybody who may be interested in the Loss Control position to let him know.

He has talked to some Loss Control people who recommended posting the job announcement on the websites of the American Society of Safety Professionals, San Jose and San Francisco chapters and the Northern California Chapter of American Industrial Hygiene Association. Discussion held regarding whether to do a market analysis on salaries for Loss Control and could also look at other current openings for salaries or call other JPA's.

### **3. Claims Administrator's Report**

Connie Hampson of Intercare provided the Executive Committee with the following reports:

- Annual and Monthly Claim Results – August, September and October 2019
- New Claim Analysis Received FYTD – as of 10/31/19
- Frequency & Severity Reports FYTD Claims Reported - 7/1/19 – 10/31/19
- Claim Closing Analysis FYTD – as of 10/31/19
- Net Reserve Changes – FYTD – as of 10/31/19
- MERMA Company Nurse Results – August, September and October 2019
- MERMA Bill Review Results for August, September and October 2019

Marlene Richardson, Claims Supervisor announced that Intercare has hired a replacement for the former Medical Only and Future Medical Claims Examiner position. She will be starting on November 25<sup>th</sup> in the Salinas Office.

### **4. Executive Committee Report**

Nothing to report.

## **G. FINANCIAL REPORTS**

### **1. Financial Statements with Accountant's Compilation Report**

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the final Financial Statements with Accountant's Compilation Report for years ended 2019 and 2018. The draft report was presented at the October 9, 2019 Board of Directors meeting. Jacinto stated the biggest change was the format. One of the items being presented in the past was the budget to actual statement. This item has now been moved to the back of the report as supplemental schedules instead of presenting together in the front. The front of the report will now only have the balances for the current period and the back will have the budget to actuals and will be called a schedule instead of a statement. Jacinto stated you cannot have a budget to actual statement in an Enterprise Fund Agency as it would not be a conforming financial statement per GASB.

Motion was made to accept the revised Financial Statements with Accountant's Compilation Report for years ended 2019 and 2018 as presented with the budget to actuals now placed in the back of the report.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Colleen Stanley	<b>MOTION CARRIED</b>
<b>AYES: 5</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 0</b>		
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Elizabeth Wilson, Rory Livingston		
ABSENT: 0		

**2. Draft Financial Reports for Period Ending September 30, 2019**

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the Draft Financial Reports for Period Ending September 30, 2019. He stated again in this report the budget to actual has been moved to the back of the report as schedules. Discussion held.

Motion was made to request final version of the Financial Reports for Period Ending September 30, 2019 to be presented with changes noted to page 7, “Adopted Budget Versus Actual”, first column to be changed to Year-to-Date Adopted Budget and last column corrected to FYE 06/30/20 Adopted Budget.

<b>MOTION:</b> Colleen Stanley	<b>SECONDED:</b> Elizabeth Wilson	<b>MOTION CARRIED</b>
<b>AYES: 5</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 0</b>		
AYES: Colleen Stanley, Elizabeth Wilson, Ana Aguillon, Veronica Flournoy, Rory Livingston		
ABSENT: 0		

**3. Dividend Distribution Allocations**

Marcus Beverly presented the dividend distribution allocations. The Board of Directors approved a dividend in the amount of \$1.5 million at the October 9, 2019 meeting. Marcus stated per the Dividend Policy the distribution is based on your contributions over a ten-year rolling period beginning twelve years from the year in which the dividend is declared.

Motion was made to accept and approve the Dividend Distribution Allocations as presented.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Ana Aguillon	<b>MOTION CARRIED</b>
<b>AYES: 5</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>
<b>ABSENT: 0</b>		
AYES: Veronica Flournoy, Ana Aguillon, Colleen Stanley, Elizabeth Wilson, Rory Livingston		
ABSENT: 0		

**4. Risk Management Reserve**

Marcus Beverly stated that the other part of the Board of Director’s decision regarding a dividend was to set aside an additional \$500,000 designated to data driven loss control efforts. Discussion held on recommendations of how to use these funds.

No action was taken on this item. The Committee gave direction to the Program Managers to research and provide more feedback at the next meeting regarding Medical Providers and Clinics, Loss Control Services, and a Proposal for Return to Work Program.

**H. JPA BUSINESS**

**1. Electronic Document Delivery Option**

Marcus Beverly presented the Electronic Document Delivery Option form. He stated that in order to comply with federal and state laws regarding the use of electronic documents this form must be filled out, signed and returned to the MERMA office. This is essentially for sending insurance documents and certificates.

No action was taken on this item. The Committee gave direction for the Program Managers to send the Electronic Delivery Option form to all of the Board Members.

**2. Claims Analysis Incurred over \$50,000**

Marcus Beverly presented claims analysis for claims incurred over \$50,000 for the last five years. The Committee asked for this data as the Self Insured Retention (SIR) has been reduced from \$75,000 down to \$50,000 for FY 2019-20. Paid losses over \$50,000 have decreased substantially and the incurred claims show a similar trend although FY 2015-16 is an exception due to one big claim with high reserves.

**I. Closing Comments**

None

**J. Upcoming Meetings**


Executive Committee Meeting – January 8, 2020 at 1:30 p.m.

**K. ADJOURNMENT**

Motion was made to adjourn the meeting at 3:07 p.m.

<b>MOTION:</b> Ana Aguillon	<b>SECONDED:</b> Elizabeth Wilson	<b>MOTION CARRIED</b>
<b>AYES: 5</b>	<b>NOES: 0</b>	<b>ABSENT: 0</b>
<b>ABSTAIN: 0</b>		
<b>AYES:</b> Ana Aguillon, Elizabeth Wilson, Colleen Stanley, Veronica Flournoy, Rory Livingston		
<b>ABSENT: 0</b>		

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Rory Livingston, President: 

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Marcus Beverly, Executive Director: 

Date: 1/29/2020