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EXECUTIVE COMMITTEE MINUTES

January 29, 2020

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on January 29, 2020 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
Kevin Wong, Gilbert CPAs - via teleconference
Maria Hernandez Sandoval
Hallie Pacheco, MERMA

A. CALL TO ORDER

Rory Livingston called the meeting to order at 1:34 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.

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

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were presented:

1. Executive Committee Minutes – November 13, 2019
2. Payment Registers and Board Reports – November and December 2019
3. State Controller’s Report

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

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

F. ADMINISTRATIVE REPORTS

1. President’s Report

Rory Livingston welcomed everyone back after the holidays. He stated we are all starting to sprint towards the end of the school year and planning for next year. He stated there is a lot going on in the next 90 days.

2. Pool Administrator’s Report

Marcus Beverly stated he would like to announce and welcome Maria Hernandez Sandoval as MERMA’s new Loss Control Manager. He stated we are absolutely thrilled to have her as the leading candidate. Her first day with MERMA will be February 10th.

Maria Hernandez Sandoval stated she has been in safety for over 21 years, working in private and public sector. She was with the County of Monterey for 12 years. She stated she is looking forward to improving safety and preventing injuries.

Marcus stated that we are going to put a little more TLC into the building. The carpets are going to be cleaned and new desks need to be purchased.

Matt Gowan stated the PARMA conference is very well attended by pool administrators and will be in Monterey this year starting on February 25th. Alliant is hosting a dinner and the Committee will receive an invite.

3. Claims Administrator's Report

Marlene Richardson of Intercare reported on her meeting with Dr. Takemoto of WorkWell Medical Group that took place on January 14th. She stated that he is very experienced in workers' compensation and handles accelerated and difficult cases. He has been hired by the offshore company that bought WorkWell to improve their services. She stated he is currently focused on staffing the King City location. He is aware of the problems we are having with the Salinas location as well.

Marlene stated going forward Dr. Takemoto wants to have these meetings on a regular basis and have the claims examiners take specific cases to discuss and come up with solutions. The next goal is to get enough specific cases that are problematic with WorkWell and discuss those at the next meeting. She stated that Dr. Takemoto is very open to ongoing monthly meetings and going through the issues that the schools are having.

Marlene also reported that she had a claim review with Greenfield on Monday that went very well.

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

- Annual and Monthly Claim Results – November and December 2019
- New Claim Analysis Received FYTD – as of 12/31/19
- Frequency & Severity Reports FYTD Claims Reported - 7/1/19 – 12/31/19
- Claim Closing Analysis FYTD – as of 12/31/19
- Net Reserve Changes – FYTD – as of 12/31/19
- MERMA Company Nurse Results – November and December 2019
- MERMA Bill Review Results for November and December 2019

4. Executive Committee Report

Veronica Flournoy wanted to extend her thanks to Hallie for helping with some interim loss control issues. She was so responsive and such a great resource and you would never know there are staffing issues going on as the whole team comes together.

Elizabeth Wilson, who sat on the Loss Control Manager interview panel, wanted to thank Marcus Beverly, Matt Gowan and Hallie Pacheco for the work that was done in order to pair down our candidates. She stated we had some really good candidates and we had a very productive day.

Marcus Beverly stated he would like to make a couple comments related to the Executive Committee. He stated Form 700 will be filed electronically now for all members and to make sure you are adding MERMA to the County system. He also stated there are three Executive Committee terms ending June 30, 2020, Elizabeth Wilson, Rory Livingston and Ana Aguillon. He hopes the Committee members will consider staying, or if not, recruit new replacements. This item will be placed on the March 11th agenda.

G. FINANCIAL REPORTS

1. Audited Financials as of June 30, 2019

Kevin Wong of Gilbert CPAs presented the Audited Financials as of June 30, 2019 via teleconference. Kevin summarized key sections of the audited financials. He stated the responsibilities as auditors are to issue an opinion about whether or not the financials statements are fairly stated and, in that regard, an unmodified opinion was issued which is the best opinion that auditors can give.

He also stated there was an adjustment made to the 2018 financial statements for the correction of the overpayment of interest. A decrease of about \$341,000 in interest income was restated for 2018.

Motion was made to accept the Audited Financials as of June 30, 2019 as presented.

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

2. Financial Reports for Period Ending September 30, 2019

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the Financial Reports for Period Ending September 30, 2019 with the corrections recommended at the November 13, 2019 Executive Committee meeting.

Motion was made to accept the corrected Financial Reports for Period Ending September 30, 2019.

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

H. JPA BUSINESS

1. Loss Control Update

Marcus Beverly stated \$500,000 has been designated for future data driven loss control measures. One of the things he would like the new Loss Control Manager to do is meet with all of the members to find out what they need. He stated he still believes the Return to Work Program is important and would like to see that continue. There will be more to come on this item at future meetings.

2. Review of Intercare's Contract

Matt Gowan stated that Intercare's 3-year contract is expiring on June 30, 2020. He stated he wanted to give Intercare an early opportunity to address their ideas with the contract renewal and get the Committee's feedback.

Connie Hampson of Intercare reported the preliminary numbers she received from Agnes Hoerberling of Intercare for the renewal of their contract will be about an 18% increase for the first year and then reducing it back down to a 3.5% increase for the final two years. She stated there have been some overhead expenses this year that were higher than expected.

Ana Aguillon stated she would like to be consistent with the process of renewing contracts. With Alliant a sub-committee was formed to negotiate the contract.

Ana stated she would like to see the complete contract and fee schedule to see a true comparison with the expiring contract. Discussion held.

Marcus Beverly stated he will get the full proposal from Intercare and share it with Ana Aguillon to discuss.

3. State of the Market

Matt Gowan provided a presentation on the State of the Public Entity Insurance Market to give the Committee an early idea of what to expect on the insurance side. He stated what is happening in the world market affects our insurance. The workers' compensation market is flat, and he doesn't expect any big changes. Discussion held.

I. Closing Comments

None

J. Upcoming Meetings

Marcus Beverly stated the Board of Directors meeting is scheduled for May 27th and there are so many events going on that day with graduations, etc. that we may want to change the date. Discussion held and it was agreed upon to change the Board of Directors meeting to May 13th at 1:30 p.m. New meeting invites will be sent out.

K. ADJOURNMENT

Motion was made to adjourn the meeting at 3:16 p.m.

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

Rory Livingston, President:



Marcus Beverly, Executive Director:



Date:

3/11/2020