



P.O. Box 3320, Salinas, CA 93912

www.merma.org

EXECUTIVE COMMITTEE MINUTES

March 11, 2020

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on March 11, 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
Agnes Hoeberling, Intercare
Danielle Buri, Intercare
Jacinto Bernal, McGilloway, Ray, Brown & Kaufman
Derek Burkhalter, Bickmore Actuarial - via teleconference
Maria Hernandez Sandoval, MERMA
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.

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

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were presented:

1. Executive Committee Minutes – January 29, 2020
2. Payment Registers and Board Reports – January and February 2020
3. Treasurer's Reports – June, September, and December 2019
4. MRBK – Controller's Report Engagement Letter
5. Gilbert CPAs – FYE 2020 Financial Audit Engagement Letter

Motion was made to approve items 1 through 5 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

Nothing to report.

2. Pool Administrator's Report

Matt Gowan stated underwriters from all over the world attend the PARMA conference so he set up some meetings during the conference in Monterey. He and Rory Livingston met with the Workers Compensation High Excess Underwriter and he and Colleen Stanley had a meeting with the top Cyber Underwriters. CASBO is coming up in Palm Springs and Matt stated he will be attending.

3. Claims Administrator's Report

Danielle Buri of Intercare provided the Executive Committee with the following reports:

- Annual and Monthly Claim Results – January and February 2020
- New Claim Analysis Received FYTD – as of 2/29/2020
- Frequency & Severity Reports FYTD Claims Reported - 7/1/19 – 2/29/2020

- Claim Closing Analysis FYTD – as of 2/29/2020
- Net Reserve Changes – FYTD – as of 2/29/2020
- MERMA Company Nurse Results – January and February 2020
- MERMA Bill Review Results for January and February 2020

4. Loss Control Report

Maria Hernandez Sandoval, MERMA's Loss Control Manager reported that she is looking at the types of claims that are occurring and also going out and performing ergonomic evaluations. She conducted one ergonomic evaluation at MCOE and met with Suzy Covarrubias and is working on some of MCOE's needs.

She has performed three ergonomic evaluations at Greenfield Union School District and met with Mindy Hunt.

She stated she has also met with Claudia and Sherrie at South Monterey County Joint Union High School District. They are interested in several types of training and an incentive program. She has performed one ergonomic evaluation for that district.

She has met with the Vice Principal of Washington Middle School, Leland Hanson, and spoke to Jon Green at North Salinas High School to discuss and work on their IIPP's. She stated she will be updating the IIPP's for all districts. She has conducted two ergonomic evaluations for Salinas Union High School District. She stated she is in the process of reaching out to all districts and scheduling appointments to meet them face to face and learn more about their needs.

Maria stated there is a new OSHA standard for nurses. She will work with the nurses at the school sites to find out exactly what their exposures are, as they may fall under the Aerosol Transmissible Diseases standard. She stated schools are not named specifically in the standard but if the exposure is there it needs to be addressed.

5. Executive Committee Report

Nothing to report.

G. FINANCIAL REPORTS

1. Financial Statements for Period Ending December 31, 2019

Jacinto Bernal of McGilloway, Ray, Brown & Kaufman presented the Financial Statements for Period Ending December 31, 2019.

Motion was made to accept and file the Financial Statements for Period Ending December 31, 2019 as presented.

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

H. JPA BUSINESS

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

Derek Burkhalter of Bickmore Actuarial presented the analysis of MERMA's outstanding liabilities and 2020-21 funding via teleconference. MERMA's estimated outstanding liabilities as of June 30 are projected to decrease by -14%, from \$20,652,000 to \$17,781,000.

The premium contribution rates are projected to increase 0.8%, from \$2.44 to \$2.46 for FY 2020-21 at the current 80% Confidence Level and \$50,000 Self Insured Retention (SIR). Individual member premiums will be recommended at the next Executive Committee meeting, pending options for MERMA's excess insurance coverage.

2. Intercare 3-Year Cost Proposal

Agnes Hoerberling of Intercare presented Intercare's Third Amendment to Service Agreement dated May 1, 2014. She stated the increase on the TPA side has a lot to do with needed salary and benefit increases, including no penalties bonuses. Agnes stated that SIU Services were added to the agreement to save MERMA money. Outside investigators charge anywhere from \$450-\$850. Intercare has a SIU Manager inhouse that is licensed and has access to online data bases for background checks. She stated a standard rate of \$275 for multiple background checks is based on the average number of searches that he does.

Ana Aguillon helped in reviewing the contract and she stated she appreciates that Marcus Beverly negotiated the Bill Review rate. She recognizes the work that Intercare is doing and they have put in great effort and the work is really appreciated. She just wanted to understand what the 18% increase detailed and she respects the explanation and conversation she had with Marcus Beverly and the fact that he was able to provide her with the information.

Rory Livingston thanked Intercare and appreciates all the work they have done. He stated MERMA would not be in the financial position it is today without Intercare.

Colleen Stanley also stated she appreciates the partnership with Intercare, and they have done an amazing job.

Motion was made to approve Intercare's Third Amendment to Service Agreement dated May 1, 2014, effective July 1, 2020 through June 30, 2023.

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

3. Workers' Compensation Excess Insurance Update

Matt Gowan stated that we have two layers of Excess Insurance. For the layer \$50,000-\$500,000 the current premium is \$3.9 million. For the high excess layer which is \$500,000 and above the current premium is \$670,000. He stated we are still in underwriting and it is very early in the process. He will know more at next month's meeting.

4. Preliminary Budget FY 2020-21

Marcus Beverly presented the preliminary budget for FY 2020-21. Discussion held.

5. Meeting Schedule FY 2020-21

Marcus Beverly presented the meeting scheduled for FY 2020-21. He stated the one thing that changed was in May we just have the Board of Directors meeting and no Executive Committee meeting.

Motion was made to pass the Resolution to set meeting dates for Fiscal Year 2020-21.

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

6. Executive Committee Members Terms Ending June 30, 2020

Marcus Beverly stated that three Executive Committee member's terms are up June 30th, Rory Livingston, Ana Aguillon and Elizabeth Wilson. He asked the members if they would like to run again or not. The Executive Committee will nominate the members at their April meeting and the Board of Directors will approve the nominations at the May meeting.

I. Closing Comments

None

J. Upcoming Meetings

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

Board of Directors Meeting – May 13, 2020, 1:30 p.m.

K. ADJOURNMENT

Motion was made to adjourn the meeting at 3:23 p.m.

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

Rory Livingston, President:



Marcus Beverly, Executive Director:



Date: 8/24/20