



Monterey Educational Risk Management Authority

P.O. Box 3320, Salinas, CA 93912

[www.merma.org](http://www.merma.org)

**EXECUTIVE COMMITTEE  
ZOOM/TELECONFERENCE  
MEETING MINUTES  
August 10, 2022**

The Executive Committee of the Monterey Educational Risk Management Authority held a Zoom/teleconference meeting on August 10, 2022, at 1:30 p.m.

**Executive Committee Members Present via Zoom/Teleconference**

Colleen Stanley, President, Monterey County Office of Education  
Veronica Flournoy, Vice-President, Spreckels Union School District  
Yvonne Perez, Carmel Unified School District  
Patricia Garfoot, King City Union School District

**Executive Committee Members Absent**

Ana Aguillon, Secretary, Salinas Union High School District

**Guests and Staff Present via Zoom/Teleconference**

Lisa Gering, Big Sur Unified School District  
Marcus Beverly, Alliant  
Matt Gowan, Alliant  
Danielle Buri-Beaton, Intercare  
Karen Callahan, Intercare  
David Bolton, MERMA  
Hallie Pacheco, MERMA

**A. CALL TO ORDER**

Colleen Stanley called the meeting to order at 1:32 p.m.

**B. ROLL CALL**

Present: Colleen Stanley, Veronica Flournoy, Yvonne Perez, Patricia Garfoot  
Absent: Ana Aguillon

**C. APPROVAL OF AGENDA AS POSTED**

Motion was made to approve the agenda as posted.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Yvonne Perez	<b>MOTION CARRIED</b>	
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
AYES: Veronica Flournoy, Yvonne Perez, Patricia Garfoot, Colleen Stanley			
ABSENT: Ana Aguillon			

**D. PUBLIC COMMENTS**

None

**E. CONSENT CALENDAR**

The following items were presented:

1. Executive Committee Minutes – April 13, 2022
2. Payment Registers and Board Reports – April, May, June, and July 2022
3. GASB-75 Actuarial Report – FYE June 30, 2022
4. Amendment No. 1 to 2021-22 Reinsurance Agreement
5. North Bay Associates Engagement Letter – Claims Audit

Motion was made to approve items 1 through 5 as presented with a single motion.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Yvonne Perez	<b>MOTION CARRIED</b>	
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
AYES: Veronica Flournoy, Yvonne Perez, Patricia Garfoot, Colleen Stanley			
ABSENT: Ana Aguillon			

**F. ADMINISTRATIVE REPORTS**

**1. President’s Report**

President, Colleen Stanley had nothing to report.

**2. Pool Administrator’s Report**

Marcus Beverley stated the claims audit will be starting in a few weeks. The results should be available in time for the October Board of Directors meeting.

Matt Gowan mentioned that the CAJPA conference is coming up in September. Invitations for a smaller schools only dinner as well as an Alliant dinner will be sent out. Intercare is hosting a lunch and invitations have been sent out.

**3. Claims Administrator’s Report**

Danielle Buri-Beaton of Intercare announced that Karen Callahan, Associate Vice President of Claims Operations, will be retiring at the end of August.

Karen Callahan stated it has been such a joy working with this Board who has always been so supportive of the TPA. She will treasure all the memories and relationships she has made for years to come.

Danielle presented the following reports:

- Annual and Monthly Claim Results – May, June and July 2022
- New Claim Analysis Received FYTD – as of 6/30/22 and 7/31/22
- Frequency & Severity Reports FYTD Claims Reported – as of 6/30/22 and 7/31/22
- Claim Closing Analysis FYTD – as of 6/30/22 and 7/31/22
- Net Reserve Changes – FYTD – as of 6/30/22 and 7/31/22
- MERMA Company Nurse Results – May, June, and July 2022
- MERMA Bill Review Results – May, June, and July 2022

#### **4. Loss Control Update**

David Bolton updated the Committee on the eBackSafe Virtual Interactive Training. It is now available for teachers and paraeducators. This program can help reduce the amount of injuries and accidents. He stated three districts have enrolled in the program so far and he would like to get all districts to participate. The program is funded by MERMA.

David mentioned the process to partner with eBackSafe to coordinate and plan took a lot of effort and he wanted to acknowledge and thank Veronica Flournoy. We needed someone close to the MERMA office to volunteer and provide some resources and hours for observation. He stated this took a lot of effort and he appreciates Veronica's help with this.

David discussed training and support he has provided for the members. He will be reaching out to the members to schedule site safety inspections which are required by OSHA. Discussion held regarding looking at some additional programs to utilize the Risk Management Fund. Fleet Feet/Good Feet store inserts as well as an ergonomic chair discount program were discussed.

#### **5. Executive Committee Report**

Nothing to report.

### **G. FINANCIAL REPORTS**

#### **1. Net Position Review**

Marcus Beverly presented an estimated Balance Sheet and Profit and Loss Statement as of June 30, 2022. The Net Position has increased an estimated \$1.55 million over the last fiscal year. The results are due to investment earnings and a decrease in claims liabilities. Marcus stated the good times are probably slowing down in terms of the decrease in claims liability. This fiscal year had a decrease of (-\$632,566), which is significantly less than last year's decrease of (-\$2.6 million) in claims liabilities. A more detailed overview will be presented at the upcoming Board of Directors meeting for further discussion. No action taken on this item.

## **H. JPA BUSINESS**

### **1. Conflict of Interest Code Review**

Marcus Beverly stated the Conflict of Interest Code is reviewed every even year and a Local Agency Biennial Notice must be filed with the Monterey County Clerk of the Board of Supervisors. He presented the Conflict of Interest Code with no revisions needed along with the 2022 Local Agency Biennial Notice.

Motion was made to approve the 2022 Local Agency Biennial Notice with no amendment needed to MERMA's Conflict of Interest Code.

<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, Yvonne Perez, Patricia Garfoot			
ABSENT: Ana Aguillon			

### **2. Policy Review**

Marcus Beverly stated we have been reviewing policies and updating as needed. He presented the Disaster Recovery Policy and Loss Control Services Guidelines with minor revisions.

Marcus also presented the Funding Policy with revisions made to increase the benchmarks, with a goal of assets at least equal to liabilities at a 95% Confidence Level and a Net Position to SIR ratio goal of 10:1, at a minimum \$500,000 SIR. The revisions made to the Funding Policy will be presented to the Board of Directors for adoption.

Motion was made to approve the Disaster Recovery Policy and Loss Control Services Guidelines with minor revisions as presented.

<b>MOTION:</b> Veronica Flournoy	<b>SECONDED:</b> Yvonne Perez	<b>MOTION CARRIED</b>	
<b>AYES: 4</b>	<b>NOES: 0</b>	<b>ABSTAIN: 0</b>	<b>ABSENT: 1</b>
AYES: Veronica Flournoy, Yvonne Perez, Patricia Garfoot, Colleen Stanley			
ABSENT: Ana Aguillon			

### **3. Review of Options for Annual Funding**

Marcus stated review of options continues for revising the Experience Modification Factor to reduce swings in funding that can occur when smaller members experience relatively minor claims. He presented an exhibit prepared by MERMA's actuary comparing the current Experience Modification formula to a more conventional method. He stated this option would have some initial drawbacks.

The Committee suggested looking into an "Extraordinary Cost Pool" as this may be a better approach to assist the members rather than changing the formula. This item will be presented for further discussion at the upcoming Board of Directors meeting.

**4. Topics for the October Board Meeting**

Marcus Beverly presented a draft agenda for the October 26<sup>th</sup> Board of Director meeting. Discussion held.

**I. CLOSING COMMENTS**

Marcus wanted to let Karen Callahan of Intercare know that we are all going to miss her, and we wish her well in her retirement.

**J. UPCOMING MEETINGS**

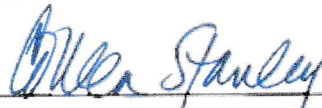
Board of Directors - October 26, 2022, 9:00 a.m. - 3:00 p.m.

**K. ADJOURNMENT**

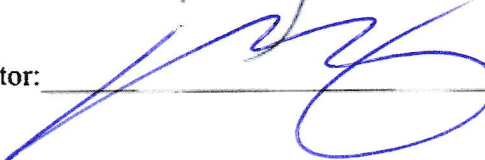
Motion was made to adjourn the meeting at 3:23 p.m.

<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>
<b>AYES:</b> Colleen Stanley, Veronica Flournoy, Yvonne Perez, Patricia Garfoot		
<b>ABSENT:</b> Ana Aguillon		

Colleen Stanley, President:



Marcus Beverly, Executive Director:



Date:

2/1/23