



Monterey Educational Risk Management Authority

P.O. Box 3320, Salinas, CA 93912

www.merma.org

**EXECUTIVE COMMITTEE
ZOOM/TELECONFERENCE
MEETING MINUTES
January 25, 2023**

The Executive Committee of the Monterey Educational Risk Management Authority held a Zoom/teleconference meeting on January 25, 2023, 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
Ana Aguillon, Secretary, Salinas Union High School District
Yvonne Perez, Carmel Unified School District
Patricia Garfoot, King City Union School District

Executive Committee Members Absent

None

Guests and Staff Present via Zoom/Teleconference

Lisa Gering, Big Sur Unified School District
Marcus Beverly, Alliant
Matt Gowan, Alliant
Marlene Richardson, Intercare
Connie Hampson, Intercare
Agnes Hoerberling, Intercare
Raul Hernandez, Gilbert CPAs
Amanda Walborn, Gilbert CPAs
Jacinto Acosta Bernal, McGilloway, Ray, Brown & Kaufman
David Bolton, MERMA
Angela Murguia, MERMA
Hallie Pacheco, MERMA

A. CALL TO ORDER

Colleen Stanley called the meeting to order at 1:31 p.m.

B. ROLL CALL

Present: Colleen Stanley, Veronica Flournoy, Ana Aguillon, Yvonne Perez, Patricia Garfoot
Absent: None

C. APPROVAL OF AGENDA AS POSTED

Motion was made to approve the agenda as posted.

MOTION: Ana Aguillon	SECONDED: Yvonne Perez	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
ABSENT: 0		
AYES: Ana Aguillon, Yvonne Perez, Veronica Flournoy, Patricia Garfoot, Colleen Stanley		
ABSENT: 0		

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were presented:

1. Executive Committee Minutes – August 10, 2022
2. Payment Registers and Board Reports – Aug, Sept, Oct, Nov, Dec 2022
3. Treasurer’s Report – September 30, 2022
4. MacLeod Watts Engagement Letter – OPEB Actuarial Valuation Services
5. OPEB Actuarial Valuation & GASB 75 Report for FYE 6/30/23
6. MERMA Handbook – Revision

Veronica Flournoy asked for an explanation of the MERMA handbook revision. Marcus Beverly stated it had been a while since the employee handbook was updated so it was sent over for legal review with minor updates. Updated the language in regard to PERS and leaves of absence, added language for gender discrimination, updated holiday schedule. There were no substantial changes.

Motion was made to approve items 1 through 6 as presented with a single motion.

MOTION: Veronica Flournoy	SECONDED: Yvonne Perez	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
ABSENT: 0		
AYES: Veronica Flournoy, Yvonne Perez, Ana Aguillon, Patricia Garfoot, Colleen Stanley		
ABSENT: 0		

F. ADMINISTRATIVE REPORTS

1. President’s Report

President, Colleen Stanley stated she didn’t have anything to report other than she is hopeful for the new year we have entered into.

2. Pool Administrator's Report

Marcus Beverly reported the inside of the MERMA office has been painted, three new office desks have been received. There are a couple window leaks with all the rain we have had.

Matt Gowan stated the CASBO conference is on April 4th, and he has a meeting with our underwriter. He wanted to know if anyone was going and would like to attend the underwriting meeting and/or the dinner Alliant is hosting.

3. Claims Administrator's Report

Connie Hampson of Intercare presented the following reports:

- Annual and Monthly Claim Results – November and December 2022
- New Claim Analysis Received FYTD – as of 12/31/22
- Frequency & Severity Reports FYTD Claims Reported – as of 12/31/22
- Claim Closing Analysis FYTD – as of 12/31/22
- Net Reserve Changes – FYTD – as of 12/31/22
- MERMA Company Nurse Results – November and December 2022
- MERMA Bill Review Results – November and December 2022

4. Loss Control Update

David Bolton presented an update on the training and support he has provided to the member districts. He stated we are still trying to encourage more participation in the eBackSafe Virtual Interactive Training.

Colleen Stanley thanked David for getting the back to school event set up for MCOE. She stated it was great and the employees enjoyed it and learned.

MERMA purchased 22 ergonomic chairs with the Risk Management Fund and has already placed two chairs with district employees. David stated when he conducts ergonomic assessments, he often sees a chair that is in disrepair or one that is not an office chair. This is an opportunity for MERMA to provide members with the appropriate chair and not have to wait the 6-8 weeks to order or spend the money that may not be in their budget.

David presented a Benchmark Program Concept. He stated the idea is to recognize and help districts achieve safety at a higher level and attach some type of incentive for achieving benchmarks and goals. Marcus Beverly stated we will formalize this and present as part of our budget in terms of planning.

G. FINANCIAL REPORTS

The Committee moved ahead to Item G.1. as it is a time certain of 2:00 p.m.

1. Audited Financials as of June 30, 2022

Raul Hernandez of Gilbert CPAs presented the Audited Financials as of June 30, 2022, and the Communications with Those Charged with Governance. He provided a PowerPoint summary of

the Audited Financials, along with the required communications. He stated an unmodified opinion was issued on the financial statements which is the best type of opinion auditors can give.

Motion was made to accept and file the Audited Financials as of June 30, 2022, as presented.

MOTION: Yvonne Perez	SECONDED: Patricia Garfoot	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
ABSENT: 0		
AYES: Yvonne Perez, Patricia Garfoot, Veronica Flournoy, Ana Aguillon, Colleen Stanley		
ABSENT: 0		

F. ADMINISTRATIVE REPORTS

The Committee moved back to Item F.5.

5. Executive Committee Report

No comments from the Executive Committee but Marcus Beverly had a question for the members. Marcus stated we have been estimating the member district’s payroll each year with an increase of 5% of their actual calendar year to date payroll. The payroll for FY 21/22 was 7% more than what was estimated. Marcus asked the members if 5% increase will be enough for the upcoming fiscal year. After discussion, the Executive Committee gave direction to increase the payroll by 10%.

G. FINANCIAL REPORTS

2. Financial Statements for Period Ending September 30, 2022

Jacinto Acosta Bernal presented the Financial Statement for Period Ending September 30, 2022.

Motion was made to accept and file the Financial Statements for Period Ending September 30, 2022, as presented.

MOTION: Colleen Stanley	SECONDED: Veronica Flournoy	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
ABSENT: 0		
AYES: Colleen Stanley, Veronica Flournoy, Ana Aguillon, Yvonne Perez, Patricia Garfoot,		
ABSENT: 0		

3. Rate Relief for Annual Funding

Discussion continued regarding rate relief for annual funding and criteria to be used for an Extraordinary Cost Pool. Marcus stated we will have the actuary’s numbers available at the next meeting and will discuss further.

H. JPA BUSINESS

1. Claims Audit – 2022

Marcus Beverly presented the Claims Audit conducted by North Bay Associates. The audit results are significantly lower than that of the previous audit. Marcus stated he discussed the results with

the auditor and Intercare and there has been a staffing issue during this period which has not been uncommon to see since the COVID pandemic. The rating is mainly lower due to diary and related audit exceptions and not unexpected due to the heavy weighting in the score. The areas that exceeded expectations are greater in number and significance than those that require improvement.

Agnes Hoberling of Intercare stated the pandemic impacted the industry significantly and it has been a very challenging time to retain staff. She realizes Intercare did not achieve the rating that they have always been able to deliver but the outcome results were still very good. Intercare recognizes their weaknesses so that they can refocus their efforts and be stronger going forward.

Motion was made to accept and file the Claims Audit conducted by North Bay Associates.

MOTION: Veronica Flournoy	SECONDED: Yvonne Perez	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
ABSENT: 0		
AYES: Veronica Flournoy, Yvonne Perez, Ana Aguillon, Patricia Garfoot, Colleen Stanley		
ABSENT: 0		

2. MERMA Staff Recognition

Colleen Stanley stated the Executive Committee members would like to consider a non-performance based bonus to recognize the MERMA employees. Most districts were able to provide their employees with a payment in appreciation of the dedication they have shown during the last couple of years. Veronica Flournoy explained this discussion started after the Board of Directors meeting and we wanted to recognize the MERMA staff and show our appreciation. Discussion held.

Motion was made to approve a one-time special payment of \$5,000 for each of the three full-time MERMA employees to be paid during the current fiscal year.

MOTION: Veronica Flournoy	SECONDED: Colleen Stanley	MOTION CARRIED
AYES: 5	NOES: 0	ABSTAIN: 0
ABSENT: 0		
AYES: Veronica Flournoy, Colleen Stanley, Ana Aguillon, Yvonne Perez, Patricia Garfoot		
ABSENT: 0		

3. Contract Renewal Review

Marcus Beverly provided an update on contracts up for renewal. The Alliant contract for program administration includes an increase for FY 23/24, Gilbert CPAs Engagement Letter will need to be renewed for FYE 6/30/23, and Intercare's 3-year service agreement will expire June 30, 2023.

A new cost proposal for Intercare was discussed along with splitting up caseloads between new dedicated staff to the MERMA account. The cost proposal will be finalized and brought back for review.

Motion was made to approve an increase for FY 23/24 to the Alliant contract based on the California CPI for 22/23 of 5.75%.

MOTION: Veronica Flournoy	SECONDED: Ana Aguillon	MOTION CARRIED
AYES: 5 NOES: 0	ABSTAIN: 0	ABSENT: 0
AYES: Veronica Flournoy, Ana Aguillon, Yvonne Perez, Patricia Garfoot, Colleen Stanley		
ABSENT: 0		

4. State of the Market

Matt Gowan provided a brief overview presentation on the State of the Insurance Market. He discussed market conditions and insights and recent trends. He stated we could expect a 5% increase on the excess insurance for the upcoming fiscal year.

I. CLOSING COMMENTS

David Bolton thanked the Committee for their graciousness and partnership over the last year. He stated it has been a great experience for him and he looks forward to another great year.

J. UPCOMING MEETING

Executive Committee Meeting – March 8, 2023

K. ADJOURNMENT

Colleen Stanley adjourned the meeting at 3:28 p.m.

Colleen Stanley, President:



Marcus Beverly, Executive Director:



Date: 3/8/03