



Monterey Educational Risk Management Authority

P.O. Box 3320, Salinas, CA 93912

www.merma.org

EXECUTIVE COMMITTEE MINUTES

March 8, 2023

The Executive Committee of the Monterey Educational Risk Management Authority met at 76 Stephanie Drive, Salinas, on March 8, 2023, at 1:30 p.m. This meeting was also available via Zoom/teleconference.

Executive Committee Members Present

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

Sandra Shreve, Mission Union School District – *Via Zoom*
Marcus Beverly, Alliant
Matt Gowan, Alliant – *Via Zoom*
Marlene Richardson, Intercare
Connie Hampson, Intercare
Jeff Trussler, Intercare
Agnes Hoerberling, Intercare
Jacinto Acosta Bernal, McGilloway, Ray, Brown & Kaufman
Derek Burkhalter, Bickmore Actuarial – *Via Zoom*
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.

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

D. PUBLIC COMMENTS

None

E. CONSENT CALENDAR

The following items were presented:

1. Executive Committee Minutes – January 25, 2023
2. Payment Registers and Board Reports – January and February 2023
3. Gilbert CPAs – FYE 2023 Financial Audit Engagement Letter

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

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

F. ADMINISTRATIVE REPORTS

1. President’s Report

President, Colleen Stanley had nothing to report.

2. Pool Administrator’s Report

Marcus Beverly reported the MERMA office has been painted and we are working on refreshing the office. We have budgeted for next year to replace desks for the Intercare staff.

Matt Gowan stated he will be sending out invitations to the dinner Alliant is hosting at the CASBO conference in Long Beach.

3. Claims Administrator’s Report

Connie Hampson of Intercare presented the following reports:

- Annual and Monthly Claim Results – January and February 2023
- New Claim Analysis Received FYTD – as of 02/28/23
- Frequency & Severity Reports FYTD Claims Reported – as of 02/28/23
- Claim Closing Analysis FYTD – as of 02/28/23
- Net Reserve Changes – FYTD – as of 02/28/23
- MERMA Company Nurse Results – January and February 2023
- MERMA Bill Review Results – January and February 2023

David Bolton mentioned that Intercare has conducted several claims reviews over the past few months. These are extremely beneficial and are good for adjusters to meet the different teams within the districts. He thanked Marlene Richardson of Intercare for getting these coordinated and scheduled.

4. Loss Control Update

David Bolton updated the Committee on loss control activities. He has completed CPR classes for Mission USD and a couple schools within the Salinas Union High School District. He has several more classes scheduled over the next couple of weeks. He has participated in claims reviews for Salinas Union High School District and Santa Rita, and performed 7 ergonomic assessments. David stated he has provided 10 chairs so far to district employees through the ergonomic chair program. He has provided the COVID-19 Prevention Plan updates to all members.

David mentioned he has noticed an increase trend in behavioral issues with students where an altercation occurs, a teacher or staff member intervenes, and there is physical contact which causes an injury to staff. This is on our radar and will be researching programs that can help curb these trends and help the districts in this regard.

Sandra Shreve of Mission USD left the meeting.

The Committee moved ahead to Item G.1.

G. FINANCIAL REPORTS

1. Financial Statements for Period Ending December 31, 2022

Jacinto Acosta Bernal of McGilloway, Ray, Brown & Kaufman presented the Financial Statement for Period Ending December 31, 2022.

Motion was made to accept and file the Financial Statements for Period Ending December 31, 2022, as presented.

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

H. JPA BUSINESS

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

Derek Burkhalter of Bickmore Actuarial presented the Actuarial Review of MERMA's Self-Insured Workers' Compensation Program, outstanding liabilities as of June 30, 2023, and funding guidelines for 2023-24. Derek stated the estimated outstanding liabilities are projected to decrease from \$14,478,000 to \$13,394,000. The funding rate decreased from \$2.35 to a projected rate of \$2.32 for the upcoming year, at the current 80% Confidence Level and \$50,000 Self Insured Retention (SIR).

Motion was made to accept and file the Actuarial Review of the Self-Insured Workers' Compensation Program, as presented.

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

The Committee moved ahead to Item H.8.

8. Yacht Award of Excellence Program

David Bolton stated this item is to continue the discussion to explore an incentive or recognition program. This is an idea we had to encourage participation in loss control and to recognize the districts for their engagement. He listed some benchmarks that we thought were obtainable. Discussion held.

This item will be brought back to the next Executive Committee meeting for further discussion along with any new ideas.

2. Rate Relief for Annual Funding

Marcus Beverly stated a few members have decent-sized increases in their Experience Modification Factor for the upcoming year. He stated we should look at the losses and what's driving the change and the modifier. Marcus will drill down on the actual losses and will present everyone's estimated actual premium at the next meeting.

3. Intercare 3-Year Cost Proposal

Agnes Hoberling presented Intercare's new 3-Year Cost Proposal. She presented two options for the proposed fee schedule.

Option 1: Based on current staffing of 5.25 FTE. Year one represents a 3.3% increase from the expiring rate. Each of the following two years increases 3%.

Option 2: Based on an adjusted staffing model with the total FTE increasing to 5.75. Year one represents a 6% increase from the expiring rate. Each of the following two years increases 3%.

Motion was made to approve the new Intercare 3-Year Cost Proposal with Option 2, effective July 1, 2023.

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

4. Workers' Compensation Excess Insurance Update

Matt Gowan stated he met with the underwriters at the PARMA conference and expects a good renewal. He stated he is being conservative and estimating a 5% increase, but every indication so far seems to be lower or close to a flat renewal. He will have more information at the next meeting. Matt also discussed Loss Portfolio Transfer (LPT), selling old open claims back to insurance carriers as an option to look into.

5. Preliminary Budget FY 2023-24

Marcus Beverly presented the preliminary budget for FY 2023-24. Discussion held. Will update and present at the next meeting.

6. Meeting Schedule FY 2023-24

Marcus Beverly presented Resolution No. 23-01 to set meeting dates for FY 2023-24 along with a meeting schedule calendar. Discussion held regarding preference of Zoom, hybrid and in person meetings.

Motion was made to pass and approve Resolution No. 23-01 to set meeting dates for FY 2023-24, as presented.

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

7. Executive Committee Members Terms Ending June 30, 2023

Marcus Beverly mentioned that President, Colleen Stanley, and Vice President, Veronica Flournoy's, Executive Committee terms are expiring June 30, 2023. Veronica Flournoy stated this will be her final term on the Executive Committee as she will be leaving Spreckels USD. MERMA will solicitate members for interest and nominations to serve on the Executive Committee.

The Committee moved back to Item F.5.

F. ADMINISTRATIVE REPORTS

5. Executive Committee

No comments.

I. CLOSING COMMENTS


Marcus thanked everyone and said it was great seeing you in person.

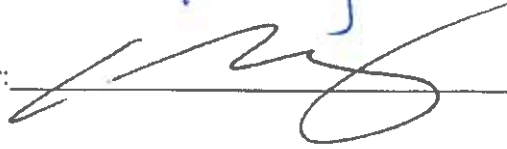
J. UPCOMING MEETING

Executive Committee Meeting – April 12, 2023

K. ADJOURNMENT

Colleen Stanley adjourned the meeting at 3:58 p.m.

Colleen Stanley, President: 

Marcus Beverly, Executive Director: 

Date: 4/13/23