

**MINUTES
OF
THE MIAMI VALLEY RISK MANAGEMENT ASSOCIATION
BOARD MEETING**

September 20, 2021

Time and Location

Home2Suites Centerville. The meeting began at 9:34 AM.

The following individuals were present when the meeting was called to order: Bill Kucera, Beavercreek; Rob Schomer, Bellbrook; Sherry Poppe, Blue Ash; Mariah Vogelgesang and Tyler Roark, Centerville; Barb McCormick, Englewood, Jacob Burton, Fairfield; Jessica Chaney, Indian Hill; Lori Thompson, Madeira;, John Crowell, Montgomery; Catherine Bogan, Piqua, Ginger Adams, Renee Dulaney, Sidney; Brian Uhl, Christina Ingle, Springdale; John Green, Tipp City; Tom Reilly, West Carrollton; Greg Muenchen, Wilmington; Rusty Herzog, Wyoming; Justin Swarbrick Alliant Insurance Services; and Tom Judy, Starr Markworth, Sandy Caudill, MVRMA.

Dan Wendt, Vandalia joined the meeting at 9:41 AM.

Absent: City of Kettering, City of Mason, City of Miamisburg, City of Troy

Consent Agenda Approval

Motion by Mr. Reilly, seconded by Mr. Crowell, to approve the Consent Agenda.
Motion carried.

Risk Management Committee Report

Ms. Markworth discussed the training update. She indicated that training had been challenging due to COVID-19, but now that larger groups are permitted the numbers in attendance are trending up. She has been offering a lot of equipment training such as forklift, skid steer and heavy equipment. She also advised a new trailer pulling program developed that includes federal requirements. Great feedback has been received. She also mentioned the verbal de-escalation certification training that was attended by 22 law enforcement officers. She will be working with the certificated officers to assist in bringing the program to other cities who do not have anyone certified. She also mentioned she will be the facilitator to get safety committees up and running again.

Mr. Judy discussed the list of Risk Management Requests/Issues included in the agenda packet for the period May 19 through August 24, 2021. He reviewed one issue:

Mr. Judy reviewed the bounce house contract reminding everyone they would have liability coverage but advised to send the contract for review and to transfer risk.

Executive Session

At approximately 9:44 am there was a motion by Mr. Crowell, seconded by Mr. Green to recess into Executive Session to discuss pending litigation. Motion carried.

At approximately 9:57 am the Executive Session was adjourned and returned to regular session.

Motion by Mr. Crowell, seconded by Ms. Adams, to approve the Open Claims and Incurred Losses Report. Motion carried.

Mr. Judy discussed the loss to premium ratio report which compares members' incurred claims losses to loss fund contributions over a five-year period. He indicated the trend has been in the low 40% and this year it was 42% with only 2 City members exceeding 60%.

Ms. Markworth advised that due to member survey results, a plan was proposed to perform best practices on an every-other-year basis. This would allow more time for networking groups among members to share and problem solve. Ms. Markworth would facilitate these meetings. She indicated she would start developing IT, Fire and possibly water/sewer groups.

Mr. Judy advised that it was recommended that the risk management committee serve as the claims committee when reserve changes are needed in between board meetings. As a result, a claims committee policy was drafted. Motion by Mr. Crowell, seconded by Ms. Adams. Motion carried.

Finance Committee Report

Mr. Judy advised that the meeting began with the post-audit review with Julian and Grube which went well with no findings and one management letter comment due to a "late" filing of the Hinkle report with the Auditor of state due to a clerical error.

Ms. Adams advised that the Finance Committee was recommending the acceptance of the Financial Audit and Comprehensive Annual Financial Report for the year ended 12/31/20. Motion by Mr. Green seconded by Mr. Reilly. Motion carried.

Mr. Judy advised that the Pinnacle Actuaries annual loss funding report for LY34 (2022) has been completed with a funding level of \$2,500,000, approximately at a 65% confidence level. The funding for 2021 was lower due to the members net operating expenses total being artificially lower due to a one-year decrease as a result of the way pension expense was booked. The 2022 funding is based on a more normal number. Motion by Mr. Wendt, seconded by Mr. Uhl. Motion carried.

Mr. Judy advised that 2022 liability reinsurance renewals have been requested from GEM and Genesis and various options will reviewed by the committee at the next quarterly meetings. Mr. Judy has included a 13% rate increase in the preliminary budget. Mr. Judy also discussed the GEM premium is expected to increase about 40% next year due

to the large increase in members' net operating expenses (NOE) which serves as the exposure base for the general liability portion of GEM's premium. The increase in NOE is a return to a more "normal" amount after the one-time decrease in the previous year due to a pension expense adjustment. Mr. Swarbrick advised that the market has become challenging as claims have increased and jury settlements have also increased. Final action on the renewals will take place at the December meeting.

Mr. Adams advised that the amended member agreement and bylaws allows for a change to allow the MVRMA board the authority to determine the amount of the member deductible. While the deductible will remain at \$2,500 a members' deductible policy has been drafted. Motion by Mr. Green, seconded by Mr. Wendt. Motion carried.

Ms. Judy advised that the Finance Committee reviewed the 2022 preliminary budget. The total billed to members is \$6.1 million which is an increase of 21.7%. He also reviewed 2022 expenditures and revenues, 2022 shock loss fund contributions and refunds. Motion to approve the 2022 preliminary budget by Mr. Reilly and seconded by Mr. Crowell. Motion carried.

Alliant Insurance Services Report

Mr. Swarbrick provided an overview of Alliant for the new MVRMA trustees. He indicated that a long soft market has been followed by a third year of the hard market cycle, which usually only lasts one to two years. He said the first portion of Hurricane Ida was approximately \$25 billion in claims and the Northeast portion was approximately \$40 billion in claims while the Texas winter storm was \$25 billion in claims.

Membership Services and Marketing Committee Report

Mr. Judy discussed the prospective member list for new members in advance for a possible topic of the Strategic Planning meeting scheduled for 2022. The 2019 list includes the City of Fairfield who are now MVRMA members. It was decided to remove them from the list. Motion by Mr. Crowell, seconded by Mr. Uhl. Motion carried.

Executive Director's Report

Mr. Judy advised members that the Government Entities Mutual's (GEM) annual report was included in their packet. GEM provides the \$4.5 million layer of reinsurance in excess of MVRMA's \$500,000 pool self-insured retention.

Mr. Judy discussed the recommendation to the awards policy to change the loss data used to calculate the awards of December 31st rather than March 31st for the prior year's losses. This will allow for ample time to receive suits that may be filed and to set adequate reserves on them. Motion by Mr. Crowell, seconded by Mr. Reilly. Motion approved.

Mr. Judy advised that MVRMA's next triennial strategic planning meeting is scheduled for May 13, 2022. The facilitator, Michelle Bechamps, will be scheduling telephone calls with trustees to get their thoughts on the important issues facing the organization.

Mr. Judy advised that as always, the Dashboard Reports, including the open loss years report and General Reserve Fund Balances report, were available in the packet.

Mr. Judy indicated that the Litigation Summaries were available for review as part of the board packets.

President's Report

Mr. Kucera advised that it is time to ask the Nominating committee to prepare a slate of officers for 2022, therefore, Mr. Green will be working on this for the December board meeting.

Mr. Kucera advised that the next quarterly board meeting will be held December 20, 2021 at 9:30 AM.

Round Table Discussion

Mr. Wendt advised their fire department has been administering COVID vaccines to reclude citizens after they sign a waiver. He asked if there was any exclusion in MVRMA's coverage for this. Mr. Judy advised he would investigate this.

Having concluded its business for the day, motion to conclude the meeting motion by Mr. Muenchen, seconded by Mr. Crowell, adjourned at 11:21 am.