

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

June 20, 2023

Time and Location

Home2 Suites, 5161 Cornerstone North Boulevard, Centerville, Ohio. The meeting began at 9:30 AM.

The following trustees and alternate trustees were present when the meeting was called to order: Bill Kucera and Christina Ingle, Beavercreek; Rob Schomer, Bellbrook; Sherry Poppe, Blue Ash; Tyler Roark, Centerville; Barbara McCormick, Englewood; Laurie Murphy, Fairfield; Jessica Chaney, Indian Hill; Michael Norton-Smith, Madeira; Mary Mueller, Mason; Emily Christian, Miamisburg; John Crowell, Montgomery; Brian Uhl, Springdale; Sue Knight, Troy; Julie Duffy, West Carrollton. The following guests were in attendance: Justin Swarbrick and Ethan Salsinger, Alliant Insurance Services; Brooke Brady, Wyoming; Della Stearns, Englewood. MVRMA staff in attendance were Tom Judy, Starr Markworth, Sandy Caudill.

Maria Vogelgesang, Centerville arrived at 9:55 AM.

Brad Reynolds, Wilmington arrived at 10:00 AM.

The Cities of Kettering, Piqua, Sidney, Tipp City and Vandalia were not represented at this meeting.

Consent Agenda Approval

Motion by Mr. Crowell seconded by Ms. Knight to approve the Consent Agenda. Motion carried.

Risk Management Committee Report

Ms. Christian asked Ms. Markworth to provide the training update. Ms. Markworth advised the cyber security program conducted by Joel Glass received great feedback with 46 attendees. APIP is offering credits for cyber security services and as a result, MVRMA is offering training the first week of August by a cyber security expert. Ms. Markworth advised there will still be APIP credits available and asked if any individual cities may need additional training to let her know. Eight ELDT attendees have successfully passed their CDL exam and another session will be offered in July. In October Gary Beck will be conducting a law enforcement legal update and they are discussing recording for those unable to attend. Work zone safety conducted by Mike Hayslip will take place in June. MVCC is again offering their supervisory training program.

Risk Management Request and Issues

Mr. Judy presented the Risk Management Requests. He advised there were no common interest issues but provided the opportunity for any questions. However, he did remind everyone to provide their fireworks documentation with conditions showing transferred risk to the fireworks provider.

Executive Session

At approximately 9:40 am there was a motion by Mr. Crowell, seconded by Mr. Uhl to recess into Executive Session to discuss the Open Claims Report. Motion carried.

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

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

Mr. Judy advised that the professional development policy was reviewed with no recommended changes.

Ms. Markworth advised that the Target Solutions renewal was received in error as it is not due until next year, but the usage report was reviewed.

Finance Committee Report

Mr. Judy advised that the 2022 annual report had been reviewed by the Finance Committee and that it is a good resource to provide to Council members and others interested in the pool. Motion by Mr. Crowell seconded by Mr. Uhl, to accept the 2022 MVRMA Annual Report. Motion carried.

Mr. Judy discussed the proposed APIP renewal consisting of commercial property, pollution liability, core cyber liability, and boiler & machinery coverage. The 2023-2024 premium is \$2,195,295. This is an increase of 40.5%, which will create a budget shortfall of \$295,295. Further discussion of the budget issue will take place at the September meeting after the preliminary 2024 budget has been prepared. Mr. Swarbrick indicated this is the longest hard market in a generation and that in 2023 insurance companies paid more out in claims than revenue received for premiums. He discussed that Alliant had shopped the coverage to various other insurers but received no other proposals. Motion by Mr. Schomer, seconded by Mr. Crowell to approve the renewals Motion carried.

Mr. Judy advised the deadly weapons premium is increasing from \$11,719 in 2022-23 to \$14,436 for 2023-24. Motion by Mr. Crowell, seconded by Mr. Schomer to approve the deadly weapons renewal. Motion carried.

Mr. Judy advised the premium for 2023-24 excess cyber coverage will be \$151,530, down from \$164,514 in 2022-23. Mr. Judy explained that the excess cyber policy doubles the core cyber policy's sublimits, and sometimes even more. The aggregate is \$3 million

per member and \$4 for the pool. Motion by Mr. Schomer, seconded by Mr. Crowell. Motion carried.

Mr. Judy reviewed the 2023-24 Excess property coverage document. Motion by Mr. Schomer seconded by Mr. Crowell to approve the 2023-24 excess property coverage document with the lead insurer changed to Berkshire Hathaway. Motion carried.

Mr. Judy advised Pinnacle prepares an annual analysis of the estimated unpaid claims liability as of year-end. This liability includes provision for known claims and claims that have been incurred but not yet reported. The actuary's estimate of liability as of 12/31/22 is \$3,120,260 which is a decrease of \$1,326,796 from last year.. This amount was reported in the 2022 financial statements as claims liability. Motion by Mr. Crowell, seconded by Mr. Uhl to accept Pinnacle's 12/31/22 Actuarial Report. Motion Carried.

Mr. Judy advised the auditors are nearing the completion of their work and when the audited financial statements are completed, they will be incorporated into the ACFR which will be submitted to the GFOA award program.

Mr. Judy reviewed the financial statements and provided ratio analysis and benchmarking reports that demonstrate the financial stability of the pool.

Mr. Judy advised that the brokerage services contract with Alliant dated 7/1/20 was for three years with a MVRMA option for two additional years. Alliant agreed to leave the rate unchanged at a rate of \$78,768 per year. Motion by Mr. Schomer, seconded by Mr. Crowell to approve the two additional years. Motion carried.

Mr. Judy said the finance committee has recommended changes to the Members' Deductible Policy to simplify the billing process by paying all first-party property claims net of deductible. Motion by Mr. Crowell, seconded by Mr. Uhl. Motion carried.

Mr. Judy advised that the Purchasing and Contracting Policy and the Business Continuity Policy were reviewed with no recommended changes.

Membership and Marketing Services Report

Mr. Crowell indicated the committee had no changes to the Membership Selection Policy but recommended the removal of the City of Fairfield from the prospective member list. Motion by Mr. Uhl, seconded by Mr. Kucera. Motion carried.

Broker's Report

Mr. Swarbrick advised that MVRMA's has a combined ratio of 60% compared to the current industry ratio of 104% which is nonprofitable. He indicated the liability reinsurance market is more stable than property for the time being.

Executive Director's Report

Mr. Judy advised that the AGRiP Advisory Standards application is complete and we are seeking authorization to submit. Motion by Mr. Crowell, seconded by Mr. Uhl. Motion carried.

Personnel and Compensation Report

Ms. Knight indicated the following policies with revisions were reviewed: Drug & Alcohol, Workplace Violence, EEO / Anti-Discrimination, Sexual Misconduct, Anti-Harassment. Motion by Mr. Schomer, seconded by Mr. Uhl. Motion carried.

Ms. Knight advised the following policies were reviewed with no recommended changes: Defending and Indemnifying Employees, At Will Employment and Interim Program Management Procedures.

Executive Session

At approximately 11:33 am there was a motion by Mr. Crowell, seconded by Mr. Uhl to recess into Executive Session to discuss the results of the recently completed performance appraisal and compensation recommendation for the Executive Director. Motion carried.

At approximately 11:53 AM the Executive Session was adjourned and returned to regular session.

Personnel and Compensation Report

Motion by Mr. Schomer, seconded by Mr. Reynolds to approve a 2.75% salary increase effective July 1, 2023, for the Executive Director. Motion carried.

President's Report

Nothing to report.

Round Table Discussion

Nothing to report.

Having concluded its business for the day, motion to conclude the meeting by Ms. Poppe, seconded by Mr. Crowell adjourned at 12:00 pm.