

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

September 18, 2023

Time and Location

Home2Suites Centerville. The meeting began at 9:32 AM.

The following individuals were present when the meeting was called to order: Bill Kucera, Christina Ingle, Beavercreek; Rob Schomer, Bellbrook; Sherry Poppe, Blue Ash; Tyler Roark, Centerville; Della Stearns, Englewood; Laurie Murphy, Fairfield; Dina Minneci, Indian Hill; Nancy Gregory, Kettering; Michael Norton-Smith, Madeira; Emily Christian, Miamisburg; John Crowell, Maura Gray, Montgomery; Catherine Bogan, Chris Johnson, Piqua; Renee Dulaney, Sidney; Brian Uhl, Springdale; John Green, Tipp City; Sue Knight, Troy; Julie Duffy, West Carrollton; Rachel Leininger, Wyoming; Justin Swarbrick and Ethan Salsinger, Alliant Insurance Services; Andrew Halsall, GEM; and Tom Judy, Starr Markworth, Sandy Caudill, MVRMA.

Maria Vogelgesang, Centerville joined the meeting at 9:42 AM.

Della Stearns, Englewood left the meeting at 9:40 AM.

Absent: City of Mason, City of Vandalia

Consent Agenda Approval

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

Government Entities Mutual (GEM) Update

Andrew Halsall, GEM President/CEO gave an overview and update of GEM.

Risk Management Committee Report

The claims reporting policy and claims reporting procedure were reviewed with no recommended changes.

Mr. Judy advised that there were lawsuits that went unreported by a member of MVRMA which is a violation of the claims reporting policy. Motion by Mr. Crowell, seconded by Mr. Green to have a resolution denying defense and indemnity to the City of Madeira for any unreported lawsuits. Motion carried.

Ms. Markworth discussed the training update and that to date there have been 613 attendees at various training programs. She advised there have been 4 ELDT classes in 2023 with about 100 drivers passing their CDL exam. She has snow and ice training sessions planned at 3 regional locations later this year as well as a Law Enforcement

update being held October 12th. She indicated the CLG supervisory training had 6 MVRMA members graduating.

Mr. Judy provided the list of Risk Management Requests/Issues included in the agenda packet for the period May 16 through August 21, 20123.

Executive Session

At approximately 10:20 am there was a motion by Ms. Gregory, seconded by Mr. Crowell to recess into Executive Session to discuss pending litigation. Motion carried.

At approximately 10:25 am the Executive Session was adjourned and returned to regular session.

Motion by Ms. Gregory, seconded by Mr. Crowell, 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 average ratio for the 2018-2022 period was 54% which is a bit higher than recent 5-year periods with 7 City members and NAWA exceeding 60%.

Mr. Judy advised the litigation management policy was reviewed and some minor revisions were made. Motion by Mr. Green, seconded by Mr. Crowell. Motion carried.

Ms. Markworth reviewed the cyber loss control activities and the proposed CyberSure Contract. The contract would enable MVRMA staff to work with CyberSure to develop cyber security policies for selected MVRMA members. Motion by Mr. Reynolds, seconded by Mr. Crowell. Motion carried.

Finance Committee Report

Mr. Roark advised that the post-audit review with Julian and Grube went well with no findings and no management letter.

Mr. Roark advised that the Finance Committee recommends the acceptance of the Financial Audit and Annual Comprehensive Financial Report for the year ended 12/31/22. Motion by Ms. Gregory seconded by Mr. Crowell. Motion carried.

Mr. Judy advised that the Pinnacle Actuaries annual loss funding report for LY35 (2023) has been received indicating a funding of \$2,689,763 at a 60% confidence level and \$2,961,121 at a 70% confidence level. He discussed that the increase in funding levels was influenced by the large increase in members' net operating expenses due to accounting for pensions. The Committee recommends a funding level of \$2,450,000. There was discussion that funding less than the 60% confidence level is not a long-term strategy but appropriate for 2024 due to the pool's history of actual claims losses being less than the 60% CL, and the impact on the actuary's numbers due to artificially-high net operating expenses. This will be discussed further at the December board meeting.

Ms. Judy advised that the Finance Committee reviewed the 2024 preliminary budget. The total billed to members is \$7.1 million which is an increase of 13% compared to 2023. He also reviewed 2024 expenditures and revenues, shock loss fund contributions and refunds. Mr. Judy advised that the increase is driven by the increases in property insurance premiums. He noted that the final budget in December may reflect lower property premiums as he has instructed Alliant to take MVRMA's property program back to market with the goal of lowering rates for a 1/1/24 effective date. Motion by Ms. Gregory, seconded by Mr. Green. Motion carried.

Mr. Judy advised that a triennial claims audit is a best practice per the AGRiP Standards Recognition Program. Two proposals were received, and the finance committee recommended the off-site audit by Praxis for \$6,050. Motion by Mr. Kucera, seconded by Mr. Green. Motion carried.

Mr. Judy discussed reducing the threshold to \$1,000 when utilization Gallagher Bassett for subrogation claims. This recommendation is due to the two costs for subrogation claims: 1) a claims handling fee that varies by type of claims and 2) a 20% collection fee. He is attempting to negotiate a lower fee and will revisit once new fees have been established. This will be brought back to the board at a later date.

The pool coverage and limit policies were reviewed and minor changes recommended. Motion by Mr. Reynolds, seconded by Mr. Gregory. Motion carried.

The auto physical damage and real property appraisal policies were reviewed with no recommended changes.

Alliant Insurance Services Report

Mr. Swarbrick discussed the global insurance market indicating that the property insurance market has been impacted significantly in the last 3 to 5 years due to weather-related claims. As a result, claims are outpacing premiums, with insurers paying \$1.03 in claims for each \$1.00 of premium. In 2023 thus far, over a billion dollars in claims have been incurred. He advised this could potentially stabilize for the remainder of the year if there are no major hurricanes this season.

He also discussed going to bid for 1/1/24 property coverage. Most renewals are July 1st so that may be advantageous. The APIP program includes cyber liability and pollution liability so that will need to be shopped as well. He should have bid proposals in time for the next finance committee meeting.

Executive Director's Report

Mr. Judy discussed the Strategic Goals dashboard which is on track.

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

Ms. Christian advised that it is time to ask the Nominating committee to prepare a slate of officers for 2024, therefore, Mr. Kucera will be working on this for the December board meeting.

Round Table Discussion

There were no items to discuss.

Personnel and Compensation Report

Ms. Knight advised the ADA policy was reviewed with recommended changes based on a legal review. Motion by Mr. Schomer, seconded by Mr. Norton-Smith. Motion carried.

Executive Session

At approximately 11:55 am there was a motion by Ms. Gregory, seconded by Mr. Reynolds to recess into Executive Session to discuss personnel. Motion carried.

At approximately 12:20 PM the Executive Session was adjourned and returned to regular session.

Having concluded its business for the day the meeting adjourned at 12:21PM.