



# Board of Director's Work Session Meeting Minutes

April 13 & 14, 2023, 2:00 pm

MCIT Building, Room 312 (3<sup>rd</sup> Floor)  
St. Paul, Minnesota

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## Attendance:

Ron Antony, Trust Chair, Yellow Medicine County  
Don Wachal, Vice Chair, Jackson County  
Randy Schreifels, Secretary/Treasurer, Stearns County (attended only April 14)  
Marcia Ward, Winona County  
Kirk Peysar, Aitkin County  
Jack Swanson, Roseau County  
Kurt Mortenson, Otter Tail County (arrived 4:00 pm April 13)  
Brett Skyles, Itasca County (attended only April 14)  
Todd Patzer, Lac qui Parle County

Ondara Nyang'au, Finance Manager  
Eric Nerness, Director of Claims  
Zahir Siddiqui, PC Claim Manager  
Dawn Hinkley, Staff Counsel for Risk Control  
Kevin Balfanz, Director of Field Services  
Kevin Coleman, Facilities Manager  
Michaela McCue, Graphic Designer  
Heather Larson-Blakestad, Communications Manager  
Sonya Guggemos, Staff Counsel for Risk Control  
Karen Ebert, Staff Counsel for Risk Control

## MCIT Staff:

Gerd Clabaugh, Executive Director  
Steve Nelson, Deputy Director  
Gary Severson, Underwriting Manager

## Service Providers:

Peter Bergstrom, General Counsel

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## CALL TO ORDER

**000** Chair Antony called the MCIT Board of Directors' Work Session Meeting to order at 2:00 p.m. on April 13, 2023 in room 312 at the MCIT Building in St. Paul, Minnesota.

## MCIT CLAIMS PROCESS

**000** Chair Antony recognized Director of Claims Eric Nerness to discuss MCIT claims process. Mr. Nerness presented an overview of the MCIT claims process for both workers' compensation and property/casualty lines. He provided a high-level review of liability coverages, receipt of claims, and what's involved among our staff in processing claims, as well as a review of the role of our defense counsel.

## BENCHMARK ANALYTICS PROJECT

**000** Steve Brewer, Principal, Benchmark Analytics, provided background information to the Board regarding its law enforcement data evaluation and improvement efforts. Executive Director Clabaugh introduced Mr. Brewer, and outlined the initial work that Benchmark is undertaking on MCIT's project, as approved by the Board in the budgeting process in 2022. Mr. Brewer reviewed the project, its current status, and their works' similarities with work at the League of Minnesota Cities.

## **CYBERSECURITY COVERAGE UPDATE AND CONSIDERATIONS FOR 2024**

**000** Director of Claims Eric Nerness and Deputy Director Steve Nelson brought a presentation on MCIT cybersecurity coverage for 2023. They recapped the transition in coverages from HSB to County Reinsurance Limited, and the characteristics of the 2023 coverage. Discussion occurred among members on some of those characteristics including the role of deductibles, how to encourage member adoption of best practices, and as well as discussing claims activity to date in 2023.

## **MEMBER HUMAN RESOURCES PRACTICES AND RISK MANAGEMENT**

**000** Executive Director Gerd Clabaugh led a discussion that touched on general strategies MCIT uses to encourage member efforts to reduce claims frequency and severity. He cited examples of investments in programs like EAP, PATROL, and the Minnesota Safety Council as examples. Discussion branched into supporting human resources best practice adoption among members and the role of AMC's program with David Drown Associates to support both counties and JPA's in Minnesota in their human resources work. Board members informally agreed to request staff to engage in a discussion with AMC staff about the possibility of supporting this human resources consultation work.

## **FIELD SERVICES OUTREACH 2023**

**000** Director of Field Services Kevin Balfanz brought a review of Field Services' plans for outreach to members in 2023. Among those efforts will be a return to bi-annual presentations to Boards of Commissioners during their regular local meetings in each member county. Mr. Balfanz reviewed the current draft presentation and handout. Board members made suggestions regarding topics of interest that staff should touch on during those presentations.

## **RECESS**

The board recessed at 5:30 PM for the evening and will reconvene at 9:00 AM Friday, April 14, to continue through its' agenda.

Chairman Antony called the Board back to order at 9:00 AM on April 14 to continue its work on its agenda. Board members Schreifels and Skyles were in attendance Friday in addition to all other Board members attending on Thursday.

## **PROPOSED FINANCIAL REPORTING ADJUSTMENTS**

**000** Finance Manager Ondara Nyang'au and Executive Director Clabaugh presented to the Board a draft financial statement format aimed at simplifying and improving financial statement information for the Board's review. The report draft presented has been reviewed as a draft by Eide Bailly, MCIT auditors, with both favorable reactions and some minor suggestions. Board members clarified aspects of the draft report, and expressed support for the new format. Clabaugh indicated that certain aspects of the report would go into place for the next reporting cycle and other aspects-like those relating to treating MCIT as a tenant for the facility – would be addressed during the 2024 budgeting discussion.

## **COVERAGES AND ROLE OF DEDUCTIBLES**

**000** Underwriting Manager Gary Severson and Deputy Director Nelson provided a broad review of the deductibles in place for coverages MCIT offers. In most cases, deductible levels have not changed in many years. Discussion focused on the role of deductibles both as revenue source and in incentivizing active risk management efforts among members. Board members discussed those various roles, and informally concluded that it presently sees no need for changes in levels at this time.

#### **LEGISLATIVE UPDATE**

**000** AMC Government Relations Manager Matt Hilgart updated the Board on a variety of issues under discussion during the current legislative session.

#### **ADJOURN**

**000** Chair Antony adjourned the April 13 &14, 2023 work session meeting of the MCIT Board of Directors at 11:00 a.m.

Respectfully submitted by:

Randy Schreifels  
MCIT Secretary/Treasurer