



# Board of Director's Meeting Minutes

March 7, 2024

MCIT Building, Room 220 (2<sup>nd</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  
Marcia Ward, Winona County  
Kirk Peysar, Aitkin County  
Jack Swanson, Roseau County  
Kurt Mortenson, Otter Tail County  
Todd Patzer, Lac qui Parle County  
Brett Skyles, Itasca County

Richard Mieke, Risk Manager  
Andrew Essling, WC Claim Manager  
Kevin Coleman, Facilities Manager  
Karen Clayton Ebert, Staff Counsel for Risk Control  
Gary Severson, Underwriting Manager  
Dawn Hinkley, Staff Counsel for Risk Control  
Jeff Hentges, P/C Claims Representative

## MCIT Staff:

Gerd Clabaugh, Executive Director  
Steve Nelson, Deputy Director  
Linda Podritz, Director of Internal Services  
Ondara Nyang'au, Finance Manager  
Kevin Balfanz, Director of Field Services  
Zahir Siddiqui, Director of Claims

## Service Providers:

Peter Bergstrom, General Counsel  
Jonathan Loose, Wold Architects  
Jake Wollensak, Wold Architects  
Britton Jones, Bolton & Menk  
Tod Deming, Sand Creek EAP  
Susan Herreid, Sand Creek EAP  
Wendi Kotlinsky, Sand Creek EAP

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## CALL TO ORDER

**000** Chair Antony called the MCIT Board of Directors' Meeting to order at 9:00 a.m. on March 7, 2024 in Room 220 at the MCIT Building in St. Paul, Minnesota.

## APPROVE THE AGENDA

**24-03-01** Motion by Peysar, seconded by Swanson to approve the agenda with changes (on file). Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Peysar, Swanson, Mortenson, Patzer and Skyles.

## APPROVE THE MINUTES

**24-03-02** Motion by Ward, seconded by Skyles to approve the minutes of the February 9, 2024 MCIT Board of Directors meeting. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Peysar, Swanson, Mortenson, Patzer and Skyles.

## FINANCIAL REPORT

**000** The board reviewed the Executive Summary of the unaudited financial statement for the period ending January 31, 2024 as presented by Finance Manager Ondara Nyang'au.

**24-03-03** Motion by Mortenson, seconded by Wachal to accept the MCIT unaudited financial statement for the period ending January 31, 2024. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Peysar, Swanson, Mortenson, Patzer and Skyles.

## **STAFF UPDATES**

**000** Richard Miehe was introduced to the board by Kevin Balfanz, Director of Field Services. Miehe joined MCIT as Risk Manager on February 20, 2024.

## **2023 PERFORMANCE REPORT – EMPLOYEE ASSISTANCE PROGRAM**

**000** Sand Creek Executive Director Tod Deming was joined by associates Wendi Kotlinsky and Susan Herreid to present the annual Sand Creek performance report for 2023. Sand Creek and MCIT have partnered since 1996 to bring EAP services to member employees and their family members. Deming noted that county utilization in 2023 reached its highest mark at 6.07%. Over all hours of service totaled 4,816 reaching 4,006 employees and family members. Sand Creek also provided 73 organizational consults to Supervisors and Human Resource professionals.

Deming reported that primary reasons for contacting EAP in 2023 were to address mental health, interpersonal issues, anxiety, depression, couples issues and stress. Counseling delivery trends reflect 48% video and online, 40% face to face, and 13% telephonic.

## **BUILDING EXTERIOR UPDATE**

**000** MCIT Facilities Manager Kevin Coleman was joined by Jonathan Loose and Jake Wollensak from Wold Architects and Britton Jones from Bolton & Menk to present an update on the building exterior project. Schedules reviewed (on file). An overview of the design was presented to include project materials and features with a plan to advance the project to bidding in the next two weeks.

## **2023 PERFORMANCE REPORT – WORKERS’ COMPENSATION CLAIMS**

**000** MCIT WC Claims Manager Andrew Essling presented a report on the performance of the workers’ compensation division during 2023 and reviewed the staffing of the workers’ compensation division. Essling informed the board:

- New indemnity claims decreased from 820 in 2022 to 310 in 2023. Effective January 14, 2023 COVID presumption for certain first responders ended.
- Medical Only claims decreased from 880 in 2022 to 849 in 2023.
- Total claims paid increased from \$11.1M in 2022 to \$13.6M in 2023.
- Total recoveries from the Special Compensation Fund, Workers’ Compensation Reinsurance Association, subrogation and restitution totaled approximately \$561,000 in 2023.
- MCIT’s medical bill review partner, Rising, was implemented in July of 2022. They have improved accuracy and efficiency with the average reduction of a typical bill of 47.7%.
- Our pharmacy benefits manager, AWPRx, generated 27% savings on prescriptions with positive service and support reported.

Workers’ Compensation claim department initiatives for 2024 include:

- Explore return to work options with external partners and members.
- Implement Rising Medical Solutions for task assignments for medical review.
- Implement new partner for claim reporting and triage services.
- Develop key performance indicators for WC dashboards.

## **2023 PERFORMANCE REPORT – PROPERTY CASUALTY CLAIMS**

**000** MCIT Director of Claims Zahir Siddiqui presented the 2023 performance report for property/casualty claims and reviewed the staffing of the property/casualty division. Siddiqui informed the board:

- 1,997 claims were received in 2023 compared to 1,979 in 2022. The majority of the claims received involved "auto" lines of coverage (physical damage, liability and PIP) with land use claims being the least frequently reported claims.
- The total incurred cost of all claims in 2023, including reserves and payments, was \$15.1M compared to \$16.2M in 2022.
- Total recoveries for 2023 (subrogation, salvage and restitution) was \$574,521.
- Defense costs decreased from \$1.9M in 2022 to \$1.8M in 2023.

Property/Casualty claim department initiatives for 2024 include:

- Staff cross training/ professional development.
- Origami claim coding project.
- Development of claims dashboard for PC and WC claims documenting key claim metrics.
- Development of a trial calendar in Origami.
- Cyber Claims handling.
- Determination of open PC Claims Manager position made in 2024.
- Service to members by formalizing policies and procedures, litigation guidelines, and increased presence of P/C staff in the field.

#### **AMC SERVICE AGREEMENT ADDENDUM**

**000** Executive Director Gerd Clabaugh reviewed the 2024 approved budget allocation of \$60,000 to the Association of Minnesota Counties to support its human resources technical assistance program, providing a draft addendum for board consideration.

**24-03-04** Motion by Swanson, seconded by Patzer authorizing the Executive Director to enter into a one year addendum in 2024 to the current AMC Service Agreement for \$60,000 to support its human resources technical assistance program. Motion carried. Voting Yes: Antony, Wachal, Ward, Swanson, Mortenson, Patzer and Skyles. Voting No: Schreifels. Absent: Peysar

#### **MCIT COMPENSATION STUDY**

**000** Executive Director Gerd Clabaugh reviewed the 2024 approved budget allocation to cover the cost of an MCIT staff compensation study. MCIT last studied compensation in 2017 when it restructured its compensation schedules. Given the changes in the labor market during the past few years, Clabaugh reported now is a good time to conduct an update of this work. Gallagher Consultants have provided a draft agreement and their estimated cost for this work is \$37,250.

**24-03-05** Motion by Schreifels, seconded by Patzer authorizing the Executive Director to enter into an agreement with Gallagher Consultants for an amount not to exceed \$37,250 for the MCIT Compensation Study. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Peysar, Swanson, Mortenson, Patzer and Skyles. Absent: Peysar

#### **BENCHMARK ANALYTICS CONTRACT AMENDMENT**

**000** Executive Director Gerd Clabaugh reviewed Benchmark Analytics' current contract to support evaluation of our jail-related claims data and outreach to county sheriff member to engage them in raising awareness of jail claim patterns and facilitate conversations on potential improvements in practices that will improve our claims experience. The board previously approved an increase in the budget for this work by \$60,000 in 2024 to further expand their data analysis of our claims expanding this to include patrol as well as jail claims

and engage our sheriffs in regional discussions around what the data is showing and how best practices can improve MCIT's claims experience.

**24-03-06** Motion by Skyles, seconded by Mortenson authorizing the Executive Director to enter into an agreement with Benchmark Analytics to expand the scope of work for the second year of the three year agreement not to exceed \$60,000. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer and Skyles. Absent: Peysar

### **AGRIP CONFERENCE ATTENDEE REPORT**

**000** Six board members attend the AGRIP Governance Conference in Nashville, Tennessee March 3-6, 2024. Attendees reviewed items and training topics of interest with the full board.

### **REPORT OF THE EXECUTIVE DIRECTOR**

**000** Executive Director Clabaugh briefly reviewed activities of MCIT associates since the last board meeting (details on file) and reviewed potential retreat agenda items for the April meeting. Clabaugh will send the list to board members for comment and to rank items by priority before assembling the final agenda.

### **OTHER BUSINESS**

- Board Spring Work Session: April 11-12, 2024
- Next Regular Board Meeting: April 12, 2024
- Personnel Committee meeting, April 11, 2024
- Investment Committee meeting, April 11, 2024
- PRIMA Conference – Nashville, TN: June 6-9, 2024
- CRL Pool Board Governance Conference: July 22-25, 2024

### **ADJOURN**

Chair Antony adjourned the March 7, 2024 meeting of the MCIT Board of Directors at 12:25 p.m.

Respectfully submitted by:

Randy Schreifels  
MCIT Secretary/Treasurer