



Annual Membership Meeting Minutes

Dec. 9, 2024

DoubleTree Hotel, Atrium 4

Bloomington, Minn.

ATTENDANCE:

Board Members

Ron Antony	Chair, Yellow Medicine County Commissioner
Don Wachal	Vice Chair, Jackson County Commissioner
Randy Schreifels	Secretary Treasurer, Stearns County Auditor-Treasurer
Marcia Ward	Winona County Commissioner
Kirk Peysar	Aitkin County Auditor
Jack Swanson	Roseau County Commissioner
Kurt Mortenson	Otter Tail County Commissioner
Brett Skyles	Itasca County Administrator

Absent

Todd Patzer	Lac qui Parle County Commissioner
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MCIT Staff:

Gerd Clabaugh	Executive Director
Steve Nelson	Deputy Director
Ondara Nyang'au	Finance Manager
Zahir Siddiqui	Director of Claims
Kevin Balfanz	Director of Field Services
Linda Podritz	Director of Internal Services
Karen Clayton-Ebert	Senior Staff Counsel for Risk Control
Sonya Guggemos	Senior Staff Counsel for Risk Control
Dawn Hinkley	Staff Counsel for Risk Control
Jim Karlels	Risk Management Consultant
Joe Cieminski	Risk Management Consultant
Richard Miehe	Risk Management Consultant
Heather Larson-Blakestad	Communications Manager
Michaela McCue	Graphic Designer

MCIT Members:

Laurie Westerlund	Aitkin County
David Meyer	Becker County
Thomas Barry	Beltrami County
Ed Popp	Benton County
Brent Olson	Big Stone County
Kip Bruender	Blue Earth County
Scott Windschilt	Brown County
Dennis Genereau, Jr.	Carlton County

Becky Toso	Cass County
Robert Kangas	Cass County
Rick Greene	Chisago County
David Ebinger	Clay County
Allen Paulson	Clearwater County
Ginny Storlie	Cook County
Jory Danielson	Crow Wing County
Jim Elmquist	Dodge County
Tim Kalina	Douglas County
Bill Groskreutz	Faribault County
Bobbie Hillery	Fillmore County
Brad Edwin	Freeborn County
Todd Greseth	Goodhue County
Steve Keranen	Hubbard County
Roger Pohlman	Jackson County
Steve Gardner	Kandiyohi County
Loren Younggren	Kittson County
DeRon Brehmer	Lac qui Parle County
Joe Balticj	Lake County
Steve Rohlfing	Le Sueur County
Dean Nielsen	Lincoln County
Rick Anderson	Lyon County
Scott Peters	Marshall County
Rolland Miller	Marshall County
Elliot Belgard	Martin County
Sheila Murphy	McLeod County
Dan Sparks	Mower County
Gene Metz	Nobles County
Jesse Lee	Norman County
Lee Rogness	Otter Tail County
Jennifer Herzberg	Pennington County
Roy Sourdif	Pennington County
Joan Lee	Polk County
Larry Lindor	Pope County
Vicki Knobloch-Kletscher	Redwood County
Randy Kramer	Renville County
Kyle Oldre	Rock County
Martie Monsrud	Roseau County
Barb Weckman Brekke	Scott County
Bruce Messelt	Sherburne County
Raeanne Danielowski	Sherburne County
Lyle Grochow	Sibley County
Steve Notch	Stearns County
Jeanne Ennen	Stevens County
Eric Rudningen	Swift County
Barb Becker	Todd County
Heather Olson	Wadena County
DeAnne Malterer	Waseca County
Stan Karwoski	Washington County
Lindsey Meyer	Wright County

Others in Attendance:

Peter Bergstrom	MCIT General Counsel
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CALL TO ORDER

MCIT Board Chair Ron Antony called MCIT's 2024 Annual Membership Meeting to order at 4 p.m. in Atrium 4 at the Double Tree Hotel in Bloomington, Minnesota.

2024 ANNUAL MEMBERSHIP MEETING AGENDA

000 Motion by Roger Pohlman, Jackson County, seconded by Kyle Oldre, Rock County, to approve the 2024 MCIT Annual Membership Meeting agenda. The motion carried unanimously by the members in attendance.

MINUTES OF THE 2023 ANNUAL MEMBERSHIP MEETING

000 Motion by Joan Lee, Polk County, seconded by Rick Anderson, Lyon County, to approve the minutes of the 2023 MCIT Annual Membership Meeting held on December 4, 2023. The motion carried unanimously by the members in attendance.

FINANCIAL REPORT

Gerd Clabaugh, MCIT Executive Director, presented the 2023 audited financial statement. It was reported that the independent audit firm of Eide Bailly LLP assigned MCIT an unmodified audit opinion for 2023. Items of note from the financial statement include:

- Member contributions of \$44.9M representing a \$1.1M increase from 2022.
- The significant reduction in dividend payments from 2022 to 2023 represents the one-time refund of proceeds from the Workers' Compensation Reinsurance Association to members who participate in the Workers' Compensation Program, valued at \$9.6M, paid in 2022. A refund of \$4.0M was paid in 2023.
- Claims paid and changes in reserves of \$32.0M represents a reduction of \$400,000 from 2022.
- 2023 revenues of \$54.0 M compared to expenses of \$47.5M. This difference is the result of improved net investment activity as compared to 2022.
- MCIT's 2023 year-end fund balance was \$60.1M, an increase of \$2.3M over 2022.

Clabaugh also provided a report on unaudited financial information of the Trust as of September 30, 2024. Significant items include:

- Member contributions of \$36.3M at 9/30/23, with full year contributions expected at \$48.3M.
- Paid losses (net of recoveries) as of 9/30/23 are 24.7M, running slightly ahead of earlier projections based on higher than anticipated Workers' Compensation claims.
- Administrative and operating expenses totaled \$6.3M, just slightly below budget trend at 72% spending year to date.
- A Dividend of \$3.5M was declared earlier in the year and paid in November 2024 from the Workers' Compensation Division only.

000 Motion by Steve Gardner, Kandiyohi County, seconded by Eric Rudningen, Swift County, to approve the 2023 Audited Financial Statement. The motion carried unanimously by the members in attendance.

ELECTION OF BOARD MEMBERS

Pursuant to the MCIT bylaws, the election of board members was conducted. Chair Antony announced that three seats were up for election. Incumbents Winona County Commissioner Marcia Ward (Seat A)

INTRODUCTION OF STAFF

Chair Antony invited the MCIT staff in attendance to stand and be recognized by the members in attendance. They were thanked for their work and services provided during the year. Antony also recognized MCIT General Counsel, Peter Bergstrom, who is attending his 51st consecutive MCIT annual meeting. Bergstrom was thanked for his many years of service.

MCIT PROGRAM UPDATE

Gerd Clabaugh, MCIT Executive Director, provided an overview of MCIT and its role in county member operations. He highlighted MCIT's public structure, county Board member-driven Board of Directors, its focus on cost recovery and returning excess funds to members when possible, and the broad services it provides covering 483 member organizations, 32,500 employees, 11,000 vehicles, and \$8.1 billion in total property value statewide. He further highlighted several areas of focus in 2024 including provision of cybersecurity coverage and outreach to membership in support of the adoption of best practices, and emphasized new initiatives to improve law enforcement liability exposure. He expressed appreciation of the membership's ongoing commitment to our shared work, and acknowledged MCIT's shared mission of service with our members to the citizens of Minnesota.

FAREWELL TO BOARD MEMBERS

Chair Antony, along with the rest of the MCIT Board thanked departing and retiring board member Aitkin County Auditor, Kirk Peysar for his service, dedication and friendship during his tenure on the board.

MEMBER COMMENTS

Chair Antony asked for member comments. Bruce Messelt, Sherburne County Administrator shared concern with the timing of MCIT's annual renewal pricing estimates. He asked the Board to look into ways for members to receive this information sooner than the August deadline as addressed in the MCIT Bylaws to assist members in their budgeting process. Similarly Messelt asked the Board to consider providing the results of member independent property appraisals, administered by MCIT every 5 years, sooner than currently provided or consider an alternative valuation roll-out schedule, again, to assist members in their budgeting process. Executive Director Clabaugh responded by assuring those in attendance that MCIT is always willing to consider making improvements to processes and will communicate any changes made relative to the issues brought forward by Sherburne County.

ADJOURN

With the meeting agenda concluded Chair Antony called for a motion to adjourn the 2024 MCIT annual membership meeting.

000 Motion by David Ebinger, Clay County, seconded by Bobbie Hillery, Fillmore County, to adjourn the 2024 MCIT annual membership meeting at 4:45 p.m. The motion carried unanimously by the members in attendance.

Respectfully submitted,

Randy Schreifels
MCIT Secretary/Treasurer