



Board of Director's Meeting Minutes

Jan. 9, 2026

MCIT Building, Room 220

St. Paul, Minn.

Attendance:

Ron Antony, Trust Chair, Yellow Medicine County
Don Wachal, Vice Chair, Jackson County
Randy Schreifels, Secretary/Treasurer, Stearns County
Marcia Ward, Winona County
Jack Swanson, Roseau County
Kurt Mortenson, Otter Tail County
Todd Patzer, Lac qui Parle County
Brett Skyles, Itasca County
Lindsey Meyer, Wright County

Linda Podritz, Director of Internal Services
Ondara Nyang'au, Finance Manager
Gary Severson, Underwriting Manager
Zahir Siddiqui, Director of Claims
Karen Clayton Ebert, Staff Counsel for Risk Control
Dawn Hinkley, Staff Counsel for Risk Control
Pam Ihns, Payroll Accountant/HR Assistant
Jeff Hentges, Property/Casualty Claims Manager
Sonya Guggemos, Staff Counsel for Risk Control

Service Providers:

Peter Bergstrom, General Counsel

MCIT Staff:

Steve Nelson, Executive Director

CALL TO ORDER

000 Ron Antony called the MCIT Board of Directors' Meeting to order at 9:00 a.m. on January 9, 2026 at the MCIT Building in St. Paul, Minnesota. Being the first and organizational meeting of the year, Antony then turned the meeting over to General Counsel Peter Bergstrom to begin the election of officers.

ELECTION OF OFFICERS

000 MCIT General Counsel Peter Bergstrom conducted the election of officers.

26-01-01 Motion by Swanson, seconded by Meyer nominating Antony as MCIT Board Chair, Wachal as MCIT Board Vice Chair, and Schreifels as MCIT Board Secretary/Treasurer. Bergstrom called for other nominations, hearing none. Motion Carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

APPROVE THE AGENDA

26-01-02 Motion by Schreifels, seconded by Skyles to approve the agenda with changes (on file). Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

COMMITTEE APPOINTMENTS

000 Chair Antony made the following appointments to MCIT Committees for 2026:

- Claims Committee: Antony, Wachal, Schreifels, rotating alternates Skyles (January through April), Mortenson (May through August) and Patzer (September through December)
- Governance Committee: Ward, Swanson, Mortenson and Patzer
- Personnel Committee: Antony, Wachal, Mortenson and Skyles
- Audit Committee: Antony, Schreifels, Patzer and Meyer
- Investment Committee: Schreifels, Skyles, Ward and Meyer

APPROVE THE MINUTES

26-01-03 Motion by Ward, seconded by Meyer to approve the minutes of the December 8, 2025 Board Meeting of the MCIT Board of Directors. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

FINANCIAL REPORT – PERIOD ENDING NOVEMBER 30, 2025

000 The board reviewed the Executive Summary of the unaudited financial statement for the period ending November 30, 2025 as presented by Finance Manager Ondara Nyang'au.

26-01-04 Motion by Meyer seconded by Patzer to accept the MCIT unaudited financial statement for the period ending November 30, 2025. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

2026 MILEAGE REIMBURSEMENT RATE

000 Executive Director Steve Nelson presented information on a change to the IRS standard mileage reimbursement rate that applies to authorized use of personal vehicles used for MCIT business. The IRS changed the rate from \$0.70 per mile in 2025 to \$0.725 per mile effective January 1, 2026.

26-01-05 Motion by Schreifels, seconded by Patzer to adopt the new IRS standard mileage reimbursement rate of \$0.725 per mile effective January 1, 2026 for authorized use of personal vehicles used by staff and board members for MCIT business. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

2026 ANNUAL REVIEW OF BOARD POLICIES

000 Executive Director Steve Nelson reviewed the MCIT Board of Directors' Code of Ethics and the Meeting Reimbursement and Out-of-State Travel Policy with the board. There were no suggested changes. He also reviewed the board compensation schedule for 2026. These policies are reviewed annually by the board as a best practice for governing boards that ensures transparency with the policies becoming part of the public record.

2026 BOARD MEETING SCHEDULE

000 Executive Director Steve Nelson presented the 2026 Board Meeting Schedule (on file).

MEMBERSHIP ISSUES

000 Underwriting Manager Gary Severson presented Prairie Lakes Community Health Board for membership sponsored by Otter Tail County.

26-01-06 Motion by Skyles, seconded by Wachal approving membership for Prairie Lakes Community Health Board sponsored by Otter Tail County with membership effective January 1, 2026. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

MAHNOMEN COUNTY REQUEST FOR COVERAGE APPEAL

000 Executive Director Steve Nelson advised that Mahnomen County has requested a hearing before the MCIT Board regarding a coverage decision issued by MCIT on October 14, 2025.

26-01-07 Motion by Ward, seconded by Swanson to hear Mahnomen County's appeal of a coverage decision during the March 13, 2026 Board of Directors meeting. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

PATROL CONTRACT EXTENSION

000 Executive Director Steve Nelson advised that MCIT's support of the PATROL (Peace Officer Accredited Training OnLine) program as administered by LMCIT renews annually. Nelson reported that currently 73 member counties and one non-county member subscribe to the program equating to over 2,200 enrolled officers receiving web-based training designed specifically for law enforcement officers in Minnesota. Nelson advised that MCIT's contribution to the program is \$50,000 annually and he is seeking authority to renew the agreement for 2026.

26-01-08 Motion by Swanson, seconded by Ward authorizing the renewal of the contract between MCIT and LMCIT for continuation of the PATROL program in 2026 at a cost of \$50,000. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

REPORT OF THE AUDIT COMMITTEE

000 Board Member Lindsey Meyer reported that the Audit Committee met January 9, 2026. They reviewed and updated committee policies and met with MCIT's independent auditing firm, Eide Bailly, in preparation for the 2025 audit. Further information on the audit process will follow later in the year.

REPORT OF THE EXECUTIVE DIRECTOR

000 Nelson briefly reviewed activities of MCIT associates since the last board meeting (details on file).

MEMBER COVERAGE APPEAL

26-01-09 Motion by Mortenson, seconded by Schreifels to close the regular meeting of the MCIT Board of Directors for purposes of conducting a public hearing. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

26-01-10 Motion by Mortenson, seconded by Schreifels to open a public hearing to hear an appeal for coverage requested by Cass County. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

000 Pursuant to the MCIT Bylaws Section 7.10, Cass County requested a hearing before the MCIT Board of Directors regarding a disclaimer of coverage arising out of a claim brought against Cass County by Catherine Brennan seeking to vacate three civil commitment orders initiated by the County. The hearing was held on January 9, 2026 at the MCIT Headquarters in St. Paul, Minnesota. Director of Claims, Zahir Siddiqui appeared for MCIT. Cass County relied on their written materials and did not attend the hearing. Siddiqui outlined the basis for MCIT's disclaimer and responded to questions from the Board.

26-01-11 Motion by Mortenson, seconded by Skyles that based upon all files, records and proceedings herein, together with the arguments of representatives for Cass County and MCIT, the MCIT Board of Directors adopts the following Findings of Fact:

FINDINGS OF FACT

- (1) This coverage appeal arises from of a Disclaimer of Coverage for a claim submitted by Cass County in response to a Complaint for Equitable Relief filed by Catherine Brennan.
- (2) Cass County submitted a claim to MCIT on October 3, 2025 seeking coverage for the damages sought under the Complaint for Equitable Relief filed by Catherine Brennan.
- (3) MCIT issued a Disclaimer of Coverage to Cass County on October 9, 2025 citing applicable Coverage Document language and provisions.
- (4) Cass County responded to MCIT's Disclaimer of Coverage on October 13, 2025 and requested an appeal of MCIT's decision to disclaim coverage to Cass County.
- (5) Cass County's appeal of disclaimer of coverage was timely received by MCIT.
- (6) MCIT detailed the relevant provisions of the 2025 MCIT Coverage Document in its Memorandum and they are incorporated herein by reference.

CONCLUSIONS

- (1) The claim brought by Catherine Brennan seeks only "Non-Monetary Relief" damages that are not covered under the 2025 MCIT Coverage Document.
- (2) The claim submitted by Cass County is not a "covered claim" as defined by the 2025 MCIT Coverage Document.
- (3) The 2025 MCIT Coverage document does not provide coverage for damages that are "Non-Monetary Relief" damages as well as for costs or fees, including attorney's fees that arise from an uncovered claim or suit.
- (4) The Damages sought by Catherine Brennan are "Non-Monetary Relief" damages and are not covered by the 2025 MCIT Coverage Document; thus MCIT has no obligation to defend or indemnify Cass County against Catherine Brennan's claim(s).

Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

26-01-12 Motion by Ward, seconded by Wachal to close the public hearing to hear an appeal of coverage requested by Cass County. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

26-01-13 Motion by Ward, seconded by Wachal to reopen the regular meeting of the MCIT Board of Directors. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

OTHER BUSINESS

February Meetings

- Board Meeting: February 13, 2026 at 9:00 a.m.
- Claims Committee: February 13, 2026 at 1:00 p.m.

ADJOURN

000 Chair Antony adjourned the January 9, 2026 meeting of the MCIT Board of Directors at 11:30 a.m.

Respectfully submitted by:

Randy Schreifels
MCIT Secretary/Treasurer