



# Board of Directors Meeting Minutes

Feb. 13, 2026  
MCIT Building, Room 220  
St. Paul, Minn.

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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  
Jack Swanson, Roseau County  
Kurt Mortenson, Otter Tail County  
Todd Patzer, Lac qui Parle County  
Brett Skyles, Itasca County  
Lindsey Meyer, Wright County

Heather Larson-Blakestad, Communications Manager  
Karen Clayton Ebert, Sr. Staff Counsel for Risk Control  
Richard Miehe, Risk Management Consultant  
Zahir Siddiqui, Director of Claims  
Dawn Hinkley, Staff Counsel for Risk Control  
Sonya Guggemos, Sr. Staff Counsel for Risk Control  
Michaela McCue, Graphic Designer  
Pam Ihns, Payroll Accountant  
Kevin Coleman, Facilities Manager  
Jeff Hentges, PC Claims Manager

## MCIT Staff:

Steve Nelson, Executive Director  
Linda Podritz, Director of Internal Services  
Ondara Nyang'au, Finance Manager

## Service Providers:

Peter Bergstrom, General Counsel  
Pete Schmit, Galliard Capital Management  
Rob Crandall, Galliard Capitol Management

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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 February 13, 2026 in Room 220 at the MCIT Building in St. Paul, Minnesota.

## APPROVE THE AGENDA

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

## APPROVE THE MINUTES

**26-02-02** Motion by Schreifels, seconded by Patzer to approve the minutes of the January 9, 2026 MCIT Board of Directors meeting. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

## FINANCIAL REPORT

**000** The board reviewed the Executive Summary of the unaudited financial statement for the period ending December 31, 2025 as presented by MCIT Finance Manager Ondara Nyang'au.

**26-02-03** Motion by Wachal, seconded by Meyer to accept the MCIT unaudited financial statement for the period ending December 31, 2025. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

#### **4<sup>th</sup> QUARTER 2025 INVESTMENT REPORT**

**000** Rob Crandall and Pete Schmit of Galliard Capital Management presented a brief report on the performance of MCIT's investment portfolio during the fourth quarter of 2025.

Crandall's material on economic conditions noted that the Fed lowered interest rates by 25 basis points in October and 25 basis points in December. There were 3 consecutive cuts since September for a total reduction of 75 basis points in 2025. Due to the Government shutdown in October, the consumer price index data was not released until midway through November and there is doubt as to the reliability of the November release. Third quarter GDP growth measured 1.3%, beating estimates of -3.3%. Growth forecasts for the fourth quarter range from 1.0% to 3.5%. Consumer spending and wholesale pricing information has not been released since September, contributing further to the lack of confidence in inflation data quality. Long-term inflation expectations are anchored in the -2.25 range. The labor market continued a cooling trend that emerged earlier in the year and unemployment rate increased to 4.6% in November, representing a 0.5% increase year-to-date. The economy tolerated various sources of uncertainty, including the delay in economic data releases in the fourth quarter, remarkably well and risk assets continued to outperform.

Schmit's material addressed MCIT's portfolio and 4<sup>th</sup> quarter transactions. The investment portfolio reported a positive return for the 4<sup>th</sup> quarter. The yield to maturity for the portfolio was 4.40%, outperforming the benchmark by 0.08% for the quarter with an estimated annual income of \$2.4 million for 2025. With no material changes to the portfolio, it remains high quality, laddered and diverse, outperforming the benchmark for the year.

#### **REPORT OF THE MCIT INVESTMENT COMMITTEE**

**000** Board member Schreifels reported that the Investment Committee met today prior to the board meeting. Representatives of Galliard attended the meeting to discuss their recommendations for funding the property casualty and workers' compensation portfolios managed by the firm to achieve MCIT's revised investment strategies. Galliard recommended setting a realized loss budget for the property casualty portfolio not to exceed \$900K over a six month period and a realized loss budget for the workers' compensation portfolio not to exceed \$4.5M over a nine month period for a maximum loss of \$5.4. After nine months the realized loss budget would return to the current level. Representatives of Galliard indicated that having the increased flexibility to trade certain assets at a loss short term will allow them to transition the portfolio at a reasonable pace ultimately benefiting the Trust with improved annual income, diversification and total return potential. Schreifels reported that setting the loss reserve at this level does not necessarily mean the losses will be realized as several factors discussed by the board will impact ultimate trade values. The committee and Executive Director recommend this course of action and seek the full board's direction.

Executive Director Nelson next presented an update on MCIT's risk asset investment portfolio as of December 31, 2025 confirming that individual funds were fully funded throughout 2025 pursuant to board direction. MCIT is fully invested and staff will provide quarterly updates to the Board.

**26-02-04** Motion by Patzer, seconded by Skyles ratifying the Investment Committee's recommendation to accept Galliard's proposal to set a realized loss budget, as they proposed, of up to \$5.4M in 2026 while they work to fund MCIT's property casualty and workers'

compensation portfolios within the confines of MCIT's revised Investment Guidelines and investment strategies. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

## **2025 PERFORMANCE REPORT – COMMUNICATIONS**

**000** MCIT Communications Manager, Heather Larson-Blakestad, presented a report outlining 2025 member services, products and initiatives. She introduced the new Digital Asset Management System that is an online functional library of our photo assets. In addition to the core responsibilities of the communications department, project initiatives in 2025 included:

- Coordination of four in-person statewide seminars on the topics of public sector human resources basics, workers' compensation for public employers, navigating key land use issues and public sector human resources 2.0.
- Developed webinars and tutorials for a series of open meeting law webinars, management of property and liability claims, understanding park and rec immunities, manage data to manage cyber risk and how MCIT determines a member's contribution.
- Continued to coordinate training and education requests of members
- Developed multiple program resources including the MCIT Bulletin, report to members, EAP promotional materials, click wisely for email security awareness materials, step wisely campaign, and a variety of important announcement email blasts to members on specific targeted issues.

Larson-Blakestad also commented on 2026 initiatives including:

- Coordinate three in-person training events
- Coordinate and facilitate three webinars
- Create and deliver EAP champion campaign
- Create new Step Wisely campaign materials
- Develop workers' compensation handbook
- Collaborate with field services to develop new tools to support member' risk management and loss control efforts
- Update website based on user experience analysis and new ADA

Use of MCIT's website continues to increase with top views being the resource library, contact MCIT, search and events.

## **CONTRACT EXTENTIONS**

**000** Executive Director Steve Nelson reviewed the engagement and work of Benchmark Analytics to support evaluation of MCIT's jail-related claims data, outreach to our county sheriff members to engage them in raising awareness of jail claim patterns, and facilitating conversations on potential improvements in practices. MCIT's initial 3-year contract ends February 2026 and staff recommends a 3-year extension with expanded services in the area of member outreach with jail administrators and sheriffs with the goal of increasing member participation.

**26-02-05** Motion by Patzer, seconded by Meyer authorizing the Executive Director to enter into a 3-year service agreement with Benchmark Analytics with pricing and services as outlined in the service agreement, for review and analysis of MCIT law enforcement claims data and related member outreach not to exceed \$164,171. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

**000** Sr. Staff Counsel for Risk Control, Karen Ebert reviewed information on Westlaw's on-line Legal Research Services used by MCIT staff counsel. Our existing 3-year contract expires at the end of February 2026.

**26-02-06** Motion by Mortenson, seconded by Swanson authorizing the Executive Director to enter into a 3 year agreement with Westlaw for online Legal Research Services. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

### **COUNTY REINSURANCE DESIGNATED REPRESENTATIVE**

**000** Executive Director Nelson requested the board update MCIT's designated representative, with the departure of former Executive Director Clabaugh, to represent MCIT in all matters related to County Reinsurance, Limited (CRL).

**26-02-07** Motion by Schreifels, seconded by Meyer to approve Executive Director Nelson as MCIT's designated representative to County Reinsurance, Limited (CRL). Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

### **MEMBERSHIP ISSUES**

**000** MCIT Risk Management Consultant Richard Miehe presented Otter Tail County Agricultural Society and Fair Association for membership sponsored by Otter Tail County.

**26-02-08** Motion by Mortenson, seconded by Patzer approving membership for Otter Tail Agricultural Society and Fair Association sponsored by Otter Tail County with membership effective February 1, 2026. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

**000** Executive Director Nelson advised that Clay County has requested a hearing before the MCIT Board regarding a coverage decision.

**26-02-09** Motion by Patzer, seconded by Schreifels to hear Clay County's appeal of a coverage decision on Thursday, April 9, 2026 at 1 p.m. prior to the Board of Directors April work session. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

### **CLOSED SESSION**

**26-02-10** Motion by Patzer, seconded by Skyles to close the meeting at 11:25 a.m. pursuant to Minn. Stat. §13D.05, Subd. 3(b) attorney client privilege related to ongoing litigation regarding Duncan V. Chisago County et. al. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

**26-02-11** Motion by Wachal, seconded by Mortenson to return meeting to open session at 11:55 a.m. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

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

**000** Executive Director Nelson briefly reviewed initiatives and activities of MCIT associates since the last board meeting (details on file).

## **OTHER BUSINESS**

### March Meetings

- Board of Directors: Friday, March 13, 2026, 9:00 a.m.
- Claims Committee: Friday, March 13, 2026, 1:00 p.m.

## **ADJOURN**

Chair Antony adjourned the February 13, 2026 meeting of the MCIT Board of Directors at 12:10 p.m.

Respectfully submitted by:

Randy Schreifels  
MCIT Secretary/Treasurer