Board of Director's Meeting Minutes

July 10, 2026
MCIT Building, Room 220 (Second Floor)
St. Paul, Minnesota

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

MCIT Staff:
Steve Nelson, Executive Director
Linda Podritz, Director of Internal Services
Gary Severson, Underwriting Manager
Ondara Nyang'au, Finance Manager
Zahir Siddiqui, Director of Claims
Jeff Kulas, IT Manager
Karen Ebert, Staff Counsel for Risk Control
Dawn Hinkley, Staff Counsel for Risk Control
Sonya Guggemos, Staff Counsel for Risk Control
Richard Miehe, Risk Management Consultant
Kevin Coleman, Facility Manager
Heather Larson-Blakestad, Communications Manager
Michaela McCue, Graphic Designer
Pam Ihns, Payroll Accountant/HR Assistant
Jeff Hentges, PC Claims Manager
Nathan Haupt, Maintenance Technician

Service Providers:
Peter Bergstrom, General Counsel
Scott Anderson, Actuarial Advisors
Erik Steuernagel, Actuarial Advisors

CALL TO ORDER

000 Trust Chair Antony called the MCIT Board of Directors' Meeting to order at 9:00 a.m. on July 10, 2026, in Room 220 at the MCIT Building in St. Paul, Minnesota.

APPROVE THE AGENDA

26-07-01 Motion by Patzer, seconded by Meyer to approve the agenda. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

APPROVE THE MINUTES

26-07-02 Motion by Swanson, seconded by Mortenson to approve the minutes of the June 12, 2026 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 MAY 31, 2026

000 The board reviewed the Executive Summary of the unaudited financial statement for the period ending May 31, 2026 as presented by Finance Manager Ondara Nyang'au.

26-07-03 Motion by Schreifels, seconded by Skyles to accept the MCIT unaudited financial statement for the period ending May 31, 2026. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

2027 CONTRIBUTION DISCUSSION

000 Scott Anderson of Actuarial Advisors reported that property/casualty rate level indicators suggest no change in aggregate rates for 2027. He explained that rates for individual lines of coverage, such as auto liability, auto property damage, general liability, property, and public employees liability, will change with the net effect of collecting the same contribution as in 2026. His rate recommendations again reflect where MCIT claims are arising. He advised that when holding the aggregate rate flat, members might still see changes in their contribution based on changes to coverage line rates and corresponding changes to member exposure base within the lines of coverage, which is typical.

26-07-04 Motion by Schreifels, seconded by Patzer directing property casualty rates in the aggregate reflect no change for 2027 and to adjust the individual lines of coverage rates as presented. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

000 Anderson reported that workers' compensation rate level indicators support no aggregate rate adjustments for 2027. He advised that when holding the aggregate rate flat, members might still see changes in their contribution based on changes to individual classification code rates and corresponding changes to member payroll within those classification codes, which is typical.

26-07-05 Motion by Patzer, seconded by Skyles directing that workers' compensation rates in the aggregate reflect no change for 2027 and to adjust the individual payroll classification code rates as presented. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

000 Anderson provided a brief overview of MCIT's WCRA reinsurance retention history recommending that MCIT remain at the high retention level, $1M per claim, for 2027.

26-07-06 Motion by Schreifels, seconded by Meyer to remain at the high retention level for WCRA reinsurance for 2027. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Patzer, Skyles and Meyer.

MEMBERSHIP ISSUES

000 MCIT Risk Management Consultant Richard Miehe provided a brief report on the number and status of pending prospective member applications. He reported that one member, Whitewater Joint Powers Board, is leaving the trust due to dissolution further advising that there are no new member applications to present at this time. Miehe also provided an update on the work of MCIT's risk management consultants as it relates to the risk management partnership group.

000 Executive Director Steve Nelson reported that existing member, Three Rivers Park District, has requested a quote for participation in the workers' compensation division. Nelson explained that this member joined MCIT in 2002, participating only in the property casualty division with the MCIT Board serving as sponsor. Their employee count is estimated at 2,500 and they are presently self-insured. Staff is conducting their analysis which includes the calculation of an experience modification factor by Actuarial Advisors, and discussion with workers' compensation leadership as to capacity to handle anticipated claim volume. Staff will present a report to the Board at the August meeting, seeking Board authorization prior to releasing a coverage quote.

2025 PERFORMANCE REPORT – FACILITY OPERATIONS

000 MCIT Facility Manager Kevin Coleman presented an overview of building operations during 2025. All facility users including MCIT staff held 882 meetings in the MCIT building during the year. This compares to 834 meetings in 2024. Total meeting attendees, not including MCIT staff, was 4,116 people.

2025 projects included:

- ADA door integration system allowing communication with the building's Energy Management System
- Generator replacement
- VAV controllers to assist with the building's climate control system
- Won Door control panel replacement for multi-purpose accordion sliding door on third floor.
- Shrub replacement of the line of shrubs running along Empire Drive
- Tree pruning
- Carpet extractor replacement
- Continued work on the plaza redesign

Coleman concluded his report by recapping facility initiatives for 2026 and recognized Nathan Haupt, Facility Technician in his 4th year with MCIT for the quality of his work. Coleman also updated the board on the repairs needed in the suite arising from the April 3, 2026 water event.

2025 PERFORMANCE REPORT – INFORMATION/TECHNOLOGY

000 MCIT Information Technology Manager, Jeff Kulas presented the 2025 IT performance report. Kulas reviewed IT activities and accomplishments that included Office 365 migration, Sentinel One installation and Threat Locker installation. Kulas highlighted IT initiatives for 2026 (on file). He concluded his report acknowledging the work of Eric Jacobsen, MCIT System Administrator, for his contributions to the IT team.

INVESTMENT COMMITTEE REPORT AND RECOMMENDATIONS

000 MCIT Underwriting Manager Gary Severson reported that the Investment Committee met today at 8;00 a.m. to review additional equity investment recommendations given completion of the 2025 audit and relevant policies within the Investment Guidelines relating to recalculating equity investment targets. At the committee meeting, staff presented updated investment targets for MCIT based on the formula outlined in Section VI of the Investment Guidelines. The resulting calculations reveal an overall increase in risk asset investment targets to a maximum of $2,685,149 comprised of a $2,702,626 increase allocated to the Property Casualty fund and a $17,478 decrease allocated to the Workers' Compensation fund. The Committee unanimously recommends the Board approve these updated targets for the next year. Severson also recapped the overall performance of MCIT's risk asset portfolio through June 30, 2026.

26-07-07 Motion by Schreifels, seconded by Wachal to accept the Investment's Committee's recommendation that the Board establish new risk asset investment targets for MCIT based on the Investment Guidelines resulting in an overall increase to the risk fund portfolio of $2,685,149. Further, that the Board approves directing MCIT's Executive Director to invest those additional funds over the course of the next three months into the previously approved Minnesota State Board of Investment and Vanguard portfolio as recapped here:

Fund			Target Allocation
SBI	S&P 500 Index		50.00%
Vanguard	Mid Cap Index	VIMAX	20.00%
Vanguard	Small Cap Index	VSGAX	15.00%
Vanguard	High Yield Corp	VWEAX	10.00%
Vanguard	REIT	VGSLX	5.00%
	Risk Asset Portfolio		100.00%

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

ELECTRONIC BOARD PACKET DISCUSSION/DEMONSTRATION

000 MCIT Communications Manager Heather Larson-Blakestad provided a brief demonstration of how existing MCIT-purchased software can provide board members access to board materials via a web-based portal. The board reviewed the process and requested a 2-month trial of posting the board packets for retrieval on the site as demonstrated, while continuing to supply printed board packets at board meetings.

REPORT OF THE EXECUTIVE DIRECTOR

000 Executive Director Steve Nelson briefly reviewed program developments and activities of MCIT associates since the last board meeting. (details on file). Included here was a discussion on potential September Board Work Session topics to include:

- Cyber coverage and claims update
- 2027 Budget considerations
- Accounting system update
- Workers' Compensation PTSD claim overview
- Notable claims presentation
- Electronic claim packet training
- New sheriff and Law Enforcement training initiatives for 2027

OTHER BUSINESS

- Next Board Meeting: August 14, 2026 9:00 a.m.
- Claims Committee: August 14, 2026 1:00 p.m.
- 2026 Board Work Session: September 10-11, 2026
- All staff luncheon: September 10, 2026 (prior to the board work session).

ADJOURN

Chair Antony adjourned the July 10, 2026 meeting of the MCIT Board of Directors at 11:55 a.m.

Respectfully submitted by:

Randy Schreifels
MCIT Secretary/Treasurer