Board of Director's Meeting Minutes

Aug. 14, 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
Brett Skyles, Itasca County
Lindsey Meyer, Wright County

Absent:
Todd Patzer, Lac qui Parle County

Gary Severson, Underwriting Manager
Nick Anderson, Underwriting Specialist
Zahir Siddiqui, Director of Claims
Jeff Hentges, PC Claim Manager
Kevin Coleman, Facility Manager
Karen Ebert, Staff Counsel for Risk Control
Dawn Hinkley, Staff Counsel for Risk Control
Heather Larson-Blakestad, Communications Manager
Jude Mertz, PC Claim Representative
Shane Swanson, PC Claim Representative

MCIT Staff:
Steve Nelson, Executive Director
Ryan Erdmann, Deputy Director
Linda Podritz, Director of Internal Services
Ondara Nyang'au, Finance Manager
Richard Miehe, Risk Management Consultant

Service Providers:
Peter Bergstrom, General Counsel
Pete Schmit, Galliard Capital Management
Andrea Johnson, Galliard Capital Management
Steve Patterson, Galliard Capital Management
Jonathan Loose, Wold Architects and Engineers

CALL TO ORDER

000 Trust Chair Antony called the MCIT Board of Directors' Meeting to order at 9:00 a.m. on August 14, 2026, in Room 220 at the MCIT Building in St. Paul, Minnesota.

APPROVE THE AGENDA

26-08-01 Motion by Mortenson, seconded by Schreifels to approve the agenda with changes. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

APPROVE THE MINUTES

26-08-02 Motion by Swanson, seconded by Meyer to approve the minutes of the July 10, 2026 meeting of the MCIT Board of Directors. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

STAFF INTRODUCTION

000 Ryan Erdmann was introduced to the board by Steve Nelson, Executive Director. Erdmann joined MCIT as Deputy Director on July 27, 2026.

FINANCIAL REPORT – PERIOD ENDING JUNE 30, 2026

000 The board reviewed the Executive Summary of the unaudited financial statement for the period ending June 30, 2026, as presented by Finance Manager Ondara Nyang'au.

26-08-03 Motion by Meyer, seconded by Skyles to accept the MCIT unaudited financial statement for the period ending June 30, 2026. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

2nd QUARTER 2026 INVESTMENT REPORT

000 Pete Schmit and Andrea Johnson of Galliard Capital Management presented a report on the performance of MCIT's fixed-income investment portfolio during the second quarter of 2026. Johnson presented an overview of general economic conditions for the second quarter of 2026. Markets have held up well with the broad economy holding, noting that employment continues to weaken and continued geo-political issues.

Schmit reviewed MCIT's portfolio and 2nd quarter transactions. The investment portfolio reported a positive return for the 2nd quarter with total assets of $180.3 million between managed and cash funds as of June 30, 2026. The overall strategy for MCIT's portfolio remains unchanged for the quarter and investments remain well diversified across all sectors. Yields are positive compared to the benchmark.

MEMBERSHIP ISSUES

000 MCIT Risk Manager Richard Miehe informed the board that McLeod County Agricultural Association provided timely notification of their intent to withdraw from MCIT membership effective January 1, 2027. No formal action is required by the Board.

000 Miehe next presented the staff developed workers' compensation cost estimate for existing member Three Rivers Park District, seeking board approval to release the estimate for member consideration. Miehe shared that this member joined MCIT in 2002, participating only in the property casualty division. Because the entity is based in Hennepin County, a non-member county, the MCIT board served as sponsor upon them joining MCIT in 2002.

26-08-04 Motion by Swanson, seconded by Schreifels to authorize staff to release the workers' compensation cost estimate to Three Rivers Park District for coverage consideration. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

REVIEW OF 2027 ESTIMATED RENEWAL CONTRIBUTIONS

000 Underwriting Manager Gary Severson reviewed the estimated 2027 Property/Casualty and Workers' Compensation renewal contributions for all members. Both the 2027 property/casualty contributions and workers' compensation contributions reflect 0.0% aggregate rate change compared to 2026. The property casualty division will be collecting an additional $757,000 while the workers' compensation division will be collecting an additional $1,442,000 over 2026 due primarily to increases in member exposure base. The estimated renewal notices will be sent to all members by August 21, 2026, as required by the MCIT Bylaws.

IRS MILEAGE REIMBURSEMENT

000 Executive Director Steve Nelson reviewed MCIT's policies for the business mileage reimbursement rate. The IRS has increased the rate from $0.725 per mile to $0.76 per mile effective July 1, 2026.

26-08-05 Motion by Meyer, seconded by Skyles to approve staff and Board member business travel mileage reimbursement rate to $0.76 per mile beginning July 1, 2026. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

2026 PROPERTY CLAIMS UPDATE

000 MCIT Property/Casualty Claims Manager Jeff Hentges presented an update on property claims MCIT has received through July 28, 2026. Hentges informed the board:

- 209 claims reported involving damage to buildings and property in the open caused by wind, lightning and hail.
- The total incurred cost of these claims, including reserves and payments, is $6.2M.
- 378 claims reported involving weather-related damage to autos.
- The total incurred cost of these claims, including reserves and payments, is $1.29M.

Hentges reviewed MCIT's property coverage for "physical loss or damage to covered property resulting from a covered loss". Hail to many buildings has resulted in dents and dings to metal roofing and roof accessories that do not affect the functionality of the roof. Hentges profiled several claim examples of non-functional damage to roofs and the estimated replacement cost should the roofs be replaced. It was discussed that the commercial insurance market commonly excludes or limits coverage for non-functional (cosmetic) damage to roofing and roof accessories. MCIT does not have such an exclusion. The board expressed interest in having the Governance Committee review coverage options for non-functional property damage at a future meeting.

MCIT SUITE CONSTRUCTION AND PLAZA UPGRADE UPDATE

000 Facilities Manager Kevin Coleman informed the board that staff have been working to firm up repair estimates for the first-floor suite water damage from earlier this year. Coleman shared the scope of damage, recommended enhancements, repair plan and anticipated presentation of a contract for board consideration.

26-08-06 Motion by Wachal, seconded by Mortenson to authorize MCIT Executive Director to enter into a contract for repairs and upgrades up to $450,000 as presented to include change orders. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

000 Facilities Manager Coleman and Jonathan Loose from Wold Architects and Engineers presented an update on the exterior plaza project including remaining issues and concerns. Notably the plaza concrete has revealed cracking in areas that continues to be evaluated.

REPORT OF THE EXECUTIVE DIRECTOR

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

000 Staff Counsel for Risk Management Karen Ebert reported on an Amicus brief that MCIT is coordinating with the Association of Minnesota Counties and the school board association on the application of Minn. Stat. § 466.03 Park and recreation immunity.

FORCEPOINT CONTRACT EXTENTION

000 Executive Director Nelson reported that staff is seeking authority from the board to extend our contract with Forcepoint, one of MCIT's primary IT security tools that provides web security, email security and encryption.

26-08-07 Motion by Swanson, seconded by Skyles authorizing MCIT Executive Director to enter into a 5-year contract with Forcepoint for email security in an amount not to exceed $60,000. Motion carried. Voting Yes: Antony, Wachal, Schreifels, Ward, Swanson, Mortenson, Skyles and Meyer. Absent: Patzer.

OTHER BUSINESS

- Board Staff Luncheon: Thursday, September 10 at 12:00
- Board Work Session and Board Meeting: September 10 and 11, 2026
- Claims Committee: September 11, 2026
- No October Board meeting

ADJOURN

Chair Antony adjourned the August 14, 2026, meeting of the MCIT Board of Directors at 12:00 p.m.

Respectfully submitted by:

Randy Schreifels
MCIT Secretary/Treasurer