

ST. LOUIS AREA INSURANCE TRUST

A Self-Insurance Pool

BOARD OF DIRECTORS' MEETING MINUTES

September 19, 2019

A meeting of the Board of Directors of the St. Louis Area Insurance Trust was held on Thursday, September 19, 2019, at Olivette City Hall, 1140 Dielman Road, Olivette, Missouri 63132.

Those in attendance were as follows:

Bola Akande	Y	City of Brentwood
Mike Geisel	Y	City of Chesterfield
Mark Perkins	Y	City of Creve Coeur
Doug Harms	Y	City of Des Peres
Matt Zimmermann	Y	City of Hazelwood
Dave Watson	N	City of Maryland Heights
Barbara Sondag	Y	City of Olivette
Amy Hamilton	Y	City of Richmond Heights
Matt Conley	Y	City of St. Ann
Robert Shelton	Y	City of Town & County
Gregory Rose	Y	City of University City
Steve Wylie	Y	City of Webster Groves
Steve Wicker	Y	The Daniel and Henry Company
George Liyeos	Y	The Daniel and Henry Company
Mike Hanson	Y	The Daniel and Henry Company
Jill Newman	Y	The Daniel and Henry Company
John Charpie	Y	Thomas McGee
Ben Fuchs	Y	Thomas McGee
Martin Buckley	Y	Buckley & Buckley, LLC

I. Call to Order

The meeting was called to order at 9:35 a.m. by Vice-Chairperson, Barbara Sondag.

II. Nominating Committee Report

Doug Harms, Nominating Committee Chairperson, gave the Committee Report. Mr. Harms noted that the Committee had two tasks relative to this meeting. First was to nominate individuals to fill the two Board vacancies that have been created by Craig Owens leaving the City of Clayton and Marty Corcoran retiring from the City of Maplewood. Mr. Harms then stated that the Committee is recommending Mike Geisel, City Administrator of the City of Chesterfield to fill the unexpired

term of Craig Owens. That term expires July 1, 2020. In addition, the Committee is recommending that Gregory Rose, City Manager of University City, be elected to fill the unexpired term of Marty Corcoran. That term expires July 1, 2021. A motion was then made by Mr. Harms and seconded by Matt Zimmerman to adopt the Nominating Committee Report and fill the vacancies on the Board as recommended. As there were no nominations from the floor, a vote on the motion was taken and the motion passed.

Doug Harms then stated that the Committee's second task was to nominate officers for the new policy year. He noted that it has been a tradition of SLAIT to have officers serve two one-year terms and that the current officers, have now done so. Thus, the committee is nominating Barbara Sondag, City Manager of Olivette, as Chairperson, Bola Akande, City Administrator of Brentwood as Vice-Chairperson, and Dave Watson, Director of Finance for Maryland Heights as Secretary/Treasurer. There being no nominations from the floor, a motion was made by Matt Zimmerman and seconded by Mark Perkins to approve the recommendations from the Nominating Committee for the 2019-2020 SLAIT Officers. It was noted that the Nominating Committee would also make a report at the annual meeting, nominating people to the three year terms that will expire July 1, 2022.

III. Approval of Minutes from the June 6, 2019 Meeting

Barbara Sondag asked if there were any additions or corrections to the Minutes from the June 6, 2019 Board Meeting. There being none, a motion was made by Amy Hamilton and seconded by Mark Perkins to approve the Minutes as presented. The motion passed.

IV. Claims Administration Report

Steve Wicker summarized the updated Workers' Compensation Report. He noted that, the Report includes 54 claims, up from 51 last quarter. Nine new claims were added to the Report, two were closed and four previously reported are now valued at less than \$100,000. Four claims being reported have been settled and are ready to close. Of the nine new claimants, two are maintenance workers, six are police officers and one is a firefighter. Of the six police claims, three were caused by interactions with suspects, two by pushing stalled vehicles and one from fitness training. The three other claims involved injuries while performing work related tasks.

A motion was then made by Bob Shelton and seconded by Mark Perkins to enter into a closed session for purposes of discussing litigation matters. The vote on the motion was as follows: Harms, Aye; Hamilton, Aye; Wylie, Aye; Zimmerman, Aye; Shelton, Aye; Rose, Aye; Conley, Aye; Perkins, Aye; Akanda, Aye; Geisel, Aye; and Sondag, Aye.

Steve Wicker stated that Thomas McGee has made a three year rate proposal to SLAIT for claims handling services. Mr. Wicker noted that this year the fee is \$250,000 and added that Thomas McGee is proposing a \$260,000 annual fee for the 20-21 policy year and a \$270,000 annual fee for the 21-22 policy year. Mr. Wicker added that he believes that Thomas McGee has been doing an excellent job and stated that he finds their online claims system to be an outstanding resource for

the membership. John Charpie added that the contract still allows for termination by SLAIT with a 60 day notice and thus what is being accomplished with a three year proposal is budget certainty for both Thomas McGee and SLAIT. After a brief discussion, a motion was made by Amy Hamilton and seconded by Doug Harms to approve the three year rate agreement between Thomas McGee and SLAIT. The motion passed.

V. Financial Report

A. Review of Financial Statement as of June 30, 2019

Steve Wicker noted that a large portion of the Annual Meeting will be devoted to the financial results of the Trust. He added that the current fund balance is approximately \$5.9 million, an increase of \$1 million from a year ago.

Doug Harms stated that there is more than \$16.5 million of excess insurance reimbursement that is identified as revenue and asked what the status is of those reimbursements.

Steve Wicker reminded the Board the Excess Insurance Reimbursement is a way to account for both received and expected reimbursements from excess carriers for claims that exceed the Trust's self-insured retention. For example, two workers' compensation claims in the 2016-17 policy year have total incurred values that exceed the \$1 million self-insured retention by a combined \$5,535,486. Thus, there is an Excess Reimbursement for that amount to offset the claims expenses that the excess insurer will pay instead of the Trust. Mr. Wicker added that only one excess claim is being disputed at this time and noted that the Board is aware of this dispute with two excess carriers involving a \$2.5 million reimbursement for a \$3 million liability judgment in the 2011-2012 policy year.

B. Approval of Bills

A revised Invoices for Approval listing had been provided to the Board, prior to the meeting. A motion was made by Amy Hamilton and seconded by Bola Akande to approve the revised listing of invoices. The motion passed.

VI. Loss Control Report

Steve Wicker reminded the Board that Thomas McGee Group started providing Loss Control services to the Trust effective July 1, 2019. Mr. Wicker added that Travis Bennett, the Loss Control Supervisor for Thomas McGee, is primarily providing these services. He noted that Mr. Bennett would have been at this meeting except for the fact that he is celebrating his tenth wedding anniversary out of the country. Mr. Wicker also stated that a listing of the first quarter loss control activities had been provided to the Board and that Mr. Bennett has been making an effort to visit each member city and develop relationships with appropriate individuals. John Charpie added that Mr. Bennett has posted several Loss Control checklists and related items to the

SLAIT website and has scheduled two 10-hour OSHA training courses over the next couple of months, one in Maryland Heights and one in Richmond Heights. It was noted that these were 1.5 day training sessions and that 70-80 SLAIT member employees are expected to attend.

VII. Health Insurance Report

A. First Quarter Developments

Mike Hanson reported that the Wellness Coordinators held their quarterly meeting on September 18, 2019. He noted that H&H Wellness attended the meeting and reviewed with the group how the biannual biometric screening tests will be conducted during the 19-20 policy year and informed the group that individual reports by Member will be provided in addition to the aggregate report for the Trust. Mr. Hanson also reported that one concern raised by the Coordinators was that many employees have concerns over their financial condition which can lead to health and wellness issues. Mr. Hanson noted that Daniel & Henry has access to a not-for-profit organization that can assist employees along these lines, The Foundation for Financial Education, and he will be providing information concerning The Foundation to Human Resources personnel for each Member.

Mike Hanson then reported on several other programs offered through Anthem and SLAIT that will be emphasized over the coming months. He noted that there will be an annual sign-up for the Naturally Slim program relative to weight loss and proper eating habits. He reminded the Board that this is funded by SLAIT and is at no cost to the Member's employees. In addition, the Live Health online program will be emphasized. It was noted that this is the program where Member employees can speak with a physician online and avoid an office visit for routine issues. Mr. Hanson added that there will be no copay for these virtual doctor visits. Finally, Mr. Hanson stated that the Coordinators discussed the Wellness Grant program. He reminded the Board that this program offers \$50 per employee to every Member city to help fund and develop Wellness Programs specific to that entity's needs.

Relative to the overall administration of the Health Plan, Mr. Hanson stated that there were questions and concerns raised by the Coordinators relative to the transfer of the prescription drug program from CastiaRx to Anthem. Mr. Hanson added that Daniel and Henry is working with Members and Anthem to solve any particular issues that have arisen relative to this transition and noted that there have not been any major breakdowns in the process. Bob Shelton stated that he had attended the last Coordinators' meeting and noticed that most of the members present were those represented by the Board of Directors. Mr. Shelton added that these meetings are very informative and asked Steve Wicker to emphasize to all Members that sending a representative to these quarterly meetings would be beneficial.

B. Surplus Distribution

Mr. Wicker noted that the distribution of \$350,000 to Health Plan members who were members in policy year 2011-2012 was approved as part of the renewal process in April, 2019. He stated that the amount of renewal for each member was included in the Board's packet and noted that the checks are being signed at this meeting and will be distributed by the end of the month.

VIII. New Business

A. Request to Add Behr, McCarter & Potter as an Approved Claims Counsel

Steve Wicker stated that the Legal Representation Policy requires the Board of Directors to designate law firms to be used for the litigation of claims. Mr. Wicker added that Ben Fuchs, who supervises the handling of SLAIT liability claims for Thomas McGee, sees a need for an additional Claims Counsel and that he is making a request at this time. It was noted that two of the firms on the approved list are currently not being assigned new claims. Mr. Wicker stated that would continue to be the case unless the Board specifically directs otherwise.

Ben Fuchs then stated that there is a need for another Claims Counsel to handle new litigation for the Trust. He noted that he has worked with Tim Reichardt, who would be the Partner in charge with Behr, McCarter and Potter, on similar claims with other governmental clients. Mr. Reichardt does similar work for both MoPERM and MIRMA. It was noted by Mr. Fuchs, that the firm handles quite a bit of police liability work and can also do general and auto liability litigation. Following additional discussion, a motion was made by Mark Perkins and seconded by Mike Geisel to designate Behr, McCarter and Potter as an approved claims counsel for SLAIT. The motion passed.

B. Discussion Possible Expansion of CALEA Reimbursement Program

Mark Perkins stated that he feels the Board should consider providing incentives to dispatching agencies similar to those SLAIT provides to Police Departments to become CALEA Accredited. Mr. Perkins noted that this could apply to both East Central Dispatch Center and West Central Dispatch Center. Mr. Perkins stated that West Central Dispatch Center is looking into becoming accredited and noted that the programs for other municipal departments such as Public Works and Parks and Recreation, might be worth investigating. Mike Geisel stated that the City of Chesterfield has had its Public Works and Parks and Recreation operations accredited. Doug Harms noted that there are very few claims, if any, relative to dispatching operations, but that there would be liability claims related to Public Works and Parks and Recreation operations. After some additional discussion, it was decided to have Travis Bennett investigate the cost of various accreditation programs for municipal departments and to provide an assessment as to whether that accreditation would be helpful in the prevention of claims.

C. Next Meeting Date

The next SLAIT Board Meeting was scheduled for Thursday, January 16, 2020, at 10:00 a.m. at the City Hall in Olivette.

D. Other Business

Barbara Sondag stated that there were a couple of items that she wanted to revisit from prior meetings. First, she noted that Daniel and Henry was to review police pursuit data from 2018 and asked what happened to that review. Steve Wicker stated that the data is being collected, but that some Departments have been non-responsive. Mr. Wicker indicated that he would have a report completed by the January meeting. Ms. Sondag then asked if that data would be used as part of the research on whether the Trust should consider higher deductibles. Steve Wicker stated that it would and that a study of comparable deductibles in the marketplace will also be made available at the next meeting.

Finally, Ms. Sondag noted that Doug Harms had requested at the last meeting that the quote that the City of St. Ann received from MoPERM be distributed to the Board. She stated that she did not believe this had been done. Steve Wicker stated that he had received the information from Matt Conley relative to the MoPERM quote, but it was so much greater in both premium and deductible, that it seemed to have little comparative value. Doug Harms stated that he would still like to have the information. Matt Conley stated that he did not have a problem with circulating the information and Steve Wicker indicated that it would be provided in the next week or so. It was noted that a comparison with the St. Ann SLAIT premium would be helpful and Steve Wicker indicated that that information would also be included.

Mark Perkins asked if there was any additional action that the Board was going to take relative to the Charlesworth Consulting Report. Barbara Sondag reminded the Board that the Report was set aside primarily due to the uncertainty created by the Better Together proposal. Thus, it might be time to revisit it. Steve Wicker noted that the Board had had a special meeting relative to the report where many of the recommendations were reviewed and some have been adopted. For example, Loss Control is tied into the Claims Administration piece effective July 1, 2019. After additional discussion, it was decided that further review of the Report should be placed on the Board's next Agenda with a view toward adopting a Plan relative to each recommendation.

There being no other business, the meeting adjourned at 10:55 a.m.

Submitted by: Stephen D. Wicker

Approved by: _____