

# ST. LOUIS AREA INSURANCE TRUST

*A Self-Insurance Pool*

## ST. LOUIS AREA INSURANCE TRUST BOARD OF DIRECTORS' MEETING

### MINUTES

**March 16, 2023**

- I. A planning meeting of the Board of Directors of the St. Louis Area Insurance Trust was held on Thursday, March 16, 2023, at the Brentwood City Hall. The meeting was called to order at 9:15 a.m. by Chairperson, Bola Akande.

Attendance was as follows:

<u>Board Member</u>	<u>Attending</u>	<u>City</u>
Eric Sterman	N	City of Ballwin
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
Robert Shelton	Y	City of Town & Country
Matt Zimmerman	Y	City of Hazelwood
Amy Hamilton	Y	City of Richmond Heights
Barbara Sondag	Y	City of Olivette
Matt Conley	Y	City of St. Ann
Gregory Rose	Y	City of University City
Kevin Bookout	Y	City of Bridgeton
Steve Wicker	Y	Steve Wicker Consulting
Becky Redfering	Y	Thomas McGee Group
Jill Newman	Y	The Daniel and Henry Company
John Charpie	Y	Thomas McGee Group
Jeff Cox	Y	Thomas McGee Group
Teri Bellamy	Y	Thomas McGee Group

II. Fund Balance Objectives

John Charpie noted there had been improvements in the overall fund balance, from \$1.8 million in September 2021 to over \$5.5 million as of the 9/30/22 financial statement. He suggested the Board set both long term and short term goals for what the desired fund balance by line of coverage should be.

Jeff Cox spoke and stated there were typically two “benchmarks” for fund balance relating to liability and workers compensation. The first benchmark would desire that there is a 1:1 ratio of annual premium to surplus. The second benchmark would be a factor of the per occurrence retention by line of coverage. Jeff also stated that these benchmarks did not apply to the employee benefit line of coverage.

Doug Harms produced a document he created that was an overview of the past 10 years of SLAIT performance by line of coverage. The document was discussed and it was noted that recoveries from excess carries was not included in the document, so the fund balance figures were not identical to the accountants reports.

There was discussion on the fund balances from each line of coverage. Gregory Rose suggested there be a 10 year plan to get the Workers Compensation and Liability Fund balances to a positive figure. It was agreed that these lines of coverages would be funded to an approximately 10% annual surplus to accomplish the goal. The Board was in agreement and asked that the progress be tracked with a report at each Quarterly Board Meeting.

Matt Conley asked about SLAIT’s investments as there was uncertainty in the banking industry. Steve Wicker responded that SLAIT has an investment policy, but it is relatively old. All investments are collateralized and all the money is currently in UMB Bank. The investments are set up similar to the way many City’s invest. Bola spoke that her City has hired an investment advisor which has yielded positive results. Steve responded that SLAIT has a similar person at UMB who acts as the investment advisor. John Charpie stated that there are investment criteria that the Division of WC requires.

### III. Establish Position on Additional Insured Request

John Charpie noted that there seemed to be an increase in the requests recently to add non governmental entities as additional insured. The City of Hazelwood was considering entering an agreement with Enterprise, who requested additional insured status, and the matter was referred to Buckley & Buckley, LLC who raised several concerns regarding the potential agreement.

Steve Wicker spoke and said he’s historically taken each request on a case by case basis in the past, but he recognized that certain requests carried additional risks.

The Board discussed the matter and it was suggested that an education of the membership would be appropriate regarding additional insureds. It was decided that SLAIT would request Martin Buckley draft a policy regarding when additional insured status could be appropriate and when it was not. Once the policy was drafted it would be reviewed by the Board at a later meeting.

### IV. Review Limits of Liability Coverage offered by SLAIT

John Charpie recapped a situation a SLAIT member recently encountered where additional limits were required for them to lease equipment for their Fire Department. He recounted that the member asked if the SLAIT Board considered increasing the groups liability limit. John also noted that he informed the member that an individual member could request additional limits.

There was discussion and it was decided that an option for increased limits would be requested for the Excess Liability Renewal in 2023. These options would be presented to the Board for them to decide if SLAIT should offer increased limits or if it would be up to individual members to decide if they would pursue higher limits.

John further described a situation a member had regarding a borrowed Fire Truck that a member damaged. He asked if the Board would like to have an attorney draft up an agreement that members could use when borrowing equipment. After discussion it was decided this could increase SLAIT's liability and the agreements should be up to the individual members to draft. The Board did ask that a memo be sent to the membership outlining the risks and how different lines of coverage would respond to damage to borrowed equipment.

#### V. Strategic Planning Meeting & Annual Meeting

There was discussion on ways to improve the Annual Meeting as well as improve member engagement. Barbara Sondag suggested additional information be added to the website. Amy Hamilton stated that she believed a document should be placed on the website that outlined how the different coverages worked. After additional conversation it was decided that a new member orientation should be offered on a regular basis so that associates that were new to member organizations would become better acquainted with SLAIT. The website would also be reviewed to ensure that basic information is provided.

Doug Harms spoke and indicated that he believed there should be additional education provided to members. After discussion it was decided that Thomas McGee would set up training sessions for SLAIT members to provide education on how different lines of coverage applied. Additionally, education topics would be considered to be provided during future Annual Meetings.

To further improve the value during the annual meeting, an e-mail survey will be sent to member organizations to inquire if they have topics they would like to have presented during future meetings.

Mark Perkins suggested there be 2 strategic meetings per year, so there could be follow up sooner than once per year. After discussion it was decided that the follow up Planning Meeting would be scheduled for June.

#### VI. Mental Health Parity and Addiction Equity Act of 2008

Jill Newman presented that the Mental Health Parity and Addiction Equity Act of 2008 requires that Employee Benefit Plans be audited to ensure the benefits for Mental Health/Substance Use Disorder benefits are not restricted. Until recently there were no organizations that were willing/able to audit SLAIT's plan. Jill indicated that she believed the plan would be in compliance. There are now organization that are able to complete this audit. She also stated that if an audit has not been completed, it could subject SLAIT to fines by the Department of Labor.

Jill has received several quotes and they are waiting on Thomas McGee to also obtain quotes. It was decided that Jill would summarize the quotes and present at a future Board Meeting to decide which auditor to use.

Jill also mentioned that wellness funds are used every other year for bio screening and for wellness grants. She believes the bio screenings have a very good return on investment, but is concerned the wellness grants are losing their effectiveness. She asked if the Board would like to eliminate the wellness grants and begin offering the bio screening every year.

Bob Shelton spoke and indicated he believed the wellness grants were popular with employees. After discussion, it was decided that Jill would speak with the wellness coordinators and get their opinions on how to improve and refresh the wellness grants. Jill will report the suggestions to the Board at a future meeting.

## VII. Administrative Agreement

Bola Akande spoke and reminded the Board that the Administration Agreement with Thomas McGee renewed on January 1, 2023. John indicated that the agreement was initially for 18 months and that it had 4 one year renewal options.

There was discussion regarding the performance of the Thomas McGee team since the RFP and the consensus was they were performing well. Gregory Rose asked for clarification of Daniel and Henry's involvement and John responded that they were a subcontractor for the Employee Benefits Program. The purpose of this was to reduce disruption following the RFP.

There was brief discussion regarding member performance criteria and if certain thresholds should be put in place. It was decided to discuss this in more depth in the future.

Barbara Sondag announced that she was retiring April 3<sup>rd</sup> from the City of Olivette. The Board wished her well in retirement and Chairperson Akande noted that the nominating committee would work to fill the unexpired term of her Board Seat.

The meeting was adjourned at 12:33.

SLAIT  
Page 5

Submitted by: John Charpie

Approved by: \_\_\_\_\_