



Minutes

Risk Management Trust Board

January 27, 2014

Minutes of the Risk Management Trust Board meeting held on January 27, 2014, 5:00 p.m., at the City Manager's Conference Room, Third Floor, City Hall Complex, 31 E. Fifth Street, Tempe, Arizona.

(MEMBERS) Present:

Robin Arredondo-Savage
Bill Goodman
Ken Jones
Tom Duensing
David Long

(MEMBERS) Absent:

None

City Staff Present:

Jerry Hart, Deputy Finance & Technology
Director
Chris Hansen, Risk Manager

Citizens Present:

None

Agenda Item 1 – Call To Order

Ken called the meeting to order at 5:02 p.m.

Agenda Item 2 – Approval of Board Meeting Minutes

This was the initial meeting of the new board and therefore no prior minutes to approve.

Agenda Item 3 – Purpose of Board

Ken provided some background information regarding what ultimately led to the creation of the board. Jerry added that staff was seeking assistance from the board in the city's continuing efforts to achieve compliance with state statutes and recently adopted city ordinances relative to self-insurance programs and establishment of trusts. The role of the board, meeting frequency, board member terms, and board governance were discussed. Ken mentioned that staff was seeking clarification from the City Attorney's office on what the phrase "the trust shall be administered by at least five joint trustees" means. The question is whether the statute contemplated active or passive board administration of the trust.

Agenda Item 4 – Overview of City's Risk Management Self Insurance Program

Chris provided a general overview of the city's self-insurance programs including health, liability, property and workers' compensation. He described the city's current self-insured retention limits, excess insurance coverages and exposures/limits, and fiscal year 2013/14 premiums. He then provided a detailed profile of the workers' compensation program including a description of the occupational medicine providers, third party administrator, and a five-year history of workers' compensation claims and premiums. Finally, Chris described the staff in the Risk Management Division and specifically, the role of the Safety Section in

providing staff training to minimize claims.

Agenda Item 5 – Draft Workers’ Compensation Trust Agreement

Jerry advised the board that a draft workers’ compensation trust agreement is currently being reviewed by the City Attorney’s Office. Once that review is complete, the draft agreement will be placed on the agenda of the next meeting for board review and comment. Once the board has finished its’ review, staff will be seeking the boards’ recommendation that the agreement be approved by the city council.

Agenda Item 6 – Board Member Announcements

Bill asked whether or not the board should consider adding additional members in the future with experience in insurance. Robin indicated that she has been working in the insurance industry for 20 years.

Robin asked that future meetings be preplanned so as to insure that everyone has advanced notice and place the meeting times in their calendars. A discussion ensued as to when the next meeting should take place and how frequently meeting should be held. The board agreed that a quarterly meeting might be best, but consideration should be given to meeting sooner if necessary. Bill indicated that there was no need to meet unless there was something to “meet on”. Jerry advised that the next meeting would not take place until the draft trust agreement was ready to be brought back to the board for review. A representative from the City Attorneys’ Office will be invited to the next meeting. Additionally, the detailed profile of the city’s liability and property program would be covered at the next meeting.

Ken and Jerry thanked the board members for their attendance and participation.

Agenda Item 7 – Public Appearances

None.

The meeting was adjourned at 6:00 p.m.

Prepared by: Chris Hansen

Reviewed by: Jerry Hart