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| **Minutes**  Risk Management Trust Board  **May 30, 2018** |

**Minutes of the Risk Management Trust Board meeting held on May 30, 2018, 5:00 p.m., at the Library Board Room, Second Floor, Tempe Public Library, and 3500 S. Rural Road, Tempe, Arizona.**

**MEMBERS (Present):**

Robin Arredondo-Savage

Ken Jones

Tom Duensing

David Long **MEMBERS (Absent):**

Bill Goodman

**City Staff Present:**

Renie Broderick, Internal Services Director

Jerry Hart, Deputy Internal Services Director - Finance

Chris Hansen, Risk Manager

**Guests Present:**

Paula Meskimen, Willis Towers Watson

Reza Sanati, Willis Towers Watson

Jacob Petty, Willis Towers Watson

**Agenda Item 1 – Call To Order**

Ken called the meeting to order at 5:08 p.m.

**Agenda Item 2 – Approval of Board Meeting Minutes**

Ken introduced the minutes of the May 31, 2017 meeting and asked for a motion.

**Motion:** Robin

**Second:** David

**Abstained:** None

**Decision:** Approved

**Agenda Item 3 – Review of Proposed FY 18/19 Insurance Renewal Program**

Paula introduced the Willis Towers Watson team and provided a brief overview of the current insurance industry. She then reviewed the renewal program for the new fiscal year including the marketing results, the recommended coverages, and the overall premium compared to the current, expiring program. Jacob provided a detailed review of the cyber liability coverages proposed. Tom asked about proactive coverages. The board directed a review of what vehicles should and should not be covered as part of the Auto Physical Damage property program. Overall, the board recommended renewal option #1 on page 6 of the Insurance Proposal.

**Agenda Item 4 – Current Claims Overview**

Chris reviewed the Workers’ Compensation Program Overview report as of 4/30/2018 provided by York Risk Services Group, the city’s third-party administrator, reflecting a total of 137 reported claims so far this year. For the fiscal year-to-date, $1.4 million in claim payments have been made. He indicated that historical claims “kill us”. Ken and Robin asked for cost information per employee per department to be provided in the future. Chris noted that 27% of the open claims as of 4/30/18 account for approximately 85% of the costs.

Chris then presented the Liability Program Overview report covering general liability and property claims, for fiscal year 2012/13 through 2017/18, as of 4/30/18. He noted total claims of 132 for the current fiscal year with a “total reserved” amount of $1.2 million. Those fiscal years reflecting higher than normal costs are usually indicative of one major liability claim of a million dollars or more. The board had no questions.

**Agenda Item 5 – Financial Statement Review**

Jerry briefly reviewed the final, audited financial statements for the fiscal year ended June 30, 2017 for the Risk Management Fund and Worker’s Compensation Trust Fund. Jerry noted the cash balances in both funds and reminded the board that there is an additional $6.8 million reserved in the City’s General Fund for self-insurance purposes.

The board members had no questions regarding the financial statements presented.

**Agenda Item 6 – Board Member and Staff Announcements**

There were no announcements.

**Agenda Item 7 – Public Appearances**

None.

The meeting was adjourned at 6:39 p.m.

Prepared by: Jerry Hart

Reviewed by: Chris Hansen