

Minutes Risk Management Trust Board June 8, 2020

Minutes of the Risk Management Trust Board meeting held virtually via Cisco Webex on June 8, 2020, 5:00 p.m., hosted from City of Tempe Finance Conference Room, 20 E. 6th Street, Second Floor, Tempe, Arizona.

Board Members Present:

Robin Arredondo-Savage
Heather Bilodeau
Bill Goodman
Jerry Hart
Ken Jones

Board Members Absent:

None

City Staff Present:

Tom Duensing, Deputy Internal Services Director-Finance
Renie Broderick, Internal Services Director.
Chris Hansen, Risk Manager
Nichole Martinez, Workers' Compensation Program Specialist
Susan Buck, Executive Assistant

Guests Present:

Chuck Halsey, Willis Tower Watson
Sharla Kissel, Willis Tower Watson
Vicky Jo Campion, Willis Tower Watson

Agenda Item 1 – Call To Order:

Chair Ken Jones called the meeting to order at 5:01 p.m.

Agenda Item 2 – Approval of Board Meeting Minutes:

Motion by Robin Arredondo-Savage to approve the May 13, 2020 board meeting minutes; second by Heather Bilodeau. Motion passed on a voice vote 5-0.

Ayes: Chair Jones, Boardmembers Arredondo-Savage, Bilodeau, Goodman and Hart

Nays: None

Absent: None

Agenda Item 3 – Follow-Up Insurance Renewal Program

Tom Duensing, Deputy Internal Services Director-Finance, provided a follow-up from the May 13, 2020 meeting regarding the insurance renewal program for buildings, the Town Lake dam and the Mill Avenue bridges. Mr. Duensing gave an overview of quotes with deductibles varying from \$250,000 to \$500,000, and varying coverage per incident for each quote. Mr. Duensing noted that staff recommended Option 2 for building coverage (\$100 million coverage per incident, \$500,000 deductible and \$325,000 premium) and Option 1 for dam and bridges (\$25 million coverage per incident, \$500,000 deductible [flood], \$250,000 deductible [all others] and \$84,373 premium). Based on the current recommendations, the overall insurance program (including the auto, general liability and workers' compensation discussed at the May meeting) would increase 6.28% from \$1,314.402 for fiscal year 2019/2020 to \$1,396.932 for fiscal year 2020/2021. The Board discussed the options presented.

Motion by Robin Arredondo Savage to move forward with the options recommended by staff; second by Bill Goodman. Motion passed on a voice vote 5-0.

Ayes: Chair Jones, Boardmembers Arredondo-Savage, Bilodeau, Goodman and Hart

Nays: None

Absent: None

Agenda Item 4 – Follow-Up Workers’ Compensation Program

Risk Manager Chris Hansen provided benchmark statistics as requested by the Board at the May 13, 2020 meeting. Mr. Hansen noted the information for calendar years 2017 and 2018 was obtained from the Arizona Government Safety Association, a group comprised of the safety staff from various local municipalities and the county. The information shows that for both calendar years Tempe Fire had numbers in the lower-middle end of incident rates (number of accidents), frequency rates and lost time. Tempe Police had numbers in the middle of incident rates and the number of lost time cases; the severity rate shows at the top of the range, indicating that when there is a lost time case it is severe.

Mr. Hansen noted that he also reviewed Tempe claim statistics for the past 5.5 years. Mr. Hansen stated that at Tempe Fire there were 25 claims relative to training, half of which were various “bodily motion” injuries; there were also multiple injuries due to trips and stepping off of things. Mr. Hansen stated that injuries at the Tempe Police seem to be primarily due to defensive tactics training, falls, trips and bodily motion injuries. Mr. Hansen noted that overall wellness is a component impacting injury and stated that Tempe Fire will enact stretching exercises before starting training to try to lessen injuries.

Mr. Duensing reiterated that this information was provided in response to the Board’s request for further information pertaining to the workers’ compensation claim information presented at the May meeting, which indicated spikes in claims due to training injuries. Boardmember Arredondo-Savage noted appreciation for the information and inquired if staff provided positive feedback to departments when they did well; she also inquired if Public Works claims were considered in the benchmark information. Mr. Hansen noted that Public Works information was considered, but the majority of claims arise from public safety. Chair Ken Jones stated that the information should be provided to the training officers in Police and Fire so they can see where and why the claims originate and can adapt their training programs to try to reduce injuries. Chair Jones further noted that the role of the Board is to try to identify trends early and that information should be shared with the affected departments. Board consensus was that this type of benchmark/trend information be shared with the Board on an annual basis.

Agenda Item 5 – Board Member and Staff Announcements

There were no announcements. Mr. Duensing stated that this has been an interesting year for property insurance and noted that at the next Board meeting, staff will share details of what is happening at other municipalities.

Agenda Item 6 – Public Appearances

Executive Assistant Susan Buck stated that there were no emails submitted to the Board before the meeting and no online chats during the meeting.

Chair Jones adjourned the meeting at 5:31 p.m.

Minutes prepared by: Susan Buck

Minutes reviewed by: Chris Hansen and Tom Duensing

Minutes approved by Board on January 20, 2021