



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