

Board of Trustees Meeting Minutes
April 13, 2022
MAT Building, Board Room
St. Michael, Minnesota

ATTENDANCE

Trustees Present:

Gary Burdorf, President, Green Isle Township
Mel Milender, Treasurer, Ekles Township
Sandy Hooker, Medo Township
Jill Hall, New Solum Township (remote pursuant to M.S. 13D.04)

Trustees Absent:

Tammy Houle, Paxton Township

Staff:

Heather Tidmore, Agency Manager
Steve Fenske, Staff Counsel
Robyn Sykes, Staff Support
Dawn Zimmerman, remote
Sarah Turek, remote

Others:

Dean Molstad, Cokato Township

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CALL TO ORDER

000 President Burdorf called the MATIT Board of Trustees' Meeting to order at 12:00 p.m. on April 13, 2022 at the MAT building in St. Michael, MN. He led the board in the Pledge of Allegiance.

AGENDA

22-04-01 Motion by Hooker, seconded by Burdorf to approve the agenda noting the postponement of the introduction of the new MATIT website to another meeting. Motion carried. Voting Yes: Burdorf, Milender, Hooker. Absent for Vote: Houle, Hall.

MINUTES

000 The board discussed who should be responsible for MATIT meeting minutes. Agency Manager Tidmore noted that MATIT staff have the time and ability to prepare board minutes. Having staff assume this duty better ensures the continuity and quality of the organization's official record. She shared that Secretary Houle had previously expressed concern about presenting minutes for board approval that she had not written and concern about it taking up too much time of the Agency Manager. Milender suggested the discussion be postponed until Houle can participate in the discussion.

22-04-02 Motion by Hooker, seconded by Burdorf directing that MATIT board minutes be prepared by MATIT staff; that Secretary Houle be provided the opportunity to review said before being presented to

the board; that the signatory block indicate that the minutes were prepared by MATIT staff. Motion carried. Voting Yes: Burdorf, Hooker, Hall. Voting No: Milender. Absent for Vote: Houle.

22-04-03 Motion Hooker, seconded by Hall to approve the Minutes of the March 23, 2002 meeting of the MATIT trustees as prepared by Secretary Houle. Motion carried. Voting Yes: Burdorf, Milender, Hooker, Hall. Absent for Vote: Houle.

FINANCIAL REPORT FOR THE PERIOD ENDING MARCH 31, 2022

000 Treasurer Milender reported on the assets of the Trust. He shared that the CLC's fund balance is \$13,032,804 and the fund balance in the Workers' Compensation Division is \$14,710,413. The portfolio has decreased in value by \$879,458 since February 28, 2022 and is \$311,683 less than last year at this time. He pointed out that these losses would only affect the Trust if they are liquidated before maturity. According to Milender, MATIT is looking to consolidate both accounts with one investment manager in the hopes of reducing fees and improving upon performance.

000 Milender advised that he received a letter from BMO Harris (CLC investment manager) advising that MATIT may be invested in Goldman Sachs money market funds. BMO has a judiciary obligation to notice MATIT of the relationship between BMO Harris and Goldman Sachs and is providing MATIT an opportunity to "opt-out" of these funds. Before making any decisions he asked staff to further research the issue.

22-04-04 Motion by Burdorf, seconded by Hooker to accept the Treasurer's report for the period ending March 31, 2022. Motion carried. Voting Yes: Burdorf, Milender, Hooker, Hall. Absent for Vote: Houle.

WORKERS' COMPENSATION REINSURANCE ASSOCIATION (WCRA) SURPLUS DISTRIBUTION

000 Staff advised that the WCRA has announced that based on investment returns, positive development in claims and the associated reduction in loss reserve liabilities, declining claims frequency and recent legislation it will distribute \$600M of surplus to members. One hundred eighty-two million dollars (\$182M) has been designated for self-insured or joint self-insured entities like MATIT. MATIT's portion of the distribution is \$477,180. The WCRA has issued 5 other surplus distributions since its inception totaling \$1.82B and has assessed members \$250M to replenish its funds. No action was needed.

CENTERS OF MEDICARE AND MEDICAID (CMS) REPORTING REQUIREMENTS

000 Meadowbrook/Mackinaw is presently handling CMS reporting for the CLC division. With the termination of the Meadowbrook contract and the conversion to Origami, this will become the responsibility of MATIT. To ensure that Medicare, Medicaid, the Children's Health Insurance Program and the Health Insurance Marketplace are not paying medical expenses when "insurance" is available they have specific reporting requirements for insurers like MATIT. Meadowbrook contracts with ExamWorks to perform the reporting. Staff requested authority to enter into a contract with ExamWorks for CMS reporting. MATIT staff will use ExamWorks' Data Entry System option for an estimated cost of \$700 for implementation and \$500 a month for reporting to CMS.

22-04-05 Motion by Milender, seconded by Hooker to authorize staff to enter into a contract with ExamWorks using ExamWorks' direct data entry system option to satisfy CMS reporting requirements

with an expected cost of \$700 to implement and \$6000 a yr. for reporting. Motion carried. Voting Yes: Burdorf, Milender, Hooker, Hall. Absent for Vote: Houle.

CLAIMS UPDATE

000 The board reviewed information regarding workers' compensation claims. Tidmore advised that she has scheduled a meeting with representatives of State Fund Mutual (SFM) to introduce herself and discuss the program and the work that SFM performs relative to handling workers' compensation claims for the Trust.

000 Staff Counsel Fensky was available to answer questions regarding CLC claims information he had provided. He advised the board of a property loss caused by the recent tornados. The loss is not expected to reach MATIT's property reinsurance retention level. He also noted that a recent MN. Court of Appeals decision regarding a right of way in Itasca County is being reviewed by several interested parties that may wish to file an amicus brief. He outlined the issue's application to townships. He will keep the board apprized.

MATIT MISSION STATEMENT

000 In recognition of MATIT's 20th anniversary time was set aside to discuss a mission statement for the organization. The board reviewed the purpose for a mission statement and discussed how it would be used in the future. They acknowledged that during the past two decades of operations MATIT has focused on claims, coverage and education and that the mission statement should reflect this evolution.

22-04-06 Motion by Milender, seconded by Hall to adopt the following as MATIT's official mission statement: *"The mission of the Minnesota Association of Townships Insurance Trust is to provide townships in Minnesota with affordable coverage tailored to their unique needs, superior claims handling services and information and resources that support the efforts of township leaders in avoiding loss"*. Motion carried. Voting Yes: Burdorf, Milender, Hooker, Hall. Absent for Vote: Houle.

Report of Agency Manager

000 Tidmore reported on the following:

- Origami and FPOV reaction to delaying "go live" date: Origami will be ready to "go-live" as proposed. The postponement will impact their staff as they are committed to another implementation project however FPOV has agreed to assist. FPOV's contract has been extended through July to assist with any issues that arise once the claims module is implemented. Renewal and underwriting should be completed by then but will not be activated until the November renewal cycle.
- Signatories on bank accounts were reviewed and will remain the same for the time being (list on file).
- Great Plains (general ledger) account work is underway. Meadowbrook has requested bi-weekly meetings with Implementation Specialist and MATIT that include strict agendas in order to control contact with Meadowbrook staff yet move the project forward.

- Tidmore discussed briefly that renewals may be impacted by the new census numbers. She also noted that adjustments to property values occurs only once every five years when the property appraised by MATIT. She expressed concern with this practice given the increase in building costs. Both will be reviewed at the May board meeting.
- A draft of the MATIT July 1, 2022 - June 30, 2023 budget will be presented to the board at the May meeting. Staff noted it has been difficult to complete the budget and provide trends and costs since so much of the information resides in Meadowbrook's system.
- Tidmore provided a list of MATIT contracts including a description of services provided, term and costs for board reference.

No action was needed.

MEMBER INPUT

000 Dean Molstad, Cokato Township presented the board with several resolutions to consider. No action was taken.

RECESS

000 The President recessed the meeting. The meeting will reconvene following the MAT board meeting on April 14, 2022.

MEETING RECONVENED

000 President Burdorf reconvened the MATIT Board of Trustees Meeting on April 14, 2022 at 2:30 p.m.

000 As a follow-up to discussions regarding BMO Harris' inquiry about "opting-out" of Goldman Sachs money market staff advised that MATIT presently has \$822K in a GS Financial Square Government Fund. According to BMO's representative, the company looks for the money market account with the least cost and highest yield. A review of GS' money market performance significantly outpaces the next closet fund. No action was taken to "opt-out" of the GS money market account but the board will monitor its performance.

000 Staff advised that the May MATIT meeting will likely require a two hour meeting to complete the agenda. A question regarding the status of some townships continued membership in MATIT was raised. Staff advised they will contact LMCIT to discuss how the two organizations can cooperate with the transitions.

ADJOURN

22-04-07 Motion by Millender, seconded by Hooker to adjourn the meeting (3:12 p.m.) Motion carried. Voting Yes: Burdorf, Milender, Hooker, Hall. Absent for Vote: Houle.

Respectfully submitted as Prepared by MATIT Staff (Robyn Sykes)

