MONTANA SELF INSURERS' ASSOCIATION

Board Meeting Minutes
July 17, 2025 11:00a MDT
Zoom Meeting ID: 858 8459 8573
Passcode: 606766

Members Present: D Haeder (Chair) NorthWestern Corp, D. Walcheck (V Chair) Logan Health, M. Marsh (Secretary/Treasurer) Midland Claims Service, K. Bartsch MT Schools Group Interlocal Authority and P. Strauss (Exec Dir) ex-officio and non-voting member. V. Evans Montana Contractor Compensation Fund provided a proxy for quorum and decisions to Walcheck. E. Grinde, Chief People Officer and Risk Manager for Missoula County was excused.

1. Approval of the 5/29/2025 Board Meeting Minutes

The DRAFT 5/29/2025 meeting minutes were attached to a reminder about the meeting sent on 7/16/2025. The most important action taken at the 5/29 meeting was a straight line 31 day extension of the 2024-25 budget through the end of July. The most important point for this meeting is a review and adoption of a budget for 2025-26.

We were not able to meet in June and will return to our regular every other month meeting schedule next month. Typically, when the legislature is not in session, we meet in the even numbered months. Strauss will have a DRAFT Business & Annual Meeting agenda and support for the Board's review prior to the August meeting, currently set for the 21st.

> **Marsh moved and Bartsch seconded a motion to adopt the 5/29/2025 Board meeting minutes as presented. Motion passed unanimously, with no abstentions.**

2. **Director's Report**:

Financials

The June monthly statements from our Valley Bank operations checking account, our Wells Fargo Advisors money market account, and our DADCo Savings (money Market) and Investment accounts were attached to the meeting invitation.

An updated Financial Transactions spreadsheet, which is more current, is also attached to the meeting invitation.

Valley Bank Balance	= $13,142.99
DA Davidson Savings	= $10,493.69
DA Davidson Investment Acct	= $28,395.34
WFA Money Market	= $28,339.86

June expenses totaled $2392 and change. They included the monthly SquareSpace Domain Name $8.40 for both May and June, CE credit application for both the 5/21 and 6/11 Webinars, the lodging cleaning fee for the MSF Annual Medical Conference in May, meetings in Billings with members, the BIL Chamber a presentation to MHN members, and the National Council of Self Insurers Annual Conference in St Petersburg Beach, FLA. Strauss used his condo as lodging for the MSF Annual Medical Conference and there was a $151 cleaning fee associated with the use. Based on family issues, Strauss had to change his flight plans for the National Council Annual Meeting in FLA and we received a credit from Delta, which was included in the expenses. We also added at least two new members, AES of Billings and Figur8, based outside of Boston as a result of our meetings.

As of now, July expenses look like they will include usual Squarespace monthly fee, the $1000 sponsorship for the Governor's Conference which includes the registration cost and a $35 charge for the University of Montana Bureau of Business & Economic Research annual summer seminar. That seminar is sponsored by the Montana Chamber of Commerce and provides another opportunity to learn more about the current results of the Montana economy and to support our business coalition partners.

3. Business & Annual Meeting

The Business & Annual Meeting is sponsored by Browning, Kaleczyc, Berry & Hoven, Definiti Comp Solutions/Definiti Comp Rx and our guest speaker, Dr. Claire Muselman, is sponsored by Midland Claims Service.

Strauss will provide a draft agenda, minutes from the last B & A Meeting, financial reports, the budget and supporting information for our B & A Meeting prior to the August Board meeting. Strauss will also set up a Board dinner with our guest speaker, if she is available, for Tuesday evening, September 2. Three board seats are up for election this year including the Chair, and two at large seats, currently held by Haeder, Bartsch and Grinde respectively. All current board members have indicated a willingness to continue on the Board.

Strauss will again send out an annual issues survey to members a few weeks before the B & A Meeting and have the results compiled before the meeting and presented there.

4. Membership

18 members have paid their 2025-26 annual dues to date, including our new members who paid prior to July 1. We typically receive about 20% of total July dues income before July 1 and this year was no exception. Two employer members have self-reported an increase in employee count, increasing their membership dues levels (which will help our budget) and there is some concern about one employer members' continued participation in the marketplace. (Please note – this total includes what appear to be checks that have been received in the mail at the office through 7/5. Strauss has not been able to be in the office, nor make deposits. Strauss is scheduled back to the office on 7/23 and can provide a more detailed report on paid membership at that time.) We have 11 members who are on the January dues cycle.

In total, we have 42 Associate members (including new members effective 7/1/25) and 18 Employer members. Two Associate members have joined since our last meeting – Associated Employers and Figur8 Technology. Associated Employers provides contracted HR consulting services and safety training. Figur8 uses the same type of technology as professional sports franchises in measuring physical motion to provide objective medical evidence as part of a PT evaluation.

We have two potential employer members – one is a major national retailer, and the other is a regional PT corporate organization.

5. Budget

We had another good financial year last year. Overall, our income exceeded the adopted budget estimate by $5,784. At the same time, our expenditures exceeded our budget by some $2,878. That includes the unplanned bonus for the Executive Director. Even with that, we still came in with an almost $800 surplus. Our income was higher and our surplus exists because of our investment income. Our investment results include $1,724.79 realized gain and $1,465.86 in unrealized gain.

We added a third sponsorship for the Business & Annual Meeting this year and that increase in income is reflected in the budget proposal. We again had five Webinars while we only planned for four (Evans had identified a typographical error in the explanation, which has been corrected). This year we are planning for five and we have again increased the estimated number of seats we will sell for our webinars (the fifth webinar does not generate seat income – only sponsorship income). We have out-sold our estimates on a pretty regular basis, so increasing the number of seat sales is appropriate. At the same time, Strauss is picking up rumblings that a larger carrier is stepping up their internal education efforts, which, if true, may have an impact on our seat sales.

Strauss is hopeful our employer member numbers will remain the same. We have a very real potential of one of our employer members will be ceasing to be active in the WC marketplace. (After the meeting Strauss contacted the member who indicated they will remain a member, for at least this fiscal year.) At the same time, Strauss is actively courting two new employers for membership. Strauss will also seek to approach captives and to learn more about how to identify potential high deductible employers. We have again increased our Associate membership roles and we are projecting another net increase in Associate members for next year. With the number Associate members, it is reasonable to expect some membership cancellations although we are not aware of any concerns at this point. We have two employer members who have self-reported an increase in Montana based employees – which has increased their level of dues.

The DRAFT proposed budget has a higher travel budget providing for more intra state travel as we become more active with legislative issues. As an example, we will need to do some traveling to support our business coalition on WC issues and in particular the PTSD issue. At the least, to maintain our credibility there is likely a need to meet with this year's bill sponsor to help work out the opportunity to work together towards a solution. Strauss has also proposed increased costs for air travel, parking in cities and hotel rooms. We have not changed the proposed professional meetings – WCRI, MSF Annual Medical Conference, the National Council of Self Insurers Annual Conference. and the University of MT Bureau of Business & Economic Research Annual and Summer review. However, travel costs have increased.

Our guaranteed premium for the D & O coverage ends this year. We have included a guesstimate as to what our premium might be. The Governor's Conference – and therefore our Business & Annual Meeting will be in Billings this year. By definition, those expenses, including mileage, will be higher than they were last year in Butte.

We have estimated $1500 for accounting fees for next year. We have been bordering on the $50,000 limitation for non-profit postcard filing. We may be able to provide a postcard filing again this year – but should be prepared to need to retain an accountant for a full 990 form filing.

Our members and customers have continued to use the credit card option for paying dues and webinar seats and we have included a minor increase based on the processing fees associated with the credit card payments.

The overall DRAFT proposed budget represents a $1,301 deficit. We are fortunate in that our income has increased and has been higher than estimates each year since 2020. In addition, our investment income has helped us. Our reserve and operational funds are more than adequate to cover this minor deficit, if necessary. As well if we do not need to file a detailed 990 income tax form, the proposed deficit turns into a surplus.

The board discussed the budget, generally favorably. Marsh suggested that the cost of an accountant might be higher than estimated, based on his experience with non-profit accountant costs. He requested the estimate be increased by $1000 to make sure our expenses were adequately funded. Although this also increases the estimated deficit from $1301 to $2301, the Board supported the proposal.

Walcheck moved and Haeder seconded a motion to adopt the amended proposed budget for 7/1/2025- 6/30/2026. The motion passed unanimously with no abstentions.

6. Old Business / New Business

1. Due to personal issues, Strauss has not followed up on discussions with APTA-MT about how the PT's as treating physician bill will be implemented. We remain committed to helping to educate the market and to working with APTA-MT. The Department of Labor has asked Strauss to moderate a panel discussion at the Governor's Conference with APTA-MT representatives on the topic. Strauss will also be providing the 'In memorium' presentation at the Conference.
2. Dean Blackaby has committed to providing a webinar on legal issues from his plaintiff attorney perspective. That will be September 23 at 10a.
3. Danielle Vukonic with member Ritsema Law has committed to providing an Ethics Webinar in December. We have not set a date yet. I am looking at December 10.

7. Adjourn –

The meeting adjourned at 11:45a (MDT). We are next scheduled to meet August 21 at 11a MST. We will see each other again in a couple of weeks after that for the Governor's Conference and our B & A Meeting. With the August meeting we will be returning to our every other month schedule.