



Risk Management Self-Insurance Board of Trustees
June 23, 2021, 2:00 pm
Special Meeting Virtual Meeting
Tucson, Arizona 85701

Meeting Minutes

Call to Order by Chairman Steve Holland at 2:03 pm. A quorum was established.

Board Members present

Steven Holland- Chairman
Keith Dommer- Board Trustee
Nicole Lowery- Board Trustee
Jeffrey Yates – Board Trustee
Michael Hannley – Board Trustee (late arrival)

Attendees

Allie Matthews- City of Tucson Risk Manager/TRUST Fund Administrator
Trevor Stech- RM Consultant/Insurance Advisor – The Mahoney Group
Drew Newton- RM Consultant/Insurance Advisor – The Mahoney Group
Ana Urquijo, Assistant City Manager
Julianne Hughes-Deputy City Attorney
Michelle Saavedra, Principal City Attorney/ Appointed RM SITB Attorney
Sara Hussak- HR Manager – WC/Occupational Health/ Leaves
Eric Kazmierczak, Interim Deputy Police Chief
Dr. Luz Cornell, TPD Psychologist
Dominic Flores, TPD Lieutenant

Item 2- Introductions

Parties introduced themselves.

Item 3- Approval of Minutes- November 3, 2020 & November 30, 2020

Motion was made by Nicole Lowery to approve minutes as presented for both the November 3, 2020, and November 30, 2020 meetings. Motion was seconded by Keith Dommer. Motion passed.

Item 4a- Financial Statements

Presented by Allie Matthews, Risk Manager. The FY 20 ended with a positive net position of 3.9 million; a significant reduction from last year due to the claims and liabilities paid over the last year.

Item 4b- FY21

A revised document was sent on June 18th due to a calculation error made by the financial manager. Nullifying the 3rd Quarter Statement of Net Position sent June 11th. The remediation obligation and Claims Payable was reported incorrectly but is now corrected. This calculation error did not impact the total assets of \$50,232,000 for FY21. It was pointed out that the net position drastically changed in the budget from one year to the next due to two claims that were paid out.

Item 5-Tort Liability Payment Update

The amount submitted last year for FY20 was \$513,011.68. During the meeting, it was explained why the budget increases from one year to the next and why that amount is directly attributable to the number of claims and pay-outs associated with Tort. The amount that will be submitted for FY21 which will be effective on FY23, will be a little over 4 million.

Item 6- Investment Discussion

Investment Policy which was adopted in February 2020 by Mayor and Council is the policy that will now be followed. Requirements to invest and the types of investments were explained by Allie Matthews. The board members were asked what their thoughts were regarding working with an Investment Consultant-PFM or if the board wanted to work directly with Jeffrey Yates. Discussion continued with Chairman Steve Holland, mentioning the cost of outside assistance would be a factor in the decision. Jeffrey Yates talked about the City's Treasury Group and recommended using Investment Advisor PFM, adding that PFM had some useful resources that could benefit cashflow. Jeffrey Yates and Keith Dommer discussed the rate of return and how PFM would buy and invest for them.

Keith Dommer concluded he is in favor of using PFM. There was discussion on PFM's 5-year contract and current city investments with PFM. Keith Dommer moved for the trust investments to be managed under PFM and the City's contract. Chairman Holland seconded the motion. The decision to use PFM will be revisited at the end of the contract period. Roll call was done by Allie Matthews. Steven Holland, Keith Dommer, Nicole Lowery, Jeffrey Yates, and Michael Hannley voted for the motion to pass.

Item 7a- Unfinished Business- Cost Allocations

A letter by Chairman Holland was submitted and the recommended cost allocations for FY22 was approved. There will be an increase in the budget for Worker's Compensation and Liability.

Item 7b- Unfinished Business- Revised Tucson Code

Mayor and Council approved the Repeal and Replacement of the Tucson Code '18 and Declaration of Trust.

Item 7c- Unfinished Business- Declaration of Trust

An original signature from each board member will be obtained.

Item 8a- New Business

With the new budget in place, an ER analyst will be added to the Risk Management Staff to work under Allie Matthews towards developing the Enterprise Risk Management Program. The Public Liability team and the Litigation Unit underwent an Audit in January. There is room for improvement including improving the litigation reports, working with Tucson Police Department on excessive force cases, and adding additional staff to the Claims Adjusters team.

Item 8b- Board Member Team

Steve Holland is in his second term and will retire soon; no date was specified. A replacement will be needed for the Board of Trustees.


Item 8c- TPD Presentation

Eric Kazmierczak, Interim, TPD Deputy Chief, Dr. Luz Cornell, and Lt. Dominic Flores spoke about the TPD Employee Mental Health Wellness and Initiative program. They explained the benefits afforded to employees and how it would work to establish a culture of embracing the importance of both physical and mental health. The objective is to have a preventative perspective that will have a positive impact. They are pursuing partnerships with other outside agencies, e.g., Boulder Crest (specializing in Post-Traumatic Stress) and Washington Metro Police Department to enhance these initiatives. They are also pursuing a physical therapist/master trainer position with city management. Open discussion occurred with Chairman Holland commending the team on a well-designed plan.

Item 9- Call to Audience - (none)

Item 10- Future Agenda Items – Presentations: PFM Consultant Services; Target Zero Program and Total Cost of Risk (TCOR), Establishing a sub-committee that will meet quarterly with the investment consultant


Adjournment – Time: 4:00 p.m.



Board Chairman

28 JANUARY 2022

Date



Board Secretary

2/1/2022

Date