

Meeting Minutes

Workers Compensation and Employer Liability Trust Board

Regular Meeting

September 16, 2021 | 4:00 p.m.
Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Vice Chairman Bohnert at 4:01 p.m.

Roll Call

Commission Attendance

Vice Chair Michael Bohnert
Secretary Lily Longacre
Commissioner Terry Bond
Commissioner Val Gale

Absent

Chairman Alex Myer

Other Attendance

Becky Soter, Safety Coordinator
Chris Jarosik, Medical Leave Coordinator
Dawn Lang, Deputy City Manager
Fernanda Osgood, Benefits/Compensation Manager
Justin Gilkey, Public
Kristi Smith, Accounting Manager
Monica Kloskowski, CorVel Corporation
Nichole Bombard, Medical Leave Coordinator
Rae Lynn Nielsen, HR Director
Roni Laxa, Assistant City Attorney
Teresa Canjar, Management Assistant
Tony Dominguez, Safety Coordinator

Scheduled and Unscheduled Public Appearances

Justin Gilkey, a student from Walter Cronkite School of Journalism and Mass Communication was in attendance to observe the meeting.

Consent Agenda and Discussion

1. June 17, 2021 Minutes

Commissioner Gale made a motion to approve the minutes as presented from the June 17, 2021, meeting of the City of Chandler Workers Compensation and Employer Liability Trust Board, seconded by Commissioner Bond, motion carried.

Briefing

1. Stewardship Report - CorVel

Monica Kloskowski provided an overview of the Enterprise Comp Stewardship Report for the reporting period of July 1, 2016, through June 30, 2021. She started with the claims summary and the Total Incurred was large in 2021 because of one large claim from Mr. Britt.

Commissioner Bond asked if saying a person's name in regard to a claim was a HIPPA violation? Rae Lynn Nielsen answered that Worker's Compensation does not fall under HIPPA, so it is data we can share.

Commissioner Gale asked if the total for 2021 without Mr. Britt would be \$1.5? Monica responded that is correct.

Monica stated the Average Incurred is around \$11,000 which is more in line with the last 4 years if the large claim is removed from the total. She also talked about what the numbers would have looked like if we hadn't been in a pandemic. They numbers were closer to the normal trend. On the Statutory Claim Count report, indemnity claims are claims where the employee missed work. There were a lower number of claims overall in 2021. She feels the City is doing well compared to other Cities. Our top five claim locations are Police Department, Fire, Community Services, Public Works & Utilities, and Neighborhood Resources. The reserve is stable at 24 months. The top five nature of injuries for claims are strain, contusion, puncture, COVID-19, and lacerations. The top five nature of injuries based on total incurred are COVID-19, strain, rupture, sprain, and contusion. The top five claim counts for body parts are lower back area, knee, hand, shoulder(s), and lungs. The top five total incurred claims for body parts are lungs, shoulder(s), knee, pelvis, and ankle. The lung claims were all related to COVID-19. The Paid Financial Summary is an overview of what was paid per category year by year. We have been running pretty consistent year to year. Network Solutions provides bill review savings averaging about 65-70% every year. There was a reduction in 2021 because we didn't have as many large hospital bills as in prior years. The Pharmacy Summary shows the savings in prescriptions from using the CorVel pharmacy card. In 2021, pharmacy savings was at 41.1% which is extremely well. Most businesses run at about 28%.

2. Annual Safety Update

Kristin Maier introduced the Safety and Occupational Health Team. Tony Dominguez and Becky Soter are the Safety Coordinators who work closely with our Occupational Coordinators Christine Jarosik and Nichole Bombard. This is our annual Safety Program Recap for the FY 21/22. Tony talked about the different committees that help promote a culture of safety through education, encouragement, and engagement to prevent accidents and injuries among our employees. They have conducted 219 training classes for 6,585 hours to instruct 4,650 employees. There have been 39 ergonomic contacts, 19 safety inspections, and 70 respirator fit tests. The Emergency Action Plan is a requirement of OSHA with drills conducted annually throughout all City facilities, continued training of EACs, living written emergency

action plans for each city facility, and audits by Fire and PD of evacuation effectiveness. We went virtual using our LEAF learning system in 2020. There are specific training topics for each month, and we partner with different departments to get the information out there. COVID-19 continues to be something we deal with on a daily basis. It has had a significant financial impact on the trust this year and we continue to diligently work on mitigating this for our employees. Daily, we continue to monitor the CDC guidelines, address questions, monitor positive cases and pending test results, update our protocols on the COVID-19 Update page on the website. We are the only City continuing to provide the FCRA leave that expired December 2020 through the end of this year. Kristin gave a huge kudos to her team for all their hard work through the difficult past 18 months. There have been 1,181 employees tested for COVID-19 as of August 27, 2021. There have been 389 positive test results and 381 have returned to work. The cost for testing to the Workers Compensation Trust Fund for work related exposures is \$70,043 as of August 28, 2021. Additional Safety/Occupational Health programs are Commercial Driver's License, Ergonomics, Hands Only CPR, Stop the Bleed Training and AED Refresher, Bloodborne Pathogen Exposure Prevention, Hearing Conservation, Prescription Safety Eyewear Program, Safety Footwear Program, Confined Space Entry Support, and Fire Extinguisher Training. The presentation wrapped up with ongoing initiatives such as Respirator Fit Testing, COVID-19, site inspections, AGSA, and ADOSH.

3. Financial Statements

Statement of Net Position as of June 30, 2021

Kristi Smith advised the Board that the total assets were \$14,573,243 which is up slightly from last quarter and Due from the City is down because we have replenished some of the funds. There is \$105,865 in liabilities. The unrestricted net position is \$14,467,378 which is up from last quarter. When you compare the Net Reserve to 6/30/20, there is a request of \$3.1M. Kristi advised the group that the Trust is currently undergoing their annual audit by Heinfeld Meech so the numbers will be different than what is actually reported.

Statement of Revenues, Expenses and Changes in Net Position June 30, 2021

The 2021 Budget is the full calendar budget. The total actual operating revenues are \$4,591,840 which is slightly over budget. Actual operating expenses are under budget at \$2,706,428. The actual operating Income is \$1,885,412 which is higher than anticipated. The nonoperating revenues and expenses total \$256,684 and there is a change in net position at \$2,142,096. The ending net position is \$14,467,378 which agrees with the Statement of Net Position.

Statement of Cash Flows June 30, 2021

Kristi Smith advised the Board that this report shows the inflows and outflows of cash by activity. The Cash and Investments total \$13,861,516 which agrees with the Statement of Net Position.

4. Investment Report June 30, 2021

Kristi Smith provided a brief overview of the Investment Performance Review. The portfolio statistics yield at cost is 0.56% which is down from 0.61% the previous quarter. The money market rate for Wells Fargo is 0.01% and PFM is 0.02%, which is in line with the last quarter. The Sector Allocation has been pretty

consistent with prior quarters. Maturity Distribution shows the yield at market of 0.32% which is higher than the index at 0.25% and higher than the prior quarter. The effective duration is 1.83 which is in line with the benchmark of 1.84.

5. Review of Calendar Year 2022 Rates Human Resources

Rae Lynn Nielsen, Human Resources Director, provided the proposed 2022 meeting dates for discussion. Everyone was agreeable, so appointments will be sent out soon so we can get the room reserved.

Calendar

The next regular meeting will be held on Thursday, November 18, 2021 (Combined), at 4:00 p.m., in the Council Chambers Conference Room, 88 E. Chicago St.

Informational Items

Agenda Items for Future Meeting Dates

Financial Statements Management Services
Investment Report Management Services

Adjourn

Commissioner Bond made a motion to adjourn the meeting of the City of Chandler Workers Compensation and Employer Liability Trust Board of September 16, 2021, at 4:54 p.m., seconded by Commissioner Gale, motion carried.

Teresa Canjar, Secretary

Mike Bohnert, Vice-Chair