

# **Meeting Minutes**

## **Workers' Compensation and Employer Liability**

### **Trust Board**

### **Regular Meeting**

September 15, 2022 | 4:00 p.m.  
Council Chambers Conference Room  
88 E. Chicago St., Chandler, AZ



## **Call to Order**

The meeting was called to order by Chair Longacre at 4:03 p.m.

## **Roll Call**

### **Board Attendance**

Chair Lily Longacre  
Vice Chair Michael Bohnert  
Secretary Jennifer Huppenthal  
Terry Bond  
Val Gale

### **Other Attendance**

Becky Soter, Safety Coordinator  
Catherine Piepenbrink, Org Development Specialist  
Chris Jarosik, Medical Leave Coordinator  
Kristi Smith, Financial Services Officer  
Kristin Maier, Human Resources Manager  
Monica Kloskowski, CorVel Corporation  
Nichole Bombard, Medical Leave Coordinator  
Rae Lynn Nielsen, HR Director  
Roni Laxa, Assistant City Attorney  
Tony Dominguez, Safety Coordinator

## **Scheduled and Unscheduled Public Appearances**

## **Consent Agenda and Discussion**

1. June 16, 2022 Minutes

Ms. Bond made a motion to approve the minutes as presented from the June 16, 2022, meeting of the City of Chandler Workers' Compensation and Employer Liability Trust Board, seconded by Secretary Huppenthal, motion carried.

# Briefing

## 1. Stewardship Report – CorVel

Monica Kloskowski provided an overview of the Enterprise Comp Stewardship Report as of June 30, 2022. She started with the claims summary which shows the total incurred and claims for the last five years. On the Aged One Period Chart, we had a \$1.4 claim in 2018, and in 2021 and 2022 we had death claims that is why those are showing high. The Litigation Chart shows exceptionally low litigation rates. Benchmarking compares the City of Chandler to CorVel. The green numbers are good, and the red numbers are bad. There are a lot of red numbers except your indemnity of 62.9%. Catastrophic claims are taken off of the next slide and there are more green numbers. The average paid is a little bit higher in this scenario, but in comparison, the City is running pretty even. The Claims Counts shows the total for five years and then it splits out. There was a reduction in claims for the last two years due to COVID. The nature of injuries is broken out by body parts. It shows the top five nature of injuries/body parts, and the claims counts show strains and sprains are the most common. The total incurred shows nature of injury and COVID made the top five because each year we had one extremely high claim. There was a decrease in strains and increase in sprains. If you add these totals together, they are consistent with prior years. The year 2019 shows high because there were two large contusion claims at \$40,000 each. The body part claim counts show knees, shoulders, and lower back area as the most common, lungs would be COVID, and eyes would be a foreign matter getting into the eyes. On the total incurred body part chart lungs are the highest followed by knee, upper arm, shoulder(s) and elbow. There were two large claims in 2020 and 2021. The network solutions is a bill review and breaks out the savings for each year. Our savings are running from 60% to 75%. The return on investment has been very consistent. The pharmacy summary includes all prescriptions and the percentage in savings is increasing each month due to claims going through pharmacy benefit program which provides an extra 10% in savings. The case management overall summary shows that the 2022 return on investment was 9:1 and the total cost to the City was \$20,641 and the total estimated savings was \$194,200. Things that are factored into the savings is getting injured worker back to work quicker, reducing physical therapy, and getting into treatment quicker. The final slide is 24/7 Nurse Triage Self-Care Savings which shows a list of phone calls broken out by standard hours and off hours. The savings are broken out and shows after hour savings is higher because the nurse guides the worker through self-care which saves the City a visit to the emergency room which can be quite costly. In 2022, our combined savings was \$104,327 in self-care with 256 total calls last year. Only 12 of the calls in 2022 were COVID related, so this is a real savings.

## 2. Annual Safety Update

Kristin Maier introduced the Safety and Occupational Health Team. Medical Leave Coordinators Chris Jarosik and Nichole Bombard work closely with our Safety Coordinators Tony Dominguez and Becky Soter. This is our annual Safety Program Recap for the FY 21/22.

Tony Dominguez stated the goal is to prevent accidents and injuries while Chris and Nichole manage the claims after an injury. We utilize a couple committees for City-wide employee involvement. The Executive Safety Steering Committee's members are from the executive team, and we meet regularly to share ideas, programs, and projects. The City-wide Safety Committee is comprised of member representatives from all departments and our goal is to have individual representation from around the City. Becky outlined the Hazardous Waste Operations and Emergency Response Training. This in-house training is geared toward employees who handle chemicals or have potential for being exposed to chemicals. We have been completing this training virtually the last couple of years, but plan to go back to in-person training next year because of the hands-on activities that are site specific. Tony said we are required by OSHA to have an Emergency Action Plan which covers all City facilities. To stay compliant, we have annual training with employee Emergency Action Coordinators who help facilitate responses to certain emergencies within the building. We conduct drills on an annual basis and have written action plans for each building within the City to make sure everything is functioning properly. Becky talked about OSHA mandated Respirator Fit Testing for protecting employees from being exposed to respiratory hazards. Testing is conducted on an annual basis to make sure their mask is working and fits properly. Every five years they complete a health questionnaire to make sure they still qualify. Tony gave an overview of the FY 21/22 training. The highlights include 152 classes conducted, 3,220 employees trained, 4,747 training hours, 84 ergonomic contacts, 16 safety inspections, and 81 respirator fit tests. Police and Fire conduct their own Fit testing.

Secretary Huppenthal asked if the training classes offered every year are the same or are they changed based on the kinds of issues/injuries that come up? Tony said there are usually 7 or 8 classes that have to be given every year, but we conduct an accident/injury review at the beginning of the year with Chris and Nichole to target the greatest exposure so it's not reoccurring and any other needs that need to be addressed.

Becky Soter talked about the computer training in LEAF and the importance of keeping it current so staff can maintain their certifications. Tony gave an overview of the 2022 training calendar.

Secretary Huppenthal asked does this training ever correlate to the injuries that are occurring or do you look at the effectiveness of the training in your evaluation/planning of the program? Tony responded yes, that is what we do at the end of the year. We look at high risk points, where injuries are reoccurring, and which groups have the most injuries/exposures.

Chris Jarosik talked about new legislation that was effective July 1, 2021. This law requires Firefighter and fire investigator work related cancer claims to be reported to the Industrial Commission of Arizona. There were 7 claims reported unanimously. The information is compiled and shared with all participants to assist with setting workers' compensation insurance rates and to ensure reserve on claims are adequate.

Ms. Bond asked if this is because of 9/11? Chris responded no, because of the presumptive cancer laws here in Arizona which have been in effect for a couple years.

Chris stated there was also legislation that established the Municipal Firefighter Cancer Reimbursement Fund effective September 29, 2021. The \$15 million fund will be to reimburse verified eligible expenses for municipal firefighters and investigators. We had two eligible claims for \$4,596.

Ms. Bond asked if that is cancer related to the job function? Chris responded yes.

Nichole Bombard reported on OSHA Recordable Injuries. Monica had reported on total injuries, but OSHA injuries have a different threshold which decreases our numbers. The line graph represents the number of employees and our numbers have remained stable, even with the fluctuation of employees. There were a lot of COVID claims reported with days away from work, but that is only a reduction of 25% since 2020. When staff were out for COVID they took longer to come back to work. We had 36 cases with on-the-job restrictions. Police and Fire have their own internal return to work program as they have a lot of light duty work. Good numbers overall.

Tony highlighted some of the other programs offered by the City. Those programs include Commercial Driver License, Ergonomics, Hands Only CPR, Stop the Bleed Training and AED Refresher, Partnership with Wellness Program on mental awareness, Bloodborne Pathogen Exposure Prevention, Hearing Conservation, Prescription Safety Eyewear, Safety Footwear, Confined Space Entry Support, Fire Extinguisher Training, and Annual NFPA 70E Training for electricians.

Ms. Bond commented that it was good to see funds being spent on wellness that were on hold because of COVID.

Becky talked about other initiatives that are ongoing. We partner with our Wellness Program, Environmental Management Services, Risk Management Services, Arizona Governmental Safety Association, and Arizona Department of Safety and Health.

Rae Lynn Nielsen gave kudos to this team for all their hard work especially during COVID. Assistant Fire Chief Gale also thanked everyone for their helpfulness, positive attitude, and for always delivering consistent customer service. Thanks for all you do!

### 3. Financial Statements

#### Statement of Net Position as of June 30, 2022

Kristi Smith advised the Board that the total assets were \$15,873,984, cash is down \$15,000 from last quarter, and Due from the City is up \$517,000 from prior quarter. Total liabilities are \$40,000, increase of \$9,000 from the prior quarter. The unrestricted net position is \$15,883,984 which is up from last quarter. When Net Position is compared to the Reserve Goal as of June 30, 2021, there is a surplus of almost \$2.7 million.

Kristi noted that Heinfeld Meech is currently completing their annual audit of the trust and there are additional entries that are yet to be completed so the numbers you will see in a few months will be slightly different than what is shown. She thanked the HR staff for all the information they have provided.

#### Statement of Revenues, Expenses and Changes in Net Position – June 30, 2022

The annual budget is shown, no proration, as we're at year end. The total actual operating revenues are \$4,448,476 which is \$64,776 over budget. Operating expenses are under budget at \$3,851,857 primarily related to claims payable. This provides for an Operating Income of \$596,619, which is \$2,806,204 greater than anticipated. The Non-Operating Revenues and Expenses total \$769,987 and there is a change in net position of \$1,366,606. The ending net position is \$15,833,984 which agrees with the Statement of Net Position.

#### Statement of Cash Flows – June 30, 2022

Kristi Smith advised the Board that this report shows the inflows and outflows of cash by activity. End of year Cash and Equivalents total \$14,872,215 which agrees with the Statement of Net Position.

Chair Longacre asked where the funds come from for the cancer fund? Rae Lynn Nielsen responded this is a premium that is attached to each municipality that is required to pay into the fund. Chair Longacre clarified so the whole fund is \$15 million, and Chandler didn't have to pay the whole \$15 million? Rae Lynn responded, no. Chair Longacre asked if the City's contribution came out of these expenses? Kristi responded, yes. Go to the Statement of Revenues, Expenses and Changes in Net Position and the Other Insurance line of \$676,429 was for this payment.

#### 4. Investment Report – June 30, 2022

Kristi Smith provided a brief overview of the Investment Performance Review. The portfolio statistics yield at cost is 0.94% which is up from 0.55% in the previous quarter. Yield at Market is 3.00% which is up from the prior quarter of 2.14%. Effective Duration is at 1.70 as compared to the prior quarter of 1.63. The Benchmark Effective Duration is 1.78. The money market rate is finally trending up and is 0.84% for Allspring and 1.25% for First American Funds (PFMAM). The Sector Allocation is showing minimal change in each of the security types.

#### 5. Review of 2023 Meeting Dates

Rae Lynn Nielsen stated this is the same schedule that was provided at the Health Benefits Trust Board Meeting in August, but because it is Workers' Compensation Trust Board it has to be reviewed again.

## **Action Agenda**

## **Members Comments/Announcements**

## Calendar

The next regular meeting will be a combined meeting on Thursday, November 17, 2022, at 4:00 p.m., in the Council Chambers Conference Room, 88 E. Chicago Street.

## Informational Items

Agenda Items for Future Meeting Dates

Financial Statements – Management Services

Investment Report – Management Services

## Adjourn

Secretary Huppenthal made a motion to adjourn the meeting of the City of Chandler Workers' Compensation and Employer Liability Trust Board of September 15, 2022, at 4:47 p.m., seconded by Ms. Bond, motion carried.

  
Teresa Canjar, Secretary  
Lily Longacre, Chair