



Self-Insurance Board of Trustees
September 27th, 2019 1:45 p.m.
City Hall 5th Floor W. Conference
Room 255 W. Alameda
Tucson, Arizona 85701

Meeting Minutes

Call to Order by Allie Matthews, facilitator, at 1:45 p.m.

Roll Call by Allie Matthews, Risk Management Administrator- City of Tucson. A quorum was established.

Board Members Present:

Steven Holland- Chairman

Keith Dommer- Board Member

Joyce Garland- Assistant City Manager- Chief Financial Officer

Attendees:

Allie Matthews- Risk Manager/TRUST Fund Administrator

Dave Deibel- Deputy City Attorney

Drew Newton- Insurance Broker/RM Consultant- The Mahoney Group

Catherine Langford- Legal Advisor, Yoder and Langford

Frances Bracamonte- HR Workers Compensation Manager

Maria Robinson- Safety and Health Loss Control Manager

Nicole Lowery- Guest- TUSD Risk Manager

Review Proposed Revisions to Tucson Code Chapter 18 presented by Catherine Langford

Discussion of role of board members regarding reviewing risk issues, looking at investments and cost allocations.

Definition of Trustee- currently the trust reads that the trustee shall administer the trust. The trust is not clearly separated from the program. The board's role will be focused on the flow of funds into the trust from the City and the investment of those assets for the benefit of the city.

Expanding residence to include Pima County in definitions of Trustee (sec 18-8.1), currently the trust states that a board member must work and/or reside in the Tucson city limits. The definition of a trustee in Section 18-2 will be made consistent with the definition in Section 18-8 to state that the trustee must work and/or reside in the City of Tucson, Arizona. Board will consider whether to recommend expansion into Pima County.

Discussion on revisions in 18-2 through 18-10, Keith Dommer, Board Member, asked if the purpose of the meeting was to have a consultation of trustees prior to amendment of the City Code, Chapter 18. Catherine responded that the ultimate authority of amendments lies with the Mayor and Council but this meeting serves to ensure that the current board members are comfortable and clear with the revisions. Keith Dommer asked if the current declaration of trust will be modified to reflect the final changes to Chapter 18. Catherine responded that yes, they will eventually need to be an amendment to the Trust Agreement to reflect changes in Chapter 18.

Update to section 18-8 will include staggering terms of no more than 4 years by written appointment and including an area of expertise for board members in the fields of finance, risk management, insurance or actuarial science. Discussion resumed on consideration of including Pima County residents to serve on the board.

All policy changes will be done by the fund administrator. Allie Matthews stated that the board will likely meet more

frequently to receive quarterly reports.

Section 18-9 The trust shall be audited annually by an external auditor and a copy of the report will be kept on record for a period of not less than 5 years. Discussion on verbiage of this section to include the City of Tucson's procurement team and using the term engagement. The edits to this section are still pending.

Section 18-10, Discussion of powers and duties of administrator, currently we have a connection between the administrator and the trustees regarding how the program operates, Catherine Langford suggest that this is separated and the administrator will address coverage issues.

The administrator will have the authority to work with trustees to take all necessary precautions to safeguard the assets of the trust, Keith Dommer suggested that this verbiage also be included in section 18-8, Allie Matthews agreed.

Adding section 18-12 (Authority to amend trust agreement or terminate trust), currently there is no section in the code stating that the trust agreement can be amended or terminated. The amendment authority would rest with mayor and council following consultation with the board. Mayor and Council would have the exclusive authority to terminate. Keith Dommer asked what would happen to the trust assets if termination were to occur? Catherine Langford explained that the assets would return to the City of Tucson as this is not an irrevocable trust.

There are no action items for today however the board will meet within the next 4 weeks regarding Actuarial Study and set a November meeting to discuss edits to the Tucson Code Chapter 18. Joyce Garland shared that Council Member Kozachik has asked for study sessions regarding city funds, including the Self Insurance Trust and Workers Comp. This will be provided during an annual update for Mayor and Council.

Discussion held on above topics- no formal action was taken

Unfinished Business

Keith Dommer asked if there were a specific Implementation date on changes to Tucson Code. Catherine Langford responded that it will occur after Mayor and Council approval- no specified timeframe.

New Business

No new business

Call to the Audience

Adjournment - Motion to adjourn by Keith Dommer, Seconded by Steve Holland



Rachel Fearon
Board Secretary

11-26-2019

Date



Steve Holland
Board Chairman

11-26-19

Date