



## DISTRICTS MUTUAL INSURANCE & RISK MANAGEMENT SERVICES

### BOARD OF DIRECTORS MEETING

OSTHOFF RESORT – ELKHART LAKE, WI

April 20, 2023 – 9:00 am

Present: John Will, Joshua Cotillier, Susan Debe, Valarie Wunderlich, Carrie Kasubaski, Steven Stoeger-Moore  
Guests: Kathe Kuna (CLA), Gary Strohm (Strohm Ballweg), Erin Dawson (Strohm Ballweg), Don Miller (Madison Scottsdale), Stephen Streff (Streff Insurance Services)  
Recording Secretary: Suzette Harrell (DMI Administrative Assistant)

1. **Call to Order** – J. Will, DMI Board Chair, called the meeting to order at 9:02 am.
2. **Statement of Public Notice** – At the request of J. Will, S. Harrell read the Statement of Public Notice into record.
3. **Roll Call and/or Declaration of Quorum** – Roll call was taken by S Harrell. John Will, Susan Debe, Joshua Cotillier, Carrie Kasubaski, and Valarie Wunderlich were present. A quorum was advised.
4. **Approval of Board of Directors Meeting Minutes for January 30, 2023** – V. Wunderlich motioned to approve the minutes from the January 30, 2023 Board meeting as presented. J. Cotillier seconded. All in Favor
5. **Financial Report** – E. Dawson provided an overview of check register figures and advised details on larger payments, DMI service provider installment payments, and those that occurred outside the normal distribution schedule. She reviewed open and closed claims for the quarter, property and casualty claim payments, and workers' comp. claim payments. DMI's financials were reviewed, along with several annual graphs prepared comparing DMI's performance to other insurance industry peer groups. A motion was made by S. Debe to accept the financial report. C. Kasubaski seconded. All voted in favor. Motion carried.
6. **Investment Report** – D. Miller talked about current market conditions. He then reviewed DMI's investment portfolio outlining current bond holdings, fixed income portfolio and the equity portfolio. Questions were asked and answered. J. Cotillier made a motion to accept the investment report as given by D. Miller. V. Wunderlich seconded. Vote: All were in Favor. Motion carried.
7. **Annual Audit** – K. Kuna reviewed her presentation found in the meeting's e-packet. Questions were asked and answered. K. Kuna said DMI did not have any deficiencies identified during the Audit and CLA issued the required Auditor Qualification letter, the Internals Control (No Material Weakness) letter, the Audited Financials Report, and the Governance Letter accordingly. C. Kasubaski motioned to approve the Annual Audit as presented. V. Wunderlich seconded. All were in Favor. Motion carried.
8. **Actuarial Report** – Loss Reserve Report - S. Streff opined on his loss reserved report, saying the report is a regulatory requirement and that he must certify DMI's reserves annually. Details in the report were expounded on for Board members. S. Streff sets DMI's reserves. He stated DMI has a history of assigning conservative reserves. Pricing exhibits (which included reserve details) were distributed. The details identified how past and current reserves were set; the analysis of reserves used (net basis/direct basis); and details of his reasonable, issued opinion. Every company needs an opinion. Board member questions were asked and answered. V. Wunderlich motioned to approve the Loss Reserve Report. C. Kasubaski second. Motion Carried.
9. **Reinsurance Coverage Renewal Terms and Conditions** – Conversations on this topic were included in Item #9. After lengthy discussion of proposed options and DMI's financial position, motions were made and voted upon as noted in Item #9

10. **Discretionary Funds Use** - Further to the discussions in Item #9, proposed options for discretionary funds use included the 2023/24 Risk Management Project Award (RMPA) and a 20% for DMI's 20th Anniversary distribution.
- S. Stoeger-Moore made a suggestion for funding of the RMPA award that provides funding for either/or areas of cyber hygiene/data protection and/or campus security. The projects are still focused but will include the two areas. He also recommended the funding amount be increased from last year's \$500,000 figure. After lengthy discussion, J. Cotillier motioned to approve \$800,000 in funding for DMI's FY 2023/24 RMPA awards with projects focusing on campus security and/or cyber projects. C. Kasubaski second. All in Favor. Motion carried. After conversation: S. Stoeger-Moore advised RMPA award checks will be distributed to the colleges during DMI's October 2023 Risk Managers meeting. J. Will asked about the colleges found lacking in cyber safety compliance. S. Stoeger-Moore offered to have a conversation with said college(s) IT officers.
  - Conversation on return of premium distribution ensued. C. Kasubaski motioned to distribute approximately 20% (\$1.6M) capital to the colleges according to their premium participation as identified in the December 31, 2022 Annual Direct written premium figure provided by Strohm Ballweg. The distribution will not be used as a direct premium reduction for 2023-24 premiums due but will be provided in a separately issued check presented during DMI's October 2023 meetings. V. Wunderlich second. All were in favor. Motion carried.
  - A suggestion was made by S. Stoeger-Moore to consider/approve DMI hiring a virtual Chief Information Security Officer(CISO) Consultant to provide services to the college's IT staff. The individual would be contracted on a retainer basis at a recommended time of 16 hours per month (1 hour per college) and rate amounting to approximately \$40,000 annually. The consulting would be provided by two individuals from the Gallagher Cyber Team. Upon discussion, it was suggested S. Stoeger-Moore attend one of the WTCS IT meetings to gather information on the potential need and use of this service by the Colleges. J. Cotillier offered to reach out to his college's IT Department to arrange an invitation for S. Stoeger-Moore to attend a meeting. This topic will be tabled for a future meeting to allow members to see if their colleges would use the service.
11. **Funding Request for Risk Mitigation Forum and 20<sup>th</sup> Anniversary Celebration** – S. Stoeger-Moore requested Board approval for funding DMI's combined 20<sup>th</sup> Anniversary/Risk Mitigation Forum to be held in April 2024 at the Bemis Conference Center, in De Pere, WI. He provided Board members with cost figures from DMI's 15<sup>th</sup> Anniversary program and the 2017, 2019, and 2022 Risk Mitigation Forums, for thought consideration. J. Cotillier made a motion to fund the 20<sup>th</sup> Anniversary/Risk Mitigation Forum with funds not to exceed \$25,000. S. Debe seconded. All were in favor. Motion approved.
12. **Premium Relief Initiative** – Discussions and noted actions were part of Items #9 and Items #11. No further actions taken.
13. **Service Provider Contract Renewal Recommendations FY23-24** – S. Stoeger-Moore introduced the roster of DMI Service Partners and their current terms and contractual amounts. He briefly reviewed the agreement worksheet with the members and asked for Board approval for the outlined 2023/24 contractual costs. J. Cotillier motioned to approve the 2023/24 Service Provider Agreements. C. Kasubaski seconded. Vote: All were in favor. Motion carried.
14. **Salary Study Policy Draft** – Based on past Board discussions, S. Stoeger-Moore presented a "draft" Salary Study Policy for adoption by the Board. The policy is an indication of when an employee salary study is to be conducted. V. Wunderlich recommended employee salary studies be completed sooner than 5 years due to

the frequency of changes in the job market. J. Cotillier suggested it be set at a minimum every four years. A motion was made by C. Kasubaski to approve the Salary Study Policy with the suggested changes to a minimum of every four years. V. Wunderlich seconded the motion. All were in Favor. Motion carried.

15. **Funding URMIA's 2023 Annual Conference** – S. Stoeger-Moore led the conversation by once again recommending the board approve a stipend for attendance at URMIA's 54<sup>th</sup> Annual Conference in September 2023. The Board liked the idea of providing the same funding as granted in 2022. In-person attendees would be awarded \$1,500/person to help defray costs associated with registration and travel and virtual attendees would be awarded \$969.00 for the cost of the registration fee. Virtual attendees may have 4+ college colleagues attend. DMI will administer the application and award program as done previously. A motion was made by C. Kasubaski to approve funding for 3 individual stipends at the identified amounts. J. Cotillier seconded. All were in favor. Motion carried.
16. **Future Quarterly Meetings Format** – S. Stoeger-Moore introduced a proposed FY 23/24 schedule of Quarterly Meetings. Several factors (like college summer schedules, WCTC Legal Conference date, Gallagher CCRMC Conference date, College HR meeting) played a role in the identified schedule. The July 2023 meetings were recently moved back one day to accommodate the college's summer scheduling. This caused a conflict with one Board Member's schedule for July 2023. It was decided the proposed Board meeting in July 2023 would continue to be held (as originally scheduled in April 2022) on July 20<sup>th</sup> and that the Risk Managers meeting would be rescheduled/moved to July 19<sup>th</sup>. E. Dawson advised they may not have financial documentation prepared in time for the January 11, 2024 Board meeting. S. Stoeger-Moore and J. Will advised the Board would work with what Strohm provides. E. Dawson said they may report verbally during the meeting and send hard copies after the meeting. No date change for the January BOD meet will be made at this time.
17. **KBC Salary Study** – S. Stoeger-Moore said if any of the Board members wanted a copy of the KBC Salary Study, he would provide it.
18. **President's Report** – S. Stoeger-Moore advised the Board that Moraine Park was the first college to submit all completed renewal applications. Kudos was given. S. Stoeger-Moore introduced Lance Klukas (formally CVTC) as DMI's new Campus Security Consultant. He reminded everyone that Lance is replacing Brooke Bahr (current Campus Security Consultant) who will be replacing Joe DesPlaines as DMI's Business Continuity & Crisis Response Consultant. Joe DesPlaines will be retiring at the end of June. Mentoring for both position transitions is fulling underway.
19. **DMI Consultant Quarterly Reports** – To be reviewed at members leisure.
20. **High Value Claims Review\*\*** - S. Stoeger-Moore indicated he didn't have anything outstanding to report. The frequency and severity of claims has not rebounded as of yet, from the COVID exposure. DMI is in a good low loss claims history position. It was felt the efforts of the DMI EHS and Campus Safety Consultants are paying dividends in providing subject matter expertise and suggested improvements for the local colleges. The consultants are fully vested in the Wisconsin Technical Colleges.

A motion was made by J. Cotillier to move to **Closed/Executive Session** at 3:26 pm to discuss Action agenda items #22, #23, and #24. S. Debe seconded. All in Favor. Motion carried.

21. **DMI President Performance Evaluation\* - Discussed During Executive Session**
22. **DMI President Compensation Package for 2023/24\* - Discussed During Executive Session**

**23. DMI Staff Performance Evaluation and Salary Consideration for 2023/24\* - Discussed During Executive Session**

A motion was made by V. Wunderlich to return to Open Session at 3:00 pm. C. Kasubaski seconded. All in favor. Motion carried.

**24. Adjourn** - A motion was made by C. Kasubaski to adjourn the meeting. V. Wunderlich second. All were in favor. Meeting adjourned at 4:36 pm.

Respectfully Submitted,

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Joshua Cotillier  
DMI Board Secretary