

**DMI Board of Directors Meeting**  
**Strohm Ballweg Offices – Third Floor Coliseum Conference Room**  
**Middleton, WI**  
**October 17, 2019**



**Present:** David Brown, Roxanne Lutgen, Renea Ranguette, Caleb White, Steven Stoeger-Moore

**Guests:** Russ Denk (Strohm Ballweg), Erin Dawson (Strohm Ballweg), Don Miller (Madison Scottsdale), Linda Mont (Key Benefit Concepts LLC)

**Recording Secretary:** Suzette Harrell (DMI Administrative Assistant)

- 1) **Call to Order** –D. Brown, DMI Board Secretary, called the meeting to order at 10:09 am.
- 2) **Statement of Public Notice** – D. Brown read the Statement of Public Notice into record.
- 3) **Public / Member Comments** – None received.
- 4) **Approval of Minutes from:**
  - a) July 24, 2019, 2019 BOD Meeting – E. Dawson offered a correction be made to the 3<sup>rd</sup> sentence in Item 6, Financial Report, by removing “and Michael Best invoicing.” No other comments or corrections were received. Motion made by R. Lutgen to approve the meeting minutes with recommended amendment. Seconded by R. Ranguette. All approved and motion carried.
  - b) August 15, 2019 BOD Teleconference Meeting – no correction(s) recommended. Motion made by R. Lutgen to approve the meeting minutes as presented. Seconded by R. Ranguette. All approved and motion carried.
- 5) **Key Benefit Concepts Report** – L. Mont updated Board members on Professional Employment Organizations (PEO’s) evaluated for DMI. One organization in particular was recommended – PayChex. A PayChex service provider agreement is under review by KBC and DMI general counsel. Should DMI move forward with PayChex, it will take two weeks to get things in order. Ms. Mont outlined in detail several proposed shared benefits (vision/dental plans, short/long term disability, life insurance, retirement, etc.) offered by PayChex. She discussed two employee time-off benefit scenarios; a Personal Time Off program or a Vacation/Sick Leave Schedule program. The Board heard pro’s and con’s of both proposed programs and discussed college experiences in computing vacation time, permissible PTO uses, current DMI employee vacation time allotment and schedules, and new hire vacation time schedules. Questions were asked and direction was provided by the Board. L. Mont will talk to Paychex about medical costs/benefits, percentage & cost to employer, and 401K options and report back to Board for finalization of benefits. R. Lutgen moved to accept the PTO and Holiday/Personal Day concepts as presented by L. Mont. C. White seconded. All approved.
- 6) **Financial Report** - E. Dawson reviewed the check registers, quarterly financial statements (balance sheet, income statement, operating expenses) and an Expense (usual and customary) Report . General questions were asked and answered by E. Dawson. Overall nothing unusual – trending similar to last year. Larger payments and expenses were discussed in detail, including CCMSI and United Heartland Worker Comp claim payments. R. Ranguette motioned to accept E. Dawson’s financial report. C. White seconded. All in Favor.
- 7) **Investment Report** – Handout material was provided. D. Miller talked about the current global financial outlook and concerns. He advised of negative yielding global interest rates (currently -\$17M in negative yielding bonds), European bank deposit outflows (lack of lending money effecting growth), US Central Bank indications of going into negative yielding debt, and the US’s bifurcated economy (corporate economy is slowing, consumer economy is strong). He reviewed the US 2 and 10 year yield curve which has been impacted by foreign purchases of US debt. US economy is doing very well at this time; low international interest rates are helping keep US interest rates low. He discussed the strength of the US consumer economy. Job wages are up and unemployment is at an all time low of 3.5%. Consumer confidence is high and interest rates should stay where they are now. He mentioned stocks are up 17% - 18% on the S&P year to date and talked about declining earnings, late economic cycle, rotation between types of stocks, and provided a stock market outlook. He then reviewed the impact of the economic market to DMI’s Investment Portfolio. DMI has a highly diverse portfolio. He reviewed DMI’s bond portfolio touching on effective duration, book yield, asset allocation, reinvestment rates, income basis, market corrections, S&P Small Cap and Mid

Cap investments. R. Lutgen made a motion to accept Don Millers investment report as given. R. Ranguette second. All in Favor.

- 8) 2019-20 Risk Management Project Award Approval** – S. Stoeger-Moore advised the Board on the received and evaluated college applications for the 2019-20 RMPA. Fourteen colleges submitted applications. There were no state-wide applications received. The two colleges that did not submit an application felt their projects from last year needed to be completed before applying for a new project award. He reviewed the application evaluation committee members, process and recommendations. He asked the board to approve the evaluation committee’s individual award recommendations as presented. Checks to be distributed during October Risk Managers meeting. R. Lutgen motioned to approve the RMPA Evaluation Committee funding recommendations. R. Ranguette seconded. All in favor.
- 9) DMI Administrative Assistant Position** – Consideration and benefits were reviewed from DMI consulting staff recommendations to change the administrative assistant position from part time to a full-time position. Key Benefit Concepts will be asked to complete an analysis for the administrative assistant’s full compensation package to ensure the full-time position benefits are presented equitable as possible. C. White moved to make the administrative assistant’s position a full-time employee. R. Ranguette seconded. All in Favor.
- 10) Return of Capital Plan** – Russ Denk delivered a proposed return of capital plan for the board’s consideration. At this juncture, the board will not be moving forward with a return of capital program.
- 11) DMI Proposed Deductible Options - 7/1/20 Renewal Deductible Options/Rating** – Further to the conversation in Item 10, S. Stoeger-Moore suggested reviewing the level of deductibles for potential savings to the Colleges. He explained how the current deductibles were established and suggested there may be an opportunity to look at the deductible layer for potential operational savings to the colleges whenever there was a loss. The decrease in deductible would increase the college’s overall premium. However, the additional premium may be offset by the actual expense(s) of a loss(es). Questions were asked and answered. S. Streff reviewed his two page report containing information on suggested rates for lower deductibles and a comparison of actual College premiums for FY 20-21 verses proposed College premiums using the proposed lower deductible rates. He advised how the new rates were derived and reviewed the details by each coverage type and the proposed lower deductibles. Board Members asked that this topic be added to the January 2020, BOD agenda for continued review and discussion. No action to be taken.
- 12) 2019 Holiday Office Hours** – Board members were informed DMI will be closed on November 28<sup>th</sup> & 29<sup>th</sup> for the Thanksgiving holiday, December 24<sup>th</sup> and 25<sup>th</sup> for the Christmas holiday, and December 31<sup>st</sup> and January 1<sup>st</sup> for the New Year’s holiday. DMI will be open and have available staff on December 23<sup>rd</sup>, 26<sup>th</sup>, 27<sup>th</sup>, 30<sup>th</sup>, 31<sup>st</sup>, and January 2<sup>nd</sup> and 3<sup>rd</sup>, 2020.
- 13) Teleconference for January 16, 2020 Board of Directors Meeting** – When polled, Board members indicated they would like the January 2020 BOD meeting to be a teleconference event instead of a face to face meeting. Time will be determined and advised at a later date.
- 14) Estimated Premium Savings** – S. Stoeger-Moore briefly mentioned the estimated premium savings figure advised by S. Streff, in response to a previous board member’s request to know the figure.
- 15) Cyber Forum Summary** - College evaluation of the 2019 DMI Cyber Security Forum were talked about. Very positive feedback was provided, with an overwhelming majority asking for a repeat event. DMI will plan for a 2020 Cyber Security Forum in July.
- 16) President’s Report** –
  - a) URMIA Conference Update** – Funding for URMIA 2020 - S. Stoeger-Moore advised this year’s URMIA Annual Conference had the most attendees ever attend (almost 1,000), including international and students. He expressed the DMI \$1,500 stipend presented to the 4 Wisconsin Technical College members was well spent money. The four individuals will be reporting on their URMIA conference experience during the Risk Managers meeting. S. Stoeger-Moore asked the Board to consider funding stipends and the application process for the 2020 URMIA Annual conference in Indianapolis, IN. To allow the BOD to come up with a final plan, this item will be added to the January 2020 meeting agenda as an Action Item.
  - b) Consultants Reports** – S. Stoeger-Moore indicated the 3<sup>rd</sup> quarter of 2019 was a very active quarter for the DMI consultants. Reports for each consultant were included in the e-packet of support materials for this meeting

and are to be reviewed by the Board members as their time permits.

- c) PEO Required Coverage
- d) Claims Review – S. Stoeger-Moore quickly reviewed the metrics of open and closed high value claims, by College, for CCMSI claims and United Heartland claims. He presented the board with a WC – Cost Savings / Waste Scenarios review. S. Stoeger-Moore advised, during previous conversations, on the benefits of a modified duty return to work program. At the time he proposed the Board consider making a program mandatory for each of the Colleges. At this time, he asked the board to consider adopting a formal Return to Work/Modified Duty “Policy”; not a “procedure”. He advised again on the value of having a modified duty return to work policy by going through cost savings/waste scenario’s prepared by United Heartland. One of the biggest actions a college can take to reduce waste is to decrease its indemnity exposure. Decreasing indemnity exposure will lead to a favorable Mod Factor calculation by WCRB. Board members were encouraged to utilize the presentation as background information for conversations on campus to adopt a Return to Work/Modified Duty “policy” and for cost savings measures. S. Harrell was asked to send the PowerPoint presentation to Board members.
- e) Update Current Goals – S. Stoeger-Moore expounded on his consulting quarterly report and presidents’ goals. An update was provided on his activities which focused on items established in his three goals for the year. Included were customer evaluation of services surveys (Marriott vs. Radisson, DMI Consultation Feedback, and UH Pulse Survey), and his attendance at NATC’s Human Resource group meeting. D. Brown advised while he couldn’t be at the NATC HR meeting, he did pass along positive feedback from both new and veteran HR members. S. Stoeger-Moore was asked to attend a follow up meeting to possibly provide more insurance detail and a question/answer session for HR members. D. Brown will follow up with HR managers.
- f) Surveys/Evaluations – The DMI Consultant / Customer Satisfaction Tool will be rolled out after the October 18<sup>th</sup> Risk Managers Meeting. The procedure and survey form (in e-packet) were looked at. Work will begin on Goal 3, Section II “Department of Homeland Security Threat Assessment” after Risk Managers meeting. R. Ranguette said BTC has a team working on something similar. When DMI is ready to implement, she can see it being very beneficial for her time. S. Stoeger-Moore talked about the UH Pulse Check Survey. S. Harrell provided members with a narrative of comments made in the survey. S. Stoeger-Moore was asked if a similar survey could be performed for CCMSI and their services. S. Stoeger-Moore asked board members who receive feedback from College members regarding DMI service providers, to please pass those comments along to him.

**17) Adjourn** – A motion was made by R. Lutgen to adjourn the meeting. Seconded by C. White – All approved, Meeting adjourned at 3:01 pm.

Respectfully Submitted,

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David Brown  
DMI Board Secretary