

MINUTES OF AN OPEN MEETING OF THE BOARD OF
DIRECTORS OF THE MONARCH FIRE PROTECTION
DISTRICT OF ST. LOUIS COUNTY, MISSOURI,
HELD ON WEDNESDAY, DECEMBER 19, 2018

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Chesterfield, Missouri

December 19, 2018

BE IT REMEMBERED, that the Board of Directors of the Monarch Fire Protection District of Saint Louis County, Chesterfield, Missouri, met at the Administration Building, of said District, 13725 Olive Boulevard, in the City of Chesterfield, County of Saint Louis, on Wednesday, December 19, 2018, at 11:30 A.M. in an Open Board Meeting.

At the above time and place the following Officers and Directors were in attendance.

Rick Gans - President/Chairman and Director
Jean Millner - Secretary and Director
Robin Harris - Treasurer and Director

Also present: Chief Cary Spiegel
Asst. Chief Les Crews
Atty. Matt Hoffman

A quorum being present, Director Gans called the meeting to order and announced the Board of Directors meeting to be in session for the transaction of any and all business to be brought before it at this time.

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1 P R O C E E D I N G S

2 11:30 A.M.

3 DIRECTOR GANS: Call to order the
4 Open Meeting of the Monarch Fire Protection
5 District Board of Directors.

6 Would you please rise and join me in
7 the Pledge of Allegiance?

8 (Whereupon, all persons joined in reciting
9 the Pledge of Allegiance, and the following
10 proceedings were had.)

11 DIRECTOR GANS: We expect --

12 (At this point, Director Millner entered
13 the Board Room.)

14 DIRECTOR GANS: Never mind.

15 Before I can finish the sentence.

16 Director Millner, will you please
17 rise and say the Pledge of Allegiance?

18 (General laughter.)

19 DIRECTOR GANS: I'm only kidding.
20 I know she knows it.

21 All right. So we are now on item
22 Three, Approval of Agenda.

23 Are there any changes to the agenda?

24 DIRECTOR HARRIS: I have none.

25 DIRECTOR MILLNER: I have none.

1 CHIEF SPIEGEL: I have none.
2 DIRECTOR GANS: And I don't either.
3 So, we're now on Citizen Comments.
4 Looking in the audience, I don't see
5 anybody that's probably going to fit that
6 category, so we'll move on to the President's
7 Report.
8 We are expecting Mike Hennessey,
9 aren't we?
10 CHIEF SPIEGEL: Yes.
11 DIRECTOR GANS: Okay. I will defer
12 my report. I am expecting Mike Hennessey to do
13 a presentation on Workers' Comp.
14 And so I'll move to the Secretary's
15 Report.
16 DIRECTOR MILLNER: All righty.
17 Okay. I move for the approval of
18 Open Meeting Minutes from December 13, 2018.
19 DIRECTOR GANS: I will second the
20 motion.
21 Any discussion?
22 (No response.)
23 DIRECTOR GANS: All in favor?
24 DIRECTOR MILLNER: Aye.
25 DIRECTOR HARRIS: Aye.

1 DIRECTOR GANS: Aye.
2 Motion passes three to nothing.
3 DIRECTOR MILLNER: I also move for
4 the approval of Meeting -- the Closed Meeting
5 Minutes for December 13, 2018.
6 DIRECTOR GANS: I will second the
7 motion.
8 Any discussion?
9 (No response.)
10 DIRECTOR GANS: All in favor?
11 DIRECTOR MILLNER: Aye.
12 DIRECTOR HARRIS: Aye.
13 DIRECTOR GANS: Aye.
14 Motion passes three to nothing.
15 Jean, is your mic on?
16 DIRECTOR MILLNER: It is now. I
17 just realized it. I must've bent it. It was
18 off.
19 DIRECTOR GANS: All right.
20 DIRECTOR MILLNER: I also move for
21 the approval of the Open Meeting Minutes for
22 Thursday, December 6, 2018.
23 DIRECTOR GANS: I will second the
24 motion.
25 Any discussion?

1 DIRECTOR MILLNER: No.
2 DIRECTOR GANS: All in favor?
3 DIRECTOR MILLNER: Aye.
4 DIRECTOR HARRIS: Aye.
5 DIRECTOR GANS: Aye.
6 Motion passes three to nothing.
7 DIRECTOR MILLNER: I believe that
8 completes the Secretary's Report.
9 DIRECTOR GANS: All right. Thank
10 you.
11 DIRECTOR MILLNER: You're welcome.
12 DIRECTOR GANS: Treasurer's Report.
13 DIRECTOR HARRIS: We have disburse-
14 ments in the amount of \$1,101,640.33 for the
15 period.
16 We have four checks over \$5,000.00.
17 It looks like we have an amendment
18 and the total will now be \$1,040,874.33.
19 And that's -- I'll touch on that.
20 But, we have four checks over
21 \$5,000.00.
22 Check number 42242 for \$218,788.36
23 to Central County 911, for our emergency
24 communication services.
25 Check number 42282 for \$5,612.52 to

1 UNUM.

2 That is life, disability, AD&D.

3 Check number 42280 for \$179,040.19
4 to United Health Care for employee health care.

5 And, lastly, check number 42289 to
6 Missouri Employer's Mutual, in the amount of
7 \$589,318.00 and no cents.

8 That is for Workers' Compensation.

9 Are there any questions?

10 DIRECTOR MILLNER: I have none.

11 DIRECTOR GANS: I submitted a few
12 questions and I say a few because it was less
13 than it has been, by email with a copy to the
14 public file.

15 And those were answered to my
16 satisfaction.

17 I should have copies of checks for
18 one of the questions that I had.

19 We will be discussing the Workers'
20 Comp premium check afterwards. But, I don't
21 think that there'll be any problem with approving
22 that for now.

23 So, I don't have any questions,
24 besides what I've already asked by email.

25 DIRECTOR HARRIS: And I have --

1 sorry. Did you have any other questions?

2 DIRECTOR MILLNER: Nope.

3 DIRECTOR HARRIS: I have no
4 additional questions.

5 I will make one comment on the
6 Workers' Compensation check. There was actually
7 a voided check in the amount of, well, in excess
8 of \$650,000.00.

9 That was replaced with a reduction.

10 And I'll say, "Thank you," to the
11 gentleman I'm looking at, for being diligent.

12 That dropped that Work Comp premium
13 from what they had originally proposed of
14 650,000-plus down to the roughly \$589,000.00.

15 So, I believe about an eleven
16 percent reduction in our Work Comp premium.

17 In reviewing these disbursements
18 they appear to be reasonable and necessary in the
19 conduct of the District's business.

20 Chief Spiegel, were these checks
21 prepared per your recommendation?

22 CHIEF SPIEGEL: Yes, they were.

23 DIRECTOR HARRIS: Do they violate
24 any state bidding statutes, or constitute
25 installment payments?

1 CHIEF SPIEGEL: None that I'm aware
2 of.
3 DIRECTOR HARRIS: I make a motion
4 that we accept the disbursements as prepared.
5 DIRECTOR GANS: I'll second the
6 motion.
7 Any discussion?
8 (No response.)
9 DIRECTOR GANS: All --
10 DIRECTOR MILLNER: No.
11 DIRECTOR GANS: All in favor?
12 DIRECTOR MILLNER: Aye.
13 DIRECTOR HARRIS: Aye.
14 DIRECTOR GANS: Aye.
15 Motion passes three to nothing.
16 DIRECTOR HARRIS: Just one quick
17 comment.
18 As often is my custom, today, in
19 1777, General George Washington led his troops,
20 or established with his troops, the winter camp
21 at Valley Forge.
22 It was a very brutal winter and
23 hundreds of the soldiers died of disease during
24 the winter.
25 They were malnourished.

1 But, their morale remained high.

2 He had actually lost roughly half of
3 his army in the three months prior.

4 And, thanks to a number of
5 fortuitous patriots, was able to keep the
6 remainder, even though their term of enlistment
7 had expired.

8 And then when they broke camp in
9 June, and they came out, thanks to a "pression"
10 that had joined the Army and taught them how to
11 drill; taught them important things like, get
12 your drinking water upstream from the latrine.

13 (General laughter.)

14 DIRECTOR HARRIS: They were a much
15 more disciplined and capable unit when they took
16 the field once again, and continued on with the
17 Revolutionary War.

18 And that con -- that will conclude
19 the Treasurer's Report.

20 DIRECTOR GANS: All right. Thank
21 you.

22 Which will return us to the
23 President's Report.

24 And, Mike, if you can join us at the
25 podium and state your name, company, and let us

1 know what you're going to talk about.
2 MISTER HENNESSEY: (not audible)
3 DIRECTOR GANS: It -- it may well
4 be.
5 MISTER HENNESSEY: (not audible)
6 DIRECTOR GANS: Is this what you
7 sent us? I -- I printed it out.
8 MISTER HENNESSEY: Okay.
9 (Inaudible)
10 DIRECTOR GANS: Okay.
11 MISTER HENNESSEY: (inaudible)
12 DIRECTOR HARRIS: And now report.
13 MISTER HENNESSEY: (inaudible)
14 DIRECTOR HARRIS: Excellent.
15 MISTER HENNESSEY: Jean.
16 DIRECTOR MILLNER: Thank you so
17 much.
18 MISTER HENNESSEY: (inaudible)
19 MISTER HOFFMAN: Hi, Mike. Good to
20 see ya.
21 Thank you.
22 MS. DEPEW: Thank you.
23 MISTER HENNESSEY: Hello, Virginia.
24 MS. LONG: Hello.
25 Thank you.

1 MISTER HENNESSEY: My name's Mike
2 Hennessey and I'm with Smith McGehee and I'm here
3 to present the 2019 Workers' Compensation
4 Insurance renewal.

5 Page one is an overview of the
6 options and I think the option is quite obvious.

7 It's a fairly limited market place
8 for Workers' Comp for fire districts.

9 We did also submit this to 7710
10 Insurance Company and, as of the moment, they
11 haven't responded.

12 And I'm not chasing them around.

13 They -- they wrote the insurance for
14 the District a couple of years ago and I think
15 generally speaking their report card was an F.

16 The 2018 to 2019 unaudited insurance
17 premium was \$659,000.00.

18 And the average rate, per hundred
19 dollars a payroll, was \$5.59.

20 And their rate for class code 7710,
21 which is firefighter, was \$6.15.

22 The experience mod -- modification
23 factor was a 1.31 and the underwriter provided a
24 21 percent schedule credit to that premium.

25 DIRECTOR GANS: So, that's a dis --

1 I -- I had a question about that. So that is --

2 MISTER HENNESSEY: That's a discount
3 and that's an underwriting decision.

4 They can give you a debit. They can
5 charge you more, or they can give you a credit.

6 In terms of their filing, the
7 maximum credit their file for us is 25 percent.

8 DIRECTOR GANS: Okay.

9 MISTER HENNESSEY: There were the
10 (one word not clear) terms for 2019. The annual
11 premium, based upon payroll, is five hundred
12 eighty-nine thousand three eighteen, which is
13 about eleven percent reduction year over year.

14 A payroll is, for the most part,
15 flat.

16 The average rate, per hundred
17 dollars a payroll, is \$5.05, which is about a ten
18 percent reduction year over year.

19 The rate for Firefighter Code 7710
20 is \$5.86, which is a full -- almost a five
21 percent reduction.

22 The 2019 Experience Modification
23 Factor is 1.23, which is a six percent year over
24 year reduction.

25 And they increased the Scheduled

1 Credit year over year from 21 percent to 24
2 percent.

3 DIRECTOR GANS: What is the highest
4 experience MOD's that we had in your dealing with
5 the District?

6 MISTER HENNESSEY: It's, in here, a
7 little bit further. The high point, in terms of
8 the experience period was 1.58.

9 DIRECTOR GANS: Okay.

10 MISTER HENNESSEY: But, prior to
11 that, I want to say the highwater point was 1.72.

12 DIRECTOR GANS: In your experience,
13 is a drop like that, in this amount of time,
14 pretty unheard of?

15 MISTER HENNESSEY: Well, it -- it's
16 -- it's -- and we'll talk more about that. It's
17 -- it's a -- it's certainly an example of the
18 achievements that have -- have occurred.

19 And we'll talk more about that.

20 I -- I think that part of what we'll
21 talk about today is that the experience
22 modification has dropped year after year for the
23 past five years.

24 And -- and I would expect the 2020
25 experience MOD to drop significantly.

1 DIRECTOR GANS: Okay.

2 MISTER HENNESSEY: So, the answer to
3 your question is, is that certainly it's
4 reflective of the -- the significant achievements
5 that the District's had.

6 DIRECTOR GANS: Okay.

7 MISTER HENNESSEY: And we'll more
8 about the claims.

9 DIRECTOR HARRIS: And I -- I do have
10 to comment, that is less than half. It is a more
11 than \$600,000.00 reduction from the high about
12 six or seven years ago.

13 MISTER HENNESSEY: That's correct.

14 DIRECTOR HARRIS: And that is
15 remarkable.

16 I had a previous Director once say
17 "How are you going to do some of the things that
18 you're proposing?"

19 And, I said, "We're going to bring
20 that Work Comp down."

21 Again, just understand, I didn't
22 bring it down. The staff and the employees of
23 Monarch brought it down and did diligent work in
24 finding us the best dollar value. So.

25 But, I'm excited that I can say we

1 now pay less than we had been. Less than half of
2 what was paid just a few years ago.

3 MISTER HENNESSEY: From my
4 perspective, when I first got introduced to the
5 District, you know, I wouldn't have described the
6 culture here as strong (not clear) management
7 perspective.

8 I think what we have now is the
9 culture of the District has changed. It's very
10 much safety-focused.

11 The -- the safety, monthly safety
12 meetings and Safety Committee, I think, are very,
13 very effective.

14 And -- and, part of the reason I say
15 that, is because it's very typical, unusual for
16 -- for issues to be discussed in safety meetings
17 that were brought to the Safety Committee's
18 attention by employees.

19 So, the Safety Committee gets the
20 feedback from the employees, which I don't think
21 happened in the past.

22 So, I think, really what's changed
23 here is the culture.

24 And -- and, once that culture
25 changes, you know, it's -- it's -- as long as the

1 -- the efforting remains the same, the culture is
2 gonna -- it won't change.

3 And that -- and that was kind of
4 what our objective was when we started off.

5 You know, the premium was through
6 the roof. The experience MOD was poor and, you
7 know, really what the task was, at the time, was
8 in order to reduce the premium, we have to reduce
9 the claims.

10 And that doesn't happen overnight.

11 And, what we'll look at, when we
12 look at the claim's history, is that the Monarch
13 Fire Protection District is probably one of the
14 best performers in your industry, based upon the
15 achievements that you have, in terms of reducing
16 claims frequency and severity.

17 And that's the way to reduce the
18 premium. And that's what you've done.

19 BrickStreet Insurance Company, you
20 know, they offered a quote, but coming out of the
21 box, they were kinda saying, you know, we don't
22 think we're going to be price competitive.

23 And we can talk more about that.

24 But, they did offer a quote, as you
25 can see. It's not only a significant increase

1 over the 2018 premium, but significant --
2 significantly more than the -- than the MeM
3 renewal offer.

4 In case we'll -- we'll want to the
5 next page.

6 In terms of calculating the premium,
7 there's -- and I'll make it real simple, or, I'll
8 try to make it simple.

9 The underwriters do a loss forecast.
10 They look back five years and they try to
11 forecast -- they try to forecast what the claims
12 are going to be in the future.

13 So, that second page is a loss
14 forecast and it's based upon all of the current
15 year claims and the five previous years.

16 And, based upon that data, the
17 forecast for 2019 is \$600,000.00 in claims.

18 And -- and this is an element of --
19 this allows us to negotiate a little bit,
20 because, from a risk management perspective, the
21 concept is, past history is predictive of the
22 future, unless something changes.

23 And, clearly, there's been
24 significant change here at the District. And it
25 -- and it's really that safety culture.

1 So, because of that change, we're
2 able to talk to the underwriters and say, "Well,
3 this history is not going to be predicted."

4 So, the second page, or the next
5 page is that same loss -- loss forecast, but what
6 we've done is we've excluded an outlier claim
7 that's in this year's claims experience.

8 And that claim has a current total
9 incurred claim of about \$325,000.00, or so.

10 The insurance company's only paid
11 \$2,000.00 in expenses.

12 That claim has been redirected to
13 BrickStreet, who was the underwriter in 2017.

14 So, this third page is a loss
15 forecast excluding that claim.

16 And you can see in the 2018, 2019
17 year, we're showing total incurred claims of
18 \$132,000.00.

19 So, by excluding that claim, we
20 reduced the loss forecast of \$477,000.00.

21 And, again, we're going to be able
22 to negotiate with the insurance company because
23 things have changed.

24 And we don't believe that the
25 history is predictive of the future.

1 DIRECTOR GANS: What are the
2 numbers at the bottom, Mike? They're
3 abbreviations?

4 MISTER HENNESSEY: The -- the -- the
5 abbreviation "LDF"?

6 DIRECTOR GANS: Hm-hm.

7 MISTER HENNESSEY: Refers to "Lost
8 Development Factor."

9 Because of the medical component of
10 a Workers' Comp claim and because these claims
11 tend to have maybe as long as a five year period
12 before they actually close, typically what we see
13 is claims develop upwards.

14 So, the current year, 2019 to 20 --
15 or, I'm sorry, 2018 to 2019, the date is only
16 nine months, and if you look at the very last
17 line item under that, it -- it's nine months old.

18 So, they're gonna take those claims
19 and they're gonna develop 'em upwards by 87
20 percent.

21 And then that development gets
22 smaller as the claims get older.

23 And this is general kind of
24 actuarial development and -- and it is what it is
25 but I can tell you, looking at Monarch's claims

1 history and it, as you know, we do a monthly
2 claims report.

3 What's really interesting is that
4 Missouri Employers Mutual, who underwrote the
5 District in 2014 and 2015, they actually have
6 negative claims developing, which is very
7 unusual.

8 But, it gets back to how they
9 reserve claims.

10 And they reserve claims based upon
11 worse case scenario.

12 And that's -- I don't like that
13 about them, but, who -- it is what it is.

14 Other underwriters try to reserve
15 claims to a level where they expect (not clear)
16 close.

17 So, that's what the LDF's are and,
18 again, this is kind of actuarially driven.

19 And, how it's to Monarch, it is what
20 it is, but how -- but it's -- I don't think it's
21 accurate.

22 So, the next page, I think in my
23 email, I described this as the District's report
24 card.

25 DIRECTOR MILLNER: Hm-hm.

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1 MISTER HENNESSEY: And there's a lot
2 of -- a lot of data here.

3 But I tried to put it in a one page
4 snapshot.

5 And, I think, what's -- I think
6 what's really important here, in terms of -- of
7 the columns, is certainly total incurred claims.
8 That's what -- those are the total incurred
9 claims for the District.

10 And the column to the right of that
11 is the NCCI, which is the National Council on
12 Compensation Insurance, their expected losses for
13 the Fire District.

14 And that expected losses is kind of
15 what drives the experiences.

16 So, you can kinda see what the
17 expected losses have been over the -- the claims
18 history and it's -- it doesn't change too much.
19 It changes a bit, but it's about \$300,000.00 in
20 expected losses, based upon your payroll.

21 So, in order for us -- and when we
22 first started out, we were trying to reduce our
23 claims from \$750,000.00 down.

24 And we've done that. And I think
25 now, in terms of realistic expectations going

1 forward, really our target, if we can set a
2 target, is to be less than expected.

3 So, -- so, when in its simplest
4 form, you know, we wanna certainly have no
5 claims.

6 It's probably not likely, but the
7 real objective here is to try to keep our claims
8 below that \$300,000.00 mark.

9 And if we do that, then what's gonna
10 happen is our experience modification is gonna to
11 fall below one.

12 And, once that happens, then you're
13 really driving the premium down.

14 Because, when I look at Missouri
15 Employers Mutual's rating, in order to get to
16 where we are here, versus where we started --
17 Missouri Employers Mutual has an insured rating
18 system and they have four different tiers; 2018
19 to 2019, the District was priced in their second
20 most attractive tier.

21 And -- and as we renegotiated with
22 them, what they did to get to this premium, is
23 they moved the District into its very best year.

24 So, we have advantage -- the -- the
25 District now is getting the lowest rates for

1 class codes 7710, that they offer.

2 And if you combine that with their
3 24 percent schedule credit; and they're are only
4 five to twenty-five percent. That's the maximum
5 they can do.

6 They're really giving you the
7 benefit of the best underwriting that they have
8 to offer.

9 So, at this point, if we -- if we're
10 to expect that to continue -- so, then at that
11 point, once the experience MOD starts to go down,
12 we're -- we're going to be exactly where we want
13 to be.

14 DIRECTOR GANS: The carrier bench-
15 mark, is that 7710?

16 MISTER HENNESSEY: Yes.

17 So, we talked about the total
18 incurred in the expected loss columns, you look
19 at the experience MOD column and you can see what
20 that's done over this period of time.

21 The premium column is certainly
22 important, but if you understand what drives the
23 premium and, again, I underscore how important
24 that is, but, when I look at this and when
25 underwriters look at this, they really don't even

1 look at the premium.

2 Because the premium is the by-
3 product of everything else.

4 So, that next column, to the right,
5 is the year over year percentage premium
6 reduction.

7 And, certainly, if you go back, you
8 know, to 2013, it's dramatic.

9 But, I think, if you look in a
10 shorter period of time, you know, we're -- we're
11 looking at a \$177,000.00 reduction, which is a 23
12 percent reduction, since 2017.

13 So that's a little bit more short-
14 term and certainly reflective of the great claims
15 experience.

16 DIRECTOR GANS: Are the highlighted
17 years the ones used for the experience MOD's?

18 MISTER HENNESSEY: Yeah. And
19 there's a reason that I highlighted those.

20 Because what you'll see is, the 2019
21 experience MOD excludes 2018 and it uses 2017,
22 2016 and 2015.

23 So, what's going to happen in 2020,
24 and what I'm showing for the 2018 policy year is
25 total incurred claims of four-fifty-seven-seven-

1 five-five.

2 And, as I mentioned earlier, that
3 includes a claim that I expect to go away for the
4 amount of -- for the expenses they paid so far,
5 which is a few thousand dollars.

6 So, when that happens, and I expect
7 that to happen over the next 60 days, let's say,
8 this current year is gonna drop to, let's say,
9 \$134,000.00.

10 So, 2020 is going to exclude 2019.
11 It's gonna pull in 2018, for the 134,000 and
12 what's gonna drop off is 2015 at 535,000.

13 And, then, again, if you look at how
14 that compares to what's expected, in 2017 we were
15 a little bit over what's expected, but we're
16 close.

17 And, then, this year, we'll be half
18 of that.

19 So, I would expect, you know, the
20 experience MOD to drop dramatically in 2020 and
21 combined with Missouri Employers Mutual's pricing
22 of this, the District's gonna save a lot of
23 money. Continually save a lot of money, going
24 forward.

25 DIRECTOR GANS: Okay.

1 MISTER HENNESSEY: And, again, in
2 the whole spirit of what's driving this, it's the
3 achievements of the District.

4 And, so, you look at claims
5 frequency and analysis -- the claims frequency
6 analysis, that's the thing that I think is
7 really, really impressive.

8 And I don't pay too much attention
9 to the report "Only" claims, although I do think
10 it's a reflection of the safety culture, because,
11 as you can see, in 2013, there were no report on
12 this.

13 So, I think the employees weren't --
14 they didn't care, they weren't asked to care.

15 And when you look at -- at 2017, 28
16 report (one word not clear), 22.

17 In my opinion, that shows that the
18 employees are keeping their eyes open and -- and,
19 you know, if they see a near miss, or something
20 like that, they report it and I think that's
21 good.

22 Twenty-Thirteen, we have 12
23 indemnity, which is loss time claims, and we have
24 22 medical only claims, for a total of 34 claims.

25 Year to date, this year, we have 13

1 total claims.

2 Last year, we had 18 total claims.

3 The year before that, 23.

4 So, we basically cut the claims in
5 half, but, more importantly, it's what's happened
6 to the indemnity claims, because those are the
7 ones that are the most expensive.

8 And, I can tell you, prior to 2013,
9 we did an analysis, when we first got introduced
10 to the District, and prior to 2013, the District
11 was averaging 24 loss time claims a year, for a
12 five year period.

13 That's two a month.

14 And if -- if in this year we've had
15 six.

16 DIRECTOR GANS: One every two
17 months.

18 MISTER HENNESSEY: One every two
19 months, going from two every month to one every
20 two months.

21 And -- and those are the things that
22 the underwriters look at, because that is what
23 really demonstrates your (one word not clear).

24 And that allows us to then look at
25 those last forecasts and say "Look at the claims

1 frequency analysis and you'll agree that the
2 history's not going to be predictive of the
3 future."

4 Now, when we get three to five years
5 down the road from today, that might not be true
6 anymore.

7 History might be predictive in the
8 future.

9 But, we're still -- we've still got
10 some garbage in our history that isn't reflective
11 of what we've been doing for the past five years.

12 DIRECTOR GANS: Okay.

13 MISTER HENNESSEY: So, it's all --
14 it's -- I think it's all very interesting.

15 But, like I said, this is what I
16 kinda consider to be, you know, your report card.

17 So, through 2019, you know, we'll
18 see how that all goes. I have no reason to
19 expect, you know, anything different, but the
20 reality of -- of your occupation is that, you
21 know, there can be serious injuries. Serious
22 legitimate injuries.

23 So, probably, from my perspective,
24 the brightest light here is what you've done in
25 terms of claims.

1 DIRECTOR GANS: I think the next
2 two pages are pretty self explanatory.

3 MISTER HENNESSEY: Yeah, they --
4 they are.

5 I -- I really just wanted to point
6 out on the next page, and it gets back to my last
7 comment, if, you know, there is, due to the
8 nature of your occupation, you can, you know,
9 have a -- have bigger claims.

10 And this is just, you know, claims
11 over \$50,000.00 in the claims history.

12 And then the last page is, if I
13 could maybe anticipate a potential question, one
14 of the questions might be, "What else can we do?"

15 In 2017 BrickStreet offered a -- a
16 deductible proposal, where the District would
17 take the first hundred thousand dollars of claims
18 and, for that, they'd reduce the premium.

19 And let's just kinda -- yeah, I was
20 thinking, well, what would've happened that year
21 if we had been on a deductible plan?

22 And that last page kinda shows what
23 would happen.

24 DIRECTOR GANS: It wouldn't have
25 worked.

1 MISTER HENNESSEY: You would've paid
2 all of your own claims, because you didn't have
3 any claims over 100,000 and your total costs,
4 under that program, would've been a little bit
5 over 800,000.

6 DIRECTOR GANS: Right.

7 MISTER HENNESSEY: And -- and, then,
8 with that, is obviously, you take risks.

9 And under a guaranteed cost plan,
10 which is what you've always been on, you don't
11 take any risks.

12 You pay your premium. You have a
13 million dollars in claims. That's your premium.

14 DIRECTOR GANS: And I remember that
15 discussion --

16 MISTER HENNESSEY: Yeah.

17 DIRECTOR GANS: -- and it turns
18 out we made the right choice.

19 MISTER HENNESSEY: Yeah.

20 DIRECTOR GANS: All right.

21 MISTER HENNESSEY: So that kinda
22 concludes what I prepared for the Board. And --

23 DIRECTOR GANS: You answered all my
24 questions, as we went.

25 Anyone else have any questions?

1 DIRECTOR MILLNER: I don't think so.
2 DIRECTOR HARRIS: I have none. It's
3 --
4 (Speaking over each other.)
5 DIRECTOR GANS: -- straight
6 forward.
7 DIRECTOR HARRIS: Yes.
8 DIRECTOR GANS: And we'll try and
9 keep up the good work.
10 We will keep up the good work.
11 (General chuckles.)
12 MISTER HENNESSEY: I know you will.
13 And, you know, I'm a strong advocate
14 for the District and I'm personally very happy
15 and pleased to be -- have a little part of -- of
16 your achievement.
17 And, you know, like parents can, you
18 can tell people what to do and what the right
19 thing is and, you know, not all the time, because
20 people (not clear) your advice or the code map.
21 And the District has.
22 And I think, you know, the follow
23 comment is, you know, what you've done is you've
24 (one word not clear) the best practices.
25 I'd like to say we invented a lot of

1 this stuff, but we haven't. You know. I mean,
2 it's just best practices.

3 And, congratulations, for -- for
4 placing 'em and the Safety Commit -- Committee
5 that meets monthly, you know, all of the
6 participants there spend an hour of their time on
7 that effort. And they don't have to, but they
8 do.

9 And it's very, very productive.

10 And, then, the final comment is,
11 Missouri Employers Mutual safety person shows up
12 at all of those meetings, which is -- you know,
13 which has never really happened, outside of them.

14 You know, when BrickStreet was on,
15 (not clear) really show up.

16 When 7710 was on, a (not clear)
17 really show up.

18 And back in the days of MoFAD, they
19 didn't -- I don't think you had safety meetings,
20 but they didn't show up either.

21 And what's truly great about that is
22 he goes to these meetings, he sees how effective
23 they are and he communicates that back to the
24 underwriter.

25 So it's a subtle way to --

1 DIRECTOR MILLNER: Hm-hm.
2 DIRECTOR HARRIS: To respond?
3 MISTER HENNESSEY: Well, it's to --
4 to stay in -- in front --
5 DIRECTOR MILLNER: Hm-hm.
6 MISTER HENNESSEY: -- and be on the
7 leading edge.
8 And underwriters love that kind of
9 stuff. They love to see the effort.
10 And they're in (not clear) business
11 of taking risks.
12 DIRECTOR GANS: Right.
13 MISTER HENNESSEY: So it's a good
14 pop if you have some outlier claim, they're not
15 gonna -- they're not gonna look poorly on that,
16 because they know the consistent effort that's
17 going on.
18 DIRECTOR GANS: All right.
19 MISTER HENNESSEY: So.
20 DIRECTOR GANS: Thank you, Mike.
21 MISTER HENNESSEY: You're welcome.
22 DIRECTOR GANS: (not
23 understandable)
24 CHIEF SPIEGEL: Just a brief
25 comment.

1 Included in those safety meetings is
2 Mike attends those meetings as well as MeM
3 safety, Aaron; I can't pronounce his last name.

4 MISTER HENNESSEY: "Kleekampas."
5 (Phonetic spelling.)

6 CHIEF SPIEGEL: Kleekampas, yeah.

7 And I wanted to point out that MeM,
8 in (not clear) there is a grant that they -- they
9 are providing for -- for our rescue equipment.

10 MISTER HENNESSEY: Hm-hm.

11 CHIEF SPIEGEL: We applied for it
12 and we got it in 2018.

13 DIRECTOR GANS: Okay.

14 CHIEF SPIEGEL: B. C. Schmitt is
15 working on that, so that's toward our rescue
16 equipment.

17 DIRECTOR GANS: Great.

18 MISTER HENNESSEY: And it's a -- not
19 -- they -- you know, I'm not sure of any other
20 insurance companies who do that.

21 DIRECTOR GANS: Hm-hm.

22 MISTER HENNESSEY: I mean, it's a
23 unique nice feature of Missouri Employers Mutual.

24 DIRECTOR GANS: Okay. Thank you.

25 MISTER HENNESSEY: You're welcome.

1 DIRECTOR GANS: That concludes the
2 President's Report, which takes us to the Chief's
3 Report.

4 CHIEF SPIEGEL: Yes, sir.

5 Included in your packet is the
6 November Financial's.

7 DIRECTOR GANS: So, I reviewed the
8 financial's and here are my comments, quickly.

9 Roger, as long as you get another
10 300 bucks in December, you made it.

11 DIRECTOR HARRIS: You can keep your
12 job another year.

13 DIRECTOR GANS: Yeah, I think so.

14 (General laughter.)

15 DIRECTOR GANS: No, I lauded him
16 last time for coming through.

17 So, good -- a good job there.

18 Conferences and seminars, it looks
19 like we're not going to use that up, unless I'm
20 surprised.

21 So, Robin, you got a get a little
22 more scheduled next year.

23 The "other Robin," as he calls
24 himself.

25 The -- what else do I have?

1 Workers' Comp, I wrote "very good."
2 We just spent time on that.

3 Public Education. It looks like
4 we're not going to spend our money there.

5 And nobody's lookin' to spend more
6 than we have to. I'm not advocating that, but we
7 budget, so we want to make sure we're doing a
8 good job of budgeting and --

9 DIRECTOR HARRIS: I think, next
10 year, there's a -- actually, upstage in public
11 education.

12 DIRECTOR GANS: Okay. And, then,
13 a question about protective clothing. Will that
14 end up being used?

15 We're only at 61 percent.

16 MS. DEPEW: (indicated)

17 DIRECTOR GANS: Okay.

18 MS. DEPEW: No, it will not.

19 It's my understanding is that the
20 current vendor that we hold the capital purchase
21 for, as well as the -- the (not clear) units for
22 the (not clear) for (not clear)--

23 DIRECTOR GANS: Hm-hm.

24 MS. DEPEW: -- and that will not be
25 available until next year.

1 DIRECTOR GANS: All right.
2 So those are my comments on the
3 financial's. Look forward to the end of the
4 year.
5 CHIEF SPIEGEL: Okay.
6 DIRECTOR GANS: Anything else?
7 (No verbal response.)
8 DIRECTOR GANS: All right.
9 Attorney's Report.
10 MISTER HOFFMAN: Sir, I do not have
11 anything for today.
12 DIRECTOR GANS: All right.
13 Under New Business, I did send an
14 email to you other two Directors about potential
15 dates, which we don't have to set now, but if
16 you're prepared to do it, we can set now.
17 DIRECTOR MILLNER: I'm prepared.
18 DIRECTOR HARRIS: Might as well.
19 DIRECTOR GANS: Okay. I had a lot
20 available.
21 DIRECTOR MILLNER: (not audible)
22 DIRECTOR GANS: I was hoping not to
23 meet the first week, because I'll be out of the
24 country and it's electronically challenging.
25 So, I was proposing an Open Meeting

1 on the 7th, 8th, or 9th of January.

2 DIRECTOR HARRIS: The 8th, I can meet

3 electronically.

4 The 9th, I should be able to meet

5 electronically.

6 The 10th, --

7 DIRECTOR GANS: I can't do the 10th.

8 DIRECTOR HARRIS: Okay. Then, it

9 doesn't matter.

10 DIRECTOR GANS: The 7th, you can't

11 do?

12 DIRECTOR HARRIS: No, I can not. I

13 will be --

14 DIRECTOR GANS: Okay.

15 DIRECTOR MILLNER: (inaudible)

16 DIRECTOR GANS: So, 8th, or 9th,

17 electronically.

18 Jean, how about you?

19 DIRECTOR MILLNER: I'm free on the

20 9th.

21 DIRECTOR GANS: All right. So,

22 One-Nine at seven o'clock.

23 Is that okay, Robin?

24 DIRECTOR HARRIS: It is.

25 DIRECTOR GANS: And Robin, elec-

1 tronic.

2 DIRECTOR HARRIS: I have to do it
3 (not clear) you'll understand.

4 DIRECTOR GANS: Okay. Did you
5 order us desert?

6 DIRECTOR HARRIS: I will.

7 DIRECTOR GANS: And, then, the
8 following week will be a Closed Meeting.

9 I proposed 14, 15, 16 or 17.

10 DIRECTOR HARRIS: Sixteen, or 17, I
11 can be here, in person.

12 DIRECTOR GANS: Okay.

13 Jean?

14 DIRECTOR MILLNER: I'm lookin'.

15 Sixteen, hmm, yes, I can do the 16th.

16 DIRECTOR GANS: Okay. Let's do a
17 5:30 meeting, Closed, on the 16th.

18 An Open Meeting, the following week,
19 21, 22, 23 or 24?

20 DIRECTOR HARRIS: Take your pick.

21 DIRECTOR GANS: Okay.

22 DIRECTOR MILLNER: I can do the 23rd.

23 DIRECTOR GANS: Okay. At seven
24 o'clock, an Open Meeting on the 23rd.

25 And, finally, the 28th, 9th, or 30th or

1 31st for a Closed Meeting.

2 DIRECTOR HARRIS: Not the 31st.

3 DIRECTOR GANS: Okay.

4 Jean?

5 DIRECTOR MILLNER: My best is the

6 30th.

7 DIRECTOR GANS: Okay. So, let's do

8 the 30th at 5:30 for a Closed Meeting.

9 Did you get that, Chief?

10 CHIEF SPIEGEL: I did.

11 DIRECTOR GANS: Okay. If you'll

12 get those posted, I'd appreciate it.

13 MS. DEPEW: (indicated)

14 DIRECTOR GANS: Yes?

15 MS. DEPEW: Are you wanting to do a

16 Pension Meeting on January 9th?

17 We do have -- the RFP's are due on

18 January 2nd, so the 9th --

19 DIRECTOR GANS: Okay. Can you

20 attend that, too, via video?

21 DIRECTOR HARRIS: On the 9th. I

22 should be able to.

23 DIRECTOR GANS: All right. So,

24 yes.

25 MS. DEPEW: Okay. Would you like it

1 before or after the Open?
2 DIRECTOR HARRIS: Following.
3 DIRECTOR GANS: Following.
4 MS. DEPEW: Following. Okay.
5 DIRECTOR GANS: Well, should we do
6 it before?
7 (No response)
8 DIRECTOR GANS: Before. I think
9 before.
10 MS. DEPEW: At six o'clock?
11 DIRECTOR GANS: Yeah.
12 Is that too early?
13 DIRECTOR HARRIS: It -- it might be.
14 DIRECTOR GANS: Well, let's do it
15 to follow.
16 DIRECTOR HARRIS: I'll let you know
17 if I can change that.
18 DIRECTOR GANS: Okay. Then Pension
19 to follow.
20 MS. DEPEW: Pension to follow.
21 DIRECTOR GANS: Yeah.
22 MS. DEPEW: Okay.
23 DIRECTOR GANS: Okay.
24 All right, we have our meeting
25 dates.

1 Does anyone else have any other New
2 Business?

3 DIRECTOR MILLNER: I have none.

4 DIRECTOR GANS: All right.

5 DIRECTOR HARRIS: I have none.

6 DIRECTOR GANS: Hearing none, any
7 Unfinished Business?

8 (No response.)

9 DIRECTOR GANS: Hearing young, I
10 make a -- none, I make a motion to adjourn.

11 DIRECTOR MILLNER: I will second.

12 DIRECTOR GANS: All in favor?

13 DIRECTOR MILLNER: Aye.

14 DIRECTOR HARRIS: Aye.

15 DIRECTOR GANS: Aye.

16 Motion passes three to nothing.

17 We are adjourned and we are off the
18 record.

19 (Whereupon, at 12:12 P.M., the Meeting was
20 adjourned as described above.

21 The foregoing Minutes were recorded by the
22 Monarch Fire Protection District and transcribed
23 by Virginia L. Long.)

24