

**Districts Mutual Insurance - Board of Directors' Meeting**  
**WTCS Foundation Office - Waunakee, Wisconsin**

**January 21, 2010 – 1 p.m.**

Present: Doug Olson, Jim Blumreich, Barb Kieffer, Gayle Hytrek (left at 4:00 pm), Mark Zlevor, Steven Stoeger-Moore

Guests: Doug Ballweg, Erin Dawson – Strohm Ballweg; Chris Berberet – Madison Scottsdale (1:40 – 2:40 pm); Norreen Parrett (3:00 – 3:55 pm)

Recording Secretary: Geri Justinger (DMI Administrative Consultant)

**1. Call to Order**

Doug Olson, DMI President, called the meeting to order at 12:58 p.m.

**2. Statement of Public Notice**

*In accordance with the provisions set forth in the Wisconsin Open Meetings Law (Wisconsin State Statutes 19.83 and 19.84); notification of, as well as the agendas for, this meeting - have been sent to the sixteen (16) Wisconsin Technical College Districts; it is therefore considered properly noticed.*

**3. Approval of Minutes from:**

October 15, 2009 – BOD Meeting.

**Mr. Blumreich moved, and Dr. Hytrek seconded, to approve the minutes; motion carried.**

October 15, 2009 – Strategic Planning Meeting.

**Mr. Blumreich moved, and Mr. Zlevor seconded, to approve the minutes; motion carried.**

**4. Financial Report – Strohm Ballweg, LLP**

Ms. Dawson reviewed check registers and other financial data with the group. She stated that there is really nothing unexpected and for the most part is very positive. Mr. Ballweg spoke with the group regarding the year end report and reserves. He reviewed how the actual reserved dollars matched the projected dollars – he also spoke about adequacies.

**Dr. Hytrek moved, and Mr. Zlevor seconded to approve the financial report including the budget from Strohm Ballweg. The motion carried.**

**5. Investment Report**

- a. **Madison Scottsdale – Chris Berberet:** Mr. Berberet stated that there are a few changes from the electronic version that was distributed. He reviewed the information with the group. He stated that the first deposit for investment was made on November 13, 2009 – and that this review is for approximately 1 ½ months of investment data. He reminded the group that only money market instruments have no fluctuation and that the decision to move out of these sorts of investments does hold risk even in conservative investment. He stated that he is taking a “holistic” approach to developing the portfolio’s maturities. He stated that the quality of the portfolio is very high. He also stated that although he originally stated that

the portfolio would contain 30% in mortgage securities there were events that reduced their attractiveness. He stated that as conditions settle back to a more favorable situation the portfolio will likely reflect the original intent. He stated that there is an investment that does not conform to the current investment policy (US dollar bond of US corporations). He further stated that although DMI is not violating any statutes. He stated that there are two options – either adopt the “basket clause” (language which he brought to meeting) – or sell it. This issue was discussed and it was suggested to keep the investment in the portfolio and to consider revising the investment policy to allow more latitude in the policy. This item will be placed on the April agenda. Mr. Berberet gave a copy of a credit report on BP (the excepted investment) to the Board.

- b. **CDRS:** This report was included in the investment report presented by Erin Dawson.
- c. **PMA:** This report was included in the investment report presented by Erin Dawson.

**Mr. Blumreich moved, and Mr. Zlevor seconded to keep the out-of-compliance investment in the portfolio and approve the Investment Report from Madison Scottsdale. The motion carried.**

**The CDRS and PMA reports were approved in the Financial Report (see #4 above).**

#### **6. Presentation to Colleges – Jim Blumreich**

Jim Blumreich spoke about the presentations that were given to the ACCT and to the Presidents' group. The request has been made for Mr. Blumreich and Mr. Stoeger-Moore to make a similar presentation to other District Boards. The question was raised regarding how to best handle and administrate these requests. Dr. Hytrek stated that the ideal situation would be to present to the Districts Boards Association. She further suggested that Boards usually meet on a set week per month and suggested that Mr. Stoeger-Moore try to schedule his travel to accommodate each of the weeks and extend invitations to those Boards that are meeting. It was suggested that if a presentation to the Districts Boards is made handouts containing personalized data be distributed at those meeting. It was further suggested to record a future presentation of this general introduction to DMI for distribution. Dr. Hytrek offered to record the presentation at MPTC in April.

**Mr. Blumreich moved, and Dr. Hytrek seconded to approve the creation of a recorded presentation. The motion carried.**

#### **7. Open Meetings' Law Regarding Board Dinners**

Mr. Olson spoke with the group regarding this issue. He stated that this issue was brought up locally and that he felt an opinion by counsel was needed for DMI. Dr. Hytrek stated that their Board notices that there may be a quorum at functions or travelling – she stated that it is a general notice statement that is placed on every agenda. As an aside it was suggested to add an agenda item for public comment. Dr. Hytrek will provide a copy of the language that MPTC utilizes to Mr. Stoeger-Moore.

**Dr. Hytrek moved, and Ms. Kieffer seconded to add a general notice statement regarding on all future Board agendas as well as a standing item for public comment. The motion carried.**

#### **8. By-Law Revision**

Mr. Stoeger-Moore stated that there was a small revision to the By-Law regarding the address of the home office.

**Mr. Blumreich moved, and Dr. Hytrek seconded to accept the proposed revision of the By-Laws.**

#### **9. Executive Vice President Performance Evaluation Process Review**

The annual performance evaluation of Mr. Stoeger-Moore to be discussed in closed session.

**Mr. Blumreich moved, and Ms. Kieffer seconded to move into Executive Session.**

Roll call vote to move into Executive Session: Mr. Olson – Yay; Mr. Blumreich – Yay; Mr. Zlevor – Yay; Ms. Kieffer – Yay

**Mr. Blumreich moved, and Mr. Zlevor seconded to move out of Executive Session.**

Roll call vote to move back out of Executive Session: Mr. Olson – Yay; Mr. Blumreich – Yay; Mr. Zlevor – Yay; Ms. Kieffer – Yay

No action resulted from this closed session.

#### **10. Foundation or Alumni Association Coverage**

Mr. Stoeger-Moore stated that DMI currently offers coverage for their Foundation through the Insurance Trust to tort limits (\$50,000). Mr. Stoeger-Moore stated that Mr. Olson approached Linda Joski regarding expanding coverage – concerned that the current coverage may not be adequate. Ms. Joski will be making a presentation to the Risk Manager group tomorrow.

#### **11. Board of Director Terms of Office**

Mr. Olson spoke with the group regarding the interpretation of the terms of office received in a letter from Rob Mulcahy.

#### **12. Potential Expansion of Business – Noreen Parrett**

Mr. Olson reminded the group of previous discussion regarding expanding the services that DMI offers. Mr. Ballweg introduced Ms. Noreen Parrett as a highly regarded regulatory law attorney. Ms. Parrett stated that she reviewed several applicable statutes. She stated that there may be options open to the group working through a trust. She stated that she does not know how the OCI would view forming a subsidiary to offer some of these services. There was significant discussion about what position DMI should take in this area. Ms. Parrett stated that the first step in this process would be to meet with the internal counsel at OCI to confirm their opinion. Secondly, there would need to be an actuarial study completed. It was further discussed as to how to move forward with this process. The consensus of the group was that one of the Trust Board Members on the DMI Board (Mr. Blumreich, Ms. Kieffer, or Mr. Zlevor) should do some introduction of this discussion at the next Trust meeting.

**13. Midwest Claims Best Practices – Steven Galante**

This item will be moved to the April agenda due to time constraints. Mr. Stoeger-Moore stated that the purpose of this “manual” is to be a working draft. He further suggested that Board members take the time to review and submit suggestions to Mr. Stoeger-Moore prior to the April meeting if possible.

**14. Press Release**

Mr. Olson spoke with the group about the need for a “local” press release. It was suggested that a “template” letter be provided for each district. It was also suggested that an “Annual Report” be done for DMI. It was further suggested to provide a synopsis of the Annual Report to each College for publication. Mr. Stoeger-Moore will begin the process of creating of an Annual Report.

**15. Claims Administration Update**

There was some discussion regarding the involvement of DMI and how the policy allows individual Colleges to choose local counsel. It was suggested to add this topic as an action item to April’s agenda.

**16. Executive VP Report****a. District Visits**

Mr. Stoeger-Moore stated that he continues to travel to Wisconsin approx. 1 week per month. He stated that he has been able to establish a partnership with Paul Riegel as counsel for workers’ comp claims.

**b. URMIA National Conference – October 10-13, 2010 Pittsburgh (DMI Presentation)**

Mr. Stoeger-Moore stated that the deadline for application for presentation is early February. Mr. Stoeger-Moore stated that he would be willing to make a submission if it is the pleasure of the Board. Mr. Blumreich stated that one of the themes for CACUBO is enterprise risk management – this conference is being held October 3-5, 2010. It was suggested that Mr. Stoeger-Moore will apply to URMIA and Mr. Blumreich will apply to CACUBO.

**c. URMIA Midwest Regional Meeting – May 13-14, 2010 – St. Louis**

Mr. Stoeger-Moore informed the group about this event.

**17. Adjourn**

**Mr. Zlevor moved, and Mr. Blumreich seconded to adjourn; motion carried unanimously.**

Mr. Olson adjourned the meeting at 5:15 p.m.

Approved by the DMI Board of Directors on April 22<sup>nd</sup>, 2010.

Respectfully Submitted,

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Barbara M. Kieffer  
DMI Board Secretary