



**PERSONNEL, PENSION & INSURANCE COMMITTEE
SPECIAL MEETING
MONDAY, SEPTEMBER 19, 2022
12:00 PM**

<u>Location</u>	<u>Commissioners</u>	
Board Room	Avedisian	Marotta
District Headquarters	Currey	Pane
555 Main Street, Hartford	DiBella (Ex-Officio)	Patel
Dial in #: (415)-655-0001	Drake	Salemi
Access Code: 43808661#	Lester	Taylor (C)
Meeting Video Link	Magnan	
	Quorum: 6	

1. CALL TO ORDER
2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
3. APPROVAL OF MEETING MINUTES OF SEPTEMBER 6, 2022
4. ELECTION OF VICE CHAIRPERSON
5. CONSIDERATION AND POTENTIAL ACTION RE: APPOINTMENT TO PERSONNEL, PENSION & INSURANCE INVESTMENT SUBCOMMITTEE
6. REPORT RE: PPI MEMBER ON 457B DEFERRED COMPENSATION COMMITTEE
7. REPORT FROM ARTHUR J. GALLAGHER & CO. AND POTENTIAL ACTION RE: DISTRICT INSURANCE COVERAGE SELECTION
8. REPORT RE: REIMBURSEMENT OF INTERNAL SERVICE FUND FOR OPEB COSTS
9. REPORT FROM MILLIMAN INC. AND POTENTIAL ACTION RE:
 - A. PENSION & OPEB JANUARY 1, 2022 VALUATION
 - B. PENSION DISCOUNT RATE & MORTALITY TABLES
 - C. OPEB DISCOUNT RATE & MORTALITY TABLES
10. UPDATE RE: UNION NEGOTIATIONS
11. CONSIDERATION AND POTENTIAL ACTION RE: JUNETEENTH HOLIDAY
12. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
13. COMMISSIONER COMMENTS & QUESTIONS
14. ADJOURNMENT

INSURANCE COVERAGE APPROVAL

To: Personnel, Pension and Insurance Committee

September 19, 2022

Pursuant to section B3h of the By-Laws of the District Board, the Personnel, Pension and Insurance Committee ("PPI") has full charge of all insurance and shall determine insurance coverage on all business and property of the District. PPI is authorized, within the limits of the budget as approved by the District Board, to determine the form and amount of insurance coverage.

Arthur J. Gallagher & Co. is the appointed insurance advisor/ broker of record for the District and provided recommendations for certain coverages and limits to PPI acceptance and placement by the District as described more specifically in a summary document attached hereto.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee approve insurance up to the coverages and limits as outlined in the attached document to this Resolution.

RESOLVED: The Personnel, Pension & Insurance Committee hereby approves and authorizes the placement of insurance up to the coverages and limits described in the document attached hereto and hereby incorporated;

FURTHER

RESOLVED: The Personnel, Pension & Insurance Committee hereby and authorizes and directs the Chief Executive Officer to sign and/or otherwise execute such documents or instruments as may be necessary to bind and place said coverages.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

THE METROPOLITAN DISTRICT COMMISSION COMMERCIAL INSURANCE SUMMARY
Trend and 2022-2023 Rates for Approval

Coverage	Coverage Details	2020-2021	2021-2022	\$ Change	% Change	2022-2023	\$ Change	% Change	National Average
Workers Compensation	Coverage Details	Safety National	Liberty Mutual			Liberty Mutual			
Limit Per Occurrence \$1,000,000		\$ 119,498	\$ 119,931	\$ 433	0.4%	\$ 120,123	\$ 192	0.2%	0.9%
	Average Rate/\$100	\$ 0.2670	\$ 0.2649	\$ (0.0021)	-0.8%	\$ 0.2730	\$ 0.0081	3.1%	
	Total Payroll	\$ 44,755,712	\$ 45,274,235	\$ 518,523	1.2%	\$ 44,001,166	\$ (1,273,069)	-2.8%	
	SIR Each Occurrence	\$ 1,000,000	\$ 1,000,000	\$ -	0.0%	\$ 1,000,000	\$ -	0.0%	
Property	Coverage Details	Travelers	Travelers			Travelers			
		\$ 464,971	\$ 519,876	\$ 54,905	11.8%	\$ 569,713	\$ 49,837	9.6%	12.1%
	Property Rate	\$ 0.0625	\$ 0.0673	\$ 0.0048	7.7%	\$ 0.0706	\$ 0.0033	5.0%	
	Blanket Building & BPP, BII & Extra	\$ 743,473,245	\$ 772,773,996	\$ 29,300,751	3.9%	\$ 806,396,700	\$ 33,622,704	4.4%	
	Deductible Per Claim	\$ 100,000	\$ 100,000	\$ -	0.0%	\$ 100,000	\$ -	0.0%	
Excess General Liability	Coverage Details	Travelers	Travelers			Travelers			
Limit Per Occurrence \$1,000,000		\$ 227,278	\$ 237,060	\$ 9,782	4.3%	\$ 245,343	\$ 8,283	3.5%	3.9%
Aggregate \$3,000,000	SIR Each Occurrence	\$ 250,000	\$ 250,000	\$ 0	4.0%	\$ 250,000			
Law Enforcement		\$ 5,571	\$ 6,042	\$ 471	8.5%	\$ 6,039	\$ (3)	0.0%	3.9%
Limit Per Wrongful Act \$5,000,000	Police Officer Count	5	5	-	0.0%	3	(2)	-40.0%	
Aggregate \$5,000,000	Deductible Per Wrongful Act	\$ 10,000	\$ 10,000	\$ -	0.0%	\$ 10,000			
Excess Auto Liability	Coverage Details	Travelers	Travelers			Travelers			
Combined Single Limit \$1,000,000		\$ 107,999	\$ 117,361	\$ 9,362	8.7%	\$ 127,000	\$ 9,639	8.2%	7.4%
	# of Power Units	324	324	-	0.0%	299	(25)	-7.7%	
	Cost Per Unit	\$ 333.33	\$ 362.23	\$ 28.90	8.7%	\$ 424.75	\$ 62.52	17.3%	
	SIR Per Claim	\$ 250,000	\$ 250,000	\$ -	0.0%	\$ 250,000			
Crime (Fidelity)	Coverage Details	Travelers	Travelers			Travelers			
Employee Theft, ERISA, Funds Transfer	\$1,000,000 per Claim	\$ 3,865	\$ 4,767	\$ 902	23.3%	\$ 5,104	\$ 337	7.1%	5.0%
	\$25,000 Retention per Claim	*Pro-Rated Premium \$2,891							
Fiduciary Liability/Retirement		Travelers	Travelers			Travelers			
Claims Made	\$3,000,000	\$ 16,175	\$ 18,069	\$ 1,894	11.7%	\$ 18,971	\$ 902	5.0%	20.0%
	\$10,000 Retention per Claim	*Pro-Rated Premium \$12,098							
	Total Plan Assets	\$ 290,000,000	\$ 345,000,000			\$ 232,515,605			
Public Entity Liability/EPL	Coverage Details	ACE/Chubb	ACE/Chubb			Chubb			
Directors & Officers, Employment Practices	\$5,000,000 per Claim	\$ 117,451	\$ 132,814	\$ 15,363	13.1%	\$ 154,522	\$ 21,708	16.3%	4.0%
Claims Made Basis	\$500,000 Retention per Claim	*Pro-Rated Premium \$87,853							
Cyber Liability		Tokyo Marine	Tokyo Marine			Cowbell			
Claims Made	\$1,000,000	\$ 17,009	\$ 28,295	\$ 11,286	66.4%	\$ 19,845	\$ (8,450)	-29.9%	45.0%
	Deductible	\$ 25,000	\$ 50,000			\$ 50,000			
Excess Police Professional		American Alternative	American Alternative			Kinsale			
\$5,000,000 Excess of \$5,000,000	\$0 Retention per Claim	\$ 8,250	\$ 10,000	\$ 1,750	21.2%	\$ 10,150	\$ 150	1.5%	8.0%
Umbr/Excess Layer									
Berkshire Hathaway	\$25m excess of \$1m	\$ 451,406							
Great American	\$25m excess of \$25m	\$ 112,500							
Berkshire Hathaway	\$15m excess of \$1m		\$ 413,505						
AXIS	\$10m excess of \$15m		\$ 105,000						
Great American	\$25m excess of \$25m		\$ 140,310						
Travelers	\$5m excess of \$1m					\$ 39,806			
Genesis	\$5m excess of \$5m					\$ 101,826			
Hallmark	\$5m excess of \$10m					\$ 89,760			
AWAC	\$10m excess of \$15m					\$ 131,300			
Great American Not to exceed	\$25m excess of \$25m					\$ 175,000			
	\$50m excess of \$1m	\$ 563,906	\$ 658,815	\$ 94,909	16.8%	\$ 537,692	\$ (121,123)	-18.4%	8.0%
Optional Excess \$25mil									
TOTAL PREMIUM		\$ 1,651,973	\$ 1,853,030	\$ 201,057	12.2%	\$ 1,814,502	-\$ 38,528	-2.1%	

**PENSION DISCOUNT RATE & ADOPTION OF THE MORTALITY
IMPROVEMENT SCALE MP-2021 ULTIMATE**

To: Personnel, Pension and Insurance Committee

September 19, 2022

Staff recommends the reduction of the discount rate for the Pension plan to 6.625% and the adoption of the MP-2021 Ultimate mortality improvement scale for the 1/1/2022 plan evaluations. This represents an annual reduction of 1/8th of 1% in the discount rate and a move to the most recent mortality table. The impact of this recommendation on the 2023 contribution will be a reduction of \$476,437 or 5.2% from the current 2022 pension contribution of \$9,141,064.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the Pension plan's discount rate be decreased to 6.625% and to adopt the mortality improvement scale MP-2021 Ultimate effective for the January 1, 2022 valuation.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

**OTHER POST-EMPLOYMENT BENEFIT (OPEB) DISCOUNT RATE &
ADOPTION OF THE MORTALITY IMPROVEMENT SCALE MP-2021
ULTIMATE**

To: Personnel, Pension and Insurance Committee

September 19, 2022

Staff recommends the reduction of the discount rate for the Other Post-Employment Benefit (OPEB) plan to 6.625% and the adoption of the MP-2021 Ultimate mortality improvement scale for the 1/1/2022 plan evaluations. This represents an annual reduction of 1/8th of 1% in the discount rate and a move to the most recent mortality table. The impact of this recommendation on the 2023 contribution will be a reduction of \$2,580,330 or 24.1% from the current 2022 OPEB contribution of \$10,701,005.

It is therefore **RECOMMENDED** that it be:

VOTED: That the Personnel Pension and Insurance Committee recommends to the District Board passage of the following resolution:

RESOLVED: That the Other Post-Employment Benefit (OPEB) plan's discount rate be decreased to 6.625% and to adopt the mortality improvement scale MP-2021 Ultimate effective for the January 1, 2022 valuation.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

HOLIDAYS

	MDC	State	Rocky Hill	Wethersfield	Newington	EH	Bloomfield	Windsor	West Hartford	Hartford
New Years Day	X	X	X	X	X	X	X	X	X	X
Martin Luther King	X	X	X	X	X	X	X	X	X	X
Lincolns Birthday		X				X			X	X
Presidents Day	X	X	X	X	X	X	X	X	X	X
Good Friday	X	X	X	X	X	X	X		X	X
Memorial Day	X	X	X	X	X	X	X	X	X	X
Independence Day	X	X	X	X	X	X	X	X	X	X
Labor Day	X	X	X	X	X	X	X	X	X	X
Columbus Day	X	X	X	X	X	X			X	X
Veterans Day	X	X		X		X	X	X	X	X
Thanksgiving	X	X	X	X	X	X	X	X	X	X
Day after Thanksgiving	X		X	X	X		X	X		
1/2 Christmas Eve	X		X	X	X(FULL DAY)			X (FULL DAY)		
Christmas	X	X	X	X	X	X	X	X	X	X
1/2 Day New Years Eve	X		X	X	X					
Juneteenth		X	X		X		X	X	X	X
Birthday				X		X			X	
Floating										X (2)
TOTAL DAYS	14	13	14	15	14	13	12	12	14	15

OTHER

	MDC	State	Rocky Hill	Wethersfield	Newington	EH	Bloomfield	Windsor	West Hartford	Hartford
Vacation	5-20 days	5-20 days	5-24 days	5- 20 days	10-20 days	5-25 days	5-30 days	10-20 days	10-29 days	10-20 days
Sick	15-Aug	15	15 days	10-20 days	15 days	15 days	15 days	12 days	15 days	15 days
Personal	10 days (EE 13>)	3 days	5 days		3 days	2-5 days	4 days	2-5 days		
Earned Time (Union & EE 12<)	6 days									
Inclement Weather	3	state closures	town closures	town closures	town closures	town closures	town closures	town closures	town closures	town closures
TOTAL (MAX)	41	38	44	40	38	44	49	37	44	35