

Dawn M. Droblich
Executive Secretary

Board of Managers

DTE Energy
Douglas A. Green
Chairman

Kellogg Company
Tara Albaugh
1st Vice Chair

Trinity Health
Mark G. Schneider
2nd Vice Chair

Ilitch Holdings, Inc.
Michael J. Niehaus
Treasurer

General Motors LLC
Susan R. Azar

City of Grand Rapids
Craig Coulson

Wayne State University
Pamela Galloway

AT & T Michigan
Lisa M. Bruno-Herline

Wayne County Airport Authority
Cheryl Smith

Ford Motor Company
Katie Mason

Johnson Controls
Tracy A. Flynn

Consumers Energy Company
Doug Wright

Kelly Services, Inc.
Sandra DiCicco

University of Michigan
Kathleen M. Rychlinski

Marathon Petroleum Company LP
Lina Lee

Spectrum Health
Stephen Ohman

Lorraine Climer
Perrigo Company

MINUTES OF BOARD OF MANAGERS' MEETING

September 23, 2016

Holiday Inn North Campus

Ann Arbor, Michigan

Reminder: Minutes are now only available via e-mail on the website. If you wish to receive the Minutes via e-mail, please provide your name, company name, and e-mail address to Keeli Baker via e-mail.

Present:

AZAR, S., General Motors LLC
BRUNO-HERLINE, L., AT&T Michigan
CLIMER, L. Perrigo
COULSON, C., City of Grand Rapids
DAY, Heather, Wayne County Airport Authority
FLYNN, T., Johnson Controls
GALLOWAY, P., Wayne State University
GREEN, D., DTE Energy
MASON, K., Ford Motor Company
NIEHAUS, M., Ilitch Holdings, Inc.
OHMAN, S., Spectrum Health Occupational Services
RYCHLINSKI, K., University of Michigan
SCHNEIDER, M., Trinity Health
WRIGHT, D., Consumers' Energy

Chairperson's Council:

BLOCK, W. Kellogg Company
PELAK, B., Meijer
SUSSER, D., MacArthur, MacArthur & Associates, P.C.
WHITE, D., FCA US LLC (by phone)

Not Present:

DICICCO, S., Kelly Services
LEE, L., Marathon Petroleum Company LP
McKINLEY, Delaney, Michigan Manufacturers' Association
PENZ, M., HSA WCF (representing the Group Funds)

The Chairperson, Mr. Green, called the meeting to order at 11:37 a.m. to address the following Agenda:

1. Minutes of Board of Managers' prior Board Meeting
2. Treasurer's Report
3. Funds Trustee Report
4. Legislative Committee Report
5. Membership Committee Report
6. Nominating Committee Report
 - a. Kellogg/Tara Albaugh
7. *Amicus Curiae* Committee Report
 - a. *Arbuckle v General Motors LLC*
 - b. *Roseman v City of Detroit*
8. Technology Committee Report
9. Health Care Committee Report
10. 2016 Fall Conference Committee Report
11. 2017 Spring Conference Committee Report
12. Old Business
 - a. SISF Trustee
 - b. Workers' Compensation Board of Magistrates up for re-appointment 2017
13. New Business
 - a. Meeting dates for 2017

The **Minutes** were amended to reflect the change on page 4 pertaining to the Nominating Committee. There was an addition to the Minutes to add the following language: "The Board was generally in agreement with this approach". Upon motion by Mr. Wright and seconded by Mr. Ohman, the Minutes were approved.

The **Treasurers' Report** was submitted by Mr. Niehaus. He indicated that currently MSIA is in a good position pertaining to cash flow, as dues and conference fees are starting to be received and balanced with routine expenses. Mr. Niehaus prepared an analysis of the 2015 monthly cash flow, bank balance, monthly expenses and revenue. Mr. Niehaus prepared various charts to track 2015-2016 expenses and revenue compared to 2014-2015. The reports were broken down by conferences, meetings, contracts, dues, and other expenses. Additionally, information pertaining to monthly cash flow was broken down by revenue and expenses. The information compiled by Mr. Niehaus was helpful to show the timing of various expenditures and cash flow.

Mr. Niehaus indicated that he would keep track of this information over time to assist the Board in being pro-active regarding finances. Mr. Niehaus did advise that the 2015-2016 tax documents were sent to the accountants as of September 16, 2016. The Board thanked Mr. Niehaus for all his hard work in providing the financial information to the Board.

The **Funds Trustee Report** was submitted by Mr. Green. He indicated that due to term limits, he will no longer be on the Funds Trustee Board, but that Barb Pelak of Meijer will be filling the vacancy beginning with the October 2016 meeting.

The **Legislative Committee Report** was submitted by Ms. Block. She indicated that that the Legislature just ended the fall session, and everyone in Lansing is gearing up for the election. She indicated that there were two Justices on the Supreme Court seeking re-election, with both incumbants having several challengers. The Supreme Court Justices seeking re-election are Justice Viviano and Justice Larsen. She also indicated there were two open congressional seats, with one being up north and one in the thumb region.

As far as legislative issues were concerned, Ms. Block indicated that previously legislation had passed to provide a workers' compensation presumption for firefighters who develop certain types of cancer. The question has been pertaining to the funding of this Fund. Ms. Block indicated that there currently is House Bill 4209 being introduced to regulate medical marijuana. One part of the proposed reform of the medical marijuana legislation would propose a 3% tax on medical marijuana, with 30% of the proceeds going to the State general fund, with 3% of that being put into the Firefighters' Fund. Ms. Block will continue to monitor this closely and will advise.

Another Bill signed into law was the Public Safety Officer Benefit Act which provides for a one-time payment of \$25,000.00 for the care of a public safety officer permanently and totally disabled in the line of duty. "Public safety officer" is defined as an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, firefighter, rescue squad member, or ambulance crew member.

Ms. Block also discussed OSHA had increased penalties effective August 1, 2016. She advised that MIOSHA will have six months to come into compliance with the federal OSHA penalties, since OSHA approved state plans must have penalties at least as strong as the federal penalties. The new penalty rule will apply prospectively only to new and pending OSHA inspections. Employers are advised to remain vigilant with respect to their compliance with OSHA.

Ms. Block advised the Board pertaining to the Michigan Supreme Court vacating Leave of Appeal in the medical malpractice case of *Greer v Advantage Health*. The Court was being asked to determine whether plaintiff was entitled to recover the full amount of her invoiced medical expenses even though her health care insurer paid the health care providers a lesser/discounted amount. The Supreme Court urged the legislators to go and fix this problem as the legislation did not intend the law to exclude the statutory collateral-source rule, as anything greater than the actual amount of the lien.

The **Membership Committee Report** was submitted by Ms. Flynn. She indicated that on August 1, 2016, renewals for the 2016-2017 calendar year were sent to 166 members. She stated the second notice went out on September 1, 2016, and the final notice will go out October 1, 2016. She stated as of this date, renewals were 46%. Ms. Flynn indicated that one potential new member has applied to the Board for membership: Strive Recreational Therapy Services. Upon motion by Mr. Schneider and seconded

by Ms. Bruno-Herline, the Board approved and welcomed Strive Recreational Therapy Services as a new member.

The **Nominating Committee Report** was submitted by Ms. Rychlinski. She indicated that she would like to thank Mr. Wright, Mr. Schneider, and Ms. Lee for their help with respect to the Board membership guidelines. Ms. Rychlinski provided the Board with proposed language pertaining to the guidelines. The Board was in agreement with respect to the proposed guidelines. Ms. Rychlinski noted that serving as an officer on the Board requires “knowledge and understanding of the duties and responsibilities associated with the office and position”. Therefore, it was the recommendation of Ms. Rychlinski that the individual’s seniority on the Board would be paramount in establishing criteria for the slate of officers.

Ms. Rychlinski indicated she has been in contact with Ms. Albaugh who formally indicated that in addition to her resignation, Kellogg would also be vacating its seat on the Board. Accordingly, it was Ms. Rychlinski’s proposal to the Board that Ms. Pelak from Meijer currently on the Chairperson’s Counsel, be appointed to a full Board position. Upon motion by Mr. Wright and seconded by Mr. Green, the motion was approved by the Board.

The second proposal put forth by Ms. Rychlinski was that the Board membership guidelines as distributed to the Board be adopted. Upon motion by Mr. Green and seconded by Ms. Bruno-Herline, the motion was passed.

The third proposal submitted by Ms. Rychlinski was due to the vacancy on the Board by Ms. Tara Albaugh of Kellogg that Mr. Schneider be appointed First Vice Chair, and that Mr. Coulson replace Mr. Schneider as the Second Vice Chair. Mr. Niehaus will retain his position as Treasurer. Upon motion by Mr. Green and seconded by Ms. Flynn, the Board approved the changes effective immediately to the Board of Managers Executive Committee.

Finally, Ms. Flynn noted that Johnson Controls will no longer have a presence in Michigan and effective October 31, 2016, Adient LLC will be the new company with whom she will be employed. She requested her retention of her seat on the Board of Managers. This matter will be tabled until the November Board of Managers meeting.

The **Amicus Curaie Committee Report** was submitted by the Executive Secretary. Ms. Droblich advised that in the case of *Arbuckle v General Motors*, the Michigan Supreme Court had denied Plaintiff’s Motion for Re-hearing. The Supreme Court had ruled in July in favor of General Motors. After the Court’s decision, plaintiff filed a motion with the Supreme Court seeking a re-hearing. It is that Motion the Supreme Court has now denied. This Court’s order brings the case to an end. It is the position of the Executive Secretary that the hundreds of similar cases on hold in the state’s workers’ compensation system awaiting the outcome of *Arbuckle* should now be dismissed.

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In addition, the Executive Secretary advised that in the case of *Roseman v City of Detroit*, Mr. Critchell who had written the *amicus curiae* brief advised that there was no reason for the Association to participate further in the case after the Michigan Supreme Court had remanded same.

The **Technology Committee Report** was submitted by Mr. Ohman. He stated the Committee met on August 23, 2016 via a telephone conference to evaluate managing the website and correcting technology problems. Mr. Ohman indicated that a meeting had been held with enPower Technology Solutions who reviewed the website and had made preliminary suggestions for reorganizing the site in the future, after current problems were addressed. Mr. Wright also met with the consultants and came to the conclusion that certain work had to be done immediately pertaining to issues that were conference related. This would include the ability for exhibitors and attendees to register for the conference. enPower Technology Solutions contacted Web7 to begin a full evaluation and to make corrections. The immediate focus would be to first run the necessary updates, then fix the back end user issues, and then fix accessibility to certain pages. It was decided that once we get past these pre-conference hurdles, the Committee will have a more in depth discussion in October to determine whether we would like to have a longer term agreement with the vendors, and what type of work would need to be completed. The Technology Committee was to be thanked for all of their work in this regard.

The **Health Care Committee Report** was submitted by Ms. Azar. She indicated that the hearing on the Health Care Services Rules was to be held on October 14, 2016. The Board will be advised following that meeting.

The **Fall Conference Committee Report** was submitted by Ms. Azar. She stated that 40 vendors have registered for the conference, with 34 regulars and 6 gold sponsors signed up to date. There will be a cocktail reception held on October 12, 2016 from 5:00 p.m. to 6:30 p.m. at the Lansing Center. There was some discussion amongst the Board as to the various attendees who should be invited to the cocktail reception. All Board members are encouraged to contact Mr. Schneider or Ms. Baker pertaining to potential invites with respect to same.

The **2017 Spring Conference Committee** report was submitted by Mr. Schneider. He indicated that the 2017 Spring Conference is finalized at the Amway Grand Hotel for May 31, 2017 and June 1, 2017. Additional work will be done after the completion of the Fall Conference.

The Committee has received a contract from the Atheneum Hotel for the 2017 Fall Conference. Ms. Bruno-Herline and Ms. Galloway indicated they reviewed the contract. They indicated while the contract lacked certain provisions, overall, they were satisfied.

Per Ms. Azar, the 2018 Spring Conference dates will be decided after the national Workers' Compensation conference dates have been announced.

Under **Old Business**, Mr. Green again advised that effective October 2016, he will be replaced on the Board of Trustees by Ms. Barb Pelak. Additional discussion was held regarding the Workers'

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Compensation Board of Magistrates up for re-appointment in 2017. The Board will monitor any information provided by the Agency with respect to same.

Under **New Business**, the Executive Secretary indicated that the dates for the 2017 Board meetings will be submitted at the October 2017 Board meeting. Discussion was held regarding meeting sites. It was decided that two meetings would again be held in Lansing. Ms. Block previously offered the facility of the Michigan Chamber of Commerce. The Executive Secretary will also follow up with Ms. McKinley at the Michigan Manufacturers Association to use their facility for one of the Board meetings as well.

Upon motion by Ms. Bruno-Herline and seconded by Ms. Rychlinski, the meeting was adjourned at 4:07 p.m.

Respectfully submitted,

Dawn M. Droblich
Executive Secretary