



BOARD MEETING MINUTES

April 10, 2025, 11:30-1:30 p.m.

Draper City Council Chambers

1020 East Pioneer Rd., Draper, UT 84020

Members Present: Alex Jensen, Chairman (Layton); Brant Hanson, Vice Chair (Centerville); Derek Oyler (Brigham City); Paul Bittmenn (Cedar City); Mike Barker (Draper); Adam Bowler (Enterprise); Jamie Ellison (Farmington); Kyler Ludwig (Kanab); Cory Branch (Mapleton); Mara Brown (Ogden); Keri Rugg (Orem); Margaret Plane (Park City); Tyler Jacobson (Spanish Fork); Duane Huffman (West Bountiful); Eric Bunderson (West Valley)

Absent: All represented

URMA Staff Present: David Petersen, Executive Director; Elizabeth Christensen, Treasurer; Brandon Crowther, Attorney; Jason Davis, Loss Control Manager; Libby Lowther (Lowther & Associates), Claims Adjuster; Jordan Rapp, Risk Analyst; Ann Richey, Claims Coordinator; Shianne Wadley, Administrative Assistant

Others Present: Kellie Challburg (Draper); Seth Perrins and Carson Hardy (Spanish Fork); Gary Ogden, Matt Campasano, Rob Oldroyd, and Judi Davis (Moreton & Company)

1. LUNCH

2. WELCOME – Alex Jensen, Chairman

MINUTES

Meeting commenced at 11:46. Mr. Jensen welcomed everyone, expressed gratitude for the support and camaraderie among the members emphasizing the importance of their work, and asked each to introduce themselves.

(Ms. Rugg arrived at 11:49.)

3. MOTION – Approval of Minutes - Board Meeting December 12, 2024

MINUTES

MOTION

Mr. Jensen asked for additions or deletions to the minutes. There were none. He called for a motion to approve the minutes of the December 12, 2024 Board Meeting.

Mr. Oyler motioned to approve the minutes of the December 12, 2024 Board Meeting, seconded by Mr. Bowler.

Voting was unanimously affirmative to approve.

4. CONSENT AGENDA

4.1. QUARTERLY FINANCIAL REPORT

4.2. FRAUD RISK ASSESSMENT

MINUTES

MOTION

Mr. Jensen asked if there was discussion needed for the consent agenda. There was none.

Motion to approve the consent agenda was made by Mr. Ludwig, seconded by Mr. Huffman.

Voting was unanimously affirmative to approve.

(Mr. Huffman left the meeting at 11:53 and returned at 11:54.)

5. SCHEDULED ITEMS

5.1. PRESENTATION – INSURANCE MARKET UPDATE – Moreton & Company

MINUTES

Mr. Ogden said they have been closely watching HB65, the Firefighter Cancer Amendment to the Utah Occupational Disease Act, which goes into effect July 1st. It is a presumptive cancer amendment that if firefighters have one of sixteen cancers, the cancer is presumed to be a result of their employment, and workers' comp will pay for all treatment related to those cancers that may surface at a future date. He said it is difficult to underwrite, and Workers' Comp Fund has analysts looking at data from other states that have passed similar bills. He

said renewals have not increased yet and, other than this amendment, workers' comp premiums are down.

Mr. Ogden said in January it appeared that property renewals were going to be the best terms in years, then 1 ½ weeks later, California caught on fire. He said the total amount of losses is unknown; however, our property carrier, Affiliated FM, only writes commercial (not residential) and the majority of the California losses are residential. At this point it looks like renewal rates for property will be good.

Mr. Ogden said commercial auto is experiencing the 54th quarter in a row of premium increases and is the coverage about which they are most concerned. He said commercial and personal auto rates are increasing because of the increased frequency and the severity of accidents nationwide. The trucking industry faced a shortage of 80,000 drivers in 2024, which led to paying more money for less experienced drivers, resulting in higher accidents. He said vehicles with driver assistance like back up cameras are twice as expensive to repair as vehicles without; the average loss amount for commercial auto liability (not auto physical damage) claims has doubled since 2014.

Mr. Ogden said there was an increase in cyber claims last year, but the rate has stayed relatively flat.

Ms. Ellison asked which city is responsible for the cancer treatment if a firefighter has worked for more than one city. Mr. Ogden said that has not been determined yet. Mr. Campasano said Workers' Comp Fund is looking at raising the deductible for the firefighter class code to \$50K or \$100K, to keep the rate and dollar-one coverage for other employees.

Mr. Ogden asked for questions. There were no additional.

5.2. PRESENTATION – INSPECTION PROGRAM COMMITTEE UPDATE – Jason Davis

MINUTES

Mr. Davis shared the update from the inspection program committee, that they have met four times and reviewed possible changes and are at the point of preparing proposed language which they will review in one more meeting before presenting the proposed changes to the Board. He said he appreciates the committee and their input.

5.3. PRESENTATION – POLICE PHYSICAL FITNESS TESTING UPDATE – Jason Davis

MINUTES

Mr. Davis said he contacted each police chief and found none are using the Schwinn Airdyne bike test, but they are using the plank as an alternative for sit-ups. He said most agencies use the JTST (Job Task Simulation Test).

5.4. DISCUSSION & MOTION – AUTO PHYSICAL DAMAGE PROGRAM UPDATE

MINUTES

Mr. Petersen said cities inquired about raising the URMA Auto Physical Damage coverage from \$50K to \$75K, which was discussed at last Board meeting. He said there was concern that removing these vehicles from the high-value policy might impact the premium for the vehicles that remained, and the discussion was continued to this meeting. Mr. Campasano conferred with Workers Comp Fund about the possibility.

(Ms. Lowther arrived at 12:09.)

Mr. Campasano said the rate URMA cities are charged per vehicle is significantly below the industry standard. He said there are 790 vehicles on the high-value policy, with values from \$50K to over \$1M for some fire trucks. He said this proposal would remove 303 of those vehicles (45%), and the result would be that WCF would have to raise the rate on the higher value vehicles to compensate for the loss of premium.

Mr. Petersen said if the vehicles from \$50K - \$75K were removed, there would be a correlating increase in premiums for the remaining high-value vehicles. He said WCF collects the equivalent of one of our large losses, about one fire truck (annually). He said he is not opposed to managing the additional 303 vehicles.

Mr. Bittmenn asked how many claims there are for high-value vehicles.

Mr. Campasano said for three of the past 5 years WCF has paid out more in claims than they collected in premium. He said last year's premium was \$850K for 709 vehicles, and last year a fire truck and an ambulance were totaled. He said WCF values the URMA partnership; there would not be an increase in the July renewal if the proposal moved forward, but there would be an increase the following year which might be significant.

(Mr. Perrins arrived at 12:17.)

Ms. Lowther remarked that the fire truck and the ambulance losses should be reimbursed. She said many police vehicles are damaged and are in this range; and some damages will be recovered.

Mr. Jacobson said it is less expensive for Spanish Fork to put some under \$50K vehicles on the WCF program, \$285 for a \$50K vehicle and \$228 for a \$40K vehicle. Mr. Huffman said that is assuming the premium does not change due to the frequency of losses. Mr. Campasano said he expects the rate would increase because of higher exposure to multiple claims.

Mr. Petersen said URMA covers close to 900 vehicles on the auto physical damage program. He said with the information provided by Mr. Campasano, and the possibility of significant increases in the auto market in the near future, he would be inclined to stay where we are and see where the market goes.

Mr. Jensen asked for other comments for staff direction.

Mr. Oyler asked how this came up. Mr. Petersen said cities asked if URMA could increase the in-house coverage to \$75K to cover the cost of police vehicles, and as a pool we want to accept more risk internally and rely less on external insurers, so if there is premium remaining, it increases the URMA reserve. Mr. Odgen said there is not a lot of profit in the WCF program. Mr. Oyler said he does not want to make a decision without knowing what the WCF increase would be. Mr. Petersen said the actuaries have said the URMA program is adequately funded, there will not be a need for a premium increase and recommended keeping the program as is.

Mr. Jensen asked if there was further discussion. There was not, but later in the meeting it was addressed again:

MINUTES

Mr. Oyler asked if staff was given sufficient direction regarding the Auto Physical Damage Program, and which cities requested the change. He said he was willing to discuss it more if they disagreed.

Ms. Rugg said Orem was one of the cities, that they have few vehicles under \$50K and are largely impacted because of their large fleet. She said she accepts the recommendation to stay the course for a year, if it can be looked at again. Mr. Bittmenn asked if the concern was for police vehicles. Ms. Rugg answered affirmatively, 70 of their vehicles fall in the range of \$50K-\$75K. Mr. Campasano said nine cities have a deductible of \$2,500, half the URMA deductible, which would make the change a wash for most cities. Mr. Huffman asked how many members participate in the high-value coverage. Mr. Campasano said all of them participate. Mr. Huffman asked how many participate in the URMA program. Mr. Petersen said all but two.

Mr. Hardy said Spanish Fork has been looking at the rates for WCF and believes it would save Spanish Fork money to put all their vehicles on WCF with a \$5K deductible and suggested that the Board look at the cost to put all vehicles there. Mr. Huffman said Spanish Fork has that choice now. Mr. Campasano clarified that the cost Mr. Hardy calculated may not be accurate because of increased volume. Mr. Perrins said Spanish Fork would be interested in knowing the cost if it is not hard to calculate and will defer to Mr. Campasano.

Mr. Jensen said a motion is not needed but the conversation proves the value of pooling, all benefit by discussion.

5.5. DISCUSSION & MOTION – CYBER RISK INSURANCE

MINUTES

Mr. Petersen referenced his prior memo regarding the history of cyber risk premium; in 2015-16 cyber fraud was a big issue, and the Board decided to purchase cyber risk insurance with the premium being absorbed by the reserve, at the time \$50-60K per year, which was not significant. The cyber premium is now \$562K per year. Because increases were significant each year, the Board agreed that a portion of the increase would be paid by the URMA reserve to lessen the impact for cities. In the past 10 years, URMA has paid \$2.1M in cyber risk premium, \$1.84 million from the reserve; continuing in this way will deplete the reserve long-term. His discussion with Mr. Jensen and Mr. Hanson resulted in the recommendation that this year the premium be split 50/50 between URMA and each member, and the following year, the entire premium be reimbursed to URMA by each city. He said the paper (then being distributed to each Board member) shows what the Board member's city paid last year, what each would pay potentially in July if the recommendation is adopted, and the amount of the full cyber premium for the following year (subject to rate changes).

Mr. Petersen cautioned against decreasing coverage (currently \$3M per claim, \$15M aggregate). He helped West Jordan navigate a cyber claim last year which cost \$2M in the first six months, and the national average for a government claim is \$2.3M.

MOTION

Mr. Oyler motioned to approve that members reimburse cyber premium to URMA the way Mr. Petersen has presented it, seconded by Mr. Bowler.

Voting was unanimously affirmative to approve.

Ms. Plane requested that Ms. Christensen email the paper that was distributed.

5.6. DISCUSSION & MOTION – JPP LANGUAGE CORRECTION REGARDING EXECUTIVE COMMITTEE

MINUTES

Mr. Petersen said in 2021 the language in the Joint Protection Program was updated to be consistent with the operation of URMA and in 2022 the Bylaws update eliminated Executive Committee meetings and the Executive Committee. The JPP still contains three references to the “Executive Committee” (which no longer exists) which he is requesting permission to remove and replace with “Board of Directors.”

MOTION

Motion by Ms. Plane, seconded by Ms. Brown to make the change.

Mr. Huffman asked if this change needed to be made by resolution. Mr. Petersen said minor changes in the JPP may be accomplished by a majority vote.

Voting was unanimously affirmative to approve.

5.7. DISCUSSION – JPP LANGUAGE REGARDING THE SELECTION OF LEGAL REPRESENTATION

MINUTES

Mr. Petersen said he is seeking a discussion and direction from the Board. When he was hired (2019) the director shared that there was discussion in 2010 regarding this issue and that the operating practice of URMA is to allow members to select legal representation, with URMA oversight. Mr. Petersen said that is how he has operated, however, language in the JPP does not reflect that, rather it says that URMA has the ultimate decision-making authority. He said there has not been a conflict, but the way the JPP is written is not current practice, and he does not want a conflict in the future. The past argument has been that members repay the costs and should be able to choose, and the opposing argument is that URMA should have oversight to protect the rest of the cities against a shared loss situation. He said Mr. Crowther found that 99% of URMA litigation use the same few attorneys and they do an excellent job. Mr. Petersen said sometimes there arises a situation where a member would like to use a specific attorney, which he does not have a problem with as long as there is a safety net to protect against a shared loss brought about by poor legal representation or exorbitant rates. He said Board members asked him to come to this meeting with proposed language, and he provided two options in memo.

Ms. Plane asked how the URMA preferred attorney list is generated. Mr. Petersen said attorneys might be interested in representing URMA and he vets their background, rate structure, involvement in municipal representation, and if they are a good match, they are included on the list.

Mr. Bittmenn asked how often the list is reviewed, and said attorneys get expensive and stale over time. Mr. Petersen said their status is reviewed if they increase their rates significantly or they are no longer used. Mr. Bittmenn asked if URMA solicits attorneys. Mr. Petersen said if they have interest, are familiar with URMA or have represented a city, if they are willing to charge competitive fees, then they are considered. Mr. Bittmenn asked if URMA is open to having recommendations from member cities. Mr. Petersen said absolutely, if they represent members the best at a reasonable price, that is who URMA wants.

Ms. Lowther said under the URMA director before the previous one, all the legal work was being done by one firm that had close relationships with URMA staff and defense costs were high, at which some members balked. She said some attorneys are willing to give a good rate, but how many hours they charge should also be considered. Another issue is having an attorney working both sides - she does not want to train an attorney to do governmental entity defense and have them turn around and sue another member with information they learned. She said the answer is to let members know about the conflict and have them decide.

Mr. Bittmenn said he remembers when the only option was the expensive firm and when a member wanted to consider an alternative, URMA was not accommodating. He requests that URMA be guided to make best efforts to constantly revise and update the list.

Mr. Huffman said the biggest risk is shared loss and asked how early in claim URMA has the sense that a claim will be a shared loss. Mr. Petersen said with some claims, we put the excess insurer on notice right away; others settle for well below what we anticipated, others evolve the other direction. Mr. Huffman asked when members pay all the defense costs and it is not a shared loss, if reinsurance premiums are affected. Mr. Petersen said underwriters look at the number of losses and it is better for the organization to control losses. Mr. Petersen said URMA has great success with the attorneys it uses, and Ms. Lowther, Mr. Crowther and Ms. Christensen all review legal bills.

Mr. Huffman said the first proposal says URMA must be comfortable with the attorney, not necessarily that the attorney is on a list. And the reason the member would appeal to the Board is if URMA was not comfortable and told the member they would be on their own, and the member wanted to proceed. Mr. Huffman said he does not want a repeat of 2010 but does want a pull-cord that URMA can step in, but also that staff does not have ultimate control and the member can appeal to the Board, which he sees as an unlikely scenario.

Mr. Petersen agreed that that situation would be the one-off. He said a selling point for URMA is this flexibility to choose, that the problem with most insurance is that a city has no say. He

said he is not interested in changing the language that restricts withdrawing members from choosing counsel. After a city has decided to leave, they should not be allowed to run up a legal bill.

Mr. Perrins said he agreed with Mr. Huffman's thoughts and liked the sequence of starting with a discussion and if a city chooses someone else, URMA monitors (which may be how an attorney comes to work more frequently for URMA). But when URMA sees it going poorly, staff discusses the need for a change with the city. Mr. Perrins said no one wants high legal fees or a poorly defended case, and if he were approached by URMA about a concern, he would listen. He said option one is close to solving the issue.

Ms. Lowther said she endeavors to ensure that members are intimately involved in defense and wants the attorney to share filings and talk with the member. She said being involved in a case is fabulous risk management training; cities have a good idea who is representing them and how the case is going, and when a city is well-informed by being involved, attending hearings, this is great risk management.

Mr. Barker asked what this appeal looks like. Mr. Petersen said, if we are not in agreement with the direction a case is going, if it's running toward a shared loss which affects all members, URMA puts the city on notice that it is not going to continue to pay and the city can handle the remainder internally or appeal to the Board. Mr. Petersen said this is an anomalous situation. In six years there has not been a situation that has come close, and he is unaware that the previous director had any conflicts, but he wants to avoid potential conflict and have everyone know the rules of engagement. He hopes that if URMA approached a city and said, "This is problematic," there is enough trust that a member would take that seriously.

Mr. Branch remarked that this one-off could be when a mayor or city council are heavily involved. Ms. Plane agreed. Mr. Petersen said there are times when a city council is determined to fight something and hire an attorney willing to 'take it all the way,' knowing it will run up a huge legal bill, when it could have been settled for much less. This gives a city manager the opportunity to tell the city council, "If we do this, URMA is not going to cover additional legal expenses." Mr. Jensen agreed.

Ms. Plane said the flexibility to choose legal representation is significant for cities. She said although Park City uses Mr. Church on many cases, they do not use him exclusively. She said she prefers option one, but it should be clarified to read, "future costs" and, "above the expense of the preferred attorney." Mr. Bittmenn agreed. Ms. Plane suggested the addition that "Members may select the attorney of their choosing from the URMA recommended attorneys to represent them in a claim or litigation," which starts with the presumption that a city will choose from the list, but if a city wants to consult with URMA and choose someone out of that, there is a process.

(Mr. Barker left at 13:07.)

Ms. Brown clarified that the list exists because these attorneys have been tested and there are no conflicts, which is a good starting point, but there is still the ability to choose elsewhere.

Mr. Petersen said this goes towards what Ms. Lowther said that if there is constant communication, there are no surprises.

Ms. Lowther said she does not recall any dispute about an attorney that was severe. She said the city pays and the city chooses how to solve their problem, and although URMA has some exposure, URMA tries to defer to the member's interest, including the political dynamics.

Mr. Oyler said he agrees with Mr. Bittmenn about updating the list more often. He said he contacted Mr. Church, who did not want to take a case that was a unique issue, and he asked if anyone has had a wetland issue recently. Ms. Plane said they currently have one. Mr. Oyler said they currently have a group suing the city over utility fees and solar, and that an attorney familiar with solar is not likely on the list.

Ms. Lowther said a firm may come on the list because they represented a member well - that they have a specialty a member needs, maybe experience with landfills. Mr. Perrins said this is a valid concern, and this policy is asking cities to involve URMA in the selection process. He said Spanish Fork is going through this now, where they cannot use several attorneys; they hired an attorney with Ms. Lowther involved in the process. Mr. Crowther said the list gets expanded when a member finds an attorney for a specialty and it is a success. Mr. Oyler asked if there was an eminent domain specialist on the list. Mr. Huffman said his concern with presumption is that an attorney on the list is not necessarily qualified for a certain case. He asked for language that allows URMA to say at any point, there is concern with the attorney selected.

Ms. Plane remarked that people on this list are suing Park City. She agrees that an attorney needs expertise or to have reasonable rates, but to eliminate attorneys on the basis that they have sued a city is impractical.

Mr. Bittmen was asked if his concerns about the past were addressed. He said he does not see those problems currently. He requested a regular review of the list.

Mr. Jensen asked if anyone had a motion.

MOTION

Ms. Plane began a motion to approve the proposed language in Mr. Petersen's recommendation with presumption that members start with the URMA recommended attorney list, with a reminder to refresh list.

Mr. Petersen explained how the list is updated periodically. Snow, Christensen, Martineau became Spencer Fane, which had an attorney who is used frequently for use of force issues. Then that specialty attorney left Spencer Fane but wanted to continue to work with URMA members and agreed to maintain her rate, and she is still on the list. Ms. Plane asked how members are notified. Mr. Petersen said updates are not distributed, but if a member asks, or in discussion that they have a particular type of claim, then it can be produced. Mr. Bittmenn suggested publishing the list annually.

Mr. Bunderson asked if it would be helpful to review the list at Board meeting. Mr. Petersen said it is possible that URMA could send it out before and have it as an agenda item, but he does not want to spend time discussing attorneys. Mr. Hanson suggested sending out the list so members have access and can discuss it, if needed. Mr. Bittmenn suggested publishing the list annually. Mr. Perrins agreed. Ms. Brown suggested that a subcommittee might be appropriate to conduct an annual review, to stay apprised of possible conflicts.

Ms. Plane suggested proposed option one, including the first sentence of option two. Mr. Bittmenn suggested not voting on the language today but give staff direction to return with language at summer Board meeting. Ms. Plane agreed to the friendly amendment of her motion. Mr. Bittmenn said Ms. Plane had the language right, but he would prefer something clean to read.

MOTION

Ms. Plane motioned to not vote on the language today in order to allow refinement of the language, seconded by Mr. Bittmenn.

Voting was unanimously affirmative in support of the motion.

5.8. DISCUSSION – PROPOSED FY2026 BUDGET – David Petersen

MINUTES

(Ms. Brown and Ms. Lowther left at 13:24.)

Mr. Petersen provided a proposed budget memo with supporting documents and pointed out that he consolidated some categories in accordance with last year's discussion about having all revenue in one area. He said he adjusted some numbers in the revenue area to be more accurate. Some went up, some went down; he consolidated some accounts and identified some proposed increases - 90% of those are based on costs of goods and services, but PEHP increased 9%; the overall proposed budget increase is 2.23%.

Mr. Bundersen said he supports using TechNet and asked the last time comparisons were examined to make sure they match city positions. Mr. Petersen said Spanish Fork's HR Director did the comparison in December, and that the committee originally identified the comparables for job descriptions and the range of cities. Mr. Petersen asked Ms. Rugg about her involvement in the committee originally. Ms. Rugg said she has some concerns about the comparisons with the positions' responsibilities, and that Orem looks at like-sized cities. Mr. Bittmen said Cedar did a comparison with same-size cities, and another comparison with all cities, and in the comparison that included the larger cities the ranges decreased for most positions. Mr. Petersen said he is using the system the Board approved 3-4 years ago, and if the Board wants to have a committee of HR staff compare job descriptions again he can arrange it. Ms. Rugg said she is not giving anyone a 21% increase. Mr. Petersen said neither is URMA, but that is what the scale went up. His proposal to operate at the 60th percentile is from Board direction; the overall increase based on cost-of-living adjustment based on western region CPI and moving toward 60th percentile is 6%.

Mr. Jensen asked if there was additional discussion. There was not.

5.9. PUBLIC HEARING – FY2026 BUDGET

MINUTES

MOTION

Mr. Jensen asked for motion to go into public hearing.

Mr. Perrins motioned to go into public hearing for the proposed FY2026 Budget, seconded by Mr. Branch.

Voting to go into public hearing to discuss the proposed Fiscal Year 2026 Budget was unanimously affirmative.

Public hearing opened at 13:31.

There was no public input present or online.

MOTION

Motion to close public hearing by Mr. Perrins, seconded by Mr. Bunderson.

Voting was unanimous to close public hearing. Closed at 13:32.

5.10. RESOLUTION B0425 - 5.10– ADOPTION OF FY2026 BUDGET

MINUTES

MOTION

Mr. Jensen asked for questions and asked for a motion to adopt the proposed FY2026 Budget.

Mr. Bowler motioned to adopt the FY2026 Budget, seconded by Mr. Oyler.

Voting was unanimously affirmative to adopt the budget.

6. OTHER ITEMS

6.1. DATES for upcoming meetings:

- Risk Managers' Roundtable – May 22, 2025, 11:00 a.m.– Draper City Council Chambers
- Summer Conference – July 30-31, 2025, 8 a.m. – NewPark Resort, Park City
- Annual Board Meeting – July 31, 2025 – 12:30 p.m. – NewPark Resort, Park City

MINUTES

Mr. Petersen remarked that Summer Conference was coming up and the agenda will be available in the next week or two and encouraged members to invite their staff.

Mr. Jensen asked for any additional discussion. He thanked everyone for their time and their contributions to the success of the organization.

7. ADJOURN

MINUTES

Mr. Oyler motioned to adjourn the meeting, seconded by Ms. Plane.

Meeting adjourned.

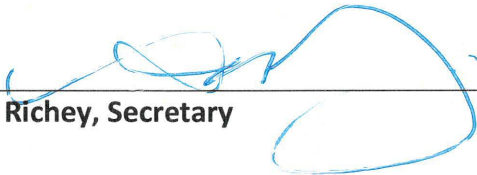
APPROVED this 31ST day of July, 2025,

Utah Risk Management Agency



Alex Jensen, Chairman of the Board

ATTEST:



Ann Richey, Secretary