

**South Portland City Council
Position Paper of the Interim City Manager**

Subject:

**ORDER #44-16/17 – Accepting \$70,896 from the Maine Municipal Association.
Passage requires majority vote.**

Position:

Thursday, September 1st, the City received a dividend check in the amount of \$70,896 from the Maine Municipal Association (MMA). Dividend checks are given to members that have good loss experience and loss prevention programs. The City participates in the Workers' Compensation Fund and the MMA Property and Casualty Program. Each year the governing boards review the programs' loss experience to determine if dividends may be paid.

The MMA Property and Casualty Program pays dividends based on the following:

A loss ratio of 50% or less the qualifying year of July 1, 2014 to June 30, 2015, calculated and valued as of June 30, 2016.

1. Member on or prior to July 1, 2010 = 5.39%
2. Member after July 1, 2010 = 4.39%

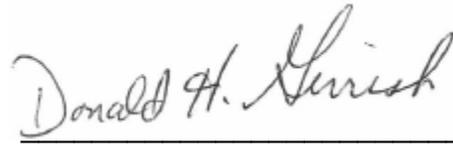
This year, the City received dividends from the Property and Casualty Pool. These funds will be disbursed as follows:

Property and Casualty

School	\$19,595.00
Sewer	\$2,624.71
City	<u>\$48,676.29</u>
Total	\$70,896.00

Requested Action:

Council passage of ORDER #44-16/17.

A handwritten signature in cursive script that reads "Donald H. Gurish". The signature is written in black ink and is positioned above a horizontal line.

Interim City Manager

DATE: August 15, 2016

TO: Members of the Workers Compensation Fund and the Property & Casualty Pool

FROM: Patricia Kablitz, CPCU, ARM
Director, Risk Management Services

RE: Dividend Payments

We are pleased to announce that the Board of Trustees of the **MMA Workers Compensation Fund** voted at its May 19, 2016 meeting to allow a dividend to the members of the Fund who meet the established criteria. Continuing members whose 2015 contributions are greater than \$25,000 annually, whose 2015 loss ratio is less than 40% and whose three-year loss ratio is less than 75% will receive a 4.4% dividend. Continuing members whose 2015 contributions are less than \$25,000 annually and whose loss ratio is less than 50% for the three years ending December 31, 2015, will also receive a 4.4% dividend. All losses are valued as of June 30, 2016.

The Board of Directors of the **MMA Property & Casualty Pool** voted at its May 19, 2016 meeting to allow a dividend to current members of the Pool who meet the established criteria. To earn a dividend, a member must have a loss ratio of 50% or less for the qualifying year of July 1, 2014 to June 30, 2015, calculated and valued as of June 30, 2016. Continuing members whose participation began on July 1, 2010 or prior will earn a 5.39% dividend and members who joined after July 2, 2010 will receive a 4.39% dividend.

Cost savings are realized in providing services to members who participate in both the Property & Casualty Pool and the Workers Compensation Fund. In recognition of the savings, both boards voted to add 1% to the dividends for each program for members who qualify and earn a dividend. You are among the members who participate in both the Workers Compensation Fund and the Property & Casualty Pool. Therefore, if you earned a dividend for either or both programs, the additional 1% has been included in the calculation.

Dividends are being paid in the Workers Compensation Fund and Property & Casualty Pool totaling \$1,199,440. Both governing boards are very pleased with the results of their respective programs and thank you for your support and continued participation. Good management practices and sound loss prevention measures on the part of all of the members have contributed to the success of these programs. Your entity is a big part of this success.

Your check is enclosed with this letter. We have also enclosed a press release that may be used to announce the result of your successful risk management activities and good loss experience to your community. If you have any questions about the dividends or any of the Risk Management Services programs, please call me at 800-590-5583. Additional copies of this letter are included for your elected officials.



CITY OF SOUTH PORTLAND

THOMAS E. BLAKE
Mayor

DON GERRISH
Interim City Manager

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

EMILY F. CARRINGTON
City Clerk

IN CITY COUNCIL

ORDER #44-16/17

District One
CLAUDE V. Z. MORGAN

District Two
PATRICIA A. SMITH

District Three
EBEN C. ROSE

District Four
LINDA C. COHEN

District Five
BRAD FOX

At Large
MAXINE R. BEECHER

At Large
THOMAS E. BLAKE

ORDERED, that the City Council hereby accepts a dividend check in the amount of seventy thousand eight hundred ninety-six dollars (\$70,896) from the Maine Municipal Association.

\$19,595.00 shall be credited to Account #0100-015300

\$2,624.71 shall be credited to Account #50608961-618500

\$27,752.74 shall be credited to Account #180635-435030

\$20,923.55 shall be credited to Account #180435-435030

Fiscal Note: \$70,896.00 Revenue

Dated: September 7, 2016