

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

***Subject:***

**ORDER #55-17/18 – Accepting \$25,680 from the Maine Municipal Association.  
Passage requires majority vote.**

***POSITION:***

On Friday, September 1<sup>st</sup>, the City received a dividend check in the amount of \$25,680 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, 2015 to June 30, 2016, calculated and valued as of June 30, 2017.

1. Member on or prior to July 1, 2011 = 4.67%
2. Member after July 1, 2011 = 3.67%

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

**Property and Casualty**

School	\$5,713.90
Sewer	\$3,749.28
City	<u>\$16,216.92</u>
<b>Total</b>	<b>\$25,680.00</b>

***Requested Action:***

Council passage of ORDER #55-17/18.

  
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City Manager



## MAINE MUNICIPAL ASSOCIATION

### *Risk Management Services*

60 Community Drive  
P.O. Box 9109  
Augusta, Maine 04332-9109

### **Telephone No.**

(207) 626-5583  
(800) 590-5583 Maine Only  
Fax No. (207) 626-0513

DATE: August 9, 2017

TO: Members of the Workers Compensation Fund and/or 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 10, 2017 meeting to allow a dividend to the members of the Fund who meet the established criteria. Continuing members whose 2016 contributions are greater than \$25,000 annually, whose 2016 loss ratio is less than 40% and whose three-year loss ratio is less than 75% will receive a 4.59% dividend. Continuing members whose 2016 contributions are less than \$25,000 annually and whose loss ratio is less than 50% for the three years ending December 31, 2016, will also receive a 4.59% dividend. All losses are valued as of June 30, 2017.

The Board of Directors of the **MMA Property & Casualty Pool** voted at its May 10, 2017 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, 2015 to June 30, 2016. Losses are valued as of June 30, 2017. Continuing members whose participation began on July 1, 2011 or prior will earn a 4.67% dividend and members who joined after July 2, 2011 will receive a 3.67% 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. If you are among the members who participate in both the Workers Compensation Fund and the Property & Casualty Pool, and 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 \$1,199,796. Both governing boards are very pleased with the results of their respective programs and thank you for your support and continued participation. Your good management practices and sound loss prevention measures have contributed to the success of these programs.

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

PATRICIA A. SMITH  
Mayor

SCOTT T. MORELLI  
City Manager

EMILY F. SCULLY  
City Clerk

SALLY J. DAGGETT  
Jensen Baird Gardner & Henry

District One  
CLAUDE V.Z. MORGAN

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District Two  
PATRICIA A. SMITH

\_\_\_\_\_

District Three  
EBEN ROSE

\_\_\_\_\_

District Four  
LINDA C. COHEN

\_\_\_\_\_

District Five  
BRAD FOX

\_\_\_\_\_

At Large  
Maxine R. Beecher

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At Large  
SUSAN J. HENDERSON

**IN CITY COUNCIL  
ORDER #55-17/18**

**ORDERED**, that the City Council hereby accepts a dividend check in the amount of twenty-five thousand six hundred eighty dollars (\$25,680) from the Maine Municipal Association.

\$5,713.80 shall be credited to Account #0100-015300

\$19,996.20 shall be credited to Account #180435-435030

Fiscal Note: \$25,680 Revenue

Dated: September 18, 2017