AT THE MMRMA BOARD of Directors’ most recent strategic planning meeting, a key question arose: How can we reward members that develop and implement innovative safety and loss control programs of potential benefit to all members?

The answer was to establish MMRMA’s first annual Member Recognition Award, to be given to the member that demonstrates innovative risk reduction strategies that can be implemented in other member communities.

The winning member will receive a cash award equal to 5 percent of its general fund contribution, up to $5,000.

Award Criteria
Applications, which are due April 15 for the 2012 award, can be found at mmrma.org. In preparing your application, keep in mind that emphasis is placed on:

> Innovative solutions to problems facing many MMRMA members
> Tangible cost and loss reductions and service improvements

The winning member will receive a cash award equal to 5 percent of its general fund contribution, up to $5,000.

> Ratio of cost savings to implementation expenses
> Transferability to other members
> Level and importance of management support.

From these entries, the State Pool Committee will nominate one applicant for consideration by the Membership Committee.

The application deadline for the 2012 Member Recognition Award is April 15, so download an application today!

The Selection Process
The Board of Directors asked the Membership Committee to develop the award criteria and serve as the decision-makers in selecting the annual winner as well as an honorable mention entry.

The State Pool Committee will serve as the judging body for applications received from State Pool members.

Statewide Recognition
The winner will be named on June 1 of each year. Formal recognition will be bestowed at MMRMA’s annual membership meeting in August. The member and its winning project will also be featured in MMRMA’s Annual Report, in the Risk Journal, and at mmrma.org. An award plaque will be provided to the winning member to display in its municipality.

In addition to the cash award, travel expenses and hotel accommodations at the Grand Traverse Resort will be paid for up to three representatives of the award-winning member.

To recognize the employees and department involved in the successful program, up to $500 will be awarded to cover an award luncheon or award recognition apparel.

“MMRMA is pleased to create this opportunity to formally recognize members for innovation in risk reduction and service excellence,” said MMRMA Executive Director Michael Rhyner. “We hope to build wider recognition of the vital role of risk management among the citizens our member entities serve.”
Many of the significant experiences in Reaume’s life reflect his enthusiasm for helping others, from his family to his community and, through MMRMA, his peers in municipal government.

The Language of Service
In fact, Reaume credits a presentation at MMRMA’s 2010 Annual Meeting for helping him realize just how significant the concept of service is to him. Human relations expert Dr. Sherene McHenry, a professor at Central Michigan University, discussed the five love languages—affirmations, gifts, service, physical touch, and quality time.

Reaume and other attendees learned that each person has a primary (and perhaps secondary) language in which they prefer to show—and receive—appreciation. Understanding the five love languages can help people interpret the actions of others, who may show appreciation differently than the recipient wants or expects.

For Reaume, who earned a bachelor’s degree at Wayne State University and then an MBA in finance from the University of Texas, it wasn’t surprising to find that his primary language was service. He wouldn’t have it any other way.

“My participation on the school board and PTO/PTA encouraged me to run for public office, and in 2004, I was elected as Plymouth Township supervisor,” he recalls. After almost eight years in the role, Reaume is proud of his achievements in office, including business development, job creation, and improvements to the township’s extensive parks system.

He’s equally proud of his service on MMRMA’s Board of Directors. "I’ve been impressed by the professionalism of the entire organization, from the membership to the employees, since my first experience with MMRMA," says Reaume.

"I learned so much about the functions of MMRMA from my tenure on the Membership Committee," he adds. "When I was appointed to the Board, I was pleased to find that my leadership style meshed well with theirs.”

Reaume’s prior service on Schoolcraft College’s Board of Trustees gave him the governance experience to understand the MMRMA board’s role in setting policy, overseeing a large budget, and helping direct the management of the organization, its departments and standing committees.

"It’s a nice balance to my role in Plymouth Township, where I oversee the daily operations and act as the chief elected officer, receiving direction from a board,” he adds.

A Balancing Act
Learning how to balance many responsibilities came early in Reaume’s career. Recalling the time when he took in his sister’s three daughters to raise, he says, “As a single father, I quit my job as a technical sales rep at IBM and worked out of my home so I could have a more flexible schedule.”

The kinship adoption was finalized when the girls were in middle school, and now all three are grown and succeeding in their own ways. One daughter recently published a memoir of her childhood, including her difficult time in the foster care system, and a brief stint during which the girls were reunited with their biological father before ultimately being adopted by Reaume.

“It was tough on them growing up,” Reaume says. “But we found our way, and I’m incredibly proud of all of them.” The oldest is getting married in Florida this December, and she has asked Reaume to walk her down the aisle. “I can’t wait,” he admits.

Reaume balances out his penchant for giving to others by pursuing an active, athletic lifestyle. He values staying in shape, citing this adage: “The human body is the only machine that gets better with use.”

To that end, Reaume is a triathlete who participates in events of various lengths across Michigan. “I turn them into mini-vacations,” he says.

Considering how much he has on his plate, Reaume certainly deserves treating himself with the same generosity of spirit he shares with those around him.
To help protect consumers, the Securities and Exchange Commission (SEC) now requires bond issuers to disclose much more information about a municipality’s financial health, including liability for legacy costs of pensions and retiree health care.

The SEC also requires municipalities to disclose the viability of economic development projects and other ventures that affect municipal balance sheets. Failure to provide adequate disclosure exposes municipalities to civil penalties and potential criminal fraud charges.

The IRS is also taking a sharper look at public/private partnerships in which municipal bonds are the principal financing vehicle. Such economic development projects include sports facilities and speculative commercial ventures like Unity Studio, the failed film institute in Allen Park. In some cases, the tax-exempt treatment of such bonds is in question.

Cyber Risk Affects Us All

Cyber coverage typically responds to first-party claims for computer software remediation, media replacement, forensic expenses, the cost of security breach notices to those whose personal information was breached, and the cost of credit monitoring services for affected individuals. Coverage also addresses potential third-party claims from those who allege damages due to the release of personal information.

Inga Goddijn, managing director for Markel Corporation, reviewed the increasing frequency and severity of losses from data breaches and described the insurance products under development to protect public entities.

To help protect consumers, the SEC requires bond issuers to disclose much more information about a municipality’s financial health, including liability for legacy costs of pensions and retiree health care.

The IRS is also taking a sharper look at public/private partnerships in which municipal bonds are the principal financing vehicle. Such economic development projects include sports facilities and speculative commercial ventures like Unity Studio, the failed film institute in Allen Park. In some cases, the tax-exempt treatment of such bonds is in question.

McGee outlined several practical steps that municipalities can take to better understand and avoid these risks.

Cyber Risk Affects Us All

As our members rely more on electronic technology to handle information, unauthorized access or unintended release of information could result in significant losses. The primary exposure relates to the unauthorized release or breach of confidential data, personal information, and protected health care information. In addition, organizations are subject to regulatory fines and penalties for sensitive data breaches such as those related to HIPAA and HITECH legislation.

Cyber coverage typically responds to first-party claims for computer software remediation, media replacement, forensic expenses, the cost of security breach notices to those whose personal information was breached, and the cost of credit monitoring services for affected individuals. Coverage also addresses potential third-party claims from those who allege damages due to the release of personal information.

Inga Goddijn, managing director for Markel Corporation, reviewed the increasing frequency and severity of losses from data breaches and described the insurance products under development to protect public entities.

If members took away one idea that helps avoid a costly claim, their time and effort at the workshop will be very well spent.
In April, the gray of Michigan winter gives way to a colorful carpet of crocus, scilla, hyacinth, and daffodils.

As its name suggests, Michigan Municipal Risk Management Authority was formed to insure municipal organizations that provide services that are not, or cannot be, provided by non-governmental agencies. Since day one, MMRMA has understood the unique risks associated with providing police, fire, and other vital, but risk-prone, public services.

Logic dictates that governmental operations will not be risk free. Rather than waiting for losses to happen, MMRMA takes a proactive approach to help members manage and minimize risk exposure. MMRMA’s portfolio of risk management tools includes training, sample policies and procedures, member site visits, networking opportunities, and support for innovative risk management programs and emerging trends.

Safety Committees Are a Proactive Resource

MMRMA promotes the formation and implementation of safety and accident review committees as another way for members to be proactive in reducing risk. These committees do more than analyze injuries and losses and develop corrective measures to avoid recurrence—they also review practices, processes, facilities, and equipment with the goal of preventing future accidents and losses.

Creating a local safety and accident review committee can:

• Encourage employee and organizational involvement in health and safety issues
• Lead to a better educated staff with higher levels of cooperation, coordination, and employee morale
• Increase productivity and the exchange of ideas
• Decrease the cost of workers’ compensation and municipal liability coverage
• Extend equipment operating lifetimes and reduce equipment operating costs
• Minimize workplace hazards and risks, which can also reduce the need to hire additional employees.

The Many Benefits of Committee Work

While forming another committee may be viewed by some municipal employees as just another added task in an already busy work day, weigh that against the resources spent after an accident occurs.

The time and costs of investigative reporting, paperwork, remedial actions, financial loss, and potential disciplinary procedures can easily surpass the resources required to prevent the accident in the first place. And when the pain and suffering of a valued employee and possible effects on the rest of the team are taken into account, the benefits of such a committee far outweigh any perceived drawbacks.

Michael Rhyner
Executive Director
mrhyner@mmrma.org

Michael Ellis
Director of Claims
mellis@mmrma.org

Chuck Schwab
Director of Risk Management
cschwab@mmrma.org

Bryan J. Anderson, CPA
Finance Director
banderson@mmrma.org

The Risk Journal is published six times a year for members of the Michigan Municipal Risk Management Authority. We welcome your feedback. To comment or suggest story ideas, please contact Tamara Christie, communications specialist, at 734 513-0300, 800 243-1324, or tchristie@mmrma.org.

TECHTIP

Use PowerPoint’s Built-in Laser Pointer

You’re in the middle of a PowerPoint presentation and need a laser pointer to direct your audience’s attention. Good news: with PowerPoint 2010, a pointer is built into the program.

To use it, hold down the Ctrl key, then hold down the left mouse button. This turns on the laser pointer. Then move your mouse to the desired area of your slide—the pointer will follow along. To disable the pointer, release the left mouse button. It’s that easy!

MMRMA seminars and technical guidance manuals are available to help members form or revitalize a safety committee. For more information, contact MMRMA’s Risk Control Department at 734 513-0300.