THANKS TO A FANTASTIC training lineup and enthusiastic participation from attendees, MMRMA had another successful Risk Management Workshop in March.

Presenters ranged from trusted MMRMA service providers and staff to nationally recognized experts in risk management, leadership, and politics.

MMRMA's primary law firms briefed members on important issues relating to governmental entities and risk. Lawyers from Cummings, McClorey, Davis & Acho gave an update on the Freedom of Information Act (FOIA), and attorneys from Johnson, Rosati, Schultz & Joppich taught participants about Equal Employment Opportunity Commission (EEOC) claims and how to avoid a hostile work environment.

Retired Director of Claims Michael Ellis returned to shed light on legislative and judicial developments in Michigan and across the country, while Susan Demas of Inside Michigan Politics shared her own unique perspective on the City of Flint's water crisis, the presidential election, and other key issues that affect MMRMA members and citizens alike.

Principles of Change
William Mothersell, professor of management at Grand Valley State University, provided an overview of change management for his breakout audience.

According to Mothersell, 70 percent of change initiatives fail, and he acknowledged that skillfully managing change may be especially important for the public sector now, as municipal entities must do more with less while continuing to serve effectively.

Mothersell explained his principles of change. First, he said, it is multifaceted.

He outlined several basic kinds of change, including:

> **Modification.** These changes are small and incremental.

> **Transformation.** This is a more large-scale and dramatic change.

> **Substitution.** This type of change is dependent on context; for example, a household’s gasoline expense will depend on the type of car(s) they drive.

Another principle of change, according to Mothersell, is that it can be “mooshy/squooshy,” meaning that it’s not always easy to get a handle on the process.

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MMRMA Adds Coverage for Drones Starting July 1, 2016

by Michael Rhyner
Executive Director

AT ITS MARCH 2016 MEETING, MMRMA’s Board of Directors took action to provide members with optional coverage for unmanned aircraft, also known as drones.

Unmanned aircraft have fast become useful tools for public entities. Technology has exponentially advanced in sensor technology, satellite positioning systems, communication links, and computer processing power, giving drones a wide range of applications, many of which were unimaginable even a decade ago.

Emerging Potential
With unmanned aircraft poised to become a critical public safety resource, their use is expected to become increasingly commonplace by municipalities of many sizes. Drones will perform certain functions in a timelier, more efficient, and less costly way. Tasks that formerly put employees in potentially unsafe environments may soon be performed by drones.

Municipal Functions
MMRMA sees the emerging application of unmanned aircraft for municipalities in:
> Accident investigation
> Crime scene investigations
> Search and rescue
> Surveillance
> Disaster management

Municipal Functions
MMRMA sees the emerging application of unmanned aircraft for municipalities in:

> Aerial imaging/mapping
> Building inspections
> Environmental monitoring
> Construction

Risk and Security Concerns
The potential of unmanned aircraft is hard to deny. At the same time, safety, security, and surveillance concerns could pose significant risks to users of this up-and-coming equipment. While this is true of many nascent technologies, drones are expected to get particular scrutiny because of their military heritage and surveillance capabilities.

Adequate insurance coverage is of particular importance to protect members against risk. Fundamental risks facing the public sector include:
> Injuries and property damage due to crashes
> Potential crashes with commercial passenger aircraft
> Risk of cyber attack
> Invasion of privacy

In light of these risks, most liability insurance policies exclude coverage for drones using the standard aircraft exclusion.

The Federal Aviation Administration (FAA) continues to review commercial use of drones. The potential regulatory regime involves approval, registration, licensing, as well as operator training and certification. In addition, geo-fencing and no-fly zones are being used to protect commercial aviation and national security.

MMRMA Steps Up
The MMRMA Coverage Document committee is comprised of representatives from our claims, underwriting, risk control, and legal groups. This committee meets regularly to review and recommend any needed revisions to the Coverage Documents. MMRMA also seeks input from our Regional Risk Managers throughout the process. The goal is to afford members with the broadest possible coverage, addressing a wide spectrum of municipal operations.

Coverage for Member-Owned Unmanned Aircraft
Recognizing that use of unmanned aircraft is an emerging trend, MMRMA adopted an addendum to its Coverage Document to afford optional liability coverage for the member’s use or operation of unmanned aircraft. Developed by the Coverage Document committee and approved by the Board of Directors, this coverage is effective July 1, 2016.

Coverage is afforded for unmanned aircraft weighing no more than 55 pounds. Members must be in compliance with FAA regulations, including pilot certification. The addendum provides limits of $1 million per occurrence, subject to a $2 million annual member aggregate. Coverage is subject to the member’s liability SIR.

MMRMA also seeks input from our Regional Risk Managers throughout the process. The goal is to afford members with the broadest possible coverage, addressing a wide spectrum of municipal operations.

Members must request coverage for drones because it is not automatically included. Please contact your Regional Risk Manager about adding this coverage.
Best Practices Reviews Identify Risk Control Gaps, Solutions

by Al Smolen
Risk Control Consultant

FOR THE PAST SEVERAL YEARS, MMRMA’s Risk Control team has conducted Best Practices Reviews (BPR) for members throughout Michigan. The BPR program involves onsite visits and includes interaction with elected officials and many department supervisors.

These face-to-face meetings have proven invaluable to members as well as to the Risk Control consultants, who enjoy the opportunity to review members’ policies, procedures, protocols, and facilities as partners in risk control.

Solutions Matter
BPR visits end on a positive note, especially because identified risk control deficiencies can be most often mitigated through model policies that MMRMA has already created and made available to members. Training, security measures, and other recommended compliance efforts may be eligible for RAP/CAP grants.

The importance of an effective safety and accident review committee cannot be overemphasized.

> Emergency plans and operations
> Sewer and lift station maintenance and upgrades
> Cyber threats
> Social media policies
> Background checks of prospective employees
> Employee use of prescription and OTC medications
> Efficient recordkeeping.

While this list is not all-encompassing, it’s a good start toward reducing liability threats that may face your community.

As MMRMA’s Risk Control team continues its BPR initiative into next year and beyond, we appreciate members continuing to readily welcome the visits as a valued means of controlling risk and enhancing services for the residents served by your organizations.

Committee Participation
In addition to the BPR initiative, MMRMA focuses on excellence in other ways, providing members with resources via our risk control advisory committees in these areas: Administrative, Corrections, Fire & EMS, Health Facilities, Law Enforcement (both an Upper Peninsula and Lower Peninsula committee), Parks & Recreation, Public Services, and 911/Telecommunications.

Each committee is comprised of volunteers from MMRMA members who meet to identify risk-related issues that arise in their respective municipal area. They seek solutions by crafting sample policies, procedures, protocols, and training opportunities for our many members.

Health Facilities Committee Seeks Additional Members

LAST YEAR, MMRMA CREATED a new advisory committee to address risk control efforts within its many member facilities providing health care.

The committee meets quarterly and concentrates on identifying challenges faced in providing quality health care and offering solutions of benefit to all members.

The Health Facilities Risk Control Advisory Committee is comprised of member health care professionals who provide health care services to their citizens in diverse areas.

The committee meets quarterly and concentrates on identifying challenges faced in providing quality health care and offering solutions of benefit to all members.

For more information about joining this or other committees, please contact Cara Kowal at ckowal@mmrma.org or 800 243-1324.
Reasons include these potential factors:

- Today’s problems often arise out of yesterday’s “solutions.”
- The harder we push, the harder the system may push back.
- The easy way out often leads back in.
- The cure can be worse than the disease.
- Faster can ultimately mean slower.

Perspective Matters
Mothersell quoted one of the 11 laws from Peter Senge’s book, *The Fifth Discipline*: “Dividing an elephant in half doesn’t produce two small elephants.” According to this law, isolating problems and focusing on them in a vacuum can impede effective change.

To implement changes that will positively impact an entire organization, decisions must be made via a big picture perspective.

Mothersell also reminded his audience that change, like death and taxes, is inevitable. However, if we acknowledge that fact and encourage people to take ownership of their roles in the process, we can manage changes of all types and scales with more grace and better outcomes.

Recipe for Success
Gordon Graham closed the event with five concurrent themes for success in risk management. He shared stories from his long career in law enforcement, consulting, and risk management to illuminate these important components of success in any endeavor:

1. **Priorities.** Recognize, prioritize, and act on risks.
2. **Systems.** To be effective, systems must be well-designed, up-to-date, and, of course, implemented.
3. **Customer service.** Treating people well not only improves our image; it’s also the right thing to do.
4. **Accountability.** Make sure people know their responsibilities and have procedures for auditing performance and results.
5. **Integrity.** By acting ethically, we instill trust, which is essential across the board.

Successful organizations incorporate core values such as integrity and accountability into their culture.

When people take ownership of their roles in the process, change becomes more manageable.