



FINANCE COMMITTEE MEETING AGENDA
Monday, November 16, 2020 at 4:30 p.m.
Caledonia Village Hall - 5043 Chester Lane

THIS WILL NOT BE AN IN-PERSON MEETING

AUDIO & VIDEO CONFERENCE VIA ZOOM
ACCESS VIA DIAL-IN NUMBER IS: 1-(312) 626-6799; ACCESS CODE IS: 895 7732 7286 OR
ACCESS VIA ONE-TOUCH TELEPHONE IS: tel: +13126266799.. 89577327286# OR
ACCESS VIA INTERNET IS: <https://us02web.zoom.us/j/89577327286>

1. Call to Order
2. Approval of Minutes
3. Presentation from Horton regarding Property and Liability Insurance Rates and Provider for 2021
4. Adjournment

Dated November 13, 2020

Karie Pope
Village Clerk

Only committee members are expected to attend. However, attendance by all Board members (including non-members of the committee) is permitted. If additional (non-committee) Board members attend, three or more Board members may be in attendance. Section 19.82(2), Wisconsin Statutes, states as follows:

If one-half or more of the members of a governmental body are present, the meeting is rebuttably presumed to be for the purposes of exercising the responsibilities, authority, power or duties delegated to or vested in the body.

To the extent that three or more members of the Caledonia Village Board actually attend, this meeting may be rebuttably presumed to be a "meeting" within the meaning of Wisconsin's open meeting law. Nevertheless, only the committee's agenda will be discussed. Only committee members will vote. Board members who attend the committee meeting do so for the purpose of gathering information and possible discussion regarding the agenda. No votes or other action will be taken by the Village Board at this meeting.

1. Call to Order

Trustee Wishau called the meeting to order at 5:16 p.m.

Committee Members: Trustee Wishau, Trustee Martin and President Dobbs. Trustee Stillman was also present.

Absent: None.

Department Managers: Administrator Tom Christensen, Fire Chief Richard Roeder, BC St. Amand, Utility Director Anthony Bunkelman and Finance Director Kathy Kasper.

2. Approval of Minutes

Motion by Trustee Martin to approve the minutes dated September 24, 2020. Seconded by President Dobbs. Motion carried unanimously.

3. Resolution 2020-106 – Resolution Authorizing the Village of Caledonia to Purchase Two Halofoggers for the Fire Department

The Village purchased a Halofogger prior to the pandemic and it has proven to be effective and very useful. The Halofogger generates a turbulent aerosol that uses evaporation to quickly disperse H₂O₂ vapor and increasingly concentrated microdroplets everywhere in complex rooms to kill germs where they hide. The additional units will be used to clean equipment, vehicles, etc. The Police Department has also used the Halofogger for their disinfecting needs. The Halofogger is meant for smaller contained areas and would not be able to be used in big rooms like the Village Hall Boardroom. This purchase qualifies for reimbursement through the CARES act. If this is not covered by the CARES act there is enough in the capital budget to cover the cost.

Motion by to Trustee Martin recommend approval for Resolution 2020-106 and to forward to the Board for consideration. Seconded by President Dobbs. Motion carried unanimously.

4. Adjournment

Motion by President Dobbs to adjourn. Seconded by Trustee Martin. Motion carried unanimously.

Meeting adjourned at 5:22 p.m.

Respectfully submitted,

Joslyn Hoeffert
Deputy Village Clerk

2021-2022 Proposal



Prepared for:

VILLAGE OF CALEDONIA

Presented By:

Nathan Pezewski / Sales Executive

Nathan.Pezewski@thehortongroup.com

Phone: 715.842.2043

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Effective Date: 1-1-2021 to 1-1-2022

Phone: 715.842.2043 / Website: www.thehortongroup.com

Insurance / Risk Advisory / Employee Benefits

HORTON

Executive Summary

Dear Village of Caledonia,

On behalf of Horton, we sincerely appreciate the opportunity to share our philosophy and methodology for managing risk for our clients. In the following proposal, we hope to show a comprehensive and cost effective Property & Casualty insurance program that can positively impact the Risk Management program for the Village of Caledonia.

Our goal in working with the Village of Caledonia is to provide the following:

- **Independent Approach** – We will be focusing on the best outcome for the Village of Caledonia, not for any individual insurance carrier. As an independent insurance agency, we select the carrier and coverage that fits our client's needs.
- **High Level of Analysis** – With experience in the Public Entity marketplace and the staff qualifications to provide a level of service to the Village of Caledonia, we will explore all areas of need for the Village. Recommendations are not only based on what the Village needs, but also insight as to how Public Entity clients of similar scope approach Risk Management and Coverage options.
- **Risk Management Approach** – We will use the process of managing uncertainty of exposures that affect the Village of Caledonia assets and financial statements through identification, analysis, control, risk financing, and administration. This is more than just placing insurance, but the process of how and why the decisions are made.
- **Total Cost of Risk** – In order for any program to be successful, we will be monitoring the Total Cost of Risk for the Village of Caledonia and the entire Risk Management program. Lowering the Total Cost of Risk should be one objective to consider in hiring any firm to take on this role, and we will work to provide insight into where the Village is today, and what areas we can address going forward.

Our objective is to **lead our clients with complex needs & limited resources to a higher level of performance**. In the following pages, we hope to demonstrate to the Village of Caledonia beyond a reasonable doubt that Horton has the expertise in your industry, ability to bring new ideas to help you continue to build an industry leading risk management program, and the passion to faithfully execute our service plan on your behalf.

We appreciate your consideration and hope to have the opportunity to partner with you.

Sincerely,

Nathan Pezewski – Sales Executive
Horton Risk Advisory Solutions

Cost Summary

All coverage information detailed in the preceding pages is based on information provided by the insured and subject to the terms, conditions, exclusions and limitations contained in the policies. Please read your policies for a complete explanation. Property limits are flexible and chosen by the insured. Additional limits of liability may be available upon request.

Premium Summary

Coverage	2021-22 Proposal
Proposal Option with \$2,500 Deductible	
Property (Building, Personal Property, Property In the Open)	\$41,551
Portable Equipment & Inland Marine	\$8,986
Total Premium	\$50,537
Proposal Option with \$1,000 Deductible	
Property (Building, Personal Property, Property In the Open)	\$44,030
Portable Equipment & Inland Marine	\$14,977
Total Premium	\$59,007

The Horton Group receives compensation for its services in the form of commission from insurance companies and/or fees paid by clients.

In addition to commission and/or fee compensation, we may receive additional compensation from insurance companies in the forms of contingent commission or bonus commission. These forms of compensation are generally based on growth or new business, retained business, and the profitability of the business. The overall contingent or bonus commission typically depends on the size and performance of an entire group of accounts, as opposed to the profitability or placement of any particular policy.

Upon request, the Horton Group is pleased to disclose all compensation amounts as well as any other contingent or similar agreements that may be in place.

Property Insurance Program Updates

- Removed approximately \$13 Million in duplicate entries, primarily due to several utility locations being listed twice.
- Worked with Tony Bunkelman to get an updated value and location listing for the Utility Department.
- Added locations that were unaccounted for such as new Utility project on Lighthouse Drive with updated project cost.
- Updated costs based on actual exposure such as Attenuation Basin on Northwestern Avenue. Current policy has Contents coverage listed at \$7,083,882 when this should actually be included in Building coverage based on policy definitions of Building.
- Added Business Personal Property at several locations such as new Highway Garage & Fire Station #3.
- Updated values on items that were underinsured, such as Fire Station #2. Prior coverage was just under \$60 per square foot when replacement cost of Fire Stations are averaging \$200 per square foot.
- Rebuilt the Statement of Values for the Village so that a listing can easily be provided to each Department for verification and updates.
- Coverage is provided at a Blanket limit – meaning that multiple locations are added together and share in the overall limit of insurance. Provides a higher level of protection across all locations while ensuring each individual location is properly covered in the event of a loss.
- Added specific coverage for Portable Emergency Services Equipment – applies to Police & Fire for turnout gear, SCBA, firearms, etc. – for a limit of \$2,000,000.

Property, Business Personal Property, and Property In The Open (PITO)

Named Insured: **Village of Caledonia**
Insurer (A.M. Best): Employers Mutual Casualty Company (EMC Insurance)
Best Rating: A (Excellent) Financial Size XIV
Policy Term: 01-01-2021 to 01-01-2022

Coverage

Coverage	Limit (\$)
Building Blanket Limit	\$46,351,011
Business Personal Property Blanket Limit	\$5,527,810
Property In The Open (PITO) Blanket Limit	\$8,898,661

- Coverage for each limit is Replacement Cost
- Co-insurance is 90%
- Deductible options provided in proposal is \$1,000 per Occurrence and \$2,500 per Occurrence
- Please see next page for EMC Municipality Property Extensions

Inland Marine / Portable Equipment

Named Insured: **Village of Caledonia**
Insurer (A.M. Best): Employers Mutual Casualty Company (EMC Insurance)
Best Rating: A (Excellent) Financial Size XIV
Policy Term: 01-01-2021 to 01-01-2022

Coverage

Coverage	Limit (\$)
Portable Emergency Services Equipment	\$2,000,000
Miscellaneous Tools & Equipment	\$250,000
Scheduled Portable Equipment	\$3,740,840

- Coverage for each limit is Replacement Cost
- Co-insurance is 90%
- Deductible options provided in proposal is \$1,000 per Occurrence and \$2,500 per Occurrence

Municipality

Property Extensions



Property Coverage	Extension CP7121
Accounts Receivable	\$250,000 each premises
Appurtenant Buildings and Structures	\$500,000
Arson Reward	\$25,000
Asbestos Removal	\$250,000
Business Income and Extra Expense	\$1,000,000
Changes or Extremes in Temperature or Humidity	\$25,000
Civil Authority	\$1,000,000
Cost of Taking Inventory	\$50,000
Debris Removal	25% plus \$250,000
Electronic Data—Cost to Replace or Restore	\$100,000 annual aggregate
Emergency Services—Commandeered Property	\$500,000
Expediting Expenses	\$100,000
Fences and Signs	Included within 1,000 ft of premises
Fine Arts	\$100,000 each occurrence
Fire Department Service Charge	\$50,000
Fire Extinguisher—Recharge	Unlimited
Foundations of Buildings and Pilings	10% of covered property limit up to \$1,000,000
Legal Liability Including Personal Property	\$250,000
Lock Replacement and Rekeying	\$25,000
Money and Securities	\$10,000 each occurrence
Newly Acquired Buildings	\$2,000,000
Newly Acquired Business Income	\$500,000
Newly Acquired Personal Property	\$2,000,000
Nonowned Detached Trailers on Premises	\$15,000 (higher limits available)
Ordinance or Law	Policy limit
Outdoor Property	\$500,000/\$1,000 any one tree, shrub or plant
Personal Property	Covered
Personal Property Off Premises/In Transit	\$250,000
Personal Property of Others	\$100,000
Pollutant Cleanup and Removal	\$100,000 annual aggregate
Preservation of Property	90 days
Underground Fiber Optic	Included, subject to a \$2,500 deductible
Underground Pipes*	Included
Unreported Buildings and Structures	\$50,000 (option to increase)
Utility Services—Direct Damage and Time Element	\$1,000,000 combined limit
Valuable Papers and Records—Cost of Research	\$500,000 each premises
Water Damage/Sewer Backup	\$100,000

*Denotes coverage subject to policy limits

Disclaimer: This is only a summary of coverage and is subject to policy conditions, limitations and exclusions that may vary from state to state. Refer to the issued policy for specific details regarding coverages, conditions and exclusions. In the event of a conflict between the terms contained herein and the policy, the policy terms and conditions will prevail.

EMC Insurance Companies

717 Mulberry Street
Des Moines, IA 50309

800-447-2295 • 515-280-2511
www.emcins.com





AM BEST RATING: A (EXCELLENT)

(June 2019)—AM Best affirmed the financial strength rating of A (Excellent) with a stable outlook for EMC Insurance Companies. The long-term issuer credit rating of “a+” for EMC Insurance Companies was also reaffirmed. The financial size category for EMC Insurance Companies is XIV (\$1.5 billion to \$2 billion range).

“The ratings reflect EMC Insurance Companies’ balance sheet strength, which AM Best categorizes as strongest, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM),” according to AM Best.

“We are pleased with the reaffirmation of these ratings because it reflects the ongoing financial strength of our companies. We continuously work to position our companies so that they are financially stable with a focus on exceptional customer service.”

Scott R. Jean, FCAS, MAAA
EMC President and Chief Executive Officer

ABOUT AM BEST'S FINANCIAL STRENGTH RATING

The AM Best rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations using a rating scale of A++, A+, A, A-, B++, B+, B, B-, C++, C+, C, C-, D, E, F, S. It is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

For more information about AM Best, visit ambest.com.

ABOUT EMC INSURANCE COMPANIES

In the top

60

property and casualty insurance organizations in the country, based on net written premium

19

locations countrywide

More than

2,400

employees

Organized in

1911

to write workers' compensation protection in Iowa

Licensed in all

50

states and the District of Columbia

EMC Insurance Companies

717 Mulberry Street | Des Moines, IA 50309 | 800-447-2295 | 515-280-2511 | www.emcins.com

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A.M. Best Rating

Best's Insurance Reports, published annually by A.M. Best Company, Inc. presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States. Carriers are assigned a best's Rating which attempts to measure the comprehensive position of the company or association to industry average.

Best Financial Strength Ratings

<u>Rating</u>	<u>Description</u>	
A++, A+	Superior	} Secure
A, A-	Excellent	
B++, B+	Very Good	
B, B-	Fair	} Vulnerable
C++, C+	Marginal	
C, C-	Weak	
D	Poor	
E	Under Regulatory Supervision	
F	In Liquidation	
S	Suspend	

Financial Size Categories

(Reported Policyholders' Surplus Plus Conditional Reserve Funds)

<u>Category</u>	<u>Adjusted Policyholders Surplus</u>
I	Less than 1,000,000
II	1,000,000 to 2,000,000
III	2,000,000 to 5,000,000
IV	5,000,000 to 10,000,000
V	10,000,000 to 25,000,000
VI	25,000,000 to 50,000,000
VII	50,000,000 to 100,000,000
VIII	100,000,000 to 250,000,000
IX	250,000,000 to 500,000,000
X	500,000,000 to 750,000,000
XI	750,000,000 to 1,000,000,000
XII	1,000,000,000 to 1,250,000,000
XIII	1,250,000,000 to 1,500,000,000
XIV	1,500,000,000 to 2,000,000,000
XV	Greater than 2,000,000,000

About Horton

Our business is helping clients with complex needs and limited resources achieve a higher level of performance.

We specialize in helping clients turn costs and risk into competitive advantage. We're all aware of the risks of operating and growing an agency. However, not all brokerage firms understand enterprise risk to be both an opportunity and a threat. That's where we come in.

The Horton Group is an **insurance, employee benefits, and risk advisory firm.**

We lead the way for clients with complex needs and limited resources to focus on capturing opportunity today, and growing the business for tomorrow.

Our experts work closely with business owners, HR leaders, Finance leaders, Chief Operating Officers, and even Risk Advisors to look across their organization and assess risk, resources, and opportunities to help them improve performance, sales, and growth.

We prepare you for the present and the future.

The Horton Group has the people, the insight and innovation to get ahead of trends, and offer new ideas on critical challenges.

But we don't stop at the idea stage. We're there to assess and select the right solutions, coverage and carriers customized to your needs.

Our industry solutions and value-add services combine expert insight with execution excellence to ensure we're solving the right problem in the right way.

Experience business impact from our continuous improvement process.

We assess, plan and execute. Again and Again. The continuous improvement process, accountability and service commitment that you experience when working with the Horton Group occurs every day, not just on renewal day.

It takes more than insurance expertise to drive higher levels of performance from your programs. Our people have the business and industry acumen to assess risk, resources, and opportunities. Then they put their experience and service obsession to use as they implement. And they remain accountable for their reliable, high quality service you expect from the Horton Group.

We work with you to drive down your costs, work and risk.

Insuring your organization is more than giving you peace of mind. We want to change your insurance, employee benefits and enterprise risk from cost to a competitive advantage. And we'll deliver on that promise by helping you drive down costs, workload and risk. How do we do it?

One way is to work on your behalf to accelerate efficiencies in program administration. Another way is to apply our business and industry insight to advise you on enterprise risk.

This holistic perspective helps us work with you to map a course that maximizes your goals, improves your performance, and increases your competitive advantage.

The Horton Group Services

As one of the largest privately-held insurance brokers in the country, The Horton Group offers a comprehensive portfolio of products and services for a wide-array of industries and niche markets. Your business will not outgrow the Horton Group.

Multiple Insurance Lines

- **Property & Casualty** – provides property, general liability, automobile, excess liability, workers' compensation, and directors and officers insurance.
- **Employee Benefits** – help employers achieve the right balance between cost management and employee satisfaction, through all types of options-insured, self-funded and consumer-directed alternatives. We partner with our clients to understand healthcare reform, support compliance, and also offer technology based private exchange solutions where appropriate.
- **Voluntary Benefits** – help companies improve morale and free up staff by offering well-designed, optional products such as individual life, short-term and long-term disability and supplemental vision, dental, critical illness and accident insurance.
- **Personal Lines** – help business owners, key executives and employees protect their homes, automobiles, watercraft and more. Services include detailed coverage reviews, annual coverage reviews and programs for high net worth individuals
- **International** – As one of 100+ privately-held Assurex Global Partners we have access to more than 500 offices in over 70 countries. Horton has the resources to deliver cost-effective risk management; insurance and employee benefit solutions anywhere in the world.

Consulting Services

- **Safety Consulting and Loss Control** – From employee orientation and training to jobsite inspections, Horton helps contractors and other commercial clients manage claims, facilitate appropriate return-to-work programs and incorporate safety into every aspect of their business operation.
- **Claims Advocacy** – our team of claims professionals offers years of experience and a hands-on approach to enable clients to navigate difficult situations with ease.
- **Surety Bonding** – industry-proven expertise, an excellent reputation throughout the surety and bond markets and a unique pre-executed license bond program help Horton clients save valuable time and money.
- **Alternative Risk** – specialized expertise has enabled Horton to create two successful group captive insurance companies with financial results that exceed industry standards.



HORTON

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