

Zoom
meeting

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, JANUARY 14, 2021**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 1302, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi, with members attending via teleconference.

The following members were present, constituting a quorum:

Edds, Steve; Chairman
Goodwin, Tommy; Representing Attorney General Lynn Fitch
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
McRae, David; State Treasurer
Smith, Denita; Representing Public Safety Commissioner Sean Tindell
Welch, Liz; Executive Director, MS Department of Finance & Administration

Also present were:

Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Simmons, Willie; Central Transportation Commissioner
Smith, Dan; Attorney General's Office
Wells, Teresa; Tort Claims Board
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mrs. Kelsey to approve the minutes of the November 12, 2020, meeting. Treasurer McRae seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mrs. McElroy provided members with a brief summary of relative legislation introduced at this point in the Session. She will provide members with updates as the Session progresses.

Mr. Logan presented a final financial summary for fiscal year 2021 through December 31, 2020. We have received just over \$3 million in assessments, out of the total assessment of \$4.3 million. Claim losses for the first half of the fiscal year are just at \$1.8 million. The fund has a balance of \$18 million, with \$7.2 million in reserves and \$10.8 million unencumbered.

The Budget Comparison Report looks categorically at budgeted amounts versus expenditures, and everything is fine with just over 36% of the total budget expended at the mid-year point.

Mr. Wilson presented the investment report through December 31, 2020. The portfolio has \$12.8 million invested with a market value of \$12.832 million. The internal rate of return for calendar year 2020 is a touch over 1%, which is in line with 10-year Treasury. The current yield is right at 50 basis points and the market yield is a little bit below that. Year-to-date we have only earned \$134,000, which is about \$100,000 under what we earned in 2019. We've earned a meager \$6,488 in interest. Looking at the Portfolio Composition, we are currently heavy on Treasuries and short on Agencies and Mortgage-Backed Securities (MBS), which will be rectified in the first quarter of 2021. Agencies are all in floating rate securities, which is by design in coordination with the Treasurer's Office, and the majority of MBS is as well. Looking at how the portfolio is structured on a maturity basis, the bulk of our money is in 2-3 years. The 3-5 years are primarily floating MBS which we will continue to hold on to until rates begin to reach a higher level. A discussion followed about investing in Municipals and any interest the Board may have in pursuing a change in the law to allow that.

Mr. Milner provided members a report of his Loss Control activities since our last meeting. Looking ahead, he will be teaching Defensive Driving to MEMA staff after the agency reached out to us. He will also provide limited risk management services for the Dixie National Rodeo.

There was no Attorney General's Report.

Mrs. McElroy presented a list of 18 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mrs. Welch made a motion to approve the list and Treasurer McRae seconded the motion, which passed by unanimous vote.

There was no Claims Report.

There being no further business to come before the Board, the meeting was adjourned.

STEVE EDDS, CHAIRMAN

MIKE CHANEY, BOARD MEMBER

LYNN FITCH, BOARD MEMBER

DAVID MCRAE, BOARD MEMBER

SEAN TINDELL, BOARD MEMBER

LIZ WELCH, BOARD MEMBER

CHRIS WELLS, BOARD MEMBER

zoom meeting

Mississippi Tort Claims Board
January 14, 2021 - 1:30pm
Conference Center North, Room 138
First Floor, Woolfolk Building
Jackson, Mississippi

ATTENDANCE LIST

| <u>NAME</u> | <u>DEPARTMENT/COMPANY</u> |
|------------------|---------------------------|
| Lee Ann McElroy | Tort |
| Trina Kelly | Tort |
| Bruce Donaldson | Tort |
| Jim Logan | Tort |
| Steve Milner | Tort |
| Teresa Wells | Tort |
| Willie Simmons | MDOT |
| Christina Kelsey | Ins. Comm |
| Tommy Goodwin | AG |
| Denita Smith | DPS |
| Dan Smith | MDOT |
| Jeff Wilson | Trinity |
| Steve Edds | Chairman |
| Liz Welch | DFA |
| David McKee | Treasury |
| | |
| | |
| | |

Mississippi Tort Claims Board
Thursday, January 14, 2021 – 1:30 P.M.

AGENDA

- I.** Approval of Minutes
 - A. November 12, 2020
- II.** Old Business
- III.** New Business
- IV.** Financial Reports
 - A. Financial Report – Jim Logan
 - B. Investment Report – Jeff Wilson
- V.** Loss Control – Steve Milner
- VI.** Attorney General’s Report – Lea Ann McElroy
- VII.** Certificates of Coverage – Lea Ann McElroy
- VIII.** Claims Report – Bruce Donaldson
- IX.** Adjournment

Next meeting date and time: March 11, 2021 – 1:30 P.M.
Meeting location: Suite 138, Conference Center North, Woolfolk Building, Jackson, MS

**MINUTES OF
MISSISSIPPI TORT CLAIMS BOARD
THURSDAY, NOVEMBER 12, 2020**

The Mississippi Tort Claims Board (Board) meeting was held at 1:30 p.m. in Room 1302, Woolfolk State Office Building; 501 North West Street; Jackson, Mississippi, with members attending via teleconference.

The following members were present, constituting a quorum:

Edds, Steve; Chairman
Goodwin, Tommy; Representing Attorney General Lynn Fitch
Kelsey, Christina; Representing Insurance Commissioner Mike Chaney
McRae, David; State Treasurer
Welch, Liz; Executive Director, MS Department of Finance & Administration

Also present were:

Donaldson, Bruce; Tort Claims Board
Kelly, Trina; Tort Claims Board
Logan, Jim; Tort Claims Board
McElroy, Lea Ann; Tort Claims Board
Milner, Steve; Tort Claims Board
Rayburn, Amanda; Cannon Cochran Management Services Inc.
Smith, Dan; Attorney General's Office
Wilson, Brian; State Treasurer's Office
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Mr. Goodwin to approve the minutes of the September 10, 2020, meeting. Mrs. Welch seconded the motion, which passed unanimously.

There was no Old Business.

In New Business, Mrs. McElroy provided members with the schedule of Board meetings for 2021.

Mr. Logan presented a final financial summary for fiscal year 2021 through October 31, 2020. We have received \$2.3 million in assessments, which is just over 50% of the total assessment. Claim losses for the first four months of the fiscal year are just over \$1.3 million. This time last year we were just under \$1.3 million, so we're on track at the moment. The Budget Comparison Report looks categorically at budgeted amounts versus expenditures, and everything is fine with just under 25% of the total budget expended.

Mr. Wilson presented the investment report through October 31, 2020. The portfolio has just under \$12.8 million invested with a market value of \$12.825 million (\$40,000 unrealized gain). The internal rate of return for calendar year 2020 is just under 1.5%, about in line with last year. However, we need to take note of the yields. The current yield is right at 50 basis points and the market yield is a little bit below that. Since lockdowns have created such a huge economic slowdown, interest rates have cratered to the floor. We are investing in floating-rate securities, believing that over the next 12-18 months, interest rates will begin to rise again. In discussion with Treasurer McRae's staff, everyone is in agreement that we'd rather be in floating-rate investments right now rather than fixed-rate in anticipation of higher rates. The weighted average life of the portfolio is right at a year and a half. Year-to-date we've only earned \$125,000, which is about the lowest number we've seen in the last 7-8 years, and again the result of falling interest rates. He anticipates that we'll earn less than \$200,000 for the calendar year, and the internal rate of return for the calendar year should be around 1.80-1.85 (less than anticipated).

Mr. Milner provided members a report of his Loss Control activities since our last meeting. The majority of his time in October centered around the Mississippi State Fair, which closed with no known claims.

There was no Attorney General's Report.

Mrs. McElroy presented a list of 88 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mrs. Welch made a motion to approve the list and Treasurer McRae seconded the motion, which passed by unanimous vote.

For the Claims Report, Mr. Donaldson presented a summary of the claim of Bobby Hunter vs Mississippi Department of Mental Health, requesting approval of a negotiated settlement of all claims in the amount of \$300,000. Mrs. Welch made a motion to approve the settlement, which was seconded by Mr. Goodwin and approved.

There being no further business to come before the Board, the meeting was adjourned.

STEVE EDDS, CHAIRMAN

MIKE CHANEY, BOARD MEMBER

LYNN FITCH, BOARD MEMBER

DAVID MCRAE, BOARD MEMBER

SEAN TINDELL, BOARD MEMBER

LIZ WELCH, BOARD MEMBER

CHRIS WELLS, BOARD MEMBER



State of Mississippi
Office of the Lieutenant Governor
DELBERT HOSEMANN
Lieutenant Governor

December 14, 2020

The Honorable Brice Wiggins
Mississippi Senate
1201 Farnsworth Avenue
Pascagoula, MS 39567

Dear Senator Wiggins,

Please be advised that pursuant to *Mississippi Code Annotated Section 11-46-18*, I am designating you, as a member of the Senate, to attend the meetings of the Tort Claims Board. Your term is effective immediately.

I am confident you will be an asset, and I appreciate your willingness to serve in this capacity.

Sincerely,

A handwritten signature in dark ink, appearing to read "Delbert", written over a horizontal line.

C. Delbert Hosemann, Jr.
Lieutenant Governor
State of Mississippi

CC: Governor Tate Reeves
Secretary of State Michael Watson
Steve Edds, Chairman
LeaAnn McElroy, Administrator

MISSISSIPPI TORT CLAIMS BOARD
Combined Financial Report - Fiscal Year 2021
Fund 3308100000

-----CASH FLOW ANALYSIS-----

| | November | December | Year-To-Date |
|-------------------------------------|-------------------------|-------------------------|------------------------|
| REVENUE: | | | |
| Assessments Received | 655,961.86 | 139,229.63 | 3,086,695.59 |
| Interest | 1,621.95 | 2,590.91 | 16,463.53 |
| Investment Interest | 2,694.00 | 6,761.45 | 32,737.29 |
| Transfer In Funds | 500,000.00 | 0.00 | 1,500,000.00 |
| Total Revenue | \$ 1,160,277.81 | \$ 148,581.99 | \$ 4,635,896.41 |
| EXPENSES: | | | |
| Claim Losses - TCB and TPA | 356,275.16 | 137,630.97 | 1,796,591.74 |
| Legal Expenses - TCB and TPA | 39,528.02 | 99,261.19 | 289,976.48 |
| Other Expenses - TCB and TPA | 602.00 | 2,558.70 | 5,967.77 |
| Administrative Expenses Paid | 49,146.17 | 112,396.53 | 519,861.29 |
| Transfer of Funds - Out | 500,000.00 | 0.00 | 1,500,000.00 |
| Total Expenses | \$ 945,551.35 | \$ 351,847.39 | \$ 4,112,397.28 |
| FUNDS ON HAND: | | | |
| Beginning Balance | \$ 18,032,443.73 | \$ 18,247,170.19 | |
| Revenue | 1,160,277.81 | 148,581.99 | |
| Expenses | (945,551.35) | (351,847.39) | |
| Adjustments (LAPSE PERIOD) | 0.00 | 0.00 | |
| Total Funds | \$ 18,247,170.19 | \$ 18,043,904.79 | |
| Cash in Treasury | \$ 5,148,091.23 | \$ 5,061,845.11 | |
| Investment in Treasury | \$ 12,763,260.01 | \$ 12,770,021.46 | |
| TPA Trustmark Bank Balance | 335,818.95 | 212,038.22 | |
| Total Funds By Account | \$ 18,247,170.19 | \$ 18,043,904.79 | |
| Less Reserves | \$ 6,395,058.24 | \$ 7,283,096.23 | |
| Unencumbered Funds Available | \$ 11,852,111.95 | \$ 10,760,808.56 | |

-----CLAIMS/RESERVES DETAIL (Year-To-Date)-----

| | Tort Board | Mgt. Services | TOTAL |
|--------------------------------------|----------------------|------------------------|------------------------|
| Claims - Payments | \$ 72,147.41 | \$ 1,724,444.33 | \$ 1,796,591.74 |
| Claims - Legal Expenses | 285,660.52 | 4,315.96 | 289,976.48 |
| Claims - Other Expenses | - | 5,967.77 | 5,967.77 |
| Total Paid Out to Date | \$ 357,807.93 | \$ 1,734,728.06 | \$ 2,092,535.99 |
| OUTSTANDING RESERVES | 319,490.38 | 6,963,605.85 | 7,283,096.23 |
| Total Claims & Reserves | \$ 677,298.31 | \$ 8,698,333.91 | 9,375,632.22 |
| Number of Claims Created | 338 | 160 | 498 |
| Number of Claims Paid | 194 | 105 | 299 |
| Total Open Claims | 239 | 304 | 543 |
| AVG. CLAIM \$ / # CLAIMS PAID | \$371.89 | \$16,423.28 | \$ 6,008.67 |
| AVG. RESERVE / OPEN CLAIMS | \$1,336.78 | \$22,906.60 | \$ 13,412.70 |

NOTE: Information represents combined operations for Treasury Fund 3081 and the Trustmark account (utilized by CCMSI).

MISSISSIPPI TORT CLAIMS BOARD

Budget Comparison Report

Treasury Fund 3308100000

Fiscal Year 2021

| Expenses: | Total Budget | November 2020 | December 2020 | Year To Date Expenditures | Ending Balance | Percent Expended |
|-----------------------|------------------------|----------------------|----------------------|------------------------------|------------------------|---------------------|
| A1-Salaries | \$ 586,647.00 | \$ 48,554.95 | \$ 48,645.13 | \$ 292,316.52 | \$ 294,330.48 | 49.83% |
| A2-Travel | 4,000.00 | 0.00 | 0.00 | 0.00 | 4,000.00 | 0.00% |
| B-Contractual | 1,650,000.00 | 37,960.82 | 162,622.79 | 511,170.55 | 1,138,829.45 | 30.98% |
| C-Commodities | 7,000.00 | 242.92 | 383.15 | 1,961.44 | 5,038.56 | 28.02% |
| D2-Capital Outlay | 2,000.00 | 0.00 | 0.00 | 0.00 | 2,000.00 | 0.00% |
| E-Subsidies | 4,300,000.00 | 507,182.51 | 16,400.03 | 1,572,147.41 | 2,727,852.59 | 36.56% |
| SUBTOTAL | \$ 6,549,647.00 | \$ 593,941.20 | \$ 228,051.10 | \$ 2,377,595.92 | \$ 4,172,051.08 | 36.30% |
| TPA Expended | | <u>351,610.15</u> | <u>123,796.29</u> | <u>1,734,801.36</u> | | |
| TOTAL Expended | | \$ 945,551.35 | \$ 351,847.39 | \$ 4,112,397.28 | | |

TRINITY
TRINITY CAPITAL INVESTORS

January 7, 2021

Ms. Lea Ann McElroy
Mississippi Tort Claims Board
P O Box 267
Jackson, MS 39205-0267

Re: December 2020 Portfolio Highlights

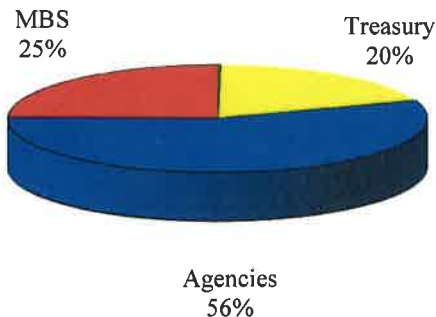
| | | |
|----------------------------------|--------------|-----------------------|
| Total Portfolio | Book Value | \$12,800,827 |
| | Market Value | \$12,832,509 |
| | | |
| YTD 2020 Internal Rate of Return | | 1.14% |
| Current Portfolio Book Yield | | 0.51% |
| Market Yield | | 0.45% |
| | | |
| Weighted Average Life | | Approximately 2 years |
| | | |
| YTD 2020 Earnings | | 134,246 |
| Accrued Interest | | 6,488 |

1675 Lakeland Drive Suite 400 Jackson, MS 39216
Telephone 601-956-3511
Fax 601-956-3513

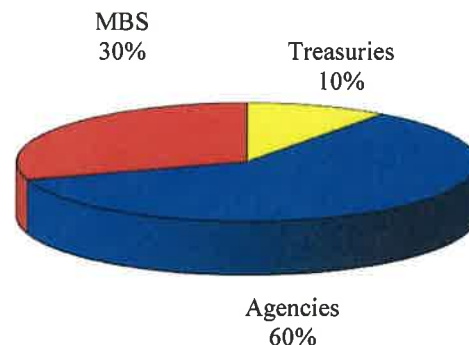
Portfolio Composition
December 2020

| Security Type | Current 12/31/20 | Current Mix | Goal 6/30/2021 | Goal Mix |
|------------------------|---------------------|----------------|-------------------|-------------|
| Cash/ Liquidity | 23 | 0% | 0 | 0% |
| US Treasury | 2,500 | 20% | 1,290 | 10% |
| Agencies | 7,100 | 56% | 7,740 | 60% |
| Bullet Maturities | 0 | 0% | 3,870 | 50% |
| Callables | 0 | 0% | 3,870 | 50% |
| Floater | 7,100 | 100% | 0 | 0% |
| MBS | 3,141 | 25% | 3,870 | 30% |
| Floater | 2,157 | 69% | 1,935 | 50% |
| CMO | 984 | 31% | 1,935 | 50% |
| Pass Through | | 0% | 0 | 0% |
| Municipals | 0 | 0% | 0 | 0% |
| Taxable | | 0% | 0 | 100% |
| Tax Free | | 0% | 0 | 0% |
| TOTAL | 12,764 | 100% | 12,900 | 100% |

**Security by Type
(Actual)**

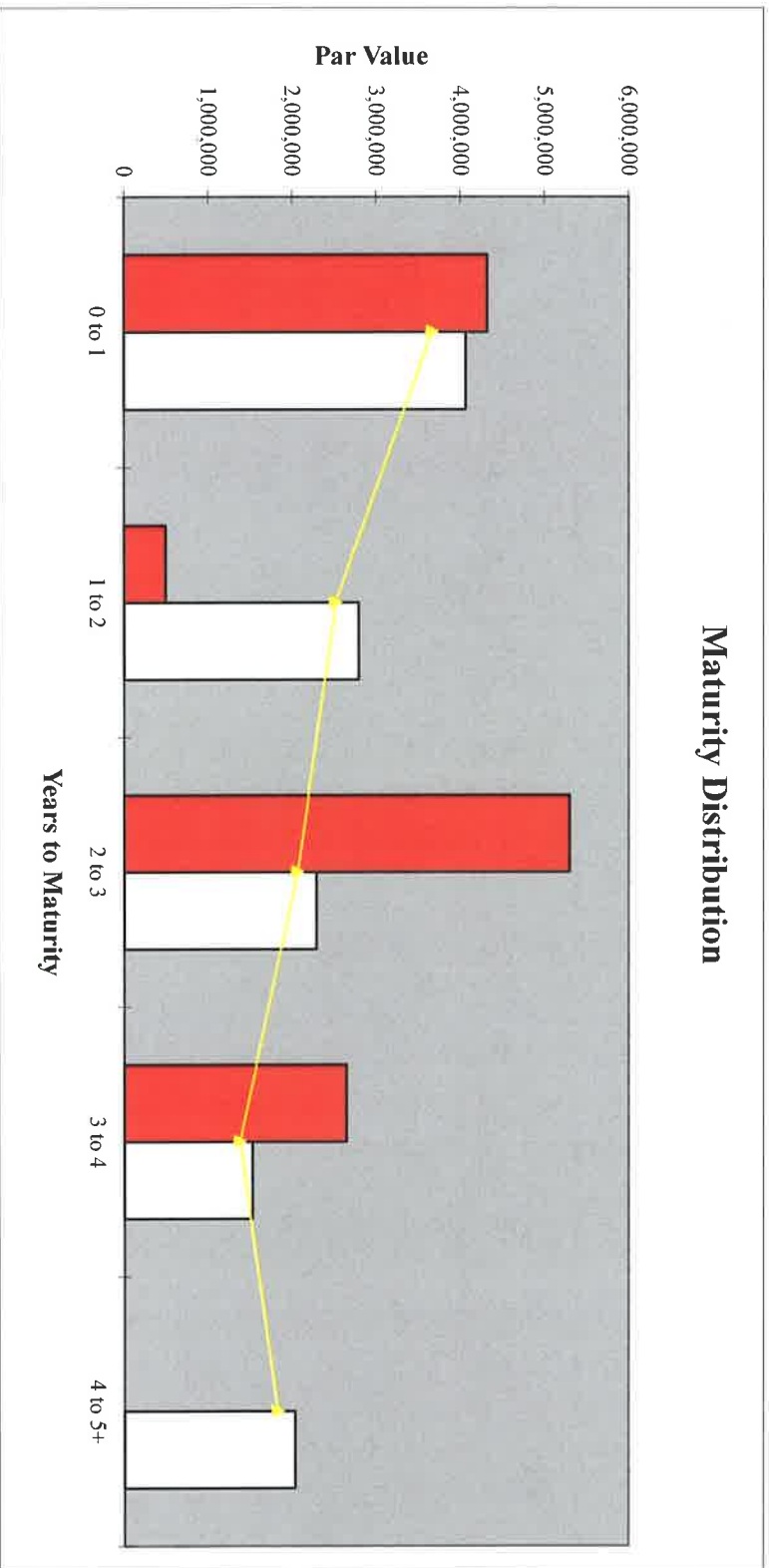


**Security by Type
(Goal)**



Maturity Distribution December 2020

| Years to Maturity | 0 to 1 | 1 to 2 | 2 to 3 | 3 to 4 | 4 to 5+ | TOTAL | WAL |
|----------------------------|-----------|-----------|-----------|-----------|-----------|------------|------|
| Actual Par Value | 4,332,776 | 497,989 | 5,300,000 | 2,642,732 | 2,032,000 | 12,763,497 | 1.99 |
| Target Value June '2020 | 4,064,000 | 2,794,000 | 2,286,000 | 1,524,000 | 2,032,000 | 12,700,000 | 2.16 |
| Claims & IBNR a/o June '19 | 3,662,080 | 2,517,680 | 2,059,920 | 1,373,280 | 1,831,040 | 11,444,000 | 2.16 |





STATE OF MISSISSIPPI
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD
STEPHEN C. EDDS, CHAIRMAN

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Steve Milner
DATE: January 14, 2021
RE: Loss Control Report

Since the last Board Meeting, loss control services for the Tort Claims Board include:

- 19 State Property/Leased Property Inspections
- 2 Defensive Driving Classes
- 4 Accident Investigations
- 1 Risk Management Consultation
- 2 Highway Construction Safety Assessment



STATE OF MISSISSIPPI
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD

STEPHEN C. EDDS, CHAIRMAN

MEMORANDUM

TO: Mississippi Tort Claims Board
FROM: Lea Ann McElroy
DATE: January 14, 2021
RE: Political Subdivisions – Certificates of Coverage

RECOMMENDATION: Staff recommends approval of 18 political subdivisions shown on attached list.

MISSISSIPPI TORT CLAIMS BOARD

Thursday, January 14, 2021

Political Subdivisions Recommended for Renewal of Certificate of Coverage

Fulton City Clerk

Issaquena County Board of Supervisors

Issaquena County Soil & Water Conservation District

Jasper General Hospital

Kiln Utility and Fire District

Madison County Library System

Meridian-Lauderdale County Public Library

Mississippi Housing Authorities Risk Management, Inc.

Oktibbeha County Hospital

Post 58 Fire Department

Sharkey County Board of Supervisors

Sharkey County Soil & Water Conservation District

Sharkey-Issaquena County Library

South Mississippi Regional Library System

Tallahatchie County Library

Tombigbee Regional Library

Tunica County Board of Supervisors

Yalobusha County Public Library System

Total 18