

**MINUTES OF  
MISSISSIPPI TORT CLAIMS BOARD  
THURSDAY, MARCH 11, 2021**

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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  
Henderson, Tom; Tort Claims Board  
Kelly, Trina; Tort Claims Board  
Logan, Jim; Tort Claims Board  
McElroy, Lea Ann; Tort Claims Board  
Rayburn, Amanda; Cannon Cochran Management Services Inc.  
Smith, Dan; Attorney General's Office  
Wilson, Jeff; Trinity Capital

The Chairman called the meeting to order.

Motion was made by Treasurer McRae to approve the minutes of the January 14, 2021, meeting. Mrs. Kelsey seconded the motion, which passed unanimously.

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

In New Business, Mrs. McElroy presented a recommendation to exercise the option to renew the contract with actuary Chris Burkhalter for one year after the current contract expires June 30, 2021. Mrs. Welch moved to approve and Treasurer McRae seconded. The motion passed unanimously.

Mr. Logan presented a financial summary for fiscal year 2021 through February 28, 2021. We have received approximately \$4.25 million in assessments, out of the total assessment of \$4.3 million. One agency is left to pay approximately \$50,000, and we anticipate wrapping

that up by the end of the month. Claim losses for the first half of the fiscal year are just at \$2.5 million. Legal expenses are just under \$350,000 and other expenses are just over \$9,000. The fund has a balance of \$18.3 million, with \$5.2 in cash in the treasury, \$12.8 million in investments, and \$305,000 in the TPA checking account. We have \$7.1 million in reserves and \$11.2 million unencumbered. Under Claims/Reserves Detail, we have paid out \$2.8 million this year. At this point last year we had paid out \$1.4 million. That difference is not uncommon due to the fluctuating nature of claims, but can also be contributed to the slow-down last year as the pandemic closed things down about this time a year ago. The Budget Comparison Report looks categorically at budgeted amounts versus expenditures, and everything is fine with just over 50% of the total budget expended at the end of February.

Mr. Wilson presented the investment report through February 28, 2021. The portfolio has just over \$12.8 million invested and is still carrying an unrealized gain of \$30,000. The internal rate of return is just under 40 basis points for the fiscal year, which equates to about 1% for the calendar year. The current yield is right at 50 basis points, and we anticipate finishing the fiscal year at a higher rate.

In Mr. Milner's absence, Mrs. McElroy provided members a report of his Loss Control activities since our last meeting, noting his work with the Dixie National Rodeo and with MEMA during the ice storm.

There was no Attorney General's Report.

Mrs. McElroy presented a list of 14 political subdivisions with the recommendation that all be approved for renewal of Certificates of Coverage. Mr. Goodwin made a motion to approve the list and Mrs. Welch seconded the motion, which passed by unanimous vote.

There was no Claims Report.

The Chairman shared Mrs. McElroy's retirement letter with Board members. He and Mrs. Welch thanked her for her service. Mrs. Welch announced that Mr. Donaldson will take Mrs. McElroy's place as Administrator. Mr. Donaldson thanked everyone for their confidence and support, and also introduced Tom Henderson – our new Claims Officer hired March 1.

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

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STEVE EDDS, CHAIRMAN

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MIKE CHANEY, BOARD MEMBER

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LYNN FITCH, BOARD MEMBER

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DAVID MCRAE, BOARD MEMBER

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SEAN TINDELL, BOARD MEMBER

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LIZ WELCH, BOARD MEMBER

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CHRIS WELLS, BOARD MEMBER

Mississippi Tort Claims Board  
March 11, 2021 - 1:30pm  
Conference Center North, Room 138  
First Floor, Woolfolk Building  
Jackson, Mississippi

Zoom  
meeting

ATTENDANCE LIST

<u>NAME</u>	<u>DEPARTMENT/COMPANY</u>
Lea Ann McElroy	Tort
Bruce Donaldson	Tort
Jim Logan	Tort
Trina Kelly	Tort
Tom Henderson	Tort
Denita Smith	DPS
Dan Smith	MDOT
Jeff Wilson	Trinity
Liz Welch	DFA
Tommy Goodwin	AG
David McEae	Treasury
Christina Kelsey	Insurance Comm
Steve Edds	Butler + Snow
Amanda	CCMSI

**Mississippi Tort Claims Board**  
**Thursday, March 11, 2021 – 1:30 P.M.**

**AGENDA**

- I. Approval of Minutes
  - A. January 14, 2021
  
- II. Old Business
  - A. Legislative Summary
  
- III. New Business
  - A. Contract Renewal
  
- 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: May 13, 2021 – 1:30 P.M.*  
*Meeting location: Suite 138, Conference Center North, Woolfolk Building, Jackson, MS*

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

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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.

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STEVE EDDS, CHAIRMAN

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MIKE CHANEY, BOARD MEMBER

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LYNN FITCH, BOARD MEMBER

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DAVID MCRAE, BOARD MEMBER

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SEAN TINDELL, BOARD MEMBER

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LIZ WELCH, BOARD MEMBER

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CHRIS WELLS, BOARD MEMBER



**Tort Claims Act Legislation Summary**  
2021 Legislative Session

Bill No.	Introduced By	Last Action	MTCA Reference	Description	Notes
SB2948	Hopson	Referred to Appropriations (2/17) Passed Committee (2/22) Passed Senate (2/23) Transmitted to House (2/24) Referred to Appropriations (2/25)		Full request of \$6,549,647	

HB330	Ford (54 <sup>th</sup> )	Referred to Insurance (1/18) Passed Committee (2/2) Read the Third Time (2/10) Amended (2/11) Passed House as Amended (2/11) Transmitted to Senate (2/12) Referred to Accountability, Efficiency, Transparency (2/17) Passed Committee (3/1) Amended (3/10) Passed Senate as Amended (3/10)		Revise the Uninsured Motorist Coverage Law to provide that an insurance policy covering a political subdivision shall be prohibited from paying for any element of loss if the individual is entitled to receive payment for the same element of loss arising from the same occurrence through another insurance policy purchased by the same political subdivision and which has <u>fully compensated or will fully compensate the individual for said element of loss.</u>	<i>Senate amendment was repealed to get more time</i>
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as of 03/11/2021 8:50am



STATE OF MISSISSIPPI  
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD  
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner  
Insurance Department  
LYNN FITCH, Attorney General  
Office of Attorney General  
DAVID MCRAE, Treasurer  
Department of Treasury

SEAN TINDELL, Commissioner  
Department of Public Safety  
LIZ WELCH, Executive Director  
Department of Finance and Administration  
CHRIS WELLS, Interim Executive Director  
Department of Environmental Quality

MEMORANDUM

**TO:** MS Tort Claims Board  
**FROM:** Lea Ann McElroy  
**DATE:** March 11, 2021  
**RE:** Actuary Contract Option

**RECOMMENDATION:** Staff recommends approval of contract renewal as noted.

**Chris Burkhalter of The Burkhalter Group** – Mr. Burkhalter’s current contract expires June 30, 2021; however, “the Board shall have the option to renew this contract under the same terms herein for a period of one (1) year after the expiration of the term herein.” This request is to exercise that one year option to run through June 30, 2022. Terms are as follows:

1-year option through June 30, 2022    \$12,000

Work on other projects as directed will be billed at \$200/hour.

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

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

	January	February	Year-To-Date
<b>REVENUE:</b>			
Assessments Received	1,095,511.50	63,508.11	4,245,715.20
Interest	2,274.46	8.61	18,746.60
Investment Interest	4,561.72	2,840.28	40,139.29
Transfer In Funds	500,000.00	250,000.00	2,250,000.00
<b>Total Revenue</b>	<b>\$ 1,602,347.68</b>	<b>\$ 316,357.00</b>	<b>\$ 6,554,601.09</b>
<b>EXPENSES:</b>			
Claim Losses - TCB and TPA	588,056.69	102,369.75	2,487,018.18
Legal Expenses - TCB and TPA	30,243.86	28,835.49	349,055.83
Other Expenses - TCB and TPA	1,609.00	1,593.00	9,169.77
Administrative Expenses Paid	53,649.53	57,177.31	630,688.13
Transfer of Funds - Out	500,000.00	250,000.00	2,250,000.00
<b>Total Expenses</b>	<b>\$ 1,173,559.08</b>	<b>\$ 439,975.55</b>	<b>\$ 5,725,931.91</b>
<b>FUNDS ON HAND:</b>			
Beginning Balance	\$ 18,043,904.79	\$ 18,472,693.39	
Revenue	1,602,347.68	316,357.00	
Expenses	(1,173,559.08)	(439,975.55)	
Adjustments (LAPSE PERIOD)	0.00	0.00	
<b>Total Funds</b>	<b>\$ 18,472,693.39</b>	<b>\$ 18,349,074.84</b>	
Cash in Treasury	\$ 5,564,192.64	\$ 5,266,771.49	
Investment in Treasury	\$ 12,765,017.46	\$ 12,777,423.46	
TPA Trustmark Bank Balance	143,483.29	304,879.89	
<b>Total Funds By Account</b>	<b>\$ 18,472,693.39</b>	<b>\$ 18,349,074.84</b>	
Less Reserves	<b>\$ 7,006,326.69</b>	<b>\$ 7,112,950.77</b>	
<b>Unencumbered Funds Available</b>	<b>\$ 11,466,366.70</b>	<b>\$ 11,236,124.07</b>	

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

	Tort Board	Mgt. Services	TOTAL
Claims - Payments	\$ 108,600.55	\$ 2,378,417.63	\$ 2,487,018.18
Claims - Legal Expenses	344,739.87	4,315.96	349,055.83
Claims - Other Expenses	-	9,169.77	9,169.77
<b>Total Paid Out to Date</b>	<b>\$ 453,340.42</b>	<b>\$ 2,391,903.36</b>	<b>\$ 2,845,243.78</b>
<b>OUTSTANDING RESERVES</b>	<b>263,478.76</b>	<b>6,849,472.01</b>	<b>7,112,950.77</b>
<b>Total Claims &amp; Reserves</b>	<b>\$ 716,819.18</b>	<b>\$ 9,241,375.37</b>	<b>9,958,194.55</b>
Number of Claims Created	382	235	617
Number of Claims Paid	265	137	402
Total Open Claims	131	319	450
<b>AVG. CLAIM \$ / # CLAIMS PAID</b>	<b>\$409.81</b>	<b>\$17,360.71</b>	<b>\$ 6,186.61</b>
<b>AVG. RESERVE / OPEN CLAIMS</b>	<b>\$2,011.29</b>	<b>\$21,471.70</b>	<b>\$ 15,806.56</b>

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

<b>Expenses:</b>	<b>Total Budget</b>	<b>January 2021</b>	<b>February 2021</b>	<b>Year To Date Expenditures</b>	<b>Ending Balance</b>	<b>Percent Expended</b>
A1-Salaries	\$ 586,647.00	\$ 48,643.53	\$ 48,259.81	\$ 389,219.86	\$ 197,427.14	66.35%
A2-Travel	4,000.00	0.00	0.00	0.00	4,000.00	0.00%
B-Contractual	1,650,000.00	34,973.06	37,007.39	583,151.00	1,066,849.00	35.34%
C-Commodities	7,000.00	269.80	738.45	2,969.69	4,030.31	42.42%
D2-Capital Outlay	2,000.00	0.00	0.00	0.00	2,000.00	0.00%
E-Subsidies	4,300,000.00	521,095.25	265,357.89	2,358,600.55	1,941,399.45	54.85%
<b>SUBTOTAL</b>	<b><u>\$ 6,549,647.00</u></b>	<b><u>\$ 604,981.64</u></b>	<b><u>\$ 351,363.54</u></b>	<b><u>\$ 3,333,941.10</u></b>	<b><u>\$ 3,215,705.90</u></b>	<b><u>50.90%</u></b>
TPA Expended		<u>568,577.44</u>	<u>88,612.01</u>	<u>2,391,990.81</u>		
<b>TOTAL Expended</b>		<b><u>\$ 1,173,559.08</u></b>	<b><u>\$ 439,975.55</u></b>	<b><u>\$ 5,725,931.91</u></b>		

# **TRINITY**

TRINITY CAPITAL INVESTORS

March 4, 2021

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

Re: February 2021 Portfolio Highlights

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Total Portfolio	Book Value	\$12,808,229
	Market Value	\$12,838,924
FY 2021 Internal Rate of Return		0.36%
Current Portfolio Book Yield		0.54%
Market Yield		0.52%
Weighted Average Life		Approximately 2 years
YTD 2020 Earnings		40,139
Accrued Interest		7,656

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



STATE OF MISSISSIPPI  
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD  
STEPHEN C. EDDS, CHAIRMAN

**MEMORANDUM**

**TO:** Mississippi Tort Claims Board  
**FROM:** Steve Milner  
**DATE:** March 11, 2021  
**RE:** Loss Control Report

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

- 22 State Property/Leased Property Inspections
- 1 Defensive Driving Classes
- 5 Risk Management Consultations
- 4 State Trooper Injury Investigations
- 7 Accident Investigations
- 2 Dixie National Site Visits
- 4 MEMA Ice Storm Conference Calls



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:** March 11, 2021  
**RE:** Political Subdivisions – Certificates of Coverage

**RECOMMENDATION:** Staff recommends approval of 14 political subdivisions shown on attached list.

# **MISSISSIPPI TORT CLAIMS BOARD**

Thursday, March 11, 2021

Political Subdivisions Recommended for Renewal of Certificate of Coverage

Birmingham Ridge Volunteer Fire Department  
Columbus Municipal School District  
Delta Health System  
Itawamba Community College  
Kemper County Economic Development Authority  
New Albany City Clerk  
Panola County Firefighters Association  
Pearl River Community College  
Singing River Health System  
South Sunflower County Hospital  
Sunny Hill Volunteer Rural Fire Department  
Tupelo City Clerk  
Valley View Volunteer Fire Department  
West Hancock Fire Protection District

**Total 14**





STATE OF MISSISSIPPI  
GOVERNOR TATE REEVES

MISSISSIPPI TORT CLAIMS BOARD  
STEPHEN C. EDDS, CHAIRMAN

MIKE CHANEY, Commissioner  
Insurance Department  
LYNN FITCH, Attorney General  
Office of Attorney General  
DAVID MCRAE, Treasurer  
Department of Treasury

SEAN TINDELL, Commissioner  
Department of Public Safety  
LIZ WELCH, Executive Director  
Department of Finance and Administration  
CHRIS WELLS, Interim Executive Director  
Department of Environmental Quality

February 4, 2021

Liz Welch, Executive Director  
Department of Finance & Administration  
501 North West Street  
Jackson, MS 39201

Dear Liz,

Please accept this letter as my notice to retire from the State of Mississippi and the Mississippi Tort Claims Board effective April 1, 2021. I have had 31 amazing years in State government, and half of those have been here with DFA/Tort Claims. I am both sad to leave such a great work family and excited to begin a new chapter of life. It has been a joy to work with you through both stints here, and I appreciate both your work on the Board and your continued support of me and the staff.

Thank you!

A handwritten signature in black ink, appearing to read "Lea Ann McElroy".

Lea Ann McElroy

cc: Steve Edds, Chairman  
Kesha Funches, Human Resources