



Board of County Commissioners Agenda Request

68
Agenda Item #

Requested Meeting Date: August 22, 2017

Title of Item: MCIT Dividend Discussion

- REGULAR AGENDA
- CONSENT AGENDA
- INFORMATION ONLY

Action Requested:

- Approve/Deny Motion
- Adopt Resolution (attach draft)

- Direction Requested
- Discussion Item
- Hold Public Hearing*

**provide copy of hearing notice that was published*

Submitted by:
Jessica Seibert, County Administrator

Department:
Administration

Presenter (Name and Title):
Jessica Seibert, County Administrator

Estimated Time Needed:
10 min.

Summary of Issue:

Discussion will be held regarding the 2017 MCIT dividend in the amount of \$114,407. Staff is seeking Board direction regarding the use of 2017 funds and setting a clear policy for use of future dividends.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:

Financial Impact:

Is there a cost associated with this request?

Yes

No

What is the total cost, with tax and shipping? \$

Is this budgeted?

Yes

No

Please Explain:



Minnesota Counties Intergovernmental Trust

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August 4, 2017

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Auditor
Aitkin County
209 2nd St NW Rm 202
Aitkin, MN 56431

RE: 2017 DIVIDEND NOTICE

Dear Kirk Peysar ,

After the review of MCIT's past and future return on investments, consideration of reserve changes to the Trust's bottom line and the final report of the independent auditors for fiscal year 2016, MCIT is again able to declare a dividend. This is the organization's 27th consecutive annual dividend to members. The financial audit conducted by Eide Bailly LLP and the analysis performed by Actuarial Advisors affirmed the soundness of the MCIT program and the fact that funds were available for dividend distribution. **This year's dividend totals \$10.332 million.** Performance in the workers' compensation division produced \$4.046 million of the dividend and \$6.286 million results from performance in the property/casualty division.

Your 2017 Dividend is \$114,407 allocated as follows:

▪ Workers' Compensation	\$49,307
▪ Property/Casualty	\$65,100

MCIT's ability to provide dividends reflects positive investment income, members' dedication to risk management and loss control, net income from conservative fiscal program management and better than expected claims development on a pool wide basis.

Dividends are a reflection of MCIT's past performance. Nothing guarantees ongoing positive performance. Each year the MCIT Board of Directors cautions members not to plan on dividends. We remain committed to the fiscal health of the organization and will continue to annually evaluate the merits of returning fund balance.

We are providing this letter to you for purposes of 2018 planning. The actual dividend payment will be issued in mid-November of this year.

MCIT Dividend Distribution

Department	Account	2012	2013	2014	2015	2016
Sheriff	01-200.5861	\$68,615.00	\$60,745.00	\$39,756.67	\$34,686.86	\$34,387.41
Road & Bridge	03.5840	\$160,527.00	\$85,043.00	\$55,376.85	\$47,422.27	\$41,909.73
LLCC	19-521.5861	\$99,715.00	\$4,050.00	\$3,855.59	\$3,952.08	\$4,995.30
General Fund	01-44.5841	\$15,645.00	\$52,646.00	\$35,316.89	\$41,512.79	\$43,823.56
Totals:		\$344,502.00	\$202,484.00	\$134,306.00	\$127,574.00	\$125,116.00