

The LGIT News

Addressing the Needs of LGIT Members

Fall 2015

Tim's Corner

Now that the dog days of summer are behind us, LGIT is gearing up for a busy fall. First, our committees begin meeting in September. In October, LGIT will host the 4th Circuit Claims Committee meeting. This meeting will be in Annapolis and claims personnel from the South Carolina, North Carolina and Virginia pools will join us for a day-long meeting to discuss recent litigation issues in our federal circuit. This meeting will be followed by the National League of Cities Risk Information Sharing Consortium (NLC-RISC), which is being co-hosted by NLC and LGIT. This is the first time LGIT has hosted this meeting since 1991 (when the Orioles were still playing at Memorial Stadium!) NLC-RISC is a sub-group of the National League of Cities. It provides educational services to its 33 municipal property and casualty pool members. The group was founded in 1987 and hosts two conferences a year (one for trustees and one for staff). The meetings, which consist of classes on various risk management subjects, offer tremendous networking opportunities.

LGIT also will be one of the sponsors of the MML Fall Conference. Part of LGIT's mission is to support MML and MACo. One

of the best ways to do this is to help underwrite their conference costs through sponsorship opportunities.

October will close with LGIT once again hosting its Annual Meeting at the Navy-Marine Memorial Stadium in Annapolis. This is the fourth time we will meet at this location and I look forward to seeing each and every one of you. So, please join us for the committee reports, the awards ceremonies, the entertaining and informative speaker, and the scrumptious lunch.



REGISTER NOW for LGIT's 28th Annual Meeting!

October 29th, 7:30 AM - 3:30 PM @ Navy-Marine Corps Memorial Stadium, 550 Taylor Avenue, Annapolis, MD 21401.

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From the Boardroom

The Board of Trustees met on May 18, 2015 and took the following action:

- Approved the Executive Committee's recommendation to adopt the FY 2016 operating and capital budgets.
- Approved that the Board delete coverage for airport activities.

Employee Spotlight — Richard (Dick) Furst



If you have dealt with any loss control issues handled by Local Government Insurance Trust or have attended a conference or seminar offered by LGIT, then there is a very good possibility you have met Dick Furst. He is one of LGIT's best ambassadors and embodies everything LGIT represents. Dick has been a valuable employee for over 21 years and is well-known and respected by our members. Dick loves this organization and will make every effort to help any member any time.

Dick has been employed in our Loss Control Department since July 1994. He has worked in the insurance business for over 43 years. Dick began his career in his family's business while earning his B.S. degree in Personnel and Labor Relations from the University of Baltimore. He was then drafted and spent 18 months of his two year Army career in Belgium, working at the Supreme Headquarters Allied Powers Europe. Upon his return from the military, Dick worked for Maryland Casualty Company, John Driggs Company, Inc., CIGNA and Sullivan Risk Management Group before joining LGIT.

He was born in Baltimore and grew up in the Baltimore and Towson areas. He now resides in Bel Air. Dick and his wife, Betty, have been married for 45 years and have two children, Michelle and Christopher.

Some comments from members:

"Ten years ago, when new to Cecil County Government, I heard many positive things about LGIT. Upon meeting Dick Furst, it was clear much of that perception came from the County's experiences with Dick. His commitment to LGIT's members and customer service is phenomenal. If you need information, an opinion, or a resource, Dick is the person to go to, and the response is always positive, professional, trusted, timely, and with a smile backed by his years of experience...."

Karen Nusic
Risk & Safety Manager
Cecil County Government

"When I first started in Risk Management, Dick Furst took me under his wing and showed me the COPE's! I am very grateful for the knowledge and the stories Dick has shared with me over the years. Dick has always been a huge advocate of the Charles County Rodeo and his support and advice are greatly appreciated...."

Rebecca Quade
Risk Management Accountant
Charles County Government

"I have been working with Dick for over ten years and he has been an invaluable resource to me. His knowledge and expertise have been instrumental to our risk management program. When I have a question on anything or an issue to resolve, I know I can call him and he will promptly provide me with the information I need. He is always willing to share his expertise; he doesn't just stop with answering the question, he also provides documentation and resources for reference. Dick is an asset to all of us."

Lee Myers
Assistant Director/Risk Manager
Kent County Commissioners

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“...When I was selected as the City of Laurel’s first Risk Management Officer, Dick was at my side helping me from day one to understand the importance of my new role. He was my number one cheerleader. He helped me a great deal my first year, helping me anytime I asked. He even answered his phone while he was on vacation, lending his help in any way he could.”

Patricia A. Haag
Risk Management Officer
City of Laurel

“I have known Dick for over 20 years as one of the most respected loss control experts in the business. Dick is frequently consulted by experts from other states when they face a difficult situation. I am proud to say that I have the opportunity to work with him on a daily basis. Dick Furst is the face of LGIT.”

Timothy S. Ailsworth
Executive Director
Local Government Insurance Trust

“I have worked with Dick Furst for the twelve years I have been with St. Mary's County Government. I have always found him to be very approachable and willing to share his knowledge and wealth of experience. He is very thorough when doing hazard evaluations and has an untiring patience when conducting COPE's. Over the years he has provided numerous trainings for the county and he has always been flexible, well prepared, and effective....”

Kathy Arnold
Risk Analyst,
Department of Human Resources
Commissioners of St. Mary's County

“I first met Dick at the Annual LGIT meeting in 2009 after being on the job for a whole week. Being new to the business and only knowing one person (Sonny Bloxom) at the meeting, I was a little nervous. Dick quickly identified me as George Bradley’s replacement and began our first conversation. During the next few months, we would meet to perform facility inspections at various locations. Many times after we had visited a site, Dick would ask if I had any other locations I was concerned about, and, if so, we would go investigate. The one thing that stands out the most to me is how Dick never leaves me with any unanswered questions. He always finds an answer and provides a response....”

Eddie Carman
Risk Manager
Worcester County Government

The verdict is in. LGIT is very fortunate to have Dick Furst on our team!

LGIT’s Booth at the MACo Summer Conference, Ocean City



Tim Ailsworth, LGIT Executive Director, presents 2 pewter crab knives to Kevin Null, County Administrator, Garrett County, and a Maryland crab basket to Jacqueline Vaugh, Director of Public Safety, Calvert County.



Tim Ailsworth, LGIT Executive Director, presents 2 pewter crab knives to Martin Hale, Human Resources Director, Kent County.



Jeff Perkins, LGIT Loss Control Consultant, presents a Maryland crab basket to Kimberly Frock, Human Resources Director, Carroll County.

Do You Have an Awesome Safety Culture?

This article was reprinted with special permission of the author, Mark Middlesworth MS, ATC, CEES President, Ergonomics Plus.

According to the Occupational Safety and Health Administration: “Safety cultures consist of shared beliefs, practices and attitudes that exist at an establishment. Culture is the atmosphere created by those beliefs, attitudes, etc., which shape our behavior.”

By definition, safety culture is difficult to measure. How do you measure values, attitudes and beliefs?

Following are 25 ways to tell whether or not you have an awesome safety culture. If you can answer yes to most of these, you’re doing great. If not, you have some work to do. Don’t be discouraged, culture change takes time and perseverance.

There is **visible leadership commitment** at all levels of the organization. Leadership commitment (or lack thereof) to safety will always show. What your organization’s leaders value is typically what gets done. In great safety cultures, leadership proves their commitment to safety through their actions and how they empower others throughout the organization to win with their safety initiatives.

All employees throughout the organization exhibit a **working knowledge of health and safety topics**. When you value something, it’s worth the time and energy it takes you to excel at it. In great safety cultures, all employees throughout the organization have invested in a working knowledge of health and safety topics. In other words they’re competent in safety. They know their roles and responsibilities.

There is a **clear definition of the desired culture** the organization wishes to achieve. How do you create movement toward the safety culture your organization wishes to achieve? You set a goal. You write it down. You measure where you’re at. You develop a plan to make it happen. It’s a simple strategy, yes, but not simplistic. Make sure you develop a plan that includes a clear definition of what your desired safety culture looks and feels like.

There is a **lack of competing priorities**—safety comes in first every time. Who wins the showdown between production and safety at your organization? Does safety win every time or only when it’s the easy and convenient option? Safety needs to win every time or you’ve developed a toxic culture. It’s that simple.

There is visible evidence of a **financial investment** in health and safety. Safety slogans are great, but creating a winning safety culture requires resources.

Improvements need to be made. Problems need to be solved. If funding a safety project is a constant battle and there is no evidence of a financial investment in safety, you may have a safety culture issue.

Opportunities for improvement are identified and resolved before a problem occurs. Proactive organizations identify issues before they become costly problems and injuries. Are you passively reacting to every injury? Or are you proactively finding risk factors and putting control measures in place? Safety leaders that are ahead of the curve identify and resolve issues before a more serious problem occurs down the road.

There is regular, facility-wide **communication** on health and safety topics. Communication, communication, communication. An internal safety communication process increases awareness of safety topics and transfers knowledge to empower your people to be successful.

A fair and just **discipline system** is in place for all employees. We live in a sowing and reaping world. There are your actions and there are the consequences. Instituting a fair and just discipline system for safety behaviors is a necessary step to follow through on your claim that safety is important to you.

There is **meaningful involvement** in health and safety from everyone in the organization. Safety is everyone’s job, and everyone needs to do their job well. From the facility manager to the safety manager to the supervisor to the worker on the floor, it takes a team effort to win at safety. Everyone needs to play a meaningful role in the safety process.

Managers spend an adequate amount of **time on the shop floor**, where the people are. Great safety leaders spend time out where the people are. It’s where the real work gets done. That’s where you can find problems. It’s where you can talk to operators and get their feedback. It’s where you’ll be seen (and respected) as the safety leader. You have administrative duties, yes. But the great ones get out there and get their hands dirty.

Participation rates are at an all-time high, indicating that employees are highly motivated and your marketing of health and safety initiatives is effective. Safety success tends to breed more success. Safety culture is the vehicle that drives this phenomenon. When participation rates are at an all-time high, you’ve been able to build buzz and positive momentum for your future efforts.

Employees are **actively engaged** in health and safety initiatives, producing tangible results for your company. Are your employees engaged in health and safety initiatives? Or are they dismissive, leaving you wondering if you're getting through at all? Engaged employees are more productive, giving you tangible results and feedback.

Your employees report **high job satisfaction** due to the company's commitment to their health and well-being. Employee retention and engagement is a focus point for organizations around the world, and rightfully so. With the skills and talent gap growing wider and wider as Baby Boomers retire, engaging your workforce through excellence in health and safety builds culture. Do this right and you'll find yourself with highly satisfied employees and the safety culture you were striving toward.

Safety is the **first item on the agenda** of every meeting. Is safety at the top of your agenda sheet? I hope so. If not, I bet I can guess what the safety culture is like at your organization. Either put safety first or send a loud and clear message to everyone at the meeting that you don't truly care.

Employees feel comfortable **reporting safety issues** to their supervisors. Do your employees feel comfortable reporting a safety issue to supervisors? Or do they feel like they will be ignored or (even worse) punished for coming forward? This is a huge indication of the culture you're molding. Employees should feel encouraged and met with praise when they report safety issues.

Regular, **detailed audits** of the company's health and safety program are conducted by an external auditor. Great safety leaders are confident enough to be audited by an external auditor. It's one thing to do an internal audit and pat yourself on the back. It's another thing to bring in an outsider to do an external audit and meet the challenge head on.

Rewards and **recognition of good behaviors** are regularly given and serve to motivate continued health and safety performance. Positive safety behaviors should be awarded and these awards should motivate continued health and safety performance. You know what employees value but don't get nearly enough? Recognition of a job well done. Recognize and reward positive behaviors. The word will get out.

Safety is a **condition of employment**. Can you really afford an employee who thinks they are above the rules when it comes to safety? Lives are on the line. Safety should be a condition of employment. If your organization values safety above all else, you make safety

a fundamental value. Any employee who doesn't share this value should be asked to leave and go work somewhere else.

Managers and supervisors **respond positively** to safety issues that are raised. Good managers and supervisors understand that when employees raise a safety issue, it's another opportunity for improvement. This opportunity mindset allows them to respond positively to the employee that raised the issue and escalate the issue far enough to get a solution put in place.

Safety is **viewed as an investment**, not a cost. Companies that perform well in safety also perform well in business. Knowing the true value of safety, organizations with a great safety culture view safety as an investment, not a costly and dreaded expenditure.

A high standard exists for **accurate and detailed reporting** of injuries and illnesses. Nothing is swept under the rug. This is a big one. In great safety cultures, transparency and integrity is the only way to conduct business. This is about living in reality and confronting the challenges that exist in your workplace.

There is a **concrete definition** of what success looks like for your health and safety program. How will you know when you've achieved your goals? You'll know because you have set measureable goals and you know exactly what success looks like.

The organization has the **willpower to make major changes** when necessary. Quick fixes and easy solutions are great. But your organization's willpower will be tested when you need to make a major move. In great safety cultures, good intentions are backed by the willpower to endure major changes, expensive investments and hard decisions.

Safety issues are dealt with in a **timely and efficient manner**. A functioning safety process deals with issues in a timely and efficient manner. Hazards are identified and controls are put in place within a reasonable time period. Knowing injury risks exist and not doing anything about them is a sure sign the organization has become complacent and culture is rapidly deteriorating.

All employees throughout the organization are **empowered with the necessary resources** and authority to find and fix problems as they see them. Your safety process should have clearly defined roles and responsibilities. In order for the people throughout your organization to successfully accomplish their role in the process, they will need resources and authority to make decisions.

IMPORTANT UPDATE

New Maryland Penalty Program for Inspection Violations for Equipment Breakdown (Boiler & Machinery)

As you know, LGIT's Boiler reinsurer is CNA, which conducts Maryland inspections. According to CNA, Maryland will soon start a new penalty program.

Beginning September 1, 2015, Maryland's Commissioner of Labor will be implementing the new program. In accordance with Code of Maryland Regulations (COMAR) 09.12.01.36, any boiler or pressure vessel operating thirty-days past its expiration date, may be subject to civil penalty, not to exceed \$2,500 for each violation.

Additionally, any boiler or pressure vessel with unresolved violations older than six-months, may be inspected/reviewed by a Maryland Deputy Boiler Inspector. Once a Maryland Deputy Inspector visits, a fee of \$50 will be assessed for each boiler or pressure vessel inspected and your Insurance Inspector will no longer be allowed to clear the violation(s). Only the State Deputy Inspector will be able to do so and will assess a \$50 fee for each vessel re-inspected.

Link to the code at <http://www.dsd.state.md.us/comar/comarhtml/09/09.12.01.36.htm>

For these reasons, it is important to notify and confirm with CNA that you have an inspection scheduled. If you do not know the name or contact information of your CNA Inspector, please utilize the following contact information:

BY EMAIL: EBinspections@cna.com

BY FAX: 609-495-8896

BY PHONE: 866-262-0540 – press “4”

CNA inspectors by territory are as follows:

David Zalusky – Baltimore County, Garrett and Allegany Counties

David.Zalusky@cna.com

410-841-9781

Joe Pagani – Anne Arundel & Montgomery Counties

Joseph.Pagani@cna.com

443-591-1863

Ken Gerbert – Calvert, Charles, Prince Georges, St. Mary's Counties

Kenneth.GerbertSr@cna.com

540-205-9804

Brent Wisniewski – Carroll, Frederick, Washington Counties

Brent.Wisniewski@cna.com

484-769-7613

Rich Buck – Caroline, Cecil, Dorchester, Harford, Kent, Queen Anne's, Somerset, Talbot, Wicomico, Worcester Counties

Richard.Buck@cna.com

610-461-3703

E-mail would be the preferred way to contact, this would allow us to review the State Database while responding to calls.

As always, you can contact your LGIT underwriter for any inspection questions.

Commercial Crime Bond Option – Identity Fraud Expense Reimbursement

Did you know that that identity fraud is one of the fastest-growing white-collar crimes in the country, impacting several million people per year? Becoming a victim of identity fraud is a frightening and frustrating experience. It can happen to anyone at any time in a variety of ways, ranging from a stolen wallet or home burglary to online theft of your personal information.

In general, banks or credit card companies will reimburse identity theft victims for their direct financial loss. However, most identity theft victims are not



reimbursed for the hundreds of hours and thousands of dollars in out-of-pocket expenses they may incur in re-establishing their credit and clearing their names.

The Identity Fraud Expense Reimbursement Coverage will pay for the expenses associated with clearing up credit and will provide information and guidance to those affected.

LGIT is pleased to announce the new Identity Fraud Coverage Option to consider under your commercial crime bond. This option covers employees for identity fraud, thereby making the option an employee benefit.

Please contact Ellen Nudd, LGIT Underwriter, for a quote at 443-561-1700 or ellenn@lgit.org.

Is Your Employee Handbook an Employment Contract?

An employee handbook or personnel policy manual is an important communication tool between employers, including local government employers, and their employees. A well-written handbook sets forth the employer's expectations for its employees, and describes what they can expect from their employer. The handbook also describe the employer's legal obligations to its employees and include information about the policies and procedures governing the workplace. Important topics for any handbook include pay and promotions, employee behavior, employee discipline and termination, layoffs, paid time-off policies, and benefits. A written employee handbook should give clear information to employees and will help create a culture where issues are dealt with fairly and consistently.

But did you intend your employee handbook to be a contract? The answer should be a resounding "No." Handbooks are designed to be informational, not binding unilateral or implied-in-fact contracts of employment. If an employer's handbook can be considered a contract, employees have the ability to sue for any "breach" for failure to follow employment policies and procedures.

There is, however, a sure way to avoid the contention that your employee handbook is a binding legal contract. In a single word, the answer is "disclaimer." In Maryland, employers who use handbooks and personnel policy manuals and handbooks can avoid creating implied-in-fact contracts of employment by providing their employees with a conspicuous and unambiguous disclaimer. *See, e.g., Bagwell v. Peninsula Reg. Med. Ctr.*, 106 Md. App. 470, 494 (Md. App. 1995); *Mayers v. Washington Adventist Hosp.*, 131 F. Supp. 2d 743, 751 (D. Md. 2001)(applying Maryland law). Any language that preserves a unilateral right on the part of the employer to alter or modify the contents of the handbook generally precludes the handbook from being considered an employment contract. Such language instead indicates that the handbook simply constituted a set of guidelines or source of information for an employee.

To be effective, the disclaimer must state in simple to understand language that the handbook is not intended to create an express or implied contract of employment. It must also state that all employment with the company is "at-will." This means that either the

employee or the employer may terminate employment at any time for any reason, with or without notice. In addition, the disclaimer should note the handbook is not intended to be a complete description of the company's policies or practices and that the company reserves the right to revise, supplement, suspend or discontinue the policies at any time.

Employers should have employees sign an acknowledgment that they received a copy of the handbook and that they understand it is their obligation to read, understand and comply with it. The acknowledgment should reiterate that the handbook is not intended to create an express or implied contract and that all employment with the company is at-will.

In conclusion, disclaimers are important because they allow for flexibility in the application of an employer's policies and procedures. Certainly, situations arise that call for a specific policy or procedure not to be applied or followed, or to be applied in a manner different from previous applications. As long as employees understand that the handbook should be a source of "information" and not "confrontation," the better off the workplace will be.

John F. Breads, Jr.
Director, LGIT Legal Services

From the Employment Law Hotline (800.845.8055)

The Hotline is a component of the HR Compliance Portal and is a service available to Liability Program members. It provides up to 30 minutes of free legal advice per employment issue. This member service is provided by LGIT, with the professional assistance of Karpinski, Colaresi and Karp, P. A. We have selected for publication one recent inquiry of interest.

Question: A local government has a contractor working on a government building. The contractor has an employee working on the site wearing an article of clothing displaying the Confederate flag. Can the local government require the contractor's employee not to wear/display the flag while working at the local government location?

Answer: YES. The local government is within its rights to require the contractor to prevent its employee from wearing/displaying the flag. If the employee refuses, the local government can require the contractor to remove him/her from the project.

LGIT Calendar

SEPTEMBER

Regional Defensive Driving Course-Cecil County

September 24, 8:30 AM - 3:30 PM @ Administration Bldg.,
The Elk Room, 200 Chesapeake Blvd, Elkton, MD 21921

Regional Defensive Driving Course-City of Havre de Grace

September 30, 8:30 AM - 3:30 PM @ Community Center
100 Lagaret Lane, Havre de Grace, MD 21078

OCTOBER

REGISTER NOW - LGIT's 28th Annual Meeting!

October 29th, 7:30 AM - 3:30 PM @ Navy-Marine Corps
Memorial Stadium, 550 Taylor Avenue, Annapolis, MD
21401.

***Come to LGIT's Annual Meeting and learn more
about our new online law enforcement/corrections
and wellness courses.***



***For up-to-date calendar information, go to
www.lgit.org and click on Upcoming Events***

General Information — 800.673.8231 or 443.561.1700

Online Registration — <http://www.lgit.org>

**FAX Registration — Attn: Michelle Yannone,
443.561.1701**

Maryland Local Government Health Cooperative



Learn about a new alternative for health insurance coverage available only to Maryland local governments. Go to www.lgit.org and click Health Coop on the home page.

Join the growing number of Maryland local governments that have discovered the best option for their health insurance needs.

Current Cooperative Members

- City of Aberdeen
- City of Brunswick
- Town of Centreville
- Town of Chesapeake Beach
- Town of Chesapeake City
- Town of Chestertown
- City of College Park
- City of Cumberland
- City of Gaithersburg
- Town of Hampstead
- Kent County
- Kent County Library
- Local Government Insurance Trust
- Maryland Municipal League
- Town of Middletown
- City of New Carrollton
- Town of Oakland
- Town of Poolesville
- Town of Port Deposit
- Town of Sykesville
- Town of Upper Marlboro
- City of Westminster

Key Program Advantages

- Choose your own plan design
- Costs will be the same every month
- Modified self-funding without the risk
- Opportunity to receive money back

More Information

For more information or to get a quote, contact Michele Keplinger, Member Services Specialist, at 800.673.8231.



Town of Eagle Harbor—Mr. James D. Crudup, Mayor and Mr. Jack Martin, Commissioner receive the LGIT Member Longevity Plaque. The Town has been a member since 1993.