

The Municipal RISK MANAGER

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A Publication of the Maine Municipal Association

Salt/Sand Sheds - No Trespassing!

Public access to a salt/sand shed results in injury to a town resident.

This incident took place when residents entered a salt and sand shed to get some sand for home use. The 15 foot sand pile collapsed, partially burying one of them. A lawsuit followed and the following facts were developed. While there was a separate sand pile for residents, town policy stated residents could get sand "from the town sand shed". No warning signs were present on the salt/sand shed telling residents that access was restricted to authorized personnel or that unstable sand piles were present. The only barrier to entering the salt/sand shed was a chain which could be easily removed by anyone.

Let's face it, Maine winters are tough. Many municipalities help their residents by providing a limited amount of sand/salt mix for residents to apply to their driveways and walkways. A limit of two 5 gallon pails per resident is common. While this helps residents address slip hazards at home, how the resident's sand pile is located and distributed may create serious hazards to residents trying to get sand. The key take away is municipal salt/sand sheds are hazardous areas and should not be accessed by the general public.

The following lessons were learned:

- Access to municipal salt/sand sheds should be restricted to employees and contractors authorized to be there.
- Signs should be placed on salt/sand sheds clearly stating "no trespassing" and that access is restricted to "authorized personnel only".
- When not in active use, unauthorized access to the salt/sand shed should be barred by appropriate doors or barriers.
- If a municipality wants to make salt/sand available for residents to use, this should be located in a separate pile, placed sufficiently far away from the municipal salt/sand shed so there is no risk of residents encountering dump trucks, bucket loaders or other heavy equipment. The resident's sand pile should be prominently labeled as for resident's use.
- The municipality's policy on sand for resident's use should clearly state it must be obtained from the sand pile designated for resident's use and under no circumstances should residents go inside the sand/salt shed.



These steps will help make winter safer for everyone. 🚧

New Member Tools & Resources

MMA Risk Management Services is excited to announce a new listing of available member resources and training aids. Located on the MMA Website go to Risk Management Services, Member Tools and select "[*Training & Safety Resources*](#)"

Here you will find links that will offer guidance on such topics as:

- Maine Compliance Directives
- Written Safety Programs
- Model Policies
- Training Matrix
- Verification of Workers Compensation Coverage on Independent Contractors
- Predetermination Forms

Filing a FEMA Claim Lessons Learned

Tornadoes, winter storms, fires, hurricanes, and other natural disasters can cause massive damage. Many people who live in a federally designated disaster area may qualify for Federal Emergency Management Agency (FEMA) disaster assistance funds. This money is meant to assist people and businesses whose property was damaged or destroyed and whose losses are not covered by insurance.

It's important to note that you first need to file an insurance claim with your entity's insurer *before you can file a claim through FEMA*. This is important even if you know your claim will not be covered by insurance. Insurance contracts require notice of damage as soon as practicable, even if FEMA states they will assist you with the damages. FEMA Disaster Assistance is only designed to help cover costs not covered by your insurance policy or you're deductible. You are required to show FEMA your claim was denied, denied in part, or paid less your deductible by your insurance company. Waiting to see what FEMA may do about your damage before reporting to your insurer is proceeding in the wrong order and you risk having an otherwise covered claim be denied for late notice.

When you make your claim, be sure to have the following information ready to make the process go more smoothly:

- Current and pre-disaster address.
- A telephone number where you can be contacted.
- Insurance information.
- A description of your losses that were caused by the disaster.

You will receive a FEMA claim number. Write this down and keep it! You will need it for future reference! You can make a claim at the FEMA Individual Assistance Center. After you apply for assistance, you should wait 24 hours to check the system for your claim status. This can be a long time to wait if you are in an emergency situation, so be sure to take care of yourself during

this time and attempt to mitigate your losses. FEMA will send an inspector to your entity to inspect your damage and assess your needs. Be sure to have as much information to support your claim as possible. This can include copies of your insurance policy, pictures, invoices of repairs along with any checks issued to you or the denial, partial denial by your insurance carrier and any other information you feel may be pertinent. If you have insur-

ance, you need to have a copy of your insurance decision letter (settlement or denial of claim). Remember, you must exhaust all other forms of assistance before receiving FEMA aid.

FEMA disaster assistance is not intended to restore your damaged property to its condition before the disaster, it is only meant to help people with critical expenses that cannot be covered in other ways. ■

MEWEA Convention & Announcement of our NEW Sewer Liability Resource Guide

MMA Risk Management Services is pleased to continue our support of the Maine Water Environment Association by being an exhibitor at the annual convention held September 20-22, 2018.

Risk Management Services is excited to announce the release of our newest tool created to assist our members who operate or manage sewer operations. We have developed a Sewer Liability Resource Guide which provides information on controlling sewer liability, identification of infrastructure, documentation and educational material for your staff and customers.

For more information about the Sewer Liability Resource Guide please visit our website at: <https://memun.org/Insurance-Services/Risk-Management-Services/Sewer-Liability-Resource-Guide>



When Money Goes Missing

Embezzlement is defined as the theft or misappropriation of funds placed in one's trust or belonging to one's employer. Unfortunately, some municipalities are forced to deal with the unpleasantness associated with employee embezzlement. It's important for municipalities to have policies in place to catch embezzlement when it begins or to prevent it altogether. Recognizing the red flags associated with embezzlement and having sound practices in place to lessen the likelihood of embezzlement will go a long way to prevent and mitigate issues associated with employee dishonesty.

The red flags associated with embezzlement do not always mean that money is being stolen. However, if the following red flags occur, it's time to take a closer look.

- Inability to reconcile accounts on a regular basis (Employee claims not enough time to reconcile accounts – red flag!)
- Unexplained variances (Labeling variances as “other” or “miscellaneous” – red flag!)
- Large number of “adjustments” (Such adjustments can be a mechanism designed to confuse others – red flag!)
- Unusual discrepancies between actual and budgeted results (A significant overrun in expenses that cannot be explained – red flag!)
- Disbursements to unknown or unapproved vendors or employees (Payments going to a vendor or a person



unknown to others – red flag!)

- Gaps in receipt or check numbers (Unaccounted for receipts or checks, could indicate cash pocketed or checks written – red flag!)
- Receipts not matching deposits (Receipts are higher than deposits – red flag!)
- Always reporting “cash short” (Cash does not get lost and certainly not on a recurring basis – red flag!)
- Significant changes in employee behavior patterns (Employee driving new expensive car, employee reluctant to take vacation – red flag!)

Being proactive is the best practice when it comes to dealing with embezzlement. While there is no guarantee that embezzlement won't occur, it will be much harder for an employee to embezzle if the following guidelines are implemented.

- Don't trust too much (It's a fact – people face financial difficulties.)

- Watch the behavior of others (If the behavior is unusual, check it out – it might be nothing but could be something)

- Separate duties (Have payroll prepared by human resources, entered by accounting and approved by management.)

- Have checks and balances in place (Don't let one person handle the deposits and reconcile bank accounts. Multiple checks should be in place for this.)

- Have policies and procedures (When staff members leave for good reasons or bad, lock them out of the system immediately.)

- Review financial statements (This is a concise way to look at finances that could lead to further investigation.)

- Have a third party audit the financial records (Trusted employees welcome practices that confirm their honesty.)

It's unfortunate that municipalities have to deal with the potential of embezzlement. By being aware of red flags and following up on them, municipalities can prevent embezzlement or at the very least, lessen its financial effects and the demoralization that comes with it. Having sound practices in place to prevent embezzlement altogether is an even better method of dealing with employee dishonesty. By paying attention to red flags and implementing anti-embezzlement measures, finances are protected, and honest employees don't have to go through the disappointment of having to know that their trust in a coworker was misplaced.

Welcome New Members

Property & Casualty Pool
Winthrop Utilities District

Workers Compensation Fund
Town of Clifton

We thank our dedicated members for their partnership.

Workers Compensation Renewal Reminder

It is renewal time again and we are here to help. The renewal applications for the **MMA Workers Compensation Fund** are due by October 15, 2018, and we want our Members to know that we are available to assist you. If you would like help with the completion of your application or just have questions, please contact RMS Underwriting at rmsunderwriting@memun.org or 1-(800) 590-5583.

Serving Maine Communities Is What We Do And All We Do

MMA Risk Management Services Delivers Dividends

All of us at MMA Risk Management Services (RMS) would like to recognize the extraordinary efforts and continued commitment of our membership. We are pleased to announce that the Property & Casualty Pool and Workers Compensation Fund have awarded dividends to those members who met the dividend criteria. Due to the efforts of our membership, sound management, responsible underwriting and favorable loss experience, this year the Workers Compensation Fund distributed almost **\$650,000** in dividends to participants and the Property & Casualty Pool paid dividends of nearly **\$600,000**, for total payments over \$1.2 million. Since 1997, the two programs have returned more than **\$21 million** in dividends to participating members.

For more information about any of the MMA Risk Management Services programs, including dividend distributions, online training programs, grants, scholarships and other available services, please visit our website at www.memun.org and click on the Risk Management Services link, or call 1-800-590-5583. ■



Members listed top to bottom: Freeport, West Gardiner, Whitefield, Falmouth, Wales, Old Town, Brunswick, Monroe, Jackson, Brooks, Brunswick Sewer District, Exeter, Orono, Winthrop, Eddington, Durham and Holden

FREQUENTLY ASKED QUESTIONS:

Question:

How to Prevent Sewer Liability?

Answer:

When a sewer backup occurs, homeowners often look to the municipality or sewer district for help with cleaning up the mess. It may be tempting for a municipal sewer department or a sewer district to pay small losses as a gesture of good-will, even when they know the loss is not the result of their negligence. However, it is never a good idea to pay losses for which you are not liable. Doing so only creates an expectation by the public you serve that all sewer backups they may suffer will be paid by your entity.

1. Develop regularly scheduled inspection and maintenance programs for your sewer system.
2. Performing proper maintenance can be annual inspections with a camera, periodic jetting or flushing, or visual inspections at the manhole cover. Identifying problem areas and cleaning more frequently along with keeping a written schedule or plan of these inspections and cleanings may prevent sewer backups and identify future problems.
3. Document all inspections. Record the location, amount of flow, any blockages or obstruction, cleanings, repairs, date and time.
4. In the event of a loss, document what you observed, the extent of damages, what you said, preserve evidence, take pictures, do not admit fault or make promises and report the claim to your insurer.

Please look for this new Frequently Asked Questions section of the Municipal Risk Manager each quarter. If you have a question you would like to ask please email Marcus Ballou at mballou@memun.org