

THE RISK JOURNAL

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PROPERTY RISK MANAGEMENT, PART 2

Addressing Potential Fire Risks to Member Owned Property

by Phil Kamm, Risk Control Consultant, and Cindy C. King, Director of Membership Services and Human Resources

PRESERVATION AND SAFE

maintenance of property is critical for MMRMA member public entities. Property includes the land upon which structures are erected as well as the buildings themselves.

Most member properties are financially supported through taxes, federal or state grants, and other communal revenues. The public expects their member communities to responsibly safeguard community assets. Generally, it's less expensive to maintain property than to let facilities fall into disrepair, which results in costlier improvements to bring facilities back to operating condition. And, of course, poorly maintained properties are more likely to incur losses.

Fire damage is costly

Property damage due to fire, even if it does not produce a



Nationwide in 2023, about 1.39 million fires caused property damage estimated at \$23 billion.

total loss, can be extraordinarily costly in terms of time and money. The recovery process for a public building after a fire can be slow, leading to disruptions in providing essential services during repairs or reconstruction. This, in turn, can cause turmoil in the community and possible damage to an entity's reputation that took years to build.

Fires in public buildings often also destroy valuable documents, cultural and historical collections, public art, and expensive equipment such as computers or medical devices.

Serious consequences of fire incidents

A total building loss due to fire can sometimes mean the pub-

Poorly maintained facilities are more likely to incur losses.

lic entity cannot provide services once housed in that facility. Not only will the people who benefited from those services bemoan their loss, the entity could also incur lost revenues or rent other facilities as a substitute venue. The public entity may never fully recover from the building's idleness.

A roof collapse on an otherwise undamaged structure could also result in closure of a valued and well-used public facility. What's more, many non-residential buildings are older and may contain asbestos and lead paint.

Although stable during normal use, these chemicals may become toxic when burned and require costly abatement.

Extent of the impact

According to the National Fire Protection Association¹, in 2023, an estimated 1.39 million fires occurred nationwide, and the property damage caused by these fires was estimated at \$23 billion. This damage impacted 470,000 structures, 118,000 of which were non-residential. While only eight percent of the 1.39 million fires were non-residential, they caused \$3.29 billion in losses.

In reviewing overall trends for non-residential fires in a

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¹ <https://www.nfpa.org/education-and-research/research/nfpa-research/fire-statistical-reports/fire-loss-in-the-united-states>

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10-year period from 2014 to 2023, the U.S. Fire Administration² reports a 19 percent increase in fires, a 70 percent increase in deaths related to those fires, and a 10 percent increase in dollar loss. All these numbers point to the importance of preventive action to mitigate risks from fires.

A range of potential causes

The top fire risks for public property include faulty electrical systems, cooking, malfunctioning heating/HVAC equipment, and arson or vandalism.

Other risks include storing combustibles, fires intensified by dry brush or vegetation, hot works activities like welding or grinding, and smoking (due to the improper disposal of cigarettes). Still other potential causes of fires include flammable liquids/gases, lightning and natural events, and special events/fireworks.

Most members have potential exposure to any number of these risks. Fortunately, actions to mitigate these types of fires from occurring are simple, relatively inexpensive and, if consistently applied, can significantly reduce the potential for fires to occur and grow out of control.

Recommendations to prevent fire losses

Electrical systems. Conduct and log quarterly inspections; install arc-fault breakers; replace aging equipment; keep strict maintenance logs; avoid overloading circuits. Adopt reputable codes and ensure that wiring complies with them. Use ground-fault circuit interrupters (GFCI) when outlets are around sinks and other wet areas.



Faulty electrical systems, broken heating/HVAC systems, cooking operations, vandalism and arson are among the top fire risks for public-owned property.

Cooking operations. Avoid leaving appliances unattended; install automatic hood suppression; enforce protocols for daily cleaning; train staff in fire prevention and cleanliness.

HVAC systems. Conduct and log annual service/inspections; determine non-combustible zones.

Arson/vandalism. Enforce access controls; install security cameras; remove debris quickly. (A future article will cover this topic in greater detail).

Combustible storage. Develop and enforce inventory controls; ensure storage complies with National Fire Protection Association (NFPA) standards and includes security and fencing; limit the amount of items stored.

Dry brush/vegetation. Keep park trails wellmaintained; remove dry brush close to structures; conduct prescribed burns and maintain other clear spaces.

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Risk Mitigation Framework for Property Fire Protection

Regular Risk Assessments

- > Semi-annual walk-through with facility managers and the fire marshal
- > Digital tracking of corrective actions

Code Compliance and Upgrades

- > Upgrade to NFPA-approved electrical panels
- > Retrofit older buildings with automatic sprinkler systems

Staff Training and Public Education

- > Annual "fire watch" drills for employees
- > Visitor signage on smoking restrictions

Vegetation Management

- > Zone public lands into "low," "moderate," and "high" wildfire risk areas
- > Prescribed burns and mechanical thinning in high-risk zones

Hot Work Control

- > Centralized permitting and inspection process
- > 24-hour fire watch

Arson Prevention

- > Rapid graffiti and debris removal (< 24 hours) to deter repeat vandalism
- > Restricted access to vacant buildings
- > Increased law enforcement patrols around high-profile sites

Emergency Preparedness

- > Maintain up-to-date floor plans and sprinkler/suppression maps
- > Coordinate with local fire departments for pre-incident planning

² <https://www.usfa.fema.gov/statistics/nonresidential-fires/>

Workshop Highlights Include Legal Issues, AI Training, and More

by Tamara Christie,
Communications Manager

THE RISK MANAGEMENT Workshop in late February had record attendance and an outstanding lineup of breakout training and general sessions. MMRMA hosts the workshop every year in late February or early March at the Crowne Plaza in Lansing. It's an opportunity to bring member employees together for networking and education focused on risk management in various functional areas.

General sessions

This year's general sessions included journalist Tim Skubick's political update on activities in Lansing and on the national stage.



Tim Skubick

MMRMA Director of Claims and Legal Services Starr Kincaid, Esq., moderated a discussion on "Highs and Lows: A Blunt Assessment of Legal Issues Surrounding Marijuana Licensing in Michigan." Attorneys Matthew W. Cross, Partner, Cummings, McCloy, Davis & Acho, and Matthew J. Zalewski, Shareholder, Rosati, Schultz, Joppich, and Amtsbuechler served as panelists.

The all-day training schedule was capped off by magician and public speaker Anthony



Employees are motivated more by recognition and meaningful work than they are by compensation alone.

Public entities must navigate a growing number of legal issues, including whether to allow recreational marijuana facilities.

Grupido. He shared entertaining and thought-provoking ways to address mental health difficulties and life challenges through a unique blend of humor, resilience, and social support.

According to Grupido, it's important to educate ourselves about the mental health resources available to us and destigmatize seeking help. He also shared some ways to address and manage anxiety to ensure that we use healthy coping tools as often as possible.

- Some of his tips included:
- > Avoid using social media and other technology for 1-2 hours before bed and at least an hour after waking.
 - > Get out of bed when the alarm goes off—*don't* hit snooze!
 - > Remember the adage "If you have nothing nice to

say, don't say anything at all," which begins with how we talk to ourselves.

BREAKOUT TRAINING

Highlighting the Risk Management Workshop each year are breakout sessions that address claims, risk management, leadership, and other key areas and topics that can help attendees do their jobs more successfully and efficiently.

Topics included preparing for a deposition, effective risk management teams, and the importance of civic engagement.

Public building security

MMRMA Senior Risk Control Consultant Tom Cremonte and Risk Control Consultants Randy Hazel and Phil Kamm provided guidance on securing public buildings.

Their presentation included physical security measures, assessing risk, developing emergency response plans, training staff, and how to identify and properly address service animals when members of the public seek to

bring their animals into public buildings.

Motivation at work

Returning speaker Ercell Charles shared insights on why people work and the hidden expectations employees have of their workplaces and managers. Teams and employees often seem to be fine, but beneath the surface they could be disengaged due to unmet expectations.



Ercell Charles

- These include:
- > Respect
 - > Reward (beyond compensation and benefits)
 - > Responsibility
 - > Relationships
 - > Recognition
 - > Reverence

According to Charles, the two most motivating factors for employees are recognition and reverence, which he further defined as "meaningful work." He explained that when employees know they matter in their workplace—and when they feel informed

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In 1906, the Packard Car Company opened a factory—now demolished—in Detroit. Fortunately, car enthusiasts helped save the Packard Proving Grounds, now a historic site in Macomb County's Shelby Township. In their 1930s heyday, Packards were considered to be the American Rolls Royce, setting the world standard for luxury and power.

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The *Risk Journal* is edited by Tamara Christie, Communications Manager, and published six times a year for members of Michigan Municipal Risk Management Authority. We welcome your feedback. To comment or suggest story ideas, please contact Tamara at 734 513-0300, 800 243-1324, or tchristie@mrrma.org.

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Data must be anonymized before entering it into AI tools.

and inspired about the organization's mission—it benefits them and the entire team.

Artificial intelligence

James Carpp of Rehmann, an MMRMA partner for cybersecurity training, gave an overview of the uses of artificial intelligence.



James Carpp

Carpp stressed the importance of governance, sound usage policies, training, and security when it comes to effectively

introducing and implementing AI in public entities.

He recommended conducting pilot tests, anonymizing data before entering it into AI tools, and other important considerations to help ensure safe and useful applications of this technology.

Ultimately, according to Carpp, successful AI applications will recognize that this technology does not replace human decision-making but rather enhances it.

MMRMA Portal Features Speaker Presentations

Presentations and handouts from many Risk Management Workshop training sessions are available in the My Documents > Workshop Training Materials section of the member portal at mrrma.org.

MMRMA has also developed a document, "Benefits of AI Governance for Government Entities: Guidelines," which can be downloaded from the portal in the My Documents > Policy/Procedure Documents and Bulletins > Technology and Cybersecurity folder.

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Hot work activities. Require permits, fire watches, and spark barriers around riveting, welding, flame cutting, and other fire or spark-producing operations.

Cigarette smoking. Enforce "smoke-free" zones; provide butt receptacles and signage—or commit to a tobacco-free campus.

Flammable liquids/gases. Install leak detection equipment, explosion-proof containers, and secondary equipment.

Lightning and other natural events. Install lightning rods and ember-resistant vents; practice ongoing vegetation management.

Special events/fireworks. Develop thorough permitting processes; require fire marshal inspections and proper crowd control, including use of certified crowd managers.

MMRMA members will realize many benefits from sound property management, including fire prevention and mitigation. Well-maintained buildings will serve the entity and its residents for many years and result in fewer claims and expenses from property damage or destruction.

Contact Membership Services with questions or for more information.

Please note that ChatGPT was used to generate some material in this article. The authors thoroughly reviewed and vetted all such content.