

P.O. Box J, Prague, Oklahoma 74864
909 North Jim Thorpe Boulevard

ASSOCIATION OF GOVERNMENTAL RISK POOLS

Minutes

Board of Directors Meeting

March 16, 2008

Boardroom

Hyatt Regency Phoenix

Phoenix, Arizona

(Note: Consistent with Board Governance Policy 5.6, votes that are unanimous among those voting are recorded as “carried” or “failed. If there is a “split vote” it is recorded by noting the number of votes “for”, “against”, “abstained” or “absent” among those otherwise reflected as “present”; unless a roll call vote is taken, wherein the vote of each Board member is recorded the same as in a “split vote”.)

President Sallade called the meeting to order at 3:00 p.m. on Sunday, March 16, 2008.

Directors present were:

President John Sallade, County Commissioners Association of Pennsylvania
Vice President Cheryle Mangels, Colorado School Districts Self Insurance Pool
Donna Abersman, Alliance of Schools for Cooperative Insurance Programs (CA)
Shawn Bubb, Montana Schools Group Insurance Authority
Ken Horner, Cities & Villages Mutual Insurance Company (WI)
Steven James, Maryland Association of Boards of Education
Terry Norwood, MARCIT pool in Kansas City, MO
Lester Nixon, North Carolina Association of County Commissioners
Michael Rhyner, Michigan Municipal Risk Management Authority

Also present was AGRiP CEO Harold Pumford.

Approval of Agenda

Mr. Rhyner, seconded by Mr. Horner, moved to approve the Agenda as presented. The motion carried.

Consent Docket

Mr. Horner, seconded by Ms. Mangels, moved to approve the Consent Docket consisting of Minutes of the January 28-29, 2008, meeting. The motion carried.

President’s Report

President Sallade reviewed the various activities board members are to be involved in for the 2008 Spring Conference that begins with a reception after this meeting.

CEO Organizational Report

Mr. Pumford distributed and reviewed his CEO Organizational Report and reviewed the numbers of members by various categories included in the report. His report also reviewed the registration and program details for the 2008 AGRiP Spring Conference along with information on pending projects, potential AGRiP Board service on the National Association of Government Entity Programs (NAGeP), and consideration by the Public Entity Risk Institute of a program to award scholarships to attend AGRiP educational programs. He also reviewed his plan to appoint Sheryl Brandt of the Enduris Washington pool to the Membership Practices Committee to replace Dubravka Romano, and to re-organize the Curriculum Development Committee. He also gave each board member a copy of the 2008 issue of the "Guidebook" to the on-line "AGRiP Sourcebook".

Evaluation of CEO Monitoring Reports

The board next took up the evaluation of the CEO, pursuant to BSR-4 Monitoring Method and Frequency, as to Monitoring Reports filed for:

1. Executive Limitation Policy 2 –*Emergency CEO Succession*
2. Executive Limitation Policy 3 –*Treatment of Members/Others*
3. Executive Limitation Policy 10 –*Communication and Counsel to the Board*
4. Executive Limitation Policy 11 –*Conduct of Board Elections, Appointments and Certification of Eligibility*
5. Ends 2 –*Effective Governance/Management*

Mr. Pumford advised that he had modified the format on some of the reports in an attempt to make the information more meaningful and easier for the board to review. The board members reviewed and discussed with Mr. Pumford each Monitoring Report. Following a review of each report, the following actions were taken:

Mr. James, seconded by Mr. Rhyner, moved that the CEO has achieved Substantial Compliance regarding EL-2 on Emergency CEO Succession. The motion carried.

Mr. James, seconded by Ms. Mangels, moved that the CEO has achieved Substantial Compliance regarding EL-3 on Treatment of Members/Others. The motion carried.

Ms. Mangels, seconded by Mr. James, moved that the CEO has achieved Substantial Compliance regarding EL-10 on Communication and Counsel to the Board. The motion carried.

Mr. James, seconded by Ms. Abersman, moved that the CEO has achieved Substantial Compliance regarding EL-11 on Conduct of Board Elections, Appointments and Certification of Eligibility. The motion carried.

Ms. Abersman, seconded by Mr. Nixon, moved that the CEO has achieved Exemplary Performance regarding E-2 on Effective Governance/Management. The motion carried.

Report of the Board Audit Committee on the Calendar Year 2007 Financial Audit

Ms. Mangels, as committee chairman, reported that audit committee members James and Bubb met via a conference call with Nate Atchison of the Finley & Cook audit firm to review the audit prepared by the firm. Messer's Bubb and James noted Mr. Atchison conveyed to the committee that good cooperation was received from staff and that the firm issued a clean opinion with no indications of fraud and no material findings. Nothing was identified in the audit to warrant reporting in a Management Letter. The committee recommended acceptance of the 2007 audit report as prepared by the firm of Finley & Cook.

Mr. Horner, seconded by Mr. Nixon, moved to accept and file the 2007 audit report as prepared by Finley & Cook, PLLC, CPAs. The motion carried.

Consider Recommendations from the CEO to Modify Reporting Frequency of Monitoring Reports.

Based on requests from the prior meeting, Mr. Pumford advised that he had reviewed the current monitoring schedule for all EL and Ends polices along with consideration of the amount of staff time to prepare the reports and board member time to review them. His recommendations were included in a report presented to the board.

He advised that as to the Ends polices he does not believe it is feasible to change the once a year monitoring frequency for Ends Policies. He also urged the board to spend additional time considering and articulating in the Ends Policies what they believe are the most essential criteria on which to review performance as to each End. He further suggested this may justify a consultant and sufficient time devoted to the issue at the 2009 board retreat.

As to Executive Limitations Reporting, he noted that he believes it would be a disservice to new board members to delay the "complete picture" of AGRiP operations provided through annual monitoring of each policy, although he thought there were alternatives to be considered. He also noted while much of the material in EL Monitoring Reports does not change from year to year, the board should continually review performance to ascertain if the board's desired performance is being achieved. He offered three recommendations whereby the board could instruct the CEO through an addition to EL-10 on communications either:

1. To visually highlight in each annual EL Monitoring Report the changes from the prior annual report; or
2. that it is permissible to respond to each EL or sub-EL with an affirmative phrase such as "I believe I am in full compliance with this limitation", except where the CEO has violated or failed to honor a limitations policy; or
3. that it is permissible as to each required EL Monitoring Report to rely upon the prior EL Monitoring Report AND Board Evaluation at the discretion of the CEO; and that the CEO need provide the prior EL Monitoring Report only to any board members who were not on the board when the prior monitoring report was filed.

He also distributed to board members copies of a "Carver Guide 7 – Board Assessment of the CEO" and recommended that board members read the guide before taking further action.

The board discussed his report and some members questioned the role of Policy Governance™ as the appropriate structure to use in the future now that the association has moved beyond the “organizational” and “early development” years.

The general consensus was to continue the current reporting frequency and to encourage Mr. Pumford to continue to visually highlight in each annual Monitoring Report the changes from the prior annual report.

Report of the Model CEO Succession Planning Committee

Committee Chairman Mr. Bubb advised that the committee would continue to refine the steps previously identified to occur before notice of the need to replace the CEO is received and report on those at the October board meeting.

Consideration of written nominations for Honorary Lifetime Associate Membership

Mr. Pumford advised that a written nomination had been received for Paul Genovese, who retired January 1 as CEO of the New Hampshire Public Risk Management Exchange. The board reviewed the written nomination.

Mr. Horner, seconded by Mr. Nixon, moved to approve Honorary Lifetime Associate Membership for Mr. Genovese. The motion carried.

Board Monitoring of Performance

The board next monitored its process and performance for the meeting under standards reflected in the GP and B/SR Policies, especially as to comparison of actual board activity and discipline. (GP-2, 8 and GP-8, 4.a.). While the general consensus was that the board process and performance was better than some recent meetings, no formal motion was offered.

Review Required Actions to Prepare for the Next Meeting

In reviewing actions required to prepare for the October meeting it was determined:

1. The Model CEO Succession Plan committee will continue its work.
2. CEO to prepare Monitoring Reports to include those normally scheduled for the August and October meetings since there will not be an August meeting in 2008.
3. Separate Linkage discussions will be held with during the related Governance and Leadership Conference with both Pool Governing Body Members and the annual session with QEI Patrons.
4. The board will need to prepare to consider the CEO Summative Evaluation and Contract renewal, along with setting the 2009 Agenda Planning Calendar.

President Sallade adjourned the meeting at 5:36 p.m.

Harold Pumford, CEO

Date