

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

## **ASSOCIATION OF GOVERNMENTAL RISK POOLS**

Minutes  
Board of Directors Meeting  
August 12, 2007  
Boardroom  
Ritz-Carlton Hotel  
Cleveland, Ohio

(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. Eastern Time on Sunday, August 12, 2007.

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 and Villages Mutual Insurance Company (WI)  
Steven James, Maryland Association of Boards of Education  
Lester Nixon, Utah Counties Insurance Pool  
Michael Rhyner, Michigan Municipal Risk Management Authority  
Brent Wilkes, Public Employer Risk Management Association, Inc. (NY).

Also present were AGRiP CEO Harold Pumford and Director of Membership Services Bill Tackett.

### **Approval of Agenda**

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

## **Consent Docket**

Ms. Mangels, seconded by Mr. Horner, moved to approve the Consent Docket items as presented. The motion carried.

Consent items approved were:

- a). Minutes of the March 11, 2007 meeting,
- b). Minutes of the March 13, 2007 Annual Membership Meeting, and
- c). Receive Financial Statements for the period ended June 30, 2007.

## **President's Report**

President Sallade introduced two items for board discussion. The first was whether the re-election status of incumbent board members should be included in the annual Notice of Nominations for the board election. Mr. Pumford noted that he often receives calls during the nomination process to ascertain if the incumbents are going to seek re-election, as many of those calling don't intend to seek election if the incumbents are. It was the consensus that the status or intent of incumbent board members to stand for re-election should be disclosed during the nomination process.

He also noted that Mr. Pumford had brought to his attention a slight ambiguity in the By-laws as to the two year term for Board officers. While the By-laws were recently amended to state that terms for Directors begin on January 1 for all terms beginning in 2007 or thereafter, the election for two year terms for the President and Vice President are held at the first meeting of the board after January 1 in odd numbered years. Since such meetings are not likely to be on dates to coincide exactly with "two calendar years" it is likely that some officers will have terms of either more or less than "two calendar years". It was the consensus to accept the time period between "the first meeting of the board after January in odd number years" as being a "two year term" for board officers; and that at the next By-law election this should be changed so that the officer terms also begin on January 1 in odd numbered years.

## **CEO Organizational Report**

Mr. Pumford presented his CEO Organizational Report as of August 10, 2007 in which he addressed membership numbers, an analysis of the 2007 PRIMA Conference attendees, work with Professor Qiao from Missouri State University in Springfield on a research paper about pools; negotiations to secure Stephen M.R. Covey as a speaker in 2008, review of the joint CAJPA-AGRIIP conference frequency, national legislative issues and future educational sites. He also noted that AGRiP purchased the database from *Business Insurance* magazine that forms the basis for their rankings and directory of public entity pools. He said the database included total assets and pool surplus values which is information that AGRiP currently does not gather.

### **Audit Committee Report**

Ms. Mangels, as chairman of the Board Audit Committee, said the committee has reviewed a proposal by Finley and Cook, CPA, for an increase in their fee for the 2007 and 2008 financial audits. She said the firm indicated they under-estimated the time required for the audit when they submitted their proposal in 2005. She said that the Audit Committee, which also includes Directors Bubb and James; recommend that the increased fee be approved.

Ms. Mangels, seconded by Mr. Bubb moved that the Board continue the financial audit contract with Finley and Cook, CPA with a revised maximum fee of \$5,000 for 2007 and \$5,250 for 2008. The motion carried.

### **CEO Succession Planning Committee**

In follow-up to prior discussion that Mr. Pumford plans to retire no later than July 2011, Pursuant to Governance Policy 7 on Committee Structure President Sallade appointed a committee to develop a CEO Model Succession Plan that could be a guide to the AGRiP Board as well as to member pools who may need to develop a succession process. He appointed Director Bubb as chairman, with Directors Abersman, Mangels and Rhyner as members. The committee will be dissolved when the model plan is adopted by the Board; and the committee is expected to present a progress report at the October 28 Board meeting in Savannah.

All board members received a draft CEO succession process developed by AGRiP staff, along with the Job Description and personality profile instrument used in hiring Mr. Pumford as the initial CEO.

President Sallade called for a break at 4:15 p.m. and reconvened the meeting at 4:30 p.m.

### **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 End Policy 1 - *Vision Statement and Organization Mission* and Board/Staff Relations 5 - *Annual Summative Evaluation of the CEO*.

The Board members reviewed and discussed the Monitoring Reports with Mr. Pumford.

Mr. James, seconded by Ms. Abersman, moved that as to the Annual Summative Evaluation that the CEO has reasonably interpreted the provisions of the mission and the Board finds the CEO to be Exemplary Performance as to outstanding accomplishments in many performance areas, with a merit increase or one time performance bonus to be considered at the October board meeting. That the Board further commends him as to the excellent balance of authority between the board and CEO; for a great job with the vendor community and a great job in balancing all of the constituencies and personalities within the public entity risk and benefits community. The motion carried.

Mr. Horner, seconded by Mr. Rhyner, moved that as to operating within the boundaries established by the *Executive Limitations* policies that there are no recommendations for improvements in the coming year; that the CEO has established AGRiP as the pre-

eminent voice of pooling and achieved significant growth in membership and the QEI program, and that his emphasis on a value-driven organization and ethics is excellent leadership. 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 for exemplary compliance, no formal motion was offered

### **Actions Required to Prepare for the Next Meeting**

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

1. The Model CEO Succession Plan Committee should meet at least once.
2. CEO to prepare Monitoring Reports.
3. Director Nixon will facilitate the October Linkage discussion with QEI Patrons and Director Bubb will prepare the meeting notes.
4. CEO to prepare a review of the AGRiP CEO Pay Range and process for making annual adjustments to it.
5. Board members to consider appropriate pay adjustment for the CEO based on the Annual Summative Evaluation completed at this meeting.

President Sallade adjourned the meeting 5:32 p.m.

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Harold Pumford, CEO