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ASSOCIATION OF GOVERNMENTAL RISK POOLS

Minutes
Board of Directors Meeting
October 28, 2007
Verlest Room
Hyatt Regency Hotel
Savannah, Georgia

(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 Daylight Savings Time on Sunday, October 28, 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, Chief Executive Officer, Utah Counties Insurance Pool
Michael Rhyner, Michigan Municipal Risk Management Authority

Absent due to medical reasons was Director Brent Wilkes, Public Employer Risk Management Association, Inc. (NY)

Also present was AGRiP CEO Harold Pumford and Administrative Assistant Traci Sedlacek.

Mr. Pumford introduced Mrs. Sedlacek who joined the staff in March and is attending her first AGRiP Conference.

Approval of Agenda

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

Consent Docket

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

Consent items approved were:

- a) Minutes of the August 17, 2007 meeting and
- b) Financial Statements as of September 30, 2007.

President's Report and possible further Board Action Items

President Sallade deferred to Vice President Mangels for a report on her recent experience as an AGRiP representative to the Public Risk Management Association (PRIMA) conference planning committee.

CEO Organizational Report

Chief Executive Officer Pumford then presented his Organizational Report and discussion items. Mr. Pumford noted that for the Governance and Leadership Conference that begins the next day there were 391 registrants from 91 pools representing 34 states and the Province of British Columbia. He also noted that with a signed contract now in place for the 2010 Spring Conference in Irvine, CA, that all conference locales were set through 2010, except for the 2009 Institute for Leadership and Management which had not been booked pending discussion in August as to when to hold the next joint conference with the California Association of Joint Powers Authorities after 2008.

Board Action Items

The board first took up consideration of format and objectives for the January 28-29, 2008 Board Retreat at the Omni Hotel in San Diego, CA. In addition to previously scheduled regular agenda items, it was agreed that the Model CEO Succession Planning committee would report and discussions would be scheduled on whether other than Designated Representatives should be eligible to serve as board members and the provision in the Bylaws relating to board members who change employment among member pools during their term in office. It was also agreed that Mr. Rhyner would conduct the annual review of PolicyGovernance® and orientation of new board members at the retreat.

The board next took up review of the linkage discussion with pool executives held during the August Institute in Cleveland, OH, and determined there were no items requiring further consideration by the Board.

The board next took up consideration of the Planning Calendar for 2008 by reviewing a draft calendar date 9/18/07 presented by Mr. Pumford which was based on the current 2007 calendar. After noting that activities for "Meeting #3" on the calendar would occur during the joint AGRiP/CAJPA Conference in September rather than at the Institute for Management and Leadership in August as in 2007, it was the consensus of the Board to combine the agenda items for "Meeting #3" into "Meeting #4" and to have the meeting

begin at 10 am. "Meeting #4" should occur at 10 am on Sunday, October 26, 2008, at the Sheraton Hotel in New Orleans. Determination of a linkage activity for "Meeting #2" which should occur at the 2008 Spring Conference was deferred to the January 2008 board retreat. No "other business items" were identified. (A copy of the Final Annual Agenda Planning Calendar for 2008 is appended at the end of these minutes).

The board next heard a brief progress report from Director Bubb on work of the CEO Model Succession Plan Committee created at the August meeting. Mr. Bubb circulated a preliminary 2007-2008 committee planning calendar and a draft job description for the AGRiP CEO Position under consideration by the committee. He said the committee will continue its work in anticipation of a final report at the January 2008 board retreat. He said emphasis will also be placed on considering staff continuity, communication of the plan to the membership and preparing a list of publications or sites on which to list the job posting.

The board next took up consideration of the process for updating the Pay Range for the CEO and to consider appropriate pay adjustment for Mr. Pumford based on the Annual Summative Evaluation completed in August.

Mr. Pumford noted that when the current Pay Range was adopted in 2003 that it was set based on a survey of positions nationally (National Range), and then adjusted by 10% to reflect the "cost of living" in Oklahoma where he resides (OK Range). Annually since then the adjustments to the Pay Range have applied the Consumer Price Index based on the "All Urban Consumers, Not Seasonally Adjusted, Dallas-Fort Worth area, All items" rate to the Oklahoma Range. He noted that some board members in the past have expressed the sentiment that the adjustment should be made to the Pay Rate based on a national CPI Index before adjusting for the "Oklahoma Adjustment".

Following a further discussion of the process for adjusting the Pay Rate, the board went into executive session and excused Mr. Pumford from the session. After just under 15 minutes the board ended their executive session and invited Mr. Pumford to return.

Ms. Mangels, seconded by Mr. Horner, moved that the Board adopt a process to annually adjust the CEO Pay Rate using only the National Pay Rate set in 2003, adjusted annually by the CPI for the "All Urban Consumers, Not Seasonally Adjusted, U.S. city average, All Items, 1982-84" The motion carried.

Ms. Abersman, seconded by Mr. Rhyner, moved to approve based on the Summative Evaluation completed in August a \$5,000 bonus for Mr. Pumford in 2007, and to renew his Employment Agreement with a 4% increase in his annual compensation for the contract year beginning February 1, 2008. The motion carried.

Mr. Sallade announced a break. The meeting resumed at 5:10 p.m.

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 1 – *Global Executive Constraint*
2. Executive Limitation Policy 7 – *Budgeting*
3. Executive Limitation Policy 8 – *Financial Management*
4. Executive Limitation Policy 9 – *Asset Protection*
5. Ends 4 – *Advocacy*

The board reviewed each of the written Monitoring Reports.

Ms. Mangels, seconded by Mr. Horner, moved that the CEO has achieved Substantial Compliance for Executive Limitation Policy 1. The motion carried.

Ms. Mangels, seconded by Mr. James, moved that the CEO has achieved Substantial Compliance regarding Executive Limitation Policy 7. The motion carried.

Ms. Abersman, seconded by Mr. Horner, moved that the CEO has achieved Substantial Compliance regarding Executive Limitation Policy 8. The motion carried.

Mr. Horner, seconded by Mr. Rhyner, moved that the CEO has achieved Substantial Compliance regarding Executive Limitation Policy 9. The motion carried.

Ms. Abersman, seconded by Mr. Horner, moved that the CEO has achieved Exemplary Performance regarding End 4. The motion carried.

Board Member Questions and Discussion

Ms Abersman reported on the preliminary planning process for the joint CAJPA/AGRiP Conference to be held next September in South Lake Tahoe.

Board Monitoring

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.

Review actions required to prepare for the next meeting (GP-8, 4.b).

Ms. Mangels, seconded by Mr. James moved to amend effectively immediately Executive Limitations Policy-10 – 12. to read, “Fail to provide electronically to directors of the Board a proposed agenda and related information at least three days prior to a scheduled board meeting in lieu of a hard copy mailed or faxed version of these items”. The motion carried.

For the January retreat:

CEO Model Succession Plan Committee – meet and prepare report.

Director Rhyner – prepare for board member orientation.

All Board members – (1) formulate thoughts on eligibility of other than Designated representatives to be eligible to serve on the board; and review Bylaws provision related to board members who change employment among member pools; (2) potential clarification of what is meant by the term

“conflict of interest” as used in EL-8 5, and (3) prepare for review of all governance process policies and board-staff relations policies 1, 2 and 3.
 CEO Pumford, prepare monitoring reports on EL’s 4, 5, 6 and 12 and End 3.

Other Business – No other business was presented.

Mr. James, seconded by Mr. Horner moved to adjourn. The motion carried and the meeting was adjourned at 5:45 p.m. Eastern Daylight Savings Time.

Harold Pumford, CEO

GP-8-E

Final Annual Agenda Planning Calendar for 2008

(As adopted October 28, 2007)

MEETING	GP	BSR	EL	ENDS	LINKAGE	OTHER BUSINESS
# 1	All	1-3	4, 5, 6 & 12	3	Review prior year linkages at retreat	Orientation of New Directors
# 2	3.6		2, 3, 10 & 11	2	???	Annual Membership Meeting Audit Committee Reports
# 3		4 & 5	1, 7, 8 & 9	1 & 4	QEI Patrons	CEO Summative Evaluation; Annual Agenda Planning, & CEO Contract Renewal