

P.O. Box J, Prague, Oklahoma 74864
1023 North Jim Thorpe Boulevard

ASSOCIATION OF GOVERNMENTAL RISK POOLS

Minutes

Board of Directors Meeting

March 8, 2009

Executive Boardroom B

Hilton Daytona

Daytona Beach, FL

(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 Mangels called the meeting to order at 3:05 p.m. on Sunday, March 8, 2009.

Directors present were:

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

Also present was AGRiP CEO Harold Pumford.

Approval of Agenda

Mr. Sallade, seconded by Mr. Norwood, moved to approve the Agenda as presented. The motion carried.

Consent Docket

Mr. Rhyner, seconded by Ms. Abersman, moved to approve the Consent Docket. The motion carried.

Consent items approved were:

- a. Approve Minutes of the January 25-26 meeting.
- b. Approve Minutes of the February 16-23 Email meeting.

President’s Report

President Mangels said she intended to drop a routine “President’s Report” from future agendas as she does not anticipate the need for such a report during her term.

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 concurrent 2009 AGRiP Spring Conference which is expected to see 53 pools represented among 250 registrants. Due to the overall constriction of the economy, he also outlined his expectation to discuss the prospect for joint meeting with the National League of Cities Risk Information Consortium (NLC-RISC) and further coordination of training sessions with the Public Risk Management Association (PRIMA) and the California Association of Joint Powers Authorities (CAJPA).

He also discussed the prospect of entertaining a proposal from The Aspen Group to consider their process for “Coherent Governance” at the 2010 Board Retreat. The consensus was to review such a proposal at either the August or October board meeting. Lastly, he noted that items he might otherwise address at this time were covered at the January retreat or are detailed in the EL and Ends Monitoring Reports for this meeting.

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 continues to modify the format of the reports 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. Horner, moved that the CEO has achieved Substantial Compliance regarding EL-2 on Emergency CEO Succession. The motion carried.

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

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

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

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

Mr. Bubb, seconded by Mr. Horner, moved to amend EL-10. 12. as follows:

“Accordingly, the CEO shall not:

12. Fail to provide electronically to directors of the Board a proposed agenda and related information at least ~~three~~ five days prior to a scheduled board meeting in lieu of a hard copy mailed or faxed version of these items.”

The motion carried.

Report of the Board Audit Committee on the Calendar Year 2008 Financial Audit

Mr. Bubb, as committee chairman, reported that audit committee members James and Norwood and he met via a conference call with Nate Atchison of the Finley & Cook audit firm to review the audit prepared by the firm. He noted that 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. Mr. Bubb also reviewed the process used by AGRiP to account for the Quality Education Initiative funds as they are received and held until expended for speaker and/or educational expenses. The committee then recommended acceptance of the 2008 audit report as prepared by the firm of Finley & Cook.

Mr. Sallade, seconded by Mr. Horner, moved to accept and file the 2008 audit report as prepared by Finley & Cook, PLLC, CPAs. The motion carried.

Report of the Model CEO Succession Planning Committee

Committee Chairman Mr. Bubb advised that the committee would continue to refine the steps previously identified. Mr. Pumford was encouraged to proceed to have the staff complete the Myers-Briggs, DISC or other personality inventory tests as an adjunct to preparation of the final board plan. Mr. Bubb also mentioned that Bob Worthington would like be at the AGRiP office during April to do the field work for his organizational review report for the board.

Consider Recommendations from the CEO as to a revised Memorandum of Understanding with the Public Risk Management Association.

Mr. Pumford reviewed a draft of a new MOU with PRIMA that he prepared subsequent to the discussion on this topic at the January Board Retreat. While there was no formal motion, the changes highlighted below were suggested during the discussion:

Memorandum of Understanding between
The Public Risk Management Association and
the Association of Governmental Risk Pools
Succeeding the MOU dated 10/31/98

Introduction

This Memorandum of Understanding (MOU) between the Public Risk Management Association (PRIMA) and the Association of Governmental Risk Pools (AGRiP) is intended to memorialize certain understandings that the parties have mutually agreed to follow.

Purpose and Intent

The purpose of the MOU is to "set forth a commitment" between PRIMA and AGRiP to "serve the best interests of risk management and intergovernmental pooling interests

consistent with the spirit and intent of the Burlington Transition Committee Meeting and its negotiated agreements." It is agreed that PRIMA will "continue to serve risk managers through the provision of risk management programs and additional services to public entities as it deems appropriate;" and that AGRiP will "serve member public entity pools, their staffs and governing boards through the provision of pool management programs and services, training, education and other professional support, as it deems appropriate."

The purpose of this MOU is to further delineate the areas in which the two organizations agree to work together in the future and to specify the details of these cooperative efforts.

Agreements

In consideration of the mutual benefits available through cooperation PRIMA and AGRiP further agree to the following items:

1. Future Annual PRIMA Conferences — PRIMA and AGRiP agree to several matters in connection with future annual PRIMA Conferences, including the following:
 - a. AGRiP will be responsible for planning and delivering ~~up to~~ not less than seven sessions as an "AGRiP Pooling Track" for each Annual Conference. AGRiP will coordinate the planning and presentation of the AGRiP Pooling Track through PRIMA's Manager of Education and Training. AGRiP will be permitted to advertise and promote these sessions to its members as the "AGRiP Pooling Track" at PRIMA's Annual Conference." PRIMA may offer other sessions for or about pooling as part of its education program.
 - b. AGRiP may develop and distribute a separate program brochure in advance of the conference. PRIMA will include the AGRiP Pooling Track sessions in PRIMA Conference Program information. AGRiP will provide a copy of the proposed program brochure to PRIMA prior to its distribution.
 - c. Any AGRiP activities at the Annual Conference (Annual Membership Meeting, Social Event/Reception etc.) will be coordinated with PRIMA to do everything possible to avoid conflicts with scheduled PRIMA activities. PRIMA agrees to schedule space for AGRiP's Annual Membership Meeting and agrees to include information about AGRiP's activities (Membership Meeting and Social Event/Reception) in the conference program.
 - d. PRIMA will provide session rooms, a/v equipment (otherwise used during the conference) and signage and will include the AGRiP logo for all AGRiP Pooling Track sessions.
 - e. AGRiP sessions will be highlighted in the Final Conference Program with a separate heading for AGRiP sessions similar to "AGRiP Pooling Sessions At-A-Glance."
 - f. PRIMA will provide AGRiP with complimentary space in the PRIMA area of the Conference Exhibit Hall.
 - g. Attendees from AGRiP member pools may register for the ~~2000 and 2001 Annual~~ Conferences at the PRIMA member rate. AGRiP shall provide PRIMA with a list of AGRiP members to verify those eligible to register at the PRIMA member rate.

- h. PRIMA will provide AGRiP with a list of all attendees who register for the Conference, including their entity/organization, two weeks prior to the Conference. Another list shall be provided within 45 days after the Conference.
2. AGRiP delegate on PRIMA Conference Planning Committee - An AGRiP ~~board member~~ representative designated by the AGRiP President will be appointed by PRIMA to serve on the PRIMA Annual Conference Planning Committee.
3. Website Links - Each organization will provide on it's website a link to the other using the other organizations logo.
4. Future Cooperation - PRIMA and AGRiP agree to review the progress and implementation of this MOU and to again discuss the future relationship between the two organizations ~~in twelve months~~ at least once each two years. Both parties agree to work together to identify additional opportunities for cooperation and collaboration' that would benefit their respective members.
5. Effective Date - July 1, 2009. This MOU supersedes the terms and conditions of any conflicting paragraphs set forth in the MOU of March 8, 2009~~0~~. No further agreements can be established between the parties, except in writing following approval from the PRIMA and AGRiP Boards, respectively.

Consideration of written nominations for Honorary Lifetime Associate Membership

Mr. Pumford advised that there were no written nominations.

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 good, no formal motion was offered.

Review Required Actions to Prepare for the Next Meeting

In reviewing actions required to prepare for the August meeting in Burlington, VT it was determined:

1. The meeting will begin at 2 pm.
2. Model CEO Succession Plan committee - continue its work.
3. Board - a Linkage discussion will be held with pool administrators.
4. Board - Review the Organizational Review report to be received from Bob Worthington.
5. Pumford - prepare CEO Monitoring Reports scheduled for the meeting.
6. Pumford – solicit detailed proposal on Coherent Governance from The Aspen Group.

President Mangels adjourned the meeting at 5:10 p.m.

Harold Pumford, CEO

Date