

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

## **ASSOCIATION OF GOVERNMENTAL RISK POOLS**

### **Minutes**

#### **Board of Directors Meeting**

**March 21, 2010**

#### **Boardroom**

**Hyatt Regency**

**Irvine, CA**

(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 3:04 p.m. on Sunday, March 21, 2010.

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)  
David Brooks, County Commissioners Association of Ohio  
Steven James, Maryland Association of Boards of Education  
Terry Norwood, MARCIT pool in Kansas City, MO  
Michael Rhyner, Michigan Municipal Risk Management Authority  
Jonathan Woods, Oklahoma Municipal Assurance Group

Board Position 7 is vacant since Lester Nixon is no longer eligible to serve on the board (see below).

Also present were AGRiP CEO Harold Pumford; and former board member/past president John Nielsen, now with the Public Employer Risk Management Association in New York.

### **Approval of Agenda**

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

### **Consent Docket**

Mr. Bubb, seconded by Mr. James, moved to approve the Consent Docket consisting of the Minutes of the February 1-2, 2010 meeting. The motion carried.

There was further review of the February action to amend Governance Process Policy 5, President’s Role, by adding, “9. To monitor the form of the CEO Succession evaluation instrument.

Mr. Brooks, seconded by Mr. Woods, moved to rescind the prior action and to instead amend Governance Process Policy 3, Board Job Description, by adding a new section 7 to state, “Annually review the CEO Succession Plan at the board retreat”. The motion carried.

### **CEO Organizational Report**

Mr. Pumford distributed and reviewed his CEO Organizational Report and reviewed the membership numbers included in the report. His report also reviewed the registration and program details for the concurrent 2010 AGRiP Spring Conference which is expected to see 60 pools represented among 230 registrants. The report also included information about the new design underway for the association website and the *AGRiP Public Entity Tort Statutes and Case Law Review*; along with staff reviews of legislation involving healthcare and financial services reform, as well as legislation and regulations regarding the Medicare Secondary Payer program, Homeland Security and the National Flood Insurance Program.

### **Board vacancy**

President Mangels noted that Lester Nixon is no longer eligible to serve on the board as he did not gain employment with another member pool within 60 days after his employment ended January 8 with Regular member the North Carolina Association of County Commissioners. Under the bylaws, his position is now vacant. The term for the position ends on December 31.

Board members held an extended discussion regarding merits of timing and various approaches to identifying candidates to be appointed to the vacancy. Several approaches were discussed and a number of potential candidates were identified. Board members eventually identified in preference three candidates they deemed to be potential candidates to appoint to the board.

Mr. Woods, seconded by Ms. Abersman, moved to authorize the President to contact those candidates, in order of preference, and deem appointed to the vacancy the first candidate to express willingness to both accept the appointment and consent to run for re-election for the position at the end of the current term. The motion carried.

### **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 noted that at the February meeting the board decided that this year they would review the reporting frequency and provisions of each Executive Limitations and Ends policy when they are considering the CEO monitoring reports. Mr. Pumford also 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. Bubb, moved that the CEO has achieved Substantial Compliance regarding EL-2 on Emergency CEO Succession. The motion carried.

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

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

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

The Board reviewed the monitoring frequency and provisions of each policy as the monitoring reports were considered, with no changes to be made, except as below, as suggested by Mr. Pumford.

Ms. Abersman, seconded by Mr. Brooks, moved to delete items 4-6 in EL-3, Treatment of Members/Others. The motion carried.

#### **Report of the Board Audit Committee on the Calendar Year 2009 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. The audit reported \$1,016,862 in Revenues and \$1,018,958 in Expenses, for a year change in net assets of -\$2,096. As of year-end, the association had \$921,764 in total assets with \$366,845 in current liabilities and \$554,919 in unrestricted net assets. Nothing was identified in the audit to warrant reporting in a Management Letter. Mr. Bubb noted that the Finley & Cook firm is engaged to do the annual audits through 2011. The committee then recommended acceptance of the 2009 audit report as prepared by the firm of Finley & Cook. There being no objection, the President declared the report accepted.

#### **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 noted that based on the potential cost involved in bringing a successor on board in May 2011, should he have announced his intention to retire in July 2011, that he now believes it would be more appropriate for the successor to start no earlier than July 1. As such, Mr. Pumford would be responsible for supervising the planning of the 2011 Governance and Leadership Conference to be held in October. It was also agreed that President Mangels and Vice President Bubb would meet with the other AGRiP staff members to personally convey to them the retention bonus program approved by the board in January. (NOTE. Since

the other three staff members were present in Irvine for the Spring conference, this meeting was held with them on Tuesday afternoon).

### **Meeting Schedule for 2011 Board Retreat**

By consensus, the board agreed that the January 2011 retreat would be a full, two-day Monday-Tuesday event. Mr. Pumford is working on arrangements for a facility on Marco Island, FL for the retreat.

### **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 at Semiahmoo Resort in Blaine, WA, it was determined:

1. The meeting will begin at 3 pm.
2. Model CEO Succession Plan committee - continue its work.
3. Board - a Linkage discussion will be held with pool administrators.
4. Membership Criteria and Eligibility Committee to report (Woods, Abersman and Rhyner)
5. Director James to recommend someone to perform psychometric testing for the CEO selection process.
6. Pumford - prepare CEO Monitoring Reports scheduled for the meeting.

President Mangels adjourned the meeting at 5:18 p.m.

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Harold Pumford, CEO

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Date

**AGRiP Linkage Discussion**  
**Hyatt Regency, Irvine, California**  
**March 22, 2010**

Shawn Bubb moderated the session and welcomed the various Pool staff attending this luncheon discussion. He explained to the attendees that the AGRiP Board sought feedback from its constituents and he hoped they would feel free to provide the Board with their thoughts. He asked folks to consider what made a good conference and what they would like to see at a conference. He asked each person to provide their input and the discussion went from person to person at each table. The information provided is listed in the order discussed.

The number one thing is the content. AGRiP does a good job of providing meaningful content that is relevant for the many attendees.

Networking and sharing experiences with other attendees is the most important thing.

This was this lady's first conference. She mentioned it was helpful to speak with others facing the same issues she was and to share common experiences.

Talking with peers is most helpful.

The Pool counsel tract provides much really useful information. Also connecting with the other folks attending is very significant.

This person liked the email notices received from Harold Pumford. The sessions helped him stay current and he likes to pick up good ideas at each conference.

Content is most important and he appreciates specific recommendations.

Learning new things and understanding new view points is useful. She appreciated being invited to this lunch.

The facilitate breakfasts are helpful. He suggested more facilitated discussions like the breakfasts, perhaps even during the session times.

Content is important as is networking.

Bringing back specific information is most important.

This lady is new to the industry and is just learning the basics. Shawn mentioned that the Pool Basics tract offered in the fall had excellent instructors and was very highly rated.

The program diversity is the best part. The legal tract is informative and the ability to network with a variety of folks is great.

This lady mentioned she was relatively new to Pooling and she was learning from the good content offered. She also appreciated talking with others to get advice so as not to have to "re-invent the wheel".

The Pool counsel legal tract is the best part of the conference. Content of the sessions is the most important thing. Given the Federal legislation we all need to learn more about health care and coverage.

This is a great opportunity to network.

The variety of speakers is the best thing. He offered a suggestion to emulate the Pool Counsel tract by offering sessions for Finance, Claims and Underwriting.

Networking with peers is the best part of the conference. The facilitate breakfasts are helpful.

Networking and working with Harold Pumford are the best parts of the conference.

The variety of offerings with concurrent sessions is the best part of the conference. Also getting the conference off to a good start with a fun keynote speaker was a great idea.

Chairman Mangels then commented that the Board valued all feed back and to see any of the Board to offer any other suggestions the attendees may think of.

Mr. Pumford closed the session by letting the attendees know the AGRiP staff is happy to help them should they have any issues or concerns; and they should feel free to call the AGRiP office whenever necessary. He also discussed the new Pool Information Exchange "PIE" forum on the AGRiP web site and encouraged folks to visit and use the forum.

Notes submitted by Steve James