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1023 N Jim Thorpe Blvd

ASSOCIATION OF GOVERNMENTAL RISK POOLS

Minutes
Board of Directors Meeting
October 18, 2009
Douglas Boardroom
Grand Hyatt Hotel
Seattle, Washington

(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".)

Vice President Bubb called the meeting to order at 3:02 p.m. on Sunday, October 18, 2009. President Mangels arrived a short time later and presided over the rest of the meeting.

Directors present were:

President Cheryl 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)
Steve James, Maryland Association of Boards of Education
Terry Norwood, Midwest Public Risk (MO)
Lester Nixon, North Carolina Association of County Commissioners
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. Horner, moved to approve the Agenda as presented. The motion carried.

Consent Docket

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

Consent items approved were:

- a. Approve Minutes of the August 2, 2009 meeting.

- b. Approve Minutes of the August 5, 2009 Linkage Discussion with Pool Administrators.
- c. Receive Financial Statements as of September 30, 2009.
- d. Appointing Director Lester Nixon to the audit committee for a new three-year term to begin January 1, 2010, to replace Director Steve James.
- e. Approve recommendation from the Membership Practices Committee to revise the AGRiP Advisory Standards for Public Entity Risk and Employee Benefits Pools by rephrasing existing standard V-F on a strategy for dealing with funding catastrophic losses, and to add a new standard V-L on protection of electronic data.

CEO Organizational Report

Chief Executive Officer Pumford then presented his Organizational Report and discussion items. He reviewed membership activity noting that there is a net gain of five member pools in the year, for a total of 175 pool members, plus CAJPA. Individual Pool Associate members increased to 208 from 199 at the beginning of the year. Two new Quality Education Initiative members also were added in the year. He also discussed AGRiP's monitoring of national healthcare and financial services reform issues, Medicare enforcement issues, and pools affected by the liquidation of Reliance Insurance Company. He reported on the continuing negotiations with the Public Risk Management Organization on a revised Memorandum of Understanding and noted that Jim Hamilton is leaving his position with the National League of Cities Risk Information Sharing Consortium. Mr. Pumford noted that for the Governance and Leadership Conference that begins the next day there were 382 registrants, the second highest in ten years. He further noted that attendees represent 72 pools in 32 states, the District of Columbia and the province of British Columbia, along with 120 first-time attendees.

Board Action Items

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 Limitations Policy 4 – *Staff Treatment* (from August meeting)
2. Executive Limitations Policy 5 – *Staff Compensation* (from August meeting)
3. Executive Limitations Policy 6 – *Staff Evaluation* (from August meeting)
4. Ends Policy 1 – *Vision Statement and Organization Mission and Board/Staff Relations 5 - Annual Summative Evaluation of the CEO.* (from August meeting)
5. Executive Limitation Policy 1 – *Global Executive Constraint*
6. Executive Limitation Policy 7 – *Budgeting*
7. Executive Limitation Policy 8 – *Financial Management*
8. Executive Limitation Policy 9 – *Asset Protection*
9. End 4 – *Advocacy*

The board reviewed each of the written Monitoring Reports.

Mr. Sallade, seconded by Mr. James, moved that the CEO has achieved Substantial Compliance for Executive Limitation Policy 4. The motion carried.

Mr. Horner, seconded by Mr. James, moved that the CEO has achieved Substantial Compliance regarding Executive Limitation Policy 5. The motion carried.

Mr. James, seconded by Mr. Horner, moved that the CEO has achieved Substantial Compliance regarding Executive Limitation Policy 6. The motion carried.

Mr. Sallade, seconded by Mr. Horner, moved to change the Monitoring Frequency for Executive Limitations Policies 4, 5 and 6 to the August Institute. The motion carried

Mr. Sallade, seconded by Mr. Horner, moved that the CEO has achieved Substantial Performance regarding his Annual Summative Evaluation. The motion carried.

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

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

Mr. Horner, seconded by Mr. James, moved to approve the dues and registration fee increases proposed by Mr. Pumford in the EL-7 Monitoring Report, as follows:

- a \$500 increase in the maximum pool dues (to \$5,500),
- a \$100 increase in Partner dues (to \$400), and
- a \$50 increase in conference/institute registration fees.

The motion carried.

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

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

Mr. Horner, seconded by Mr. Rhyner, moved that the CEO has achieved Exemplary Performance regarding End 4.

The President declared a recess at 4:35 pm; and reconvened the meeting at 4:53 pm.

2009-2011 Audit Engagement

Mr. Bubba, as Chairman of the Audit Committee reported on options considered by the committee regarding the increase in costs for an annual audit. He noted that the incumbent firm had proposed an \$8,500 fee for the 2009 audit, in contrast to the \$5,250 fee for the 2008 audit. There was extensive discussion about the prospect of a bi-annual full financial audit with a financial compilation for the intervening year, as opposed to an annual full financial audit.

Mr. Nixon, seconded by Ms. Abersman, moved to accept the proposal as presented by the Finley & Cook, CPA firm for a three-year audit engagement for the fiscal years ending December 31, 2009, 2010 and 2011. The motion carried.

2010 Board Retreat

It was the consensus of the Board to conduct the two-day retreat without an outside facilitator. Issues to be included are finalizing the CEO Succession Plan and resolving the issue of where the AGRiP office will be located; developing a new Employment Agreement for the CEO; along with a review of the Mission and Vision for the organization, criteria for service on the board and the by-laws. The President will work with board members as to who will conduct the orientation session for new board members, and to identify additional issues to be addressed during the retreat. The President will assign individual board members to serve as discussion leaders for one or more issues to facilitate the decision-making process.

2010 Planning Calendar

The board next took up consideration of the Planning Calendar for 2010 by reviewing a draft calendar dated 10/9/09 presented by Mr. Pumford. Changes were made to conform to decisions made earlier in the meeting. (A copy of the Final Annual Agenda Planning Calendar for 2010 is appended at the end of these minutes).

Model CEO Succession Planning Committee

Mr. Bubb reported that there were no new issues to be considered at this time.

CAJPA Membership Agreement

After reviewing the 1999 Membership Agreement with the California Association of Joint Powers Authorities, it was the consensus of the board that the agreement remains satisfactory to AGRiP.

CEO Employment Agreement Renewal and Compensation

Mr. Rhyner, seconded by Mr. Sallade, moved pursuant to the Summative Evaluation of the CEO earlier in the meeting to grant Mr. Pumford a \$7,500 bonus to be paid between now and February 1 at his discretion; and to increase his vehicle allowance by \$150 effective February 1, 2010. The motion carried, with eight votes for and one vote against the motion.

Board Member Questions and Discussion

Board members raised no questions or discussion items.

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 consensus was "we did good", no formal motion was offered.

Review Actions Required to Prepare for the Next Meeting (GP-8, 4.b).

For the February retreat:

CEO Model Succession Plan Committee – finalize report.

President – designate a board member to conduct the new board member orientation, consider other issues to cover in the retreat, and assign board members to serve as discussion leaders. Also, assign board member(s) to draft a new CEO Employment Agreement.

All Board members – prepare to serve as issue discussion leaders as assigned by the President

CEO Pumford, (1) prepare monitoring reports on EL-12 and End 3 and report on progress regarding a new Memorandum of Understanding with the Public Risk Management Association.

Other Business –President Mangels noted that this was the last scheduled board meeting for retiring directors Horner and Sallade who are ineligible to seek re-election since they have served two four-year terms on the board. Their current term expires on December 31. Mr. Horner has served on the board since September 23, 1998, and Mr. Sallade since March 4, 2002. She noted that both also served as President during their tenure. She thanked them for their service and considerable contributions to the work of the board, which will be further recognized at a special presentation during the following Governance and Leadership Conference.

The President adjourned the meeting at 5:45 p.m.

Harold Pumford, CEO

(Annual Agenda Planning Calendar for 2010 begins on next page)

Annual Agenda Planning Calendar for 2010

(As adopted October 18, 2009)

MEETING	GP	BSR	EL	ENDS	LINKAGE	OTHER BUSINESS
# 1	All	1-3	12	3	None	See details on items to be included in October 18 Minutes
# 2			2, 3, 10 & 11	2	<i>Pool Staff</i>	Annual Membership Meeting Audit Committee Reports
PRIMA Conference						
# 3		4 & 5	4, 5 6	1	Pool Executives	CEO Summative Evaluation
# 4			1, 7, 8 & 9	4	QEI Patrons and Governing Board members	Annual Agenda Planning & CEO Contract Renewal