

Board Members:
 Jon Andrus
 Madelyn Carlson
 Cheryl Hamilton
 Karl Johanson
 Amber Johnson
 Darlene Riley

BOARD MEETING
 18118 International Blvd, Seattle, WA
 April 15, 2016 9:00 am

MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on April 15, 2016 at 9:00am.

ITEM 1: INTRODUCTION & ROLL CALL

PRESENT WERE:

Board Members

Fiscal Officer & At-Large #3 Rep., **Karl Johanson**, Disability Action Center – NW, Inc.
 Vice Chair & Area 1 Rep., **Darlene Riley**, Paratransit Services
 Area 4 Rep., **Jon Andrus**, Catholic Charities of Spokane
 At-Large #1 Rep., **Amber Johnson**, Spokane Neighborhood Action Partners
 Chair & Area 3 Rep., **Madelyn Carlson**, People for People
 Area 2 Rep., **Cheryl Hamilton**, Educational Opportunities for Children & Families

Clear Risk Solutions Staff

Brian Turnbull
 Ellen Kosa
 Eric Homer
 Lance Hammond
 Rich Moore
 Rick Templeton
 Sarah McDonnell
 Taylor Montgomery

Guests

None

Chair Carlson welcomed all in attendance and noted that a quorum was present.

ITEM 2: PUBLIC COMMENT

None

ITEM 3: CHANGES TO THE AGENDA

No Changes

ITEM 4: COMMITTEE REPORTS

STANDING COMMITTEES:

ITEM 4(A) – Fiscal Committee (Johanson-Chair, Riley, Andrus): Johanson reported that the fiscal committee has reviewed the vouchers, balance sheet, income statement, and solvency test prior to the meeting and had no questions. The committee recommended that Vouchers #15/16-09, #15/16-10, (dated 2/23/16, and 3/22/16 respectively) balance sheet, income statement, and solvency test, be approved by the board, as part of Item 5: Consent Agenda. Additionally, the committee reviews, monthly, the Accounts Receivable reports, and quarterly, the bank statements for the program.

(i) Program Premium. McDonnell reviewed the annualized program premium as of April 1, 2016, at approximately \$15.2 million. The addition of 8 new members and their total premiums were discussed.

(ii) Write-Off report. None to report.

(iii) Report on Accounts Receivable and Bank Statements. Riley reported that the bank statements and accounts receivable had been reviewed. Nothing more was noted and there was no further discussion.

(iv) Investment Policy. Johanson reported that with the WAC changes the pool can be more diversified in investing. Moore added updating the investment policy will help incorporate the mission of the pool.

(v) Audit Services RFP. Johanson reported that the staff recommended an auditing firm, Moss Adams, would be a good fit for the pool. Per previous discussion, Moore reported that the recommended firm has experience with nonprofits, is aware of the recent RCW changes and has no issues with the given timeline.

(vi) Tax Update. McDonnell reported that there will be a credit in the next tax year due to a carry forward loss, however to be proactive, there is potential liability budgeted.

(vii.) Budget Recommendation. The committee has worked with staff on options and recommends a flat renewal which would incorporate contribution to the bottom line. Options for the policy year were briefly discussed, including a possible 2 year policy, this will be discussed further in item 7B.

ITEM 4(B) – Executive Committee (Carlson, Johanson, Riley): Nothing to report at this time.

OTHER COMMITTEES:

Legislative Committee (Johanson, Carlson, Hamilton): Carlson and Hamilton reported attending the Governor's Reception on behalf of nonprofits and promoted the pool.

- i. Carlson reported that the committee will work with staff to create talking points to discuss with legislators, per work plan.

Board Recruitment (Riley, Carlson, Johnson): Nothing new to report at this time. Previous potential candidate was unable to commit. Carlson suggested using the upcoming conference track to reach out to pool members and discuss becoming part of the board.

ITEM 5: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #15/16-09, 2/23/16, \$650,020.84
- B. Voucher #15/16-10, 3/22/16, \$621,652.94
- C. Minutes 2/8/16
- D. Approval of New Members
- E. Balance Sheet 2/29/16
- F. Income Statement
- G. Solvency Test

Motion to approve consent agenda by Riley, the motion was seconded by Andrus and approved by the rest of the board. Motion carried.

ITEM 6: BOARD / STAFF COMMUNICATION

ITEM 6(A) Project Form Reports / Workshop: McDonnell reported on the workshops completed and added that new workshops will be ready for the next board meeting. Riley commented that the board will be adding more projects based off the board survey self eval completion. Staff will work toward next steps on member documents so the board will be able to adopt the bylaws by June. The membership will be notified per state law. New forms will be required, upon adoption of membership agreement in the future.

ITEM 6(B) – Risk Management Report. Hammond updated the board on the Member Loss Improvement Plan, and explained it further for the newer board members. Staff examines member performance, and uses an MLIP for additional Risk Management help. If members don't have the ability to change, the account is flagged and presented to the board for a solution. Hammond reported that 6 accounts are currently on an MLIP; however 2 will soon be removed due to positive change and performance.

ITEM 6(C) – Multistate Update. Brief discussion on timeline for transition in the workshop presented on Thursday. To recap the workshop, staff is working to figure out a recommendation on the structure and forms due to different state laws, along with determining what membership would look like for out of state accounts. There are currently no pressing deadlines, but staff will continue to meet and evaluate before presenting an update at the June meeting.

ITEM 6(D) – Meeting Calendar. Staff presented a new calendar with proposed dates for the upcoming year. Locations will be determined closer to the dates presented. The board determined that the annual meeting will be set in November, in the Seattle area so the membership can join.

ITEM 6(E) – Annual Contract & Policy Review. The board noted that they have reviewed all contracts and policies listed: Personal Services Agreement, Broker Agreement, Conflict of Interest, Board Reimbursement Policy, Write off Procedure, Collections Procedure, and Membership Agreement/Resolution Collections. There was discussion, all policies and contracts were accepted with no concern.

ITEM 6(H) – Misc./Other. No concerns or questions at this time.

ITEM 7: Action Items

- A. 2016/2017 Budget. Johanson, on behalf of the Fiscal Committee, recommended that the board approve the budget presented. Budget includes all fees paid to Clear Risk Solutions. Note that approval of the budget is approval of the 2016-17 Budget and Budget Summary. Motion to approve budget by Riley; motion seconded by Johanson and approved unanimously. Motion carried.
- B. 2016/2017 Renewal Report. Turnbull presented the 2016-17 Renewal Report to the board and noted that there were no significant changes in structure and dynamics. Turnbull reminded the board that with the action item, the board is approving the 2016-17 Renewal Report as presented, but that staff is actively trying to improve the renewal terms. Turnbull requested authority to bind coverages, as needed, noting that the final chart of coverages and changes from the report as presented will be reported back to the board in June, if needed. Turnbull noted that the renewal report covered the policy renewal and expiration date, excess marketing efforts, coverage changes, coverage options, excess and surplus lines taxes, authority to bind excess coverage, the Brown & Brown disclosure statement, and Exposure Analysis Checklist. By approving the renewal report, the board is approving Excess coverage to be renewed per the renewal report. Preliminary Report was presented and accepted by board with the Final Report being presented at the next meeting in June. Motion to approve by Riley; motion seconded by Johnson and approved unanimously. Motion carried.

- C. Renewal Letter from Board to Membership. McDonnell presented the draft letter to the board. As previously done, the brokers will receive a letter from the board, a memo from underwriting outlining policy or coverage changes, and the coverage confirmation. Motion to approve by Johnson; motion seconded by Hamilton and approved unanimously. Motion carried. Johanson was absent for the vote.
- D. Auditing Firm. Motion to approve engaging Moss Adams as auditing firm by Andrus; motion seconded by Riley and approved unanimously. Motion carried. Johanson was absent for the vote.

ITEM 8: 2016 NPIP Board of Directors Election

- A. Ballot Results. McDonnell reported that the ballots had been returned by the members and opened by staff per state law. Cheryl Hamilton and Jon Andrus' positions were open for election. Total counts of votes for each were 70, both will be reelected for their positions. There was brief discussion on ideas of how to get membership voting participation higher for future elections.

ITEM 9: Executive Session

None.

ITEM 10: Upcoming Meetings/Conferences

- A) McDonnell reported on the upcoming conference track on May 16, reminding the board of the partnership for this year. The NPIP track will have 2 general sessions in the morning and 3 breakouts in the afternoon. The partnership is valuable and we are currently working on figuring out the balance in the conference partnership, despite different conference goals.
- B) June 6, 2016 Workshop and Board Meeting – SeaTac
- C) August 1, 2016 Workshop and Board Meeting – Ephrata
- D) November 9-11, 2016 Retreat and Board Meeting – Seattle

Johnson moved to approve, seconded by Riley, and approved unanimously. Motion carried.


MEETING ADJOURNED

There being no further business, the meeting was adjourned at 10:20 am.

Respectfully submitted,



Sarah McDonnell



Madelyn Carlson, Chair