

Board Members:
Darren Brugmann
Madelyn Carlson
Karl Johanson
Amber Johnson
Darlene Riley

NPIP

BOARD MEETING
Clear Risk Solutions, 451 Diamond Drive, Ephrata
August 10, 2015 12:00 pm

MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on August 10, 2015 at 12:00 pm.

ITEM 1: INTRODUCTION & ROLL CALL

PRESENT WERE:

Board Members

Chair & At Large #2 Rep., **Darren Brugmann**, Senior Services of Snohomish Co.
At-Large #3 Rep., **Karl Johanson**, Disability Action Center – NW, Inc.
Area 4 Rep., **Amber Johnson**, Spokane Neighborhood Action Partners
Fiscal Officer & Area 2 Rep., **Darlene Riley**, Paratransit Services
Vice Chair & Area 3 Rep., **Madelyn Carlson**, People for People

Absent

None.

Clear Risk Solutions Staff

Darlene Brooks
Jim Cherf
Eric Homer
Ellen Kosa
Sarah McDonnell
Rich Moore
Rhonda Ross
Chelsey Smith
Brian Turnbull
Brionna Varney

Guests

Majken Ryherd, Waypoint Consulting Group
Teresita Torres, Waypoint Consulting Group

Chairman Brugmann welcomed all in attendance and noted that a quorum was present. Brugmann reminded the Board that this was his last NPIP Board meeting and he'd discuss final resignation effective date later in the meeting. He also announced that Geoff Crump, Area 1 representative from OlyCAP had resigned effective June 30, 2015 due to relocation.

ITEM 2: PUBLIC COMMENT

None.

ITEM 3: CHANGES TO THE AGENDA

Add Item 5(e) – Bank Statement Reconciliation & Approval

ITEM 4: COMMITTEE REPORTS

ITEM 4(A) – Fiscal Committee (Riley, Johanson): Riley reported that the fiscal committee has reviewed the vouchers prior to the meeting and had no questions. The committee recommended that Vouchers #14/15-01 (dated 6/25/15) and #14/15-02 (dated 7/28/15), be approved by the board, as part of Item 5: Consent Agenda.

- (i) Program Premium. McDonnell reviewed the annualized premium size of the program as of August 1, 2015, at approximately \$14,450,000. Homer discussed one account that sales is actively targeting.

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

(iii) Tax Update. McDonnell reported that the 14-15 extension was filed timely, as expected, by the accountant. Additionally, there was a response from the IRS attorney and although the case hasn't been dismissed yet, Kovacevich expects a summary judgment motion; his estimate that is within four months there could be court action.

(iv) Balance Sheet. Riley reviewed the balance sheet and asked the board to note the pre-paid expenses, as it is not often NPIP has pre-paid expenses.

(v) Income Statement. Riley reviewed the income statement and noted the tax liability estimate that was booked of \$25,000. There was discussion with the board and staff that this could change once taxes are prepared to anywhere from \$10,000 -\$25,000. Riley also noted the IBNR to the board.

(vi) Solvency Test. Riley reviewed the solvency test with the board and there were no concerns or discussion.

ITEM 4(B) – Executive Committee (Brugmann, Riley, Carlson): No report.

ITEM 4(C) – Legislative Committee (Brugmann, Johanson): Brugmann reminded the board that the Senate Bill 5119 was signed by the governor on 4/25/15 and since there have been several workshops with Department of Enterprise Services (DES) that Johanson and Moore, from staff, have attended on NPIP's behalf on the Washington Administrative Code (WAC) that will govern the new RCW.

Johanson thanked the NPIP lobbyists, Waypoint Consulting, for their assistance during the workshops with DES and their ongoing positive relationships with the DES staff. The lobbyists, board members, and staff discussed a feeling of change in culture at DES.

Johanson reviewed the WAC language that was proposed to DES, in hopes they'll accept as proposed and bring it forward to rule-making. The two rule-making hearings have been advertised already by DES as Sept. 9 and Sept. 16. Strategy was discussed and it was determined that Johanson and Moore would continue to represent the board at the hearings.

There was discussion with the board and lobbyists on how to most effectively utilize the off-session with the legislators.

Last, there was discussion on notifying the membership of the RCW and WAC changes to their program.

ITEM 4(D) – Board Recruitment Committee (Riley, Carlson): Due to resignations of director positions, program bylaws allow the existing Board of Directors to appoint the positions for the remainder of the term, at which time an election would be held.

Riley reported that her, Carlson, and on one, Johnson, interviewed the three interested parties. The committee reviewed the qualifications and interviews in detail with the board. The committee feels they are all qualified and would recommend any of them for a director position in the future. However, to ensure representation of membership is adequate across the state, the committee recommends the following member representatives for immediate appointment:

Jon Andrus, Catholic Charities of Spokane, Finance Director & CFO, Spokane
Cheryl Hamilton, Educational Opportunities for Children and Families, Vancouver

Additionally, to actively engage in an informal Ad Hoc role at this time, Grant Baynes, with Senior Life Resources, of Kennewick.

After discussion, the board agreed they would adopt a "board buddies" model as an additional resource for new board members. Also, there will be discussion on defining an Ad Hoc board member at the November governance board retreat.

This recommendation was added to ITEM 7(C), ACTION ITEMS.

ITEM 5: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #15/16-01, 6/25/15, \$2,961,278.84
- B. Voucher #15/16-02, 7/28/15, \$1,717,755.07
- C. Minutes 6/15/15
- D. Approval of New Members
- E. Bank Statements & Reconciliation Approval

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

ITEM 6: BOARD / STAFF COMMUNICATION

ITEM 6(A) Project Form Reports.

- (i) Board Governance. The board reviewed a summary of the work that has been performed to date on the governance project and identified topics to further discuss at the November board retreat. Specifically, there was discussion on the "informed decisions" process the board will be transitioning to, with a first and second reading. Additional discussion prior to finalizing the guidelines will also help bring the new board members up to speed.

ITEM 6(B) – Oregon Attorney Engagement. Staff discussed the proposal from James Parker, of Davis, Wright, Tremaine, LLP. The purpose of engaging this attorney would be research on Oregon state specifics for adding Oregon members and compliance within the state. His credentials were discussed with the board and it was decided to engage him, but add a "not to exceed" amount when hired. This was added as ITEM 7(D): Engagement for Oregon attorney.

ITEM 6(C) – Conference Update. McDonnell provided an update to the board that registration was opened 7/15 and the partnership with Washington Nonprofits is going very well for this event. Specifics for board member options and accommodations would be sent out within 1-2 months.

ITEM 6(D) – November Retreat. McDonnell reminded the board of retreat dates and the topics they've agreed to. It was determined that 2 days was adequate for the material. The board was reminded that this event is in Spokane.

ITEM 6(E) – RFQ for Actuary Services. McDonnell reviewed the changes to the RFQ that NPIP had approved in June noting that no change to the Interlocal Agreement that was made with other pools. It was also noted that Carlson is now the contact for this process.

ITEM 6(F) – Misc./Other. None.

ITEM 7: ACTION ITEMS

ITEM 7(A) – Board Officer Elections. Brugmann reported that his last day on the NPIP Board would be September 1, 2015. Staff thanked the existing slate of officers for their time and dedication to the program. Johanson also thanked the existing officers and motioned to appoint Carlson for President/Chair, Riley for Vice President/Vice Chair, and Johanson for Fiscal Officer/Treasurer until the next election of officers (typically in October). Riley seconded the motion. All were in favor and no opposed. It was clarified that this change to the officers is effective September 1, 2015.

ITEM 7(B) – Interlocal Agreement for Actuary Services. Motion by Riley, second by Carlson and approved unanimously. Motion carried.

ITEM 7(C) – Nominations for Open Board Positions. There was detailed discussion on the regions that board members are currently representing and shifting of current regions to allow space for the recommended member representatives to serve as board members. With the intention of shifting representation regions only to allow space for new members, the following was determined, effective August 10, 2015:

Johnson resigned from Region 4, with the intention of being immediately appointed to At-Large position #1. Carlson moved to appoint Johnson to At Large position #1. Johanson seconded the motion and all were in favor; Johnson abstained from the vote. Motion carried.

Riley resigned from Region 2, with the intention of being immediately appointed to Region 1. Carlson moved to appoint Riley to Region 1. Johanson seconded and all were in favor; Riley abstained from the vote. Motion carried.

Riley, on behalf of the recruitment committee, moved to appoint Hamilton to Region 2. Carlson seconded the motion and all were in favor. Motion carried.

Carlson, on behalf of the recruitment committee, moved to appoint Andrus to Region 4. Johanson seconded the motion and all were in favor. Motion carried.

There was confirmation that Baynes would be an Ad Hoc board member at this time, and specifics on this type of position would be further discussed in November 2015.

ITEM 7(D) – Oregon Attorney Engagement. Johanson moved that NPIP retains the services of suggested attorney James Parker for Oregon, including the assumption for the parameters reviewed and approved by the executive board. Riley seconded the motion and all approved. Motion carried.

ITEM 8: EXECUTIVE SESSION

None.

ITEM 9: UPCOMING CONFERENCES / MEETINGS:

The next all board meeting is the Annual Meeting of the membership, October 23, 2015 at the NPIP Conference in Spokane, WA.

The November retreat is November 18-20, 2015 in Spokane, WA.

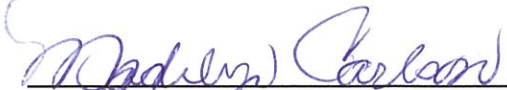
MEETING ADJOURNED

There being no further business, the meeting was adjourned at 2:00pm.

Respectfully submitted,



Sarah McDonnell



Madelyn Carlson, Chair