

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

BOARD MEETING
451 Diamond Drive, Ephrata, WA
August 29, 2016 1:00 pm

MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on August 29, 2016 at 1:00pm.

ITEM 1: INTRODUCTION & ROLL CALL

PRESENT WERE:

Board Members

Chair & Area 3 Rep., **Madelyn Carlson**, People for People
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
Area 2 Rep., **Cheryl Hamilton**, Educational Opportunities for Children &
Families

Absent

None

Clear Risk Solutions Staff

Andrea Callaghan
Angela Eloff
Becca Rohrer
Becky Holt
Brian Turnbull
Chelsey Smith
Christian Koethke
Claire Hanberg
Darlene Brooks
Ellen Kosa
Eric Homer
Frank Andrus
Rachel Huffman
Rich Moore
Rhonda Ross
Sarah McDonnell
Taylor Montgomery

Guests

Majken Ryherd
Teresita Torres

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

ITEM 2: PUBLIC COMMENT

None

ITEM 3: CHANGES TO THE AGENDA

None

ITEM 4: COMMITTEE REPORTS

STANDING COMMITTEES:

ITEM 4(A) – Fiscal Committee (Johanson-Chair, Riley, Andrus):

(a) Program Premium. McDonnell reported that as of June 1, there were 691 members in NPIP, and as of August 29, there are 699. With the added \$158,000, the total is just over \$15,000,000 in annual premium.

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

(c) Report on Accts Receivable and Bank Statements. Riley reported the committee reviewed Bank Statements and AR Report with no concerns. No discussion.

(d) Balance Sheet 5/31/16. The committee reviewed the year end balance sheet with discussion, and summarized the committee meeting with staff. Moore reported the budget formatting will change and staff will present the budget with expected renewal income/expenses and a contingency plan for growth. Staff will also give regular, quarterly updates to the board, with everything summarized at the workshop.

(e) Income Statement 5/31/16. Johanson discussed a layout change regarding projected expenses shown on the income statement. Staff will work on a layout for next year's budget cycle. There was discussion on the Underwriting/Placement fees, and Kosa explained that the overages are for new changes and growth.

(f) Solvency Test 5/31/16. Staff reported the pool is passing all the tests.

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

OTHER COMMITTEES:

Legislative Committee (Johanson, Carlson, Hamilton): Work Plan – Lobbyists, Majken Ryherd and Teresita Torres with Waypoint Consulting, called in to discuss meetings. Board gave updates on their meetings with the Representatives, reporting that there have been positive responses from the Representatives themselves. Board discussed moving forward regarding schedule and meeting the new state risk manager, Jason Siems. Next steps include working on the list of meetings, adding new ones, and planning to have everyone know their legislators.

Board Recruitment (Riley, Carlson): The committee is looking to schedule an interview with a possible board candidate, within the next 30 days. The committee will bring back to the board a recommendation after the interview.

ITEM 5: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #16/17-01, 6/28/16, \$2,912,573.38
- B. Voucher #16/17-02, 7/26/16, \$1,809,830.50
- C. Voucher #16/17-03, 8/17/16, \$565,754.35
- D. Minutes 6/6/16
- E. Approval of New Members

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

ITEM 6: DISCUSSION

ITEM 6(A) Project Form Reports / Workshop:

(i.) Multistate & Growth Update: Holt recapped the workshop from earlier in the day, summarizing that staff would continue to work on multistate contracts with carrier partners. Staff will present a more detailed update at the November retreat. She continued with a new update from Munich, who proposed adding churches to the existing policy. The Board was interested in pursuing churches, which staff will present more information on at the November retreat.

(ii.) Investments: Board fiscal committee recommended moving forward with the current draft of the policy presented on 6/6/16 in order to invest funds now but will continue work to improve the plan, which may allow the pool to invest funds for a better return. The policy proposed is recommended for adoption under item 7.

(iii.) Segregation of Duties: Carlson reviewed the committee's work on the TPA/Board roles. McDonnell recapped the workshop, stating which tasks and projects would be handled by the TPA or the Board. Board agreed that this clarification will be a good tool for new board members.

ITEM 6(B) – Nonprofit Status. McDonnell reminded the group that upon the Board's request following the lawsuit, staff looked into pursuing nonprofit status. Moss Adams' opinion is that the pool does not qualify for, nor should they pursue, the non profit status. They stated the pool's best shot for qualifying would be a subsection of 501c3 however, the current membership composition doesn't allow for that. Several options were discussed, including operating as a business, or changing the membership composition. After discussion it was determined not to continue pursuing status at this time. Staff suggested considering recommendations brought up from the current accountant and begin operating as a business. The impact on the financials will be reevaluated at the November retreat.

ITEM 6(C) – Audit Update. Kosa reported that the audit went well. Staff is looking into details on a few questions but have not been made aware of changes or corrections. Overall staff thinks the next audit will be quicker, thanks to the good relationship with the auditors.

ITEM 6(D) – NPIP Conference Partnership. McDonnell reported that staff discussed possible plans for moving forward with Washington NonProfits. Staff suggested that the board continues to partner with WA NonProfits, but with a few adjustments to the contract. Staff will be meeting with a WA NonProfits Executive Director soon to discuss a plan for going forward with possible regional type partnerships, as well as the May conference in Bellevue annually. Carlson mentioned reaching further into outer lying regions, if possible.

ITEM 6(E) – Misc./Other. None.

ITEM 7: ACTION ITEMS

A. Membership Agreement – Johanson reported that the Membership Agreement was sent out in the appropriate timeline. McDonnell sent out the draft and reported feedback from the membership. Staff will work on getting signatures from the entire membership, within 90 days per policy.

Discussion of language included changes:

3.4.2 includes the statement "The debts, obligations and liabilities of any Member shall not become the debts, obligations and liabilities of other Members, except as provided by Section 3.11 of this Agreement." Previously not removed as a result of error, the entire last sentence will be removed from this paragraph.

3.12 Add: Any member so canceled shall be given 90 days notice prior to the effective date of cancellation, unless due to nonpayment or noncompliance within Section 3.7 of this agreement. Notice of cancellation shall be no less than 10 days.

Johanson moved to approve the draft with changes listed. Riley seconded and approved by the rest of the board. Motion carried.

B. Non Profit Status – No action needed.

C. Investment Policy & Procedure – Committee recommended accepting policy as proposed. Riley moved to approve. Johanson seconded, and approved by the rest of the board. Motion carried.

OTHER COMMITTEES:

ITEM 8: CLOSED SESSION

None.


ITEM 9: UPCOMING MEETINGS/CONFERENCES

- A) Nov 14-16, 2016 Workshop and Meeting, Crowne Plaza, Seatac
- B) Nov 16, 2016 All member meeting, Crowne Plaza, Seatac

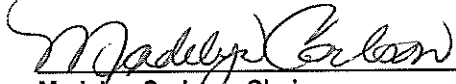
MEETING ADJOURNED

There being no further business, the meeting was adjourned at 3:10 pm.

Respectfully submitted,



Sarah McDonnell



Madelyn Carlson, Chair