

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

NPIP

BOARD MEETING
Greater Tacoma Convention Center, Tacoma, WA
October 13, 2014, 3:00pm

MINUTES

The Non Profit Insurance Program Board of Directors conducted a regular meeting on October 13, 2014 at 3:05 p.m.

ITEM 1: INTRODUCTION & ROLL CALL

PRESENT WERE:

Board Members

Chair & At Large #2 Rep., Darren Brugmann, Senior Services of Snohomish Co.
Vice Chair & Area 3 Rep., Madelyn Carlson, People for People
Area 1 Rep., Geoff Crump, OlyCAP
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

Canfield Staff

Lance Hammond
Eric Homer
Sarah McDonnell
Rich Moore

Guests

Teresita Torres, Waypoint Consulting
Majken Ryherd, Waypoint Consulting

Absent

None

Chairman Brugmann 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

ITEM 4(A) – Fiscal Committee (Darlene, Karl, Geoff): Riley reported that the fiscal committee has reviewed the vouchers prior to the meeting and had no questions. The committee recommended that Vouchers #14/15-03 and #14/15-04 be approved by the board, as part of Item 5: Consent Agenda.

(i) Program Premium. McDonnell summarized the premium size of the program.

(ii) Write-off report. There were no write offs in committee or for board approval.

(iii) Balance Sheet 5/31/14. Riley reviewed the balance sheet with the full board. There was a discussion on year-end information from the actuary.

(iv) Income Statement 5/31/14. Riley reviewed the income statement with the board. There was discussion on the actuarial determined reserve numbers.

(v) Solvency Report 5/31/14. The report was reviewed by board members with discussion that the pool passes the test. Riley reminded the board that this test is a snapshot in time required by the state.

(vi) Balance Sheet 8/31/14. Riley reviewed the balance sheet with the full board. There was a discussion on claims reserve numbers estimates.

(vii) Income Statement 8/31/14. Riley reviewed the income statement with the board. There was a discussion on claims reserve estimates for budgeting purposes. It was decided to discuss this further at the November retreat.

(viii) Solvency Report 8/31/14. The report was reviewed by board members with discussion that the pool passes the test. Riley reminded the board that this test is a snapshot in time required by the state.

(ix) Tax Update. McDonnell gave an update on the status of the penalty appeal underway, reporting that the tax accountant is still working with the IRS to appeal penalties assessed for the 08/09 year and on obtaining the refunds due for carry-back losses. Additionally, McDonnell reported that the claim for refund made by NPIP's tax attorney, Kovacevich, was denied, as expected. The next steps involve initiation of the lawsuit against the IRS [to force a rule on tax-exempt status]. The board discussed the communication, from Kovacevich, requesting the board's preference on jury vs. non-jury trial. After discussion, it was determined that the board will recommend Kovacevich to request a jury trial.

ITEM 4(B) – Legislative Committee (Karl, Darren): Brugmann reported to the board that new language, in RCW 48.62 has been proposed by the Department of Enterprise Services (DES) and that there was a WRAC committee meeting on 10/15. Brugmann summarized the meeting held on 10/13 with the DES employees; the State Risk Manager, Shannon Stuber, and the Government Relations Liaison, Arlen Harris, and Government Relations Analyst, Jarrett Sacks. He summarized the meeting topics including reassessment language. Additionally, Brugmann summarized the discussed presented at the meeting of a new chapter for NPIP. Harris planned to propose language for review within 1-2 weeks. There was discussion between board and staff on a potential new chapter, potential multi-state language, and pool documents. Ryherd summarized the process and timeline if a new chapter were to be presented. It was decided to further discuss this at the November retreat, as DES will have draft language completed by then.

ITEM 4(C) – Executive Committee (Darren, Darlene, Madelyn): Riley reported that Canfield has responded to both the TPA and Brokerage Services RFQs and that a draft contract was in process within the board only at this time. The committee hopes to meet with the TPA to discuss, negotiate, and finalize the contract within two weeks.

ITEM 4(D) – Board Recruitment Committee (Madelyn, Darlene): Riley reminded the board that the recruitment process began in December 2013, when NPIP gathered interest for elections. There were 3 people interested and the committee has evaluated each. After discussing time commitments, specifics of board positions and current governance model, the committee would like to recommend Lee Harper, with Phinney Neighborhood Association, for the At-Large #1 position, term ending 5/31/18. Riley motioned to appoint Lee Harper, Phinney Neighborhood Association, for the At Large #1 position, to fill the remainder of the term, ending 5/31/18. Johnson seconded the motion. Discussion followed by Johanson to be sure the bylaws don't dictate that the appointment would require her to run for election with the next open election, in 2016, even though the term ends 5/31/18. All were in favor of the motion, no opposed. Motion carried.

ITEM 5: CONSENT AGENDA

The Consent Agenda consisted of the following:

- A. Voucher #14/15-3, 8/21/14, \$1,903,474.43
- B. Voucher #14/15-4, 9/26/14, \$999,635.92
- C. Minutes 8/6/14

D. Approval of New Members

Motion to approve consent agenda by Riley; the motion was seconded by Carlson and approved unanimously. Motion carried.

ITEM 6: BOARD / STAFF COMMUNICATION

ITEM 6(A) – Project Committee Reports.

- i. Paperless Board. Each board member reported the type of paperless device they'd like to order and tasked staff to order each. Training will be provided on the cloud to be used at the November retreat.
- ii. Mission Statement. Johnson reminded everyone the mission statement would be revisited at the retreat in November and the vision and core values were completed.

ITEM 6(C) – Misc/Other. None.

ITEM 7: ACTION ITEMS

ITEM 7(A) – Paperless board tablets. No action needed.

ITEM 7(B) – Board of Directors – Election of Officers. Johnson expressed that she'd like to see the remaining slate of officers remain for stability while the board continues work on the governance model. Johanson moved to approve the current slate of Darren Brugmann, Chair, Madelyn Carlson, Vice-Chair, and Darlene Riley, Fiscal Officer. Johnson seconded the motion. All in favor. Motion carried.

ITEM 8: EXECUTIVE SESSION

None.

ITEM 9: UPCOMING CONFERENCES / MEETINGS:

- A. Board of Directors Fall Retreat, Nov 17-18 (Mon-Tues), Location: Cedarbrook, SeaTac, WA
- B. NPIP All Board CALL, December 10, 2014 @ 10:00 am

MEETING ADJOURNED

There being no further business, the meeting was adjourned at 4:45 pm.

Respectfully submitted,



Sarah McDonnell



Darren Brugmann, Chair