



**BOARD MEETING – SIT DOWN**  
**Canfield Office, Woodinville, WA**  
*Friday, August 20, 2010 at 10:00 a.m.*

# MINUTES

The Non Profit Insurance Program Board of Directors conducted its August sit down on Friday, August 20, 2010 at 10:00 a.m.

**ITEM 1: INTRODUCTION & ROLL CALL**

PRESENT WERE:

**Board Members**

Darren Brugmann, Senior Services of Snohomish Co.  
 Madelyn Carlson, People for People  
 Bill Eby, Neighborhood House (joined at 12:50)  
 Karl Johanson, Council on Aging & Human Services  
 Lynn Moody, Hopelink  
 Darlene Riley, Paratransit Services  
 Larry Stuckart, Spokane Neighborhood Action Partners

**Canfield Staff**

Michelle Grout  
 Lance Hammond  
 Becky Holt  
 Eric Homer  
 Merry Palmer  
 Brian Turnbull

**Guests**

None

President, Darren Brugmann, welcomed all in attendance and noted that a quorum was present. He also welcomed newly elected Region 3 representative, Madelyn Carlson to the Board.

**ITEM 2: PUBLIC COMMENT**

No comments offered.

**ITEM 3: CHANGES TO THE AGENDA**

- Under Item 7: Board Communication, Darren Brugmann added a discussion regarding independent schools.

**ITEM 4: COMMITTEE REPORTS**

ITEM 4(A): Fiscal – At the Fiscal Committee’s recommendation, Brian Turnbull provided attendees with a chart and explained the change in retained exposure for NPIP’s accounting practices as required by the State Auditor’s Office.

Brian Turnbull also reported that it will cost the program roughly \$14,000 to get the Private Letter Ruling from the IRS. Darlene Riley moved to allow attorney Robert Kovacevich to go forward with the Private Letter Ruling from the IRS, not to exceed \$20,000 in IRS costs and attorney fees. Second Larry Stuckart; motion carried. The fiscal committee requested a summary report of Kovacevich's fees at each meeting to track these expenses.

Fiscal Officer, Darlene Riley, reported that the copies of the vouchers have been internally audited and certified by the Administrator's Auditing Officer as required and those expense reimbursements have been recorded on a listing, which has been made available to the Board members. Those vouchers have been reviewed by the Fiscal Committee prior to the meeting. The Fiscal Committee made the recommendation for payment of these claims under the Consent Agenda (Item 5).

ITEM 4(B): NPIP National – Brian Turnbull reported that business was being written in the National program as of 7/1 in Oregon, Idaho, and Montana. Merry Palmer reported on accounts that are being pursued and on conventions she is attending in these three states as well as in Washington. She noted that she has been quoting every account that she receives and that it is her goal to turn quotes around within 24-48 hours.

Brian Turnbull reported on various capitalization options for the captive in the National program and how those options will affect the pool.

ITEM 4(C): Claims Administration Program – Darren Brugmann announced that there was nothing new to report at this time. The committee is working on setting up a meeting to discuss the status of this project.

ITEM 4(D): Legislative – Lynn Moody report that she recently had a conversation with a legislator who stated this is a good time to meet with the legislators if entities feel legislation is overly expensive and if it is being used in ways that are not the original intent of the WAC.

It was decided to reaffirm the Legislative Committee due to the recent change in board members. The new Legislative Committee consists of Lynn Moody, Karl Johanson and Larry Stuckart.

## **ITEM 5: CONSENT AGENDA**

The Consent Agenda for the August 20, 2010 meeting consisted of the following:

### **A. Minutes:**

- i. Approval of 5/21/10 All Board Meeting Minutes
- ii. Approval of 6/18/10 Fiscal Committee Minutes
- iii. Approval of 7/16/10 Fiscal Committee Minutes

### **B. Voucher Approval:**

- i. Voucher #10/11-1 \$200,451.29
- ii. Voucher #10/11-2 \$279,237.87
- iii. Voucher #10/11-3 \$308,156.70

### **C. Financials:**

- i. Balance Sheet
- ii. Income Statement

The Consent Agenda was approved as presented. Motion Darlene Riley, second Lynn Moody; motion carried.

## **ITEM 6: ACTION ITEMS**

ITEM 6(A): Approve 7/7/10 Contract with William (Larry) Shores – Canfield staff provided the Board with the option to hire Shores to look at the NPIP financials, to file taxes in the event NPIP is responsible for paying taxes, and to determine what retroactive things the program can do to minimize its tax liability. The board elected not to take any further action on this matter until the IRS responds.

## **ITEM 7: BOARD COMMUNICATION**

ITEM 7(A): Membership Update – Brian Turnbull reported that NPIP added 18 new members since the last board meeting equalling over \$71,000 in new premium and puts the total premium of the program at over \$7.5 Million.

ITEM 7(B): 2009 Evaluation – Evaluation team and the Canfield staff requested a meeting to discuss the status of the items outlined in the 2009 Evaluation. All parties agreed that they were happy with the new evaluation process and appreciate the collaborative efforts that have gone into it.

ITEM 7(C): OFM Update – Eric Homer reported that several of the board chairs of the various Canfield programs have expressed interest in meeting with Marty Brown to discuss their concerns regarding recent regulation and that the chairs would be sending a letter to Marty regarding this. The board discussed, and agreed, that Darren Brugmann be involved in the meetings/discussions with Marty Brown.

Eric also reported that the Cease and Desist order that was issued to the CIAW by the Office of Financial Management was vacated.

ITEM 7(D): Other Communication – Independent Schools: Brian Turnbull reported that there is a statute that changed in January, 2010 which doesn't allow for associate members in the pools. On Monday, the USIP board decided to move the associate members/independent schools out of their program. Most of these schools are registered with the state as nonprofits. Darren Brugmann moved to form an Independent Schools Committee to evaluate whether or not these schools would be a good fit for the NPIP program. This committee will consist of Darlene Riley, Darren Brugmann, and Karl Johanson and will report back to the full board as appropriate.

## **ITEM 8: UPCOMING CONFERENCES/MEETINGS**

ITEM 8(A): 2011 Retreat – Attendees were reminded that the 2011 annual retreat will be held from April 20-22, 2011 at Cave B Resort.

ITEM 8(B): NPIP Conference & Annual Meeting– All attendees were reminded that the annual NPIP Risk Management Conference and annual meeting will be held on Friday, March 18, 2011 at the Bell Harbor International Conference Center.

ITEM 8(C): Next All Board Meeting – Attendees were reminded that the next all board meeting is a sit down on Friday, October 15, 2010 at 10:00 a.m. at the Canfield office in Woodinville, WA.

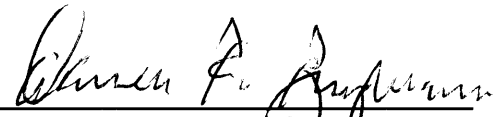
ITEM 8(D): Next Fiscal Committee Call – The fiscal committee was reminded of the next Fiscal Committee call which will be on Friday, September 17, 2010 at 10:00 a.m.

**MEETING ADJOURNED**

There being no further business, the meeting was adjourned at 1:17 p.m.

Respectfully submitted,

  
Michelle L. Grout

  
Darren R. Brugmann, Chairman