

**BOARD OF DIRECTORS' MEETING:
MINUTES**

April 19, 2018, 12:30 p.m.

UAC/UCIP Building, 5397 S Vine, Murray, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Bret Millburn, *Vice President*, Davis County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Alma Adams, Iron County Commissioner
Blaine Breshears, Morgan County Sheriff
William Cox, Rich County Commissioner
Jim Kaiserman, Wasatch County Surveyor
Mike Wilkins, Uintah County Clerk/Auditor
Mark Whitney, Beaver County Commissioner

BOARD MEMBERS ABSENT

Deb Alexander, Davis County Human Resources Director
James Ebert, Weber County Commissioner
Dale Eyre, Sevier County Attorney
Victor Iverson, Washington County Commissioner

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Chief Financial Officer
Alex Getts, UCIP Education & Training Specialist

Call to Order

Bruce Adams called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:30 p.m. on April 19, 2018, and welcomed those in attendance. James Kaiserman led the Pledge of Allegiance.

Welcome and Introduction of New Board Member, Blaine Breshears

Bruce Adams welcomed and introduced Blaine Breshears as the new Board Member and Law Enforcement Committee Chair for UCIP.

Review/Excuse Board Members Absent

William Cox made a motion to excuse Deb Alexander, Dale Eyre, and Victor Iverson from this meeting. James Kaiserman seconded the motion, which passed unanimously. James Ebert's Office called to let the Board know he would be late for the meeting but never arrived.

Review/Approve February 15, 2018 Meeting Minutes

The draft minutes of the Board of Directors meeting held February 15, 2018 were previously sent to the Board Members for review (see attachment number one). William Cox made a motion to approve the February 15, 2018 Board of Directors meeting minutes as written. Alma Adams seconded the motion, which passed unanimously.

Request to Amend the Agenda

Bret Millburn made a motion to amend agenda item number 21 to be moved to number 15. James Kaiserman seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions

Karla Johnson reported that she has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of April 19, 2018 (see attachment number two). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve Actuarial Reserve Analysis

Johnnie Miller reported that, per actuarial review, the expected reserves at an undiscounted investment rate to cover UCIP's claims at the year ending December 31, 2017 are \$8.9 million. Miller noted a change from the prior year's actuarial report (see attachment number three), indicating this year would result in a decrease in estimated reserves on prior years of \$313,899.00. Miller indicated that the prior year's claims had spiked because of half-a-dozen jail suicides. Miller presented case reserves, including \$3.965 million in current claims, IBNR of \$4.926 million, and \$84,300 in unallocated loss adjustment expenses. Miller asked for the Board to approve these estimates, totaling \$8,975,925 for estimated loss reserves. Mike Wilkins made a motion to approve the actuaries estimated reserves. Jim Kaiserman seconded the motion, which passed unanimously.

Audit Committee Report – Review/Approve 2017 Financial Audit

Karla Johnson reported that the Audit Committee met with the independent auditors, Larson and Company to review the draft audit of UCIP's 2017 financial statements (see attachment number four). Johnson reported that the auditors offered an unqualified opinion, meaning there were no significant findings, and that the financial statements fairly represented UCIP's financial position. The auditors found nothing related to UCIP's internal controls that needed to be adjusted. In the 2017 financials, UCIP's IBNR was increased by \$1,085,933. The change in net position totaled \$268,462 from the prior year's audit. The audit finds a healthy operating cash flow. Miller reported that in 2016, there was a positive net position change of \$1,480,703. In 2017, the positive net position change totals \$268,263. Mike Wilkins made a motion to accept the Audit Committee's Report and the 2017 audit of UCIP's financial statements. William Cox seconded the motion, which passed unanimously.

Review/Approve First Quarter Financial Statements

Sonya White presented 2018 first quarter financial statements to the Board (see attachment number five). White discussed investments totaling \$900,000 at the end of the quarter, a \$42,000 increase from year ending 2017. The value stated for land UCIP owns has remained consistent. Overall capital assets (i.e. furniture) have depreciated. Johnnie Miller indicated that real property UCIP owns at 11000 South 700 East in Sandy has not reached a market value equal to the costs of the original purchase. White stated UCIP's investments include equity in County Reinsurance Limited (CRL), which increased \$101,000 in 2017. Reserves for loss and loss adjustment expenses total \$8.975 million. Net pension liabilities, deferred outflows and inflows are Utah Retirement Systems (URS) required entries. The total net position increased \$608,683 from year ending December 31, 2017. As of the first quarter, losses and loss adjustment expenses are at 21% of budgeted and administrative expenses are at 22% of budgeted. Mark Whitney made a motion to approve the first quarter financial statements as presented. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve County Related Entities Membership

Mike Wilkins provided a membership application summary report for Box Elder Special Service District (see attachment number six). Based on the recommendation of staff, Mike Wilkins made a motion to approve the Box Elder Special Service District as a qualified participating member of the Pool. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Coverage Addendum Amendments – Member Endorsement

Johnnie Miller recommended adding Duchesne/Wasatch Bluebench Landfill Special Service District, Juab Special Service District #2, Wayne Special Service District #3, and Wayne Water Conservation District to the Participating Members Endorsements and the other endorsements naming all members in the UCIP Coverage Addendum (see attachment number seven). William Cox made a motion to approve adding these new members to the Coverage Addendum endorsements. Jim Kaiserman seconded the motion, which passed unanimously.

Review/Approve GRAMA Policy Amendments

Sonya White reviewed the GRAMA policy with the Board (see attachment number eight). An amendment was proposed to add the cost of printing and time to respond to GRAMA requests. Mike Wilkins made a motion to amend the proposed copying fee to \$0.25 per page and that the rate per hour for time includes employee benefits. Alma Adams seconded the motion, which passed unanimously.

Johnnie Miller indicated that, as GRAMA requests increase, the Board may want to include language on the handling of GRAMA requests in the policy at the next review. Karla Johnson explained that there is a ten day window to respond as to what the cost will be for a request. Johnson further stated that Kane County's policy states that if an entity accepts a GRAMA request, the fees must be paid before performing the work to respond. Blaine Breshears, who sat on the State GRAMA Board, explained that a five-day extension can be requested for responding to requests.

Review/Approve Meeting Rules of Order and Procedure

Johnnie Miller provided the Board with a new Board Meeting Rules of Order and Procedure Policy to adhere to a new statute for Interlocal agencies that require a *policy of order* (see attachment number nine). Based on past practice of the Board, Miller explained this draft policy is a condensed version of Robert's Rules of Order. Amendments included a process to remove a provision allowing second motions to be made while a motion is already on the floor, but does allow for participants to ask for a friendly amendment. William Cox stated that the framework of Robert's Rules of Order should be implementing for the adoption of motions so that the tools are still in place during contentious debates. Miller suggested that the Board consider adopting the draft policy as presented, so the Board will be in compliance with State statute, and then continue discussions at the Board's Strategic Planning meeting in August. Mark Whitney made a motion to adopt the Board Meeting Rules of Order and Procedure Policy as written. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Minutes, Recordings and Records Policy

Sonya White provided the Board with a draft Minutes, Recordings and Records of Meetings Policy (see attachment number 10). Bret Millburn made a motion to approve the Minutes, Recordings and Records of Meetings Policy as written. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Purchasing Policy Amendments

Johnnie Miller provided the Board with amendments to the Purchasing Policy (see attachment number 11). As directed by the Board, language was added to the Policy that the *evaluation of proposals shall be conducted by a committee of at least two persons, one of whom shall be the Purchasing Agent, as appointed by the Board*. Also, language is proposed to replace *guilty of a felony* with *subject to discipline up to and including termination* in the last paragraph of the policy. William Cox made a motion to approve amendments to the Purchasing Policy as written. Bret Millburn seconded the motion, which passed unanimously.

Review/Approve Pre Loss Legal Program Hotline

Johnnie Miller recommended, in the absence of Dale Eyre at this meeting, that the Board request that the Litigation Management Committee propose a program for pre-loss legal assistance to the Board at their next meeting. William Cox made a motion to strike agenda item: Review/Approve Pre Loss Legal Program Hotline. Jim Kaiserman seconded the motion, which passed unanimously.

Seventh Amended Interlocal Implementation

Johnnie Miller reported to the Board that several County Related Entities have not signed the Seventh Amended Interlocal Agreement, sent to Members in December. Miller explained that the Pool cannot operate under the new Agreement until all Members have executed, signed and filed the Agreement. Staff is working diligently with these entities in order to have the Agreement filed with UCIP. Alma Adams made a motion directing staff to exercise a June 1 termination date if the Agreement is not filed with UCIP. Jim Kaiserman seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation. Alma Adams seconded the motion, which passed unanimously.

Action on Litigation Matters

Bret Millburn made a motion to strike agenda item: Action on Litigation Matters. Alma Adams seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: Set Date and Time for a Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual. Alma Adams seconded the motion, which passed unanimously.

Action on Personnel Matters

Bret Millburn made a motion to strike agenda item: Action on Personnel Matters. Alma Adams seconded the motion, which passed unanimously.

Review/Approve Reinstatement of UCIP Workshops

Johnnie Miller reported to the Board that UCIP training workshops, which were integrated into the last two Utah Association of Counties (UAC) annual Management Conferences, have left many of the Member employees unable to attend needed training because of the cost. Miller recommended that the Board approve staff to offer the Facilities Management, Fair & Events, Personnel and Planning & Zoning workshop again to counties and county related entities. The Board agreed that the workshops are a beneficial risk management tool and directed staff to work on a schedule for the dates of the workshops for discussion at the Board's Strategic Planning meeting in August.

Review Director/Officer Conflict of Interest Statements

Bret Millburn reported that all conflict of interest forms had been submitted, with the exception of Blaine Breshears and Mark Whitney, who would be submitting theirs to Sonya White. The only listed potential conflict is Johnnie Miller's work with the Foundation for Integrated Resource Management (FIRM). Miller stated that he does not believe this is a conflict, but submitted the form for transparency purposes.

Education and Training Report

Alex Getts reported that the Risk Coordinators Workshop, held on April 11, 2018, was attended by approximately 30 of the members. Video of the presentations are online for those Coordinators who were unable to attend.

Alex Getts reported on the creation and implementation of the online Board of Directors Manual, available through the UCIP website, including how to access the Manual, and the information that the Manual contains for the benefit of the Board of Directors. Getts reported that by having the Manual online, it will be easier to continually update for the benefit of the Board.

Chief Executive Officer's Report

Johnnie Miller reported that Alex Getts has been assisting Doug Perry with the Utah Association of Counties (UAC) April Management Conference being held this month in St. George. Although UCIP will not be coordinating the training component of the Conference, due to UAC combining the Conference with the Utah League of Cities and Towns, Perry is keeping Getts busy.

Johnnie Miller reported that he attended the Western States Pool Director's meeting. The meeting was very beneficial in that he exchanged sample policies with other directors and has discussed getting Western States Pool Claims Managers together. Miller reported that Korby Siggard is coordinating that effort.

Johnnie Miller reported that he and Alex Getts attended the 2018 Local Government Human Resource Conference. Many of the topics were beneficial and may be used when customizing the topics for UCIP's Personnel Workshop.

Johnnie Miller reported that he has drafted an agreement between UAC and UCIP providing a framework regarding the shared use of the building and joint projects. Miller will be working with Jill Brown for the Board to review at its Strategic Planning Meeting in August.

Chief Executive Officer's Report (continued)

Johnnie Miller discussed Strategic Planning discussion items with the Board. Items include: Open Meetings Act Training, Mission and Goal Objectives, Claims Reporting, Policy Review, Work Load of the Board, Use of Committees, and UAC/UCIP Agreement. Miller asked that Board members let President Adams or Miller know of any other items they would like to have on the agenda for the Strategic Planning meeting.

Other Business

The issue of protecting county officials from frivolous lawsuits was brought up for discussion again by Mark Whitney. Whitney explained that the Utah Local Governments Trust (ULGT) is affirming to counties that their organization will cover criminal investigations no matter the allegations. Johnnie Miller explained that if an investigation is of a criminal nature, UCIP cannot cover the defense and neither can ULGT. ULGT is even more limited than UCIP. If the investigation is related to a tort liability issue then UCIP has the option to cover defense costs. Bruce Adams explained that when these types of allegations began to surface, the State Legislature created Rural Utah Alliance (RUA), based on attorney Peter Stirba's concept, to cover defense. San Juan County was denied defense when it made a request to RUA. Miller stated that he will meet with legislators, including Senator Bramble who had a bill open last session to amend the Ethics Act in regards to frivolous lawsuits. Miller will write a paper regarding the issue for the Board to review at their next meeting.

The next meeting of the Board of Directors will be held Thursday, June 21, 2018 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

William Cox made a motion to adjourn the meeting of the Utah Counties Indemnity Pool Board of Directors at 3:30 p.m. on April 19, 2018. Mike Wilkins seconded the motion, which passed unanimously.

Prepared by:

Sonya White, UCIP Chief Financial Officer

Submitted on this _____ day of _____ 2018

Karla Johnson, Secretary/Treasurer

Approved on this _____ day of _____ 2018

Bruce Adams, President