

BOARD OF DIRECTORS' MEETING: MINUTES

June 28, 2018, 12:30 p.m.

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

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Deb Alexander, Davis County Human Resources Director
Blaine Breshears, Morgan County Sheriff
William Cox, Rich County Commissioner
Dale Eyre, Sevier County Attorney
Victor Iverson, Washington County Commissioner
Jim Kaiserman, Wasatch County Surveyor

BOARD MEMBERS ABSENT

Bret Millburn, *Vice President*, Davis County Commissioner
Alma Adams, Iron County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor
James Ebert, Weber County Commissioner
Mark Whitney, Beaver 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 June 28, 2018 and welcomed those in attendance. Bruce Adams led the Pledge of Allegiance.

Review/Excuse Board Members Absent

William Cox made a motion to excuse Brett Millburn, James Ebert, Alma Adams, and Mike Wilkins, from this meeting. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve April 19, 2018 Meeting Minutes

The draft minutes of the Board of Directors meeting held April 19, 2018 were previously sent to the Board Members for review (see attachment number one). William Cox made a motion to approve the April 19, 2018 Board of Directors meeting minutes as written. Victor Iverson 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 June 28, 2018 (see attachment number two). William Cox made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Victor Iverson seconded the motion, which passed unanimously.

Review/Approve Office of the State Treasurer Public Entity Resolution

Sonya White reported that the Office of the State Treasurer has a new online Public Treasurer Investment Fund (PTIF) account management platform that requires PTIF pool participants to adopt a resolution authorizing at least two individuals from the organization to make changes to PTIF accounts (see attachment number three). Victor Iverson made a motion to approve the Office of the State Treasurer Public Entity Resolution authorizing Johnnie Miller and Sonya White to act on behalf of the Pool's PTIF accounts. Karla Johnson seconded the motion, which passed unanimously.

Review/Approve County Related Entities Membership

Johnnie Miller provided a membership application summary report for San Juan Public Health Special Service District (see attachment number four). Miller explained that San Juan County participated in the Southeast Public Health interlocal group (which is a UCIP member) but terminated membership in the interlocal and have created their own separate health district under the Special Service District Act. Based on the recommendation of staff, William Cox made a motion to approve the San Juan Public Health Special Service District as a qualified participating member of the Pool. Deb Alexander seconded the motion, which passed unanimously.

Johnnie Miller provided a membership application summary report for the Wilson Arch Water and Sewer Special Service District (see attachment number five). Miller explained that UCIP does not currently cover entities that operate water or sewer services, so the UCIP Coverage Addendum and underwriting procedures do not contemplate these types of exposures. Comparisons as to what other state pools are paying for similar services can be researched to provide additional information to the Board as they discuss the option of expanding coverage to entities providing municipal services. Membership approval for the Wilson Arch Water and Sewer Special Service District was tabled until additional information can be provided.

Review/Approve Coverage Addendum Amendments

Amendments to the participating members endorsement and retroactive dates endorsement, for newly participating members, of the Coverage Addendum were presented to the Board by Johnnie Miller (see attachment number six). William Cox made a motion to approve the Coverage Addendum Amendments as presented. Dale Eyre seconded the motion, which passed unanimously.

Review/Approve CEO Authority for Coverage Addendum Amendments

A memorandum, regarding CEO Authority to Amend Coverage Addendum Endorsements, was previously sent to the Board for review (see attachment number seven). Johnnie Miller explained that the Interlocal Agreement authorizes the Board to delegate any of its authority to the Chief Executive Officer and recommended that the Board provide the CEO authority to approve amendments to Coverage Addendum Endorsements titled *Participating Members, Member Schedule of Liability Limits and Sublimits, Errors and Omissions Retroactive Dates, General Liability, Law Enforcement and Auto Retroactive Dates and Cyber Liability Retroactive Dates*. Victor Iverson made a motion to delegate authority to amend Coverage Addendum Endorsement pages identifying the members of the pool to the Chief Executive Officer. Blaine Breshears seconded the motion, which passed unanimously.

Review/Approve Bylaw Amendments

Amendments to the Bylaws of the Utah Counties Indemnity Pool were previously sent to the Board for review (see attachment number eight). Johnnie Miller reported on changes proposed to the Bylaws, which include: 1) defining terms previously undefined; 2) clarifying the right to a dividend; 3) clarifying the designated representative to vote at a membership meeting; 4) adding language to Article 5 *Board of Directors* relating to member access to the financial audit and budget, and reference to the Reimbursement Policy for reasonable and approved expenses; 5) reference to the Electronic Meeting Policy; 6) *Arbitration* changed to *Mandatory Pre-Litigation Mediation* (Article 12) with language explaining pre-litigation mediation in lieu of arbitration. Jim Kaiserman made a motion to approve the amendments to the Bylaw as presented. Deb Alexander seconded the motion, which passed unanimously.

Review/Approve Pre-Loss Legal Program (Hotline)

Johnnie Miller reported that UCIP's Pre-Loss Legal Assistance Program (Hotline) was implemented prior to his employment with UCIP without a written policy in place. The Litigation Management Committee discussed this Program and agreed that the recommended policy for this Program would be that when a UCIP Member contacts UCIP attorneys for advice, under this Program, the attorney will contact the county member attorney to discuss the issue prior to providing legal advice to the Member. UCIP would also clarify on its website that any county employee that uses the service will need to coordinate with the county attorney's office (see attachment number nine). Dale Eyre made a motion to approve the Pre-Loss Legal Assistance Program Policy as recommended and presented. Deb Alexander seconded the motion, which passed unanimously. The Board will review the written policy on this item at their next meeting.

Review/Approve Salary Market Study

Deb Alexander reported that the Personnel Committee of the UCIP Board reviewed and discussed the findings of the Association of Governmental Risk Pools (AGRIP) salary market study performed on the duties and experience of UCIP employees. In order to bring compensation closer to market values, Deb Alexander made a motion to increase the CEO salary to \$190,000, the CFO salary to \$90,000, and the Education and Training Specialist salary by \$4,000 effective July 1, 2018. Alexander included in the motion a 2% cost of living adjustment for all UCIP employees to become effective January 1, 2019. Dale Eyre seconded the motion, which passed unanimously.

Review/Approve Personnel Policy Amendments

Proposed amendments to the Personnel Policy was previously sent to the Board for review (see attachment number ten). Deb Alexander explained that additional language is proposed to Section III.A.2 to include UCIP matching contributions to the URS 457(b) Plan. Alexander explained that additional language is proposed to Section IV.D.3 requiring that *all usernames, passwords, personal identification numbers or any other security codes or devices restricting access to UCIP computer equipment or software programs must be provided to the Chief Financial Officer*. Deb Alexander made a motion to approve the amendments to the Personnel Policy. William Cox seconded the motion, which passed unanimously. Based on the approval of the amendments to the Personnel Policy, Sonya White explained that the URS Service Agreement Form is required of participating employers to allow employees to make elective deferrals to the 457(b) plan (see attachment number 11). Deb Alexander made a motion authorizing Sonya White to enter into the URS Service Agreement as the participating employer of UCIP to allow employees to make elective deferrals to URS plans and programs. Jim Kaiserman seconded the motion, which passed unanimously. Karla Johnson recommended reviewing the auto allowance allocation at the Board's August meeting.

Review/Approve URS Contribution Rates July 1, 2018 – June 30, 2019

Sonya White provided the Board with Utah Retirement Systems (URS) retirement contribution rates that would be effective July 1, 2018 through June 30, 2019 (see attachment number 12). Deb Alexander made a motion to approve the URS Contribution Rates for July 1, 2018 to June 30, 2019 as presented for Tier 1 and Tier 2 employees. Victor Iverson seconded the motion, which passed unanimously.

Review/Approve 2019 Projected Budget

Sonya White reported that projected administrative costs for 2019 are required by the Pool's actuary, By The Numbers Actuarial Consultants (BYNAC), in order to conduct their annual rate study. White provided the Board with a draft 2019 Projected Budget based on expenses paid to date and estimated increases projected for administrative expenses (see attachment number 13). Jim Kaiserman made a motion to approve the Projected Budget as presented. Blaine Breshears seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Dale Eyre made a motion to strike agenda item: *Set Date and Time for a Closed Meeting to Discuss Pending or Reasonably Imminent Litigation*. Jim Kaiserman seconded the motion, which passed unanimously.

Action on Litigation Matters

Dale Eyre made a motion to strike agenda item: *Action on Litigation Matters*. Jim Kaiserman seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Karla Johnson 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*. William Cox seconded the motion, which passed unanimously.

Action on Personnel Matters

Karla Johnson made a motion to strike agenda item: *Action on Personnel Matters*. William Cox seconded the motion, which passed unanimously.

Review Officer Conflict of Interest Statements

Dale Eyre reported that Sheriff Blaine Breshears and Mark Whitney have submitted their conflict of interest statements for the Board's review and have no known conflicts serving as a Board Member of UCIP.

Review Expansion of Defense Officials

Dale Eyre reported that the Litigation Management Committee met and discussed the issue of expanding defense coverage to defend criminal charges. Eyre explained that the consensus of the Committee is that expanding UCIP coverage did not seem viable nor is it generally supported; as defense costs can't be ethically defended and defense counsels must be completely independent. Eyre suggested the possibility of counties pooling money in the event of acquittals. Johnnie Miller reported that he met with the county civil attorneys' group for direction on the subject. The civil attorneys reported concerns during the investigative stage of the process and are willing to work with the legislature to amend the reimbursement statute. This issue will be brought up for further discussion during the Board's Strategic Planning meeting in August.

Review UAC Fall Convention

Jim Kaiserman explained that he has been approached by county officials and vendors to reestablishing the golf tournament in conjunction with the UAC Fall Convention. Kaiserman requested \$3,000 from UCIP to support the tournament. Johnnie Miller reported that the golf tournament originally phased out due to media reports regarding legislators at the tournament. Miller will coordinate with UAC's CEO, Adam Trupp, to conduct a survey of the elected officials to gauge interest for a golf tournament during the UAC Annual Convention.

Johnnie Miller reported that UAC has not replaced their Communications Director, Doug Perry, who planned the Annual Convention. To Miller's knowledge, the coordination of the Convention planning is on hold, leaving UCIP without a definite date to hold its Annual Membership Meeting in conjunction with UAC's Convention.

Review Strategic Planning Schedule

Sonya White provided the Board with August's Strategic Planning schedule (see attachment number 14). Board Members will meet in Cedar City, August 20-22, 2018.

Review AGRIP Fall Educational Forum Schedule

Sonya White provided the Board with October's AGRIP Educational Fall Forum schedule (see attachment number 15). Lodging reservations can only be made at registration for the training so White requested that Board Members inform her of their intention to attend as soon as possible.

Chief Executive Officer's Report

Johnnie Miller reported that UCIP staff is compiling member exposure data in preparation of the underwriting process for the 2019 rating.

Johnnie Miller reported that the Sheriff's Association is interested in utilizing UCIP's LocalGovU law enforcement component. Miller is working with the Sheriffs to propose expanding coverage for canines killed in the line of duty.

Johnnie Miller reported that the last Land Use 101 training he conducted had a great turnout from counties planning commissions.

Johnnie Miller reported that at the County Reinsurance Limited (CRL) Spring Board Meeting rate reductions and coverage expansions were announced.

Johnnie Miller explained that as he conducts discrimination and harassment training within the counties, they frequently result in requests for additional supervisory training.

Johnnie Miller reported he is preparing for the October Civil Conference in Moab.

Johnnie Miller reported that the western states county pools are having a claims manager conference in which Korby Siggard will attend and represent UCIP.

Chief Executive Officer's Report (continued)

Johnnie Miller reported that staff is currently planning for the Risk Management Workshop in September. Miller is looking to conduct long-term planning with the Board during the Strategic Planning meeting in August.

Other Business

The next meeting of the Board of Directors will be held Wednesday, August 22, 2018 at 8:30 a.m. at the Courtyard Marriott, 1294 So. Interstate Drive, Cedar City, 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 June 28, 2018. Victor Iverson 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