

**BOARD OF DIRECTORS' MEETING
MINUTES**

October 25, 2018, 1:45 p.m.

Hilton Garden Inn, 277 W. Segoe Lily Drive, Sandy, Utah

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner
Alma Adams, Iron County Commissioner
Blaine Breshears, Morgan County Sheriff
William Cox, Rich County Commissioner
Mike Wilkins, Uintah County Clerk/Auditor
Scott Jenkins, Weber County Commissioner
Dean Cox, Washington County Commissioner
Jim Kaiserman, Wasatch County Surveyor

BOARD MEMBERS ABSENT

Bret Millburn, *Vice President*, Davis County Commissioner
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor
Deb Alexander, Davis County Human Resources Director
Dale Eyre, Sevier County Attorney
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 1:45 p.m. on October 25, 2018 and welcomed those in attendance.

Review/Approve Zions Capitol Advisors Third Quarter Investments

Scott Burnett reported to the Board on third quarter investments.

Review/Approve Washington County Appointment to the Board

Bruce Adams welcomed Commissioner Dean Cox, Washington County's new appointment to the Board of Directors (see attachment number one). Mike Wilkins made a motion to approve Washington County's new UCIP Board appointment, Commissioner Dean Cox. Alma Adams seconded the motion, which passed unanimously.

Review/Approve August 22, 2018 Meeting Minutes

The draft minutes of the Board of Directors meeting held August 22, 2018 were previously sent to the Board Members for review (see attachment number two). Mike Wilkins made a motion to approve the August 22, 2018 Board of Directors meeting minutes as written. Scott Jenkins seconded the motion, which passed unanimously.

The draft minutes of the Board of Directors telephonic conference held August 31, 2018 were previously sent to the Board Members for review (see attachment number three). Mike Wilkins made a motion to approve the August 31, 2018 Board of Directors telephonic conference minutes as written. Jim Kaiserman seconded the motion, which passed unanimously.

Review/Excuse Board Members Absent

Mike Wilkins made a motion to excuse Brett Millburn, Karla Johnson, Deb Alexander, Dale Eyre, and Mark Whitney from this meeting. Scott Jenkins seconded the motion, which passed unanimously.

Ratification/Approval of Payments and Credit Card Transactions

Mike Wilkins reported that he has reviewed the payments made, the payments to be made and the credit card transactions of the Pool as of October 25, 2018 (see attachment number four). Mike Wilkins made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Scott Jenkins seconded the motion, which passed unanimously.

Review/Approve Third Quarter Financial Statements

Sonya White provided a summary of the third quarter financial statements (see attachment number five). White reported that at the end of the third quarter, as stated on the Balance Sheet, assets totaled \$17 million, a decrease of \$1.2 million from the prior quarter, primarily due to payment of claims, but an increase of \$1.66 million from the year-end 2017. The detail of income and expense on the Income Statement shows the total Net Position at \$6.1 million, an increase of \$253,476 from the prior quarter and change at year end 2017 of \$1.18 million. The cash effects during the reporting period our reported on the Statement of Cash Flows with cash and cash equivalents at \$11 million. William Cox made a motion to approve the Third Quarter Financial Statements as presented. Blaine Breshears seconded the motion, which passed unanimously.

Review/Approve Amendments 2018 Budget

Sonya White provided a summary of amendments to the 2018 budget (see attachment number six). White reported that \$6,108,840 was originally budgeted for member contributions but with new county related entity memberships it is proposed that the contributions item be increased to \$6,125,178, the amount collected in contributions. Investments were suggested to increase from \$75,000 to \$100,000. Other income remains at \$7,000. Losses and Loss Adjustments remain at \$3.5 million. Reinsurance costs have been paid for the year at \$1.5 million. Administrative Expenses items recommended to change are: 1) Depreciation from \$3,000 to \$6,000; 2) Public Relations from \$15,000 to \$22,000; 3) Office from \$90,000 to \$80,000; and 4) Financial/Professional from \$90,000 to \$95,000. With these recommendations, Administrative Expenses remain at a total of \$998,000. William Cox made a motion to approve the amendments to the 2018 budget as presented. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve 2019 Tentative Budget

Sonya White provided the 2019 Tentative Budget to the Board for review and approval based on the projected 2019 budget approved by the Board in August (see attachment number seven). It is recommended, based on approved contributions, this item increase from \$6,108,840 to \$6,755,000, Based on Board discussions, Investments increase from \$100,000 to \$200,000. Also proposed is Depreciation decrease from \$8,500 to \$3,000, Public Relations increase from \$15,000 to \$20,000 and Financial/Professional increase from \$90,000 to \$100,000. Scott Jenkins made a motion to approve the 2019 Tentative Budget as presented. William Cox seconded the motion, which passed unanimously.

Review/Approve UAC/UCIP Lease

Johnnie Miller reported that Utah Association of Counties (UAC) CEO Adam Trupp and CFO Jill Brown have reviewed the lease agreement between UAC and UCIP. Small changes regarding the amount of square footage UCIP occupies and its proportionate share of utilities used were made to the Agreement presented to the Board in August. The revised lease stipulates that UCIP will make two payments semiannually of \$16,900 or annually of \$33,800. Miller reported that the lease would be signed within the next two weeks and would be valid for ten years. The lease will be amended annually based on reasonable changes in costs. Alma Adams made a motion to approve the lease agreement between UAC and UCIP as presented. Dean Cox seconded the motion which passed unanimously.

Review/Approve Net Asset Management Policy

Proposed amendments to the Net Asset Management Policy were previously sent to the Board Members for review (see attachment number eight). Johnnie Miller explained that definitions for the Claims Reserve Deterioration Fund and Rate Stabilization Fund have been added under Section V. Recognition that these are restricted funds and are shown separately from budgeted expenses language was added in Section VI.C and VI.D. The amended Policy clarifies that net assets should not exceed 250% of annual contributions and adds a provision for the change or restriction of the reinsurance program. Blaine Breshears made a motion to approve the amendments to the Net Asset Management Policy as presented. William Cox seconded the motion, which passed unanimously.

Review/Approve Dividend Policy

Proposed amendments to the Dividend Policy were previously sent to the Board Members for review (see attachment number nine). Johnnie Miller explained that definitions that are in line with the Net Asset Management Policy have been included in Section V, as well as clarifications to subsections A and B in Section VI. Language was also added under Section VII to include that the Policy will be reviewed to ensure dividend distribution is not contrary to the Net Asset Management Policy. William Cox made a motion to approve the amendments to the Dividend Policy as presented. Jim Kaiserman seconded the motion, which passed unanimously.

Review/Approve County Related Entities Membership

Mike Wilkins provided a membership application summary report to the Board for the Grand County Emergency Medical Services Special Service District (see attachment number ten). San Juan County has executed the resolution to sponsor the entity as a Member. Based on the recommendation of staff, Mike Wilkins made a motion to approve the Grand County Emergency Medical Services Special Service District as a qualified participating non-voting and non-equity member of the Pool. Jim Kaiserman seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

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

Action on Litigation Matters

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

Set Date and Time for Closed Meeting

William Cox made a motion to Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual on October 25, 2018 at 3:19 p.m. Alma Adams seconded the motion, which passed unanimously. Board Members participating in the closed meeting were: Alma Adams, Bruce Adams, Blaine Breshears, Dean Cox, William Cox, Scott Jenkins, Jim Kaiserman and Mike Wilkins. Others present were: Johnnie Miller and Sonya White.

The regular scheduled meeting resumed on October 25, 2018, at 3:48 p.m.

Action on Personnel Matters

Dean Cox made a motion directing UCIP staff to prepare a job description that will adequately describe the needs for an additional staff person and outline the effect on the budget. Jim Kaiserman seconded the motion, which passed unanimously.

AGRIP Educational Forum Report

William Cox reported that the Forum had useful breakout sessions, reporting that he attended Member Engagement and Member Strategies sessions that had useful information to be implemented. Cox reported that *Telling Your Story Like a Journalist* stressed the importance of utilizing social media and email in order to maximize communication with distant counties and deliver training through those methods.

Blaine Breshears seconded Cox's statements, indicating that he had attended law enforcement-oriented panels and found them to be very informative.

Nominating Committee Report

Mike Wilkins reported that Greg Todd and Jim Kaiserman have been nominated for the available Fourth-Class Counties Representative to the Board. The Nominating Committee recommends that both officials be placed on the ballot for election at the Annual Membership Meeting. Mike Wilkins made a motion to accept the Nominating Committee's recommendation for the election of the Fourth Class Counties Representative to the Board. William Cox seconded the motion, which passed unanimously.

Annual Membership Planning Meeting

Sonya White provided the Board with the agenda for the Annual Membership Meeting to be held November 15, 2018 (see attachment number 11).

Chief Executive Officer’s Report

Johnnie Miller reported that the new office furnishings resulted in the old office furniture being put on the public surplus site for sale. Most items have sold. The few items that remain will be disposed of or donated.

Miller reported that he attended the CRL Membership Meeting in September where a plan was implemented to allow UCIP to put capital into the CRL investment program. Miller presented at the Prosecution Council’s Civil Conference in September. Miller reported that the UCIP Risk Management Workshop, held in October, was well attended and beneficial to the members.

Miller reported that he is working on new policies for the Board to adopt that will be ready for review in December. Miller is working with Lincoln Shurtz, UAC’s Director of Government Affairs, on the marijuana bill. Miller reported that UCIP staff has been busy working on GRAMA requests.

Other Business

The next meeting of the Board of Directors will be held Thursday, December 20, 2018 at 1:30 p.m. at Twigs Fashion Place, 6223 South State Street, Murray, Utah.

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