

**BOARD OF DIRECTORS' MEETING  
MINUTES**

February 21, 2019, 12:00 p.m.

Utah State Capitol, 350 N State, Salt Lake City, Utah  
East Senate Building, Level 1, Copper Room

**BOARD MEMBERS PRESENT**

William Cox, *Vice President*, Rich County Commissioner  
Karla Johnson, *Secretary/Treasurer*, Kane County Clerk/Auditor  
Deb Alexander, Davis County HR Director  
Blaine Breshears, Morgan County Sheriff  
Dean Cox, Washington County Commissioner  
Scott Jenkins, Weber County Commissioner  
Bob Stevenson, Davis County Commissioner  
Mark Whitney, Beaver County Commissioner

**BOARD MEMBERS PARTICIPATING  
TELEPHONICALLY**

Jim Kaiserman, Wasatch County Surveyor

**BOARD MEMBERS ABSENT**

Bruce Adams, *President*, San Juan County Commissioner  
Alma Adams, Iron County Commissioner  
Dale Eyre, Sevier County Attorney  
Mike Wilkins, Uintah County Clerk/Auditor

**OTHERS PRESENT**

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

**Call to Order**

William Cox called the meeting of the Utah Counties Indemnity Pool's Board of Directors to order at 12:00 p.m. on February 21, 2019 and welcomed those in attendance.

**Welcome New Board Member Davis County Commissioner, Bob Stevenson**

William Cox welcomed Davis County Commissioner Bob Stevenson to the Utah Counties Indemnity Pool's Board of Directors.

**Review/Excuse Board Members Absent**

Deb Alexander made a motion to excuse Bruce Adams, Alma Adams, Dale Eyre, and Mike Wilkins from this meeting. Scott Jenkins seconded the motion, which passed unanimously.

**Review/Approve December 20, 2018 Meeting Minutes**

The draft minutes of the Board of Directors meeting held December 20, 2018 were previously sent to the Board Members for review (see attachment number one). Karla Johnson made a motion to approve the December 20, 2018 Board of Directors meeting minutes as written. Dean Cox seconded the motion, which passed unanimously.

**Ratification/Approval of Payments and Credit Card Transactions**

Karla Johnson requested to have more time to review the payments and credit card transactions (see attachment number two). This item was tabled and will be presented at the next meeting.

Sonya White provided the Board with the budget to actual statement detailing each budgeted item's transactions, as requested at the December 20, 2018 Board meeting (see attachment number three).

### **Review/Approve Interest Charged on Late Contribution Payment**

Sonya White reported that four special service districts had not paid their 2019 contributions by January 31. Pursuant to Article 4.7(a) of the Bylaws, interest is calculated daily at two percent above the rate that the Pool would have earned if the contributions had been deposited with the public Treasurers investment Fund. The interest was calculated at \$0.75 for Canyonland Improvement District, \$3.13 for Kane County Recreation & Transportation District, \$1.47 for Seven County Infrastructure Coalition, and \$5.75 for Wasatch County Special Service Area #1. White explained that the smaller member entities' Boards only meet quarterly to approve payments. White also explained that in the past the Board has waived interest if the amount was minimal. Dean Cox suggested establishing a \$10 or \$15 minimum late fee charge so that UCIP doesn't subsidize late payment fees that are waived. Dean Cox made a motion to waive the minimal interest calculated as presented and directed staff to present at the next Board meeting, proposed language for a minimum late fee charge. Scott Jenkins seconded the motion, which passed with Karla Johnson abstaining from the vote.

### **Review/Approve Excess Crime Limit Increase**

Johnnie Miller provided the Board with a proposal to increase the excess crime limit to \$10 million (see attachment number four). Miller reported that under the Money Management Act, two percent of revenue handled by the county for the prior year is the amount required for crime coverage. In the past, this has been interpreted as two percent of budgeted revenue for the county and coverage has been purchased accordingly based on the largest county's budget. The attorney from Davis County read the requirements as "revenue, plus any revenue that passes through the Treasurer's office". Both Miller and the Davis County attorney contacted the Money Management Council representative, who couldn't provide an answer to which interpretation was correct. To be proactive, Sonya White worked with the brokers that place UCIP's current excess crime coverage to get a quote to increase the excess crime limit to \$10 million. White noted that UCIP has not experienced a claim that triggered the excess crime policy. The Board discussed options on increasing the limits. Bob Stevenson made a motion to table the item for further review and discussion. Dean Cox seconded the motion, which passed unanimously.

### **Review/Approve Director/Officer Conflict of Interest Statements**

William Cox reported that he has reviewed each Director's and Officer's conflict of interest statements and reported that no conflicts had been reported. Deb Alexander made a motion to approve the Director/Officer conflict of interest statements. Scott Jenkins seconded the motion, which passed unanimously.

### **Review/Approve Personnel Policy—Flex Time**

Deb Alexander reported on the proposed amendments to the Personnel Policy regarding flex time (see attachment number five). Pursuant to the discussion at the December 20 Board meeting, Alexander explained language allowing UCIP's FLSA-exempt employees to flex their time and adjust their hours if they were to work over 40 hours in one week. The amendments would also allow supervisors to approve flex hours of FLSA non-exempt employees who occasionally would work over 40 hours in a workweek without using flex time. Dean Cox addressed his concerns as to whether this policy would adequately compensate FLSA-exempt employees. Alexander confirmed that it would. Karla Johnson made a motion to approve the changes to the Personnel Policy as presented. Blaine Breshears seconded the motion, which passed with Mark Whitney abstaining from the vote. Discussion on this matter will be continued at the Board's Annual Strategic Planning meeting.

### **Review/Approve Internal Accounting Controls Policy—Credit Card, Personnel Records Amendments**

Amendments to the Internal Accounting Controls Policy were previously sent to the Board for review (see attachment number six). Sonya White reported that she reviewed the State Auditor's recommendations outlined in their Credit Card Policy and implemented some of the language that was not already addressed in UCIP's policy. White stated that pursuant to the Board's discussion at the December 20, 2018 meeting, and on the recommendation of the Audit Committee, UCIP has applied for a US Bank Credit Card under the State Purchasing Card program.

White presented an amendment to the personnel records section to clarify that medical information and/or records will be kept in a secure location separate from the personnel files. Karla Johnson made a motion to approve the amendments to the Internal Accounting Controls Policy as presented. Bob Stevenson seconded the motion, which passed unanimously.

### **Review/Approve Executive Staff Appointments**

William Cox explained that executive staff appointments, as outlined in the Internal Accounting Controls Policy for the Chief Executive Officer and the Chief Financial Officer, were made by the Board in August 2017 but that no timeline was established for the duration of these appointments. Johnnie Miller recommended that the appointments remain in place until the Board decides to terminate them. Karla Johnson made a motion to approve the Executive Staff Appointments, with such appointments to remain valid until terminated by the Board. Deb Alexander seconded the motion, which passed unanimously.

### **Review/Approve Bylaws—Involuntary Member Termination Amendments**

Amended language to Article Nine—Involuntary Termination of Membership of the Bylaws were previously sent to the Board for review (see attachment number seven). Johnnie Miller reported that the Litigation Management Committee recommends allowing the Board to terminate a member with a three-fourths vote, “if the member acts in a manner inconsistent with the Pool’s shared goals or jeopardizes the Pool’s shared assets or obligations, or otherwise harms the shared interests of the Pool and its members.” This provision serves to address circumstances where a member intentionally acts in a way that affects the shared interests of the Pool, and not simply due to an unusual number of claims. Scott Jenkins made a motion to approve the Involuntary Member Termination Amendments as presented. Deb Alexander seconded the motion, which passed unanimously.

### **Review/Approve Committees of the Board Policy—Duties and Authority Amendments**

Johnnie Miller reviewed amendments to the Committees of the Board Policy with the Board (see attachment number eight). Language was changed from committee *recommendations* to the Board to committee *reports* to the Board, which will allow for committees to assist staff in creating recommendations to the Board. This language amendment will also allow committees to meet without going into an open and public meeting session. Deb Alexander requested that the Personnel Committee’s name be changed to the Human Resources Committee. Scott Jenkins made a motion to approve the Committees of the Board Policy as presented including the amendment to change the name of the Personnel Committee to the Human Resources Committee. Dean Cox seconded the motion, which passed unanimously.

### **Committees of the Board Assignments**

William Cox reported on the Committees of the Board assignments (see attachment number nine). Due to changes on the Board, Committee vacancies need to be filled. The Audit Committee reported that Alma Adams would be a good fit to fill the vacancy on their Committee. The Board discussed vacancies on the Committees to be filled as follows: Bob Stevenson, Chair of the Nominating Committee; Dean Cox, Education Committee; Dean Cox and Scott Jenkins, Governance Committee; Bob Stevenson, Membership Approval Committee; Karla Johnson, Membership Approval Committee. Scott Jenkins made a motion to approve the Committees of the Board Assignments as discussed. Dean Cox seconded the motion, which passed unanimously.

### **Review/Approve Utah County Access to LocalGovU**

Johnnie Miller explained that he has presented on LocalGovU at UAC conferences and has been asked by non-member entities about accessing LocalGovU through UCIP. Miller reported that Utah County has been reviewing a change to their current vendor for their online training access, which is not government specific. Utah County asked about partnering with UCIP in order to access LocalGovU courses at UCIP’s discounted rate. Miller suggested using this opportunity as a bridge with non-member entities and proposed allowing Utah County access to LocalGovU via UCIP in the form of a separate Interlocal Agreement for UCIP to provide surplus services to Utah County. Karla Johnson suggested a limited membership status, which would make the transition to full membership easier in the future. Miller suggested moving forward to allow for a partnership with Utah County. Mark Whitney made a motion to approve Miller moving forward to create an Interlocal Agreement or establish a limited membership with UCIP for Utah County access to LocalGovU. Deb Alexander seconded the motion, which passed with Scott Jenkins opposed and William Cox abstaining from the vote.

### **Set Date and Time for Closed Meeting**

Deb Alexander 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. Bob Stevenson seconded the motion, which passed unanimously.

**Action on Personnel Matters**

Deb Alexander reported on the Association of Governmental Risk Pools (AGRIP) survey for top executive compensation and benefits (see attachment number ten). Alexander requested that the Board consider whether Miller’s salary has kept pace with the average of the region UCIP falls under of comparable Pools. Alexander explained that Miller’s pay should fall within the 75<sup>th</sup> percentile due to his education and experience. Miller’s compensation was adjusted in June, but further adjustment was put on hold pending the AGRIP survey. Alexander continued that, based on the survey, Miller’s compensation should fall in a range of \$206,000 to \$212,000 annually. Alexander recommended that Miller’s salary be increased to fall under the aforementioned range. Karla Johnson made a motion to increase Miller’s salary to \$210,763. Deb Alexander seconded the motion. The Board discussed the need to compensate Miller fairly, while also considering their fiscal responsibility to manage UCIP’s assets. Blaine Breshears, Deb Alexander, and Karla Johnson voted in favor of the motion. William Cox, Dean Cox, Scott Jenkins, and Bob Stevenson voted against the motion. Jim Kaiserman was no longer participating telephonically. The motion failed. Dean Cox made a motion to further discuss Miller’s compensation at the April 18 Board meeting. Bob Stevenson seconded the motion, which passed unanimously.

**Set Date and Time for Closed Meeting**

Agenda item: Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation was not discussed due to lack of time.

**Action on Litigation Matters**

Agenda item: Action on Litigation Matters was not discussed due to lack of time.

**Personnel Committee Report—PTO and Exempt Status**

Agenda item: Personnel Committee Report—PTO and Exempt Status was not presented due to lack of time.

**Chief Executive Officer’s Report**

Agenda item: Chief Executive Officer’s Report was not presented due to lack of time.

**Other Business**

The next meeting of the Board of Directors will be held Thursday, April 18, 2019 at 12:30 p.m. at the UAC/UCIP Offices, 5397 S Vine, Murray, Utah.

Blaine Breshears made a motion to adjourn the meeting of the Utah Counties Indemnity Pool Board of Directors at 2:25 p.m. on February 21, 2019, which passed unanimously.

Prepared by:

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Sonya White, UCIP Chief Financial Officer

Submitted on this \_\_\_\_\_ day of \_\_\_\_\_  
2019

\_\_\_\_\_  
Mike Wilkins, Board Member

Approved on this \_\_\_\_\_ day of \_\_\_\_\_  
2019

\_\_\_\_\_  
Bruce Adams, President