UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL
MINUTES, SPECIAL MEETING OF BOARD OF DIRECTORS

October 15, 1993, 12:30 p.m.
Salt Lake County Government Center

Members Present: Gary Herbert, Utah County Commissioner
Gerald Hess, Davis County Deputy Attorney
Dixie Thompson, Emery County Commissioner
Dennis Ewing, Tooele County Clerk
Ken Brown, Rich County Commissioner
Sid Groll, Cache County Sheriff
Gary Sullivan, Beaver County Commissioner

Members Absent: Max Adams, Uintah County Commissioner
Ty Lewis, San Juan County Commissioner

Others Present: Brent Overson, Salt Lake County Commissioner
Sonya White, UACIM Administrative Assistant

Gary Herbert called the meeting to order at 12:45 p.m.

By phone call to Gary Herbert and Sonya, Max requested to be excused from this meeting.

Gary Herbert began the meeting by explaining why this special meeting was called. A week prior, Gary received a conference call from Brent Gardner, Brent Overson and Commissioner Randy Horiuchi regarding a proposal that they wanted to discuss with the UACIM Board of Directors. Time was a concern, so the proposal needed to be made before the UACIM Board meeting on November 4, 1993.

The time was turned over to Brent for his presentation.

Brent began by explaining that for some time there has been a concern in trying to raise the conscious of the public as to what the counties in Utah really do. A lot of people really do not know who the county officers are or what they do. To try to combat this and to provide a positive image of counties across the state, the PR Fund Raising Committee asked Bill Paulos of the advertising, marketing, and publication's company, the Summit Group, to prepare a proposal that could be presented at the UAC Annual Convention in November (see attachment #1).

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Proposed was a series of television spots that would highlight some of the things the officers do in county government. Brent gave an example of one television spot that would apply in the rural areas: A boy and a girl are sitting in front of a television set. A voice says "hey, you two", there is no reaction from the kids, the voice again says "hey kids" and then a hand with a remote reaches from the camera's point of view and turns off the TV. The kids snap to attention and look annoyed. The voice says, "over here. Did you guys know that since you're outside the Wasatch front there would be no TV if it weren't for your county?" The kids shake their heads and the voice says, "scary thought, huh" the kids nod, the voice says, "your county buys and maintains the translator station and brings you your television signal. A big responsibility, right?" The kids look at each other and then back at the camera and nod. The voice states, "so when your enjoying your favorite show, don't forget to thank your county." Hand comes out again with remote and turns the TV back on. The kids immediately become fixated with the TV and the voice says, "right, you'd thank your county right kids...hey over here"...then dissolves to the Utah Association of Counties logo and reads, the Utah Counties, they do more than you know.

Brent explained that there is a spot for the libraries, search and rescue and one on how counties are, in fact, the very most efficient form of government compared to state, city and federal agencies. The PR Fund Raising Committee feels this would really help to inform people of at least some of the things the counties are doing. With an election year next year, if we can raise the conscious of the public this may have an effect in getting more people out during county elections. The cost of this program is approximately $110,000. The PR Fund Raising Committee is very enthusiastic. The Committee consists of J. Dell Holbrook from Davis County, Spencer Stokes from Weber County, Gary Herbert, Brent, Randy, Katie Dixon and a few others. The Committee has identified a few companies that provide services to the counties and even some that do not provide direct services, such as Kennecott, that the Committee will approach to assist in raising enough money to provide these public service TV spots to begin approximately in January and run through April or May. The reason Brent wanted to meet with the UACIM Board was that UACIM is a provider to the counties and this may be a possible source of revenue to help with this program. UACIM could look at this proposal as an opportunity for those counties, that are not members, and UACIM to form a partnership by providing the initial funding of approximately $6,000 to produce a tape that will be shown to companies for funding. A donation of $15,000, toward this project, will give the sponsor their logo prominently displayed after one of the spots.

Gary Herbert asked the Board if there were any questions and that the bottom line is that the Committee needs $6,000 to begin this program. Time sensitivity is basically due to the production of a tape to show at the November UAC Convention.

Gary Herbert asked what did the amount of the program at $110,000 entail? Brent reviewed the complete breakdown of the coverages and time frames that were listed in the Summit Group proposal. Brent replied that there are four major TV stations in the state but only two provide total saturation to the state.

Gerry noted that a dime spent from the UACIM then that is a dime that is not available for paying claims. Gerry questioned how this type of advertising could help the Mutual? UACIM is a service provider for the counties but the funds come from UACIM participants.

Gary Herbert received a faxed statement from Max to be read to the Board regarding his position on this proposal. Gary read:

> *Pursuant to our telephone conversation today regarding the Salt Lake County Commission request...*(Gary stopped and stated that he felt that statement was incorrect, that it wasn't necessarily Salt Lake County's request but the Committee's request. Gary continued...) *for donations from our fund to advertise and promote county government, I would like to make the following observation: It is my belief that funds, which are accumulated by our insurance pool, are premiums paid by member counties for the purpose of paying claims and to accumulate surplus to satisfy legal requirements. I believe it is inappropriate for these funds to be used for any other purpose and therefore oppose such action. I believe the program with the Salt Lake County request has much merit but I believe that funding for such a program should come either directly from county funds on a participating basis or through the Utah Association of Counties. I appreciate your taking the time...and apologize for not attending the special board meeting. Sincerely, Max Adams, Uintah County Commission.*

Dixie stated, unlike urban counties, Emery County is aware of what the county and its officers do. The officers are scrutinized very heavily. Dixie gave a few examples of the public support. Dixie's concern is that the constituents would take offense that tax dollars were being used for something that people should make themselves aware of. Dixie concurred with Max and does not feel good about using insurance money.

Brent noted that in Salt Lake County they do spend a lot of money to inform the public about things such as Water Quality. Brent personally feels the tax payers do not have a problem in raising their conscious and understanding. The Fund Raising Committee all agreed that there is a lot of misunderstanding of the things that are done in various counties. The majority of the funding is going to be donated by the private sector. The reason Brent gave this proposal to the UACIM Board is that UACIM is in the same position as PEHP, IHC and a lot of other vendors that provide services to the counties. Like many of those, they are interested in having their names out in front of the counties.

Gary Herbert mentioned that at the October UACIM Board Meeting, the Board agreed to sponsor some prizes at the UAC Annual Convention using the rational that UACIM is trying to keep the Mutual's name in front of the member counties and in front of the counties we are trying to get to join. Under that same rational, if UACIM can do it for $500 why can't UACIM do it for $6,000.

Gary Sullivan expressed that he felt UACIM would get some repercussions regarding this proposal from people within the counties that have paid premiums. By using premium money for advertising when UACIM has such a small area to advertise for.

Sid does see some value in this proposal if the Committee can justify a preventative format to this program. Some type of message that would not be advertising for county government but advertising a preventative nature that county government provides. The UACIM is in the business of reducing costs, may be a justification for a prevention message. This may fit the structure of UACIM. Sid is hesitant to go into this program without input from all member counties.

Gerry noted that there is a limited supply of money and that UACIM doesn't want to raise the counties premiums. The whole purpose of these premiums is to first buy an excess insurance policy, then pay for administrative expenses and what are left UACIM pays for our claims.

Dennis is very much in support of this idea. Anything UACIM can do to promote county government in his county is very welcome and he supports it 100%.

Ken feels the concept is a great idea but the UACIM is still in its infancy. The surplus monies to satisfy the state insurance department is a problem UACIM has struggled with. A number of people thought the Mutual would fail. Ken's concern is that this proposal towards UACIM is a little premature. In Rich County there is some people that do not understand the structure of county government and the services it provides, so Ken feels this type of Public Relations is not a bad thing. Ken noted that UACIM has to pay close attention to the financial structure to make sure UACIM stays solvent and meets the requirements of the insurance department. Ken also noted that the UACIM Board had voted to increase the premiums by 5% across the board for 1994.

Ken made a motion not to support the PR Fund Raising Committees request of $6,000 based on the UACIM's financial status. Gary Sullivan seconded the motion. The motion passed unanimously.

Brent concluded by thanking the Board for their conservative approach and meeting with him today.

The meeting was adjourned.

(Revised as of November 4, 1993)

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