



MINUTES
Enduris Board of Directors Meeting

February 21, 2019

Enduris Office
1610 S. Technology Boulevard, Spokane, WA 99224

Call to Order: Jeri Sevier, Chair, called the meeting to order at 8:35 a.m.

ROLL CALL

Board Members Present: Jeri Sevier, Chair; Greg Brizendine, Vice Chair; Kim Bedier, Board Member; Noel Hardin, Board Member; Vicki Carter, Board Member; and Sheryl Brandt, Executive Director. Patsy Martin was excused.

Others Present: BiJay Adams, General Manager, Liberty Lake Sewer and Water District; Matt Schanz, Administrator, Northeast Tri County Health District; Cheryl Duryea, Enduris General Counsel; Rafaela Ortiz, Enduris Chief Operating Officer; and Joy Jelsing, Enduris Administrative Assistant.

Ms. Sevier started the meeting with introductions of Board, staff, and guests.

ADOPT AGENDA

Ms. Sevier made recommendations to 1) add the appointments of Vice Chair and Secretary/Treasurer and 2) ratify the removal of the temporary 10% salary increase to *Discussion/Action Items*.

CARTER/HARDIN moved to adopt the agenda as revised. Motion carried.

BOARD CONSENT AGENDA

Board Policy GC-2.6 states that the Board will use a Consent Agenda as a means to expedite the disposition of routine matters and to dispose of other items of business it chooses not to discuss. All administrative matters delegated to the CEO that are required to be approved by the Board will be acted upon by the Board via the Consent Agenda. An item may be removed from the Consent Agenda upon approval by a majority of the Board.

Board Consent Agenda

- Workshop Minutes – November 14, 2018
- Meeting Minutes – November 15, 2018
- Special Meeting Minutes – December 17, 2018

HARDIN/CARTER moved to approve all items on the Board Consent Agenda. Motion carried.

CEO Consent Agenda

Expenses

- November 2018
- December 2018
- January 2019

BRIZENDINE/HARDIN moved to approve all items on the CEO Consent Agenda. Motion carried.

EXECUTIVE DIRECTOR REPORT

Board Policy OE-8 states that the CEO shall assure that the Board is fully and adequately informed about matters relating to Board work and significant organizational concern.

Executive Director Quarterly Update

Ms. Brandt presented the quarterly report for the 1st Quarter of PY 2019, which included operational changes, membership updates, and a summary of claims. Ms. Millikan reported on the Pool financials as of December 31, 2018. The net position is \$10,515,594 and the forecast for PY 2019 is a \$1 million increase in net position. She also reported on the Enduris investment in the Spokane County Investment Pool as of December 31, 2018, with a current investment rate of 2.11%.

Draft Annual Report to the State Auditor's Office

A draft of the Annual Report to the State Auditor's Office was provided to the Board. Ms. Millikan noted that the final should be completed in a few weeks.

Government Entities Mutual, Inc. (GEM) Board Meeting Update

A memo recapping the GEM January 2019 Board meeting was provided to the Board. Ms. Ortiz noted that this was her first meeting since being appointed to the GEM Board. GEM's method of governance is very similar to Enduris and they have implemented some of the same financial ratios that we will adopt. Ms. Brandt also attended the meeting and noted that other pools are also experiencing similar challenges with claim count and costs.

Public Risk Management Association (PRIMA) 2019 Annual Conference

Information for PRIMA's 2019 Annual Conference in Orlando from June 9-12 was provided to the Board. The Board was invited to attend.

Staffing Update

Ms. Brandt announced that Enduris has recently hired a General Accountant and Claims Manager. In addition, a part-time Employment Law Attorney will begin in March. We are currently looking to hire another Claims Analyst.

Ms. Duryea recommended that the Board appoint the new board members prior to entering into Executive Session.

Board Vacancy/Board Appointment

Board Policy GC-5.5 states that the Board Development Committee (BDC) will recruit and nominate the slate of candidates for Board elections, whether for election or appointment, based upon their eligibility as a director.

As a result of André Fresco and Greg Brizendine having submitted their resignation since the November Board meeting, the BDC was charged with the recruitment and nomination of a slate of candidates for board appointments. The BDC conducted interviews with three candidates and made a recommendation to the Board.

BRIZENDINE/CARTER moved to appoint Matt Schanz from Northeast Tri County Health District to Board Position #7 and to appoint BiJay Adams from Liberty Lake Sewer and Water District to Board Position #5 effective today as recommended by the Board Development Committee. Motion carried.

Mr. Brizendine thanked everyone for the opportunity to serve on the Board. He enjoyed the great experience and will miss the camaraderie.

Mr. Brizendine excused himself from the meeting at 9:45 a.m. to attend a personal matter.

Ms. Sevier recessed the Board meeting at 9:45 a.m. for a break and reconvened the meeting at 10:00 a.m.

Newly hired Claims Manager Susan Looker and General Accountant Richard Urie were introduced to the Board.

EXECUTIVE SESSION

Ms. Sevier convened in Executive Session at 10:00 a.m. for 50 minutes to review the status of open claims. She reconvened in Open Session at 10:50 a.m.

Fraudulent Checks

Ms. Millikan reported that she was informed by the Long Island, NY, postal service of suspicious mail that turned out to be fraudulent Enduris checks being dispersed to individuals to cash. She has taken immediate action by closing the operating account that these checks are drawn on. Ms. Millikan is setting up Positive Pay, an automated fraud detection tool offered by most banks. In addition, she will notify the State Auditor's Office of this fraud.

DISCUSSION/ACTION ITEMS

Claim Payment Approval

Board Policy OE-6.11 states that the CEO will settle any claim of \$300,000 or less in indemnity per claimant without authorization by the Board. Claims over \$300,000 are brought to the Board for authorization.

Claim #117-110 has been settled and presented to the Board.

CARTER/HARDIN moved to ratify payment for up to \$690,000 for Claim 117-110. Motion carried.

Revisions to Board Governing Policies for PY 2019

Board Policy GC 2.8 states that the Board, by majority vote, may revise or amend its policies at any time.

The Board held a workshop yesterday to revise the board governing policies. The Administration provided a draft of proposed changes for the Board to review.

BEDIER/HARDIN moved to accept the changes to the Board Governing Policies for Policy Year 2019 as discussed at yesterday's workshop. Motion carried.

Indicators for Operational Expectations Policies for Policy Year 2019

Board Policy GC 2.8 states that the Board, by majority vote, may revise or amend its policies at any time.

It was recommended by the Aspen Group at the August 23 Board workshop, and agreed by the Board and the Administration, to create *Indicators* for the Operational Expectations policies. Ms. Ortiz presented examples of *Indicators* at yesterday's workshop; however, there are *Interpretations* that Ms. Brandt will revise before bringing it back to the Board for review and approval. As a result, the Board will not take action until the August meeting on the *Interpretations* and *Indicators*.

CEO Evaluation Process and Compensation Plan

Board Policy B/CR-5 states that the Board considers CEO performance to be identical to organizational performance. Organizational accomplishment of the Board's Goal policy and operation according to the values expressed in the Board's Operational Expectations policies will be considered successful CEO performance. These two components define the CEO's job responsibilities and are the basis for the CEO's performance evaluation.

Ms. Sevier indicated that the Board worked on the Executive Director's evaluation process at yesterday's workshop and added core competencies and personal goals to the evaluation; however, the Board and Executive Director must determine "goals" before adopting the process at the May or August meeting. The evaluation process will begin in PY 2020 (9/1/19). The Board had agreed upon the Executive Director's compensation plan and brought it forward for approval.

CARTER/HARDIN moved increase the Executive Director pay to \$175,000 with a \$300 monthly car allowance and is to be effective retroactive to the date the Executive Director was hired (December 17, 2018). Furthermore, beginning in Policy Year 2020 (September 1, 2019) the Executive Director's salary will increase to \$180,000. Motion carried.

Salary Increase Removal Ratification

At the August 22, 2018 Board workshop/meeting, the Board increased Ms. Ortiz and Ms. Brandt's salary by 10% during the temporary fill in of the added responsibilities they assumed during the absence of an executive director.

CARTER/HARDIN moved to ratify the removal of the 10% salary increase for Rafaela Ortiz for the added responsibilities as interim executive director, until a new executive director was hired (December 17, 2018). Motion carried.

Appointments of Vice-Chair and Secretary/Treasurer

Board Policy GC-4 states that the officers of the Board are those listed in the Board Governing Policies. Their duties are those assigned by this policy, and others required by law.

In accordance with Article IV, Section 1 of the Enduris By-Laws, the Board of Directors shall select from among themselves a Chair, Vice-Chair, Secretary/Treasurer to serve for a term of two years.

Officers were last elected in August 2017 for PY 2018 and PY 2019. The officers are Jeri Sevier, Chair; Greg Brizendine, Vice Chair; and André Fresco, Secretary/Treasurer; and their term expires August 31, 2019. With the recent resignations of André Fresco and Greg Brizendine, Ms. Sevier made a recommendation to appoint Patsy Martin as Vice-Chair and Vicki Carter as Secretary/Treasurer for the remainder of the term.

HARDIN/BEDIER moved to appoint Patsy Martin as Vice-Chair, replacing former Board Member Greg Brizendine; and Vicki Carter to Secretary/Treasurer, placing former Board Member André Fresco. Motion carried.

Financial Statements

Board Policy OE-8.3 states that the CEO shall provide for the Board in a timely manner information about trends, facts and other information relevant to the Board's work and the health of the Pool.

Ms. Millikan provided the December 31, 2018 financial report during the Executive Director Quarterly Update that was presented earlier.

CARTER/BEDIER moved to approve the December 31, 2018 financial report as presented. Motion carried.

DEBRIEF BY BOARD

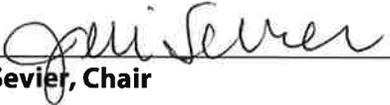
Board Policy GC-2.4 states that as a means to assure continuous improvement, the Board regularly and systematically will monitor all policies, and will assess the quality of each meeting by debriefing the meeting following its conclusion.

The Board provided comments and an assessment of the meeting. Yesterday's workshop proved to be very productive. The Board recognized the staff, and especially Ms. Ortiz and Ms. Brandt for their hard work this past year. Ms. Millikan's detailed and clarity of the financials are greatly appreciated by the Board. Kudos were given to Ms. Sevier for her excellent chairmanship during a difficult year of transition. The new board members were welcomed and encouraged to attend an AGRiP or PRIMA conference to gain knowledge as a pool board member. Everyone felt confident with the recent changes (i.e. new executive director, new staff, revised governing policies) and look forward to progress in a positive way.

ADJOURNMENT

Ms. Sevier adjourned the Board meeting at 11:30 a.m.

HARDIN/SCHANZ moved to adjourn the meeting. Motion carried.



Jeri Sevier, Chair

The Enduris Board meeting minutes are intended to be a reasonable summary of the Board's deliberations and action. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.