



**Enduris  
Board of Directors Meeting**

May 19, 2016

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

*Call to Order: Kim Bedier, Chair, called the meeting to order at 8:32 a.m.*

**ROLL CALL**

Board Members Present: Kim Bedier, Chair; Jeri Sevier, Vice Chair; Greg Brizendine, Secretary/Treasurer; André Fresco, Board Member; Vicki Carter, Board Member; Patsy Martin, Board Member; and Mark A. Kammers, Executive Director. Noel Hardin was excused.

Others Present: Mike Purdy, Consultant, Michael E. Purdy Associates, LLC; Shannon Stuber, Program Administrator, Local Government Self-Insurance Program; Cheryl Duryea, Enduris General Counsel; Rafaela Ortiz, Enduris Chief Operating Officer; Sheryl Brandt, Enduris Chief Risk Officer; and Joy Jelsing, Enduris Administrative Assistant.

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

**ADOPT AGENDA**

Mr. Kammers made a recommendation to add three topics to the *CEO Report* and *AGRiP Resolution to Discussion/Action Items*.

Ms. Bedier made a recommendation to add Environmental Stewardship to *Discussion/Action Items*.

**SEVIER/FRESCO moved to adopt the revised agenda as recommended. 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**

Meeting Minutes – February 18, 2016

**MARTIN/BRIZENDINE moved to approve all items on the Board Consent Agenda. Motion carried.**

## **CEO Consent Agenda**

### Vouchers

- February 2016
- March 2016
- April 2016

**SEVIER/MARTIN moved to approve the CEO Consent Agenda. Motion carried.**

## **BOARD ETHICS TRAINING**

**Board Policy GC-2.2** states that the Board is responsible for its own performance, and commits itself to continuous improvement. The Board will assure that its directors are provided with training and professional support necessary to govern effectively, including ethics training.

In accordance with the Annual Work Plan, the ethics training is scheduled for the May Board meeting.

Mike Purdy with Michael E. Purdy Associates, LLC conducted the ethics training. Topics included: Why Should We Talk About Ethics, What's So Important About Appearances, What Ethics Laws and Standards Apply, Areas of Ethical Risk, 5 Keys to Making Ethical Decisions, Strategies for Dealing with Ethical Issues, and 7 Risks of Ethical Lapses.

*Ms. Bedier recessed the Board meeting at 10:10 a.m. for a break and reconvened the meeting at 10:22 a.m.*

## **STATE RISK MANAGER'S REVIEW**

**Board Policy GC-3.6** states that the Board will review and accept the annual report of the State Auditor and any reviews conducted by the Washington Office of Risk Management-Local Government Self-Insurance Program.

Ms. Bedier welcomed Shannon Stuber, Program Administrator for the Local Government Self-Insurance Program, who reported on her recent onsite review of Enduris. Ms. Stuber stated Enduris consistently meets the requirement that risk pools maintain certain financial reserves in order to ensure that claims are funded. She also announced that Jason Siems will be the new State Risk Manager, replacing Lucy Isaki effective June 1, 2016.

## **BOARD'S REPORT**

**Board Policy GC-2.2** states that the Board is responsible for its own performance, and commits itself to continuous improvement. The Board will assure that its directors are provided with training and professional support necessary to govern effectively, including ethics training. After attending conferences or events, directors will report back to the Board at the next quarterly meeting about what they have learned.

Kim Bedier, André Fresco, Patsy Martin, and Jeri Sevier attended AGRIP's Governance & Leadership Conference in Nashville, TN, from March 6-9, 2016. They felt that the conference was of great value in what they learned in the sessions, in networking, and getting to better know their fellow Board members and Enduris staff. Mr. Fresco learned that a lot of the pools are specialized and he came away with a greater recognition and appreciation for this Board being able to professionally manage the expectations of such a diverse membership and do so consistently and well.

## **OPERATIONAL EXPECTATIONS MONITORING**

**Board Policy GC-2.4** states that as a means to assure continuous improvement, the Board regularly and systematically will monitor all policies.

Operational Expectations (OE) Policies are operational policies that are carried out by the Administration and change very little year after year. The Board has already approved the policies, the CEO interpretation of each policy, and Evidence of Compliance – the monitoring reports are provided each year to provide evidence to the Board that the administration is in compliance with the policies. The policies have been updated but there are no substantive changes from PY 2014.

As outlined in the *Annual Work Plan*, OE-4 Personnel Administration, OE-8 Communicating with the Board, and OE-10 Communicating with the Members are monitored by the Board at the May Board meeting.

Mr. Kammers presented the monitoring reports for Policies OE-4, OE-8, and OE-10 with supporting evidence of compliance for the policies and stated that he certifies all three OEs are in compliance.

### OE-4 Personnel Administration

**Board Policy OE-4** states that the CEO shall assure the recruitment, employment, development, evaluation and compensation of employees in a manner necessary to enable the Pool to achieve its Goal policy and that is consistent with the Operational Expectations of the Board.

### OE-8 Communicating with the Board

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

### OE-10 Communicating with the Members

**Board Policy OE-10** states that the CEO will assure that the members are adequately informed about the condition and direction of the Pool.

**MARTIN/SEVIER moved to accept OE-4, OE-8, and OE-10 as being fully compliant. Motion carried.**

## **GOAL MONITORING**

**Board Policy GC-2.4** states that as a means to assure continuous improvement, the Board regularly and systematically will monitor all policies.

The Board has already approved the Goal policy, including the CEO interpretation of the policy and the indicators that are used, including the baseline and the targets. The monitoring report is used to determine if reasonable progress has been achieved in meeting the Goal. The measurement used is called the Evidence of Progress.

As outlined in the *Annual Work Plan*, the Goal is monitored by the Board at the May Board meeting.

#### Goal 1: Mega Result - Stability and Confidence

**Board Policy Goal 1** states that members have long-term protection from property and liability loss through the long-term viability and financial stability of Enduris.

Mr. Kammers presented the Goal monitoring report for PY 2015. There are five *Indicators* of long-term viability and financial stability: Growth, Net Assets, Confidence Levels, Ratio Trends, and Rating Trend. The *Target* is that Enduris will grow net assets to \$50 million in preparation for a one in 200 year event. Mr. Kammers provided information related to each of the *Indicators*.

**SEVIER/FRESCO moved to accept the Goal monitoring report as evidence that reasonable progress has been achieved for Policy Year 2015, and commended the CEO and staff in meeting and, in most cases, exceeding all indicators for Goal 1. Motion carried.**

### **CEO 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.

#### Office Building Update

Mr. Kammers indicated there was no activity since the last Board meeting.

#### Land Purchase Design Update

Mr. Kammers informed the Board that the civil engineer recommends compacting the soil that is the current berm, then bringing in more soil to create a larger berm to control the excess surface rain storm runoff. We currently have two bids for the contract work; however, Enduris is required to get a minimum of three bids.

#### Government Entities Mutual, Inc. (GEM) Board Meeting Updates

Mr. Kammers provided memos from GEM recapping its February and April Board meetings. He also informed the Board that Rafaela Ortiz will replace him as Enduris' designated representative for GEM.

Ms. Brandt gave some highlights of the April 21 Board meeting that she attended in Washington, D.C., which included the decision for three large prior-year losses be recognized in the 2015 financials.

#### Aspen Group

Considering there are several new Board members, Mr. Kammers suggested that the Board have Aspen Group conduct governance training in Spokane so it can be tailored to our needs. The Board agreed that a six-hour session (e.g. 10:00 a.m.-4:00 p.m.) the day prior to the February 2017 Board meeting will work best.

#### Comprehensive Annual Financial Report (CAFR) Update

Mr. Kammers mentioned that the CAFR will be emailed to the Board after the Board meeting.

#### Washington Fire Chiefs Association Partnership Update

Mr. Kammers reported that Enduris has signed the training partnership agreement with the Washington Fire Chiefs Association and will provide details at the next meeting.

#### Pooling Updates

Mr. Kammers informed the Board of potential new members.

Ms. Duryea briefed the Board on the Washington State Supreme Court hearing and arguments from Washington Counties Risk Pool and Clark County.

#### Information System Software Update

Mr. Kammers informed the Board that we are in the process of writing the RFP and will provide the Board with more detail (cost, etc.) at the August meeting.

#### Davenport Hotels Update

Mr. Kammers provided room rates at downtown hotels. Because the rate at the Hilton Garden Inn Spokane Airport is considerably lower and the location is more convenient, the Board decided to continue to stay at the Hilton.

#### Picture Taking

Mr. Kammers informed the Board that they will have their pictures taken at the August meeting. The pictures will be used in the annual report.

#### New Position – Underwriting/Risk Management Analyst

Mr. Kammers mentioned that the Administration is looking to hire an Underwriting/Risk Management Analyst. Four applicants have been interviewed and the search has been narrowed to two applicants.

#### CEO Quarterly Update

Mr. Kammers presented the CEO quarterly status report for the 2nd Quarter of PY 2016, which are positive and on target with projections. The report included updates on membership growth, member training, claims opened, claims reported, budget quarterly trend, Spokane County Investment Pool, and financial comparisons.

Board Comments (*comments made by Board members that are reflected in today's minutes will be transferred to the CEO evaluation form for the February 2017 CEO evaluation*)

No comments provided.

*Ms. Bedier recessed the Board meeting at 12:18 p.m. for lunch.*

*Ms. Bedier left the meeting at 12:18 p.m.*

*Ms. Sevier reconvened the meeting at 12:45 p.m.*

### **EXECUTIVE SESSION**

*Ms. Sevier convened in Executive Session at 12:45 p.m. for 30 minutes to review the status of open claims.*

*She reconvened in Open Session at 1:10 p.m.*

### **DISCUSSION/ACTION ITEMS**

#### Association of Governmental Risk Pools (AGRiP) Designated Representative

Mr. Kammers indicated that the Administration decided to appoint Sheryl Brandt as the Enduris designated representative to AGRiP. AGRiP requires a Board resolution to make this change.

**FRESCO/BRIZENDINE moved to approve Sheryl Brandt as the Enduris representative to AGRiP. Motion carried.**

Board Development Committee – Elections – Slate of Candidates

**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. In addition, the policy states that the Board Development Committee will provide the full Board with a summary review of the candidates and the recommendation of the Committee.

Ms. Sevier, BDC Chair, reported that the BDC reviewed the slate of candidates. There were no additional nominations from the membership. The committee recommended that the Board approve the election ballot with incumbents Noel Hardin for Position #1, Patsy Martin for Position #3, and Kim Bedier for Position #4.

**BRIZENDINE/CARTER moved to approve the Board of Directors election ballot which includes Noel Hardin for Position #1, Patsy Martin for Position #3, and Kim Bedier for Position #4 as recommended by the Board Development Committee. Motion carried.**

Property and Liability Coverage Renewal Authorization

**Board Policy GC-3.8** states that the Board will approve levels of self-insured retention and the level and providers of re-insurance and blanket coverage.

Mr. Kammers noted that it is the practice of the Board to give authorization at the May Board meeting to the Executive Director to renew property and liability coverage and then the Executive Director will report back at the August Board meeting with the results of the renewal for approval by the Board.

Mr. Kammers provided property and liability renewal rate indications and recommended authorization to renew coverages.

**MARTIN/BRIZENDINE moved to authorize the Executive Director to renew property coverage with APIP effective July 1, 2016 using the existing Self-Insured Retention of \$250,000 providing a \$1 billion blanket policy. Motion carried.**

**MARTIN/BRIZENDINE moved to authorize the Executive Director to renew liability coverage effective September 1, 2016 using the existing Self-Insured Retention of \$1 million providing limits of \$20 million per occurrence. Motion carried.**

State Risk Manager's Audit

**Board Policy GC-3.6** states that the Board will review and accept the annual report of the State Auditor and any reviews conducted by the Washington Office of Risk Management-Local Government Self-Insurance Program.

Mr. Kammers reported that Shannon Stuber performed her onsite review of Enduris on February 29, 2016. There were no findings and Enduris passed both of the solvency tests. The report is posted on the Local Government Self-Insurance Program's website as well as the Enduris website.

**CARTER/MARTIN moved to formally recognize the receipt of the State Risk Manager's Report of Enduris issued April 26, 2016. Motion carried.**

#### State Audit Reports

**Board Policy GC-3.6** states that the Board will review and accept the annual report of the State Auditor and any reviews conducted by the Washington Office of Risk Management-Local Government Self Insurance Program.

Ms. Ortiz informed the Board of the audit by the State Auditor.

Mr. Kammers provided the Financial Statements Audit Report and the Accountability Audit Report. There were no findings and recommended the Board accept the reports.

**BRIZENDINE/FRESCO moved to accept the Financial Statements Audit Report and Accountability Audit Report (for period September 1, 2014 through August 31, 2015) as recommended by the Executive Director. Motion carried.**

#### Spokane County Investment Pooling Agreement and Authorization

**Board Policy OE-6.7** states that the CEO will invest funds with the Spokane County Investment Pool to obtain the maximum yield.

Mr. Kammers stated that changes to the Spokane County Investment Pool (SCIP) policy follow the county's move to a third party administrator for the management of SCIP's portfolio. SCIP is requiring all participants to sign the new *Pooling Agreement to Invest in the Spokane County Investment Pool (SCIP)*. In addition, because of AGRiP recognition requirements, Enduris asked for and was granted an amendment to the agreement to accommodate these best practice requirements. Mr. Kammers asked for authority to sign the agreement.

**MARTIN/CARTER moved to approve Board Resolution #16.01 authorizing the Executive Director to act on behalf of Enduris. Motion carried.**

#### Financial Statements

**Board Policy OE-6** states that the CEO shall not cause or allow any financial activity or condition that materially deviates from the budget adopted by the Board; cause or allow any fiscal condition that is inconsistent with achieving the Board's Goal or meeting any Operational Expectations goals; or place the long-term financial health of the Pool in jeopardy.

Mr. Kammers provided the Income Statement, Balance Sheet, and Budget Comparison for February 29, 2016, March 31, 2016, and April 30, 2016. He presented an overview of the April 30, 2016 financial statement showing total assets of \$25,881,286.55 and total members' net assets (surplus) of \$13,710,769.25. He also provided the Board with the March 31, 2016 Spokane County Treasurer's Report, which included the Rate of Return on Investments.

**MARTIN/BRIZENDINE moved to accept the financial statement of 2/29/16, 3/31/16, and 4/30/16 as presented by the Executive Director. Motion carried.**

#### Environmental Stewardship

The Board discussed the possibility of replacing paper copies of the Board packets with electronic devices. It was agreed to have each Board member choose between paper or electronic copy. The Administration will advise the Board on how it will proceed with the electronic format prior to the August meeting.

*André Fresco left the meeting at 2:00 p.m.*

#### **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, which were all positive. Ms. Duryea and Mr. Kammers stressed the importance of ethics and maintaining Enduris' great reputation.

There was discussion of the Board meeting and getting acquainted with staff. Ms. Brandt felt it was a good idea and thinks the staff would welcome the opportunity. Mr. Kammers advised the Board of Aspen Group's direction that there be separation between Board and staff, although recognition and acknowledgement from the Board would be nice.

#### **ADJOURNMENT**

*Ms. Sevier adjourned the Board meeting at 2:16 p.m.*

**MARTIN/BRIZENDINE moved to adjoin the Board meeting. Motion carried.**



---

**Kim Bedier, 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.