



**Enduris  
Annual Members and Board of Directors  
Meeting Minutes**

November 19, 2020

To meet both the Open Public Meetings Act and COVID-19 social distancing requirement announced by Governor Inslee in Proclamation No. 20-28, the Board meeting was changed to an online video/telephone conference meeting via GoToMeeting. A link and access code were provided to those requesting to join the meeting.

*Call to Order: Chair Patsy Martin called the meeting to order at 8:34 a.m.*

**ROLL CALL**

Board Members Present: Patsy Martin, Chair; Vicki Carter, Vice-Chair; BiJay Adams, Secretary/Treasurer; Kim Bedier, Board Member; Noel Hardin, Board Member; Jeri Sevier, Board Member; and Sheryl Brandt, Executive Director. Matt Schanz was excused.

Others Present: Mujtaba Dato, Senior Vice President, Aon Global Risk Consulting; John Griffith, Associate Director, Aon Global Risk Consulting; Donna Watts, Port of Pasco; Shane Heston, Trask Insurance; Cheryl Duryea, Enduris General Counsel; Rafaela Ortiz, Enduris Chief Operating Officer; Susan Looker, Enduris Director of Claims; Kimberly Millikan, Enduris Director of Finance; Joe Davis, Enduris Director of Risk Management and Member Relations; Alric Balka, Enduris Information Systems Coordinator; and Joy Jelsing, Enduris Administrative Associate.

*Ms. Martin started the meeting with introductions.*

**ADOPT AGENDA**

**HARDIN/ADAMS moved to adopt the agenda as presented. 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 Executive Director 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**

- Board Meeting Minutes – August 20, 2020
- Board Special Meeting Minutes – August 26, 2020
- PY2020 Monitoring Reports for Operational Expectation Policies 1-10

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

### **Executive Director Consent Agenda**

#### Expenses

- August 2020
- September 2020
- October 2020

**CARTER/SEVIER moved to approve all items on the Executive Director Consent Agenda. Motion carried.**

### **ACTUARY REPORT**

**Board Policy GC-3.14** states that the Board will contract independently with an actuary to provide the Board with an actuarial study.

Enduris actuary, Mr. Dato and Mr. Griffith, gave a presentation on Enduris' actuarial review as of August 31, 2020. In summary, Mr. Dato reported on the following:

1. The estimated outstanding losses and ULAE is \$13.7 million as of August 31, 2020
  - a. It increased about \$1.6 million from August 31, 2019 to August 31, 2020
  - b. This change is spread fairly evenly between increases to liability case reserves, property case reserves, and total IBNR
2. The projected ultimate losses for 2020/21
  - a. \$4.2 million for liability program, and
  - b. \$2.9 million for property program
3. Enduris passed both primary and secondary solvency tests

### **EXECUTIVE DIRECTOR REPORT**

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

#### Tenant Improvement Update

Ms. Brandt and Ms. Ortiz provided an update on the West Wing project. The bid package is set to go out once we receive the City permits. We anticipate construction to begin in January 2021 with the tenant taking occupancy in June 2021.

#### Pooling and Membership Update

Ms. Brandt provided the following updates:

- Following the Board upholding the denial of claim with the Port of Benton at the August 20 Board meeting, the Port requested an arbitration as the next step in the process if they are not satisfied with the outcome. The arbitration is scheduled in early December.
- A new authority – King County Homeless Authority – contacted Enduris seeking coverage. The Administration decided it would not be in the Pool’s best interest to provide coverage for several reasons – no member type for such entity, outside the scope of Enduris’ rating system, and the possibility of extreme liability exposure.
- A health district member has recently received a lot of media attention due to the district terminating their health officer. Enduris is in pre-defense and is closely monitoring the situation.
- Instead of their annual October fall conference, Association of Governmental Risk Pools (AGRiP) joined California Association of Joint Powers of Authorities (CAJPA) and National League of Cities (NLC) and held a virtual event called *Pooling Today*. The Enduris staff had the opportunity to participate in the two-day event and found it to be very informative and educational.

#### Government Entities Mutual (GEM) Board Meeting Update

The Board was provided with a memo recapping the GEM Board meeting held in October. Ms. Ortiz attended the virtual meeting and indicated that we can expect more scrutiny from the reinsurers with the types of members a pool has and its associated risks. GEM is financially healthy, so it was a wise decision to renew with them at a 100% for the first \$9 million layer.

As an aside, Ms. Brandt added that not only is the underwriting tightening up at the reinsurance level for liability and property coverages, but reinsurers are also beginning to require approval of a prospective member before we can accept them into the Pool.

#### 2020 Claims Satisfaction Survey Results

Ms. Brandt provided the Board with the PY 2020 claims satisfaction survey results. She gave kudos to Susan Looker and the claims team, who did a phenomenal job, and is reflective in the outstanding survey results.

#### 2020 Member Survey Results

Ms. Brandt provided the Board with the PY 2020 membership satisfaction survey results, which is conducted every three years. She stated that the overall satisfaction results showed 94% were *satisfied* or *very satisfied* and praised the entire Enduris staff for a job well done. Ms. Brandt emphasized that our highest priority is to take care of our members. Ms. Carter asked about the comments regarding members non-use or difficulty navigating the website and member portal. Ms. Brandt responded that we will be redesigning the website and that the member portal will be part of the update; however, much of the portal is not in our control through Origami.

#### Year in Review for PY 2020

Ms. Brandt and Ms. Millikan presented the “Year in Review” for PY 2020. They touched on the following points:

- Managing through unprecedented change: hard reinsurance market, COVID-19
- Management initiatives: actuary rate review and underwriting practices, claims costs continue to rise, West Wing lease and buildout, coverage modifications
- Our members: strong retention, organic growth from exposure increases

- Strong financial results: net position up by \$3.6 million, positive impact on financial ratios
- Claims: settled significant high-risk claims, reduction in claims paid

Ms. Brandt concluded the Year in Review with matters that Enduris will need to consider for PY 2021, which includes the hard insurance market will continue, actuarial estimate of future claim costs continues to increase significantly, unknown COVID-19 claims, impact of COVID-19 on member exposures for PY 2022 renewal, Aon's actuarial rate study impacts membership growth, reaching members in new ways, completion of tenant build-out, and retirement of key staff members and potential board changes.

Ms. Bedier offered complements to Ms. Brandt and her team. Since Ms. Brandt assumed leadership, there has been significant progress with good results beyond what the Board expected.

*Ms. Martin recessed the Board meeting at 10:35 a.m. for a break and reconvened the meeting at 10:45 a.m.*

## **EXECUTIVE SESSION**

*The Board entered into Executive Session at 10:50 a.m. for 45 minutes to review the status of open claims and discuss the Executive Director's evaluation. The meeting reconvened in Open Session at 11:35 a.m.*

## **DISCUSSION/ACTION ITEMS**

### Claim Payment Approval

**Board Policy OE-6.10** states that the Executive Director may not settle any claim in excess of \$300,000 in indemnity per claimant without Board ratification.

Claim #119-079 has been settled and presented to the Board.

**CARTER/ADAMS moved to ratify the indemnity payment of up to \$360,000 for Claim 119-079. Motion carried.**

### Financial Statements

**Board Policy OE-6** states that the Executive Director 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.

The Board was provided with the financials reports for August and September 2020. Also provided was the performance investment report as of September 30, 2020 from the Spokane County Investment Pool. Ms. Millikan presented the October 31, 2020 financial report.

**BEDIER/SEVIER moved to approve the August 31, 2020, September 30, 2020, and October 31, 2020 financial reports as presented. Motion carried unanimously.**

**BEDIER/CARTER moved to accept the activity report from the September 30, 2020 Spokane County Investment Pool fund as presented. Motion carried unanimously.**

Approval of Goal Monitoring Report for PY 2020

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

The *Goal* policy states that Members have long-term protection from property and liability loss through the long-term viability and financial stability of Enduris.

The Administration presented the *Goal* monitoring report for PY 2020 at yesterday's Board workshop. The Pool made reasonable progress toward the overall *Goal* in PY 2020 and strengthened the health of the Pool as measured by its growth in net assts, managed growth and strong retention, conservative confidence level, and consistent financial ratios in line with industry benchmarks. The combined overall financial ratios, within the Executive Director's control, are reasonably trending toward the targets for the last two years and over the five-year rolling average.

**ADAMS/SEVIER moved to approve the monitoring report for the *Goal* policy for Policy Year 2020 as evidence that reasonable progress has been achieved. Motion carried.**

Actuarial Study

**Board Policy GC-3.14** states that the Board will contract independently with an actuary to provide the Board with an actuarial study.

Ms. Brandt indicated that the actuarial study was provided to the Board and presented by Enduris' actuary, Mr. Dattoo and Mr. Griffith, earlier in the meeting.

**BEDIER/CARTER moved to recognize the receipt of the 2020 Actuarial Study conducted by Aon Risk Consultants as presented. Motion carried.**

Executive Director Evaluation

**Board Policy B/EDR-5** states that the Board considers Executive Director performance on the *Goal* and *Operational Expectations* 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 Executive Director performance. In addition, the Board will evaluate the Executive Director on core competencies and performance based on individual goals.

The Board met in Executive Session earlier in the meeting to discuss the Executive Director's evaluation for PY 2020.

**CARTER/SEVIER moved to authorize the Chair to do the Executive Director's evaluation and provide a raise pursuant to the terms discussed in Executive Session. Motion carried.**

Legal Counsel Succession Plan – Committee Report

**Board Policy GC-3.13** states that the Board will contract independently with legal counsel to support the Board in its work.

Ms. Brandt stated that the timeline for the process to replace the Board's legal counsel calls for a job description recommendation be presented at this meeting. She will distribute the draft job description for the Board to review and comment. Between December and February, the

committee will begin recruiting candidates. The timeline calls for the committee to present semi-finalists to the Board for input and approval at the February 18, 2021 meeting.

#### **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 very positive comments. They expressed appreciation for the information they received in the workshop and board meeting.

#### **ADJOURNMENT**

*Ms. Martin adjourned the Board meeting at 11:53 a.m.*

**ADAMS/HARDIN moved to adjourn the meeting. Motion carried.**

  
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**Patsy Martin, 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.