



Enduris Board of Directors Meeting Minutes

Thursday, August 15, 2024

*Call to Order: Chair Matt Schanz called the meeting to order at **8:30 a.m.***

ROLL CALL:

Board Members Present: Matt Schanz, Board Chair; Bijay Adams, Vice Chair; Donna Watts, Secretary/Treasurer; Vicki Carter, Board Member; Sara Young, Board Member; Kelly Williquette; Noel Hardin, Board Member; Heather Yakely, Enduris General Counsel; and Sheryl Brandt, Executive Director. Board Member.

VIA ZOOM: Noel Hardin, Board Member.

Others Present: Alric Balka, Director of Operations; Kimberly Millikan, Director of Finance at Enduris; Joe Davis, Director of Risk Management and Member Relations at Enduris; Holly Nelson, Director of Claims at Enduris; Ryan Wilson, Technology/Business Systems Coordinator; and Shawna Masterton, Executive Assistant.

Mr. Schanz started the meeting with a roll call.

Public Comments – RCW 42.30.340

➤ *No public was present – no comments were made.*

ADOPTING AGENDA – RECOMMENDED AMENDMENT BY BOARD CHAIR, MR. MATT SCHANZ

That the Executive Session be amended to read "Open Claims, and discussion regarding anticipated litigation".

ADAMS/WILLIQUETTE moved to adopt the agenda with the recommended Amendment as modified. Motion carried.

BOARD CONSENT AGENDA

Board Policy GC-2.6 states that the Board will use a Consent Agenda to expedite the disposition of routine matters and to dispose of other items of business it chooses not to discuss. The board will act on all administrative matters delegated to the Executive Director that are required to be approved 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 Meeting Minutes – May 8, 2024
- Special Board Meeting Minutes June 28, 2024

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

EXECUTIVE DIRECTOR CONSENT AGENDA

Expenses

- May 2024
- June 2024
- July 2024

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

- Jennifer Boie, Director | Palouse Conservation District, **joined the meeting at 8:44 a.m.**

EXECUTIVE DIRECTOR REPORT

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

Pooling and Membership Updates

Ms. Brandt informed the Board that the team is collaborating with KYND, a new provider of cyber risk management solutions. The main goal is to assist the membership in enhancing their tiered cyber security, identifying weaknesses, and providing ongoing support throughout the process. Additionally, educational components will be offered. KYND has custom-built products for organizations managing their cyber risks, insurers utilizing cyber risk profiling for underwriting, and managed service providers advising on these risks. They have developed innovative cyber risk technology that simplifies and accelerates assessing, understanding, and managing business cyber risks.

Ms. Brandt mentioned that she has been meeting with other Executive Directors to discuss potential actions regarding tort reform and joint and several liability. It seems unlikely that the legislature will support any changes. Our goal is to modify several liability to be applied.

GEM Summit, Board & Annual Meeting Update (Spokane, WA, July 24-25, 2024)

Ms. Brandt, Mr. Balka, and Ms. Nelson attended the in-person GEM Summit, Board, and the Annual Meeting held on July 24-25, 2024. This year's theme was "Your Blueprint to Avoiding a Nuclear Verdict". Speakers Bob Tyson, Ashley Paige Fetyko, and Olivia Nelson shared their insights into the drivers of outsized awards and strategies for pushing back. Reference slides and a video recap will be made available separately. Ms. Brandt made note of the importance of GEM in being a good partner of Enduris. Ms. Brandt also noted that the July 2024 Meeting Recap is in your packets.

AGRiP CEO Institute (Saint Louis, MO, August 4-7, 2024)

Ms. Brandt noted that she and Mr. Balka attended the AGRiP CEO Institute on August 4-7, 2024, in Saint Louis, MO. This is where CEOs of Risk Pools across the nation get together. Ms. Brandt stated that AGRiP hires a resident expert, and this year's expert focus was on "**Conscious Culture Residency and Resources.**" Ms. Brandt noted that she and Mr. Balka spent a very intense two and half days learning how building a culture consciously requires you to think about culture as more than just a feeling, acknowledging it as an operating system that drives results. It also requires an honest assessment of your pool's current culture, reconsidering whether

continuing as-is (or returning to how things “used to be) is truly ideal, and a conscious decision about what culture is best for your team.

Strategic Plan Dashboard Update

Ms. Brandt provided an update on the progress of the Strategic Plan Dashboard, offering a high-level overview of the main Strategic Objectives, Action Items, Timelines, Statuses, and Reporting Dates. She noted that most of the work on the dashboard has been completed and that we are on track to achieve nearly all of our targets this year. Ms. Brandt encouraged the board to review the dashboard and to reach out if they had any questions.

Quarterly Summary

Ms. Brandt presented the quarterly summary and reviewed key highlights that we will be focused on or have been completed, which included:

- Strategic Plan; Member Renewal /Reinsurance Renewals; Claims Audit
- The PY2025 Member Renewal Billing is complete.
- Alliant has hired Kroll to appraise all structures with a TIV of \$5M or greater. None were completed for the FY25 reinsurance/member renewals.
- The Pool’s Net Position is \$35.8M, up \$3.3M from \$32.6M at the end of last year.
- Risk Management—We entered into a contract with KYND to provide cyber risk level reports, plans, and a certain number of cyber risk support calls and webinars.
- Claims - We are working with excess carriers on multiple complex claims. The claims audit was noted as being very positive by the auditor.
- Enduris recently attended a local Origami user meeting in Seattle and did a presentation that the attendees well received.

Ms. Brandt opened it up to questions. The board was appreciative of the presentation.

Mr. Schanz entered the break at 9:54 a.m. Mr. Schanz reconvened the meeting at 10:08 a.m.

EXECUTIVE SESSION

The Board entered an Executive Session at 10:09 a.m. for 49 minutes to review the status of open claims and discussion regarding anticipated litigation.

The meeting reconvened in Open Session at 10:45 a.m. The board required more time for discussion in the executive session, so we continued for another 15 minutes. The meeting was subsequently reconvened in Open Session at 10:58 a.m.

DISCUSSION/ACTION ITEMS

CARTER/WATTS moved to Formally acknowledge the letter addressed to the Enduris Board of Directors from the San Juan Island Library District. After the discussion, the Board reaffirmed its decision at the Special Board Meeting on June 28, 2024. The Board authorizes the Executive Director to communicate this decision on their behalf.

Property and Liability Claims Audit Report

Board Policy GC-3.7 states that the Board will review and accept the annual audit report of the independent claims auditor.

Mark Nestor (**CRMS**) Independent Consulting & Risk Management Services, LLC conducted an annual independent claims audit for the Pool on June 10th – July 1st, 2024. This second-year claims audit and file review included 32 property and liability claims.

Ms. Brandt and Ms. Nelson reported that the overall results of the audit were exceptionally good. The report includes "findings," which detail what the auditors discovered during their discussions with adjusters and their review of claim files. Additionally, there are "Recommendations and Considerations," which outline activities the claims department may want to consider changing or improving. While there were no major or concerning recommendations, the suggestions provided are helpful ideas for enhancing claim handling.

The Audit Summary States that Mr. Nestor noted that the results of Enduris' files were the best he had seen. The files were audited and met the Quality Standards and Business Requirements

It was noted that the report is included as Evidence of Compliance for **Board Policy OE-8.3**; however, each year, the Board formally recognizes that it has received this report for the record (in the minutes in the form of a motion).

CARTER/ WILLIQUETTE moved to formally recognize the receipt of the 2024 Claims Audit Report conducted from June 10th – July 1st, 2024, by (ICRMS) Independent Consulting & Risk Management Services, LLC. Motion carried.

Financial Report and Financial Statements/SCIP Report

Board Policy OE-5, 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 financial reports for April 30, 2024, May 31, 2024, and June 30, 2024. Also provided was the investment Report as of June 30, 2024, from the Spokane County Investment Pool and the Monthly Report from the Local Government Investment Pool.

WATTS/CARTER moved to approve the April 30, 2024, May 31, 2024, and June 30, 2024, financial reports as presented. Motion carried.

WATTS/ADAMS moved to accept the activity report from June 30, 2024 (SCIP) Spokane County Investment Pool and the Local Government Monthly Investment Pool as presented. Motion carried.

PROPERTY COVERAGE RENEWAL FOR PY 2025

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.

Ms. Brandt informed the board that at the May Board meeting, the Board authorized the Executive Director to renew property coverage with APIP effective July 1, 2024, and to report back if renewal proposals exceed expectations.
prior to binding.

Ms. Brandt noted that Pool's broker, Alliant Insurance Services, reported improved property market conditions. Thus far, Enduris has had a decent property loss year, and renewal rates reflect more favorable conditions. We renewed at the \$500,000 SIR and with the same limits. The overall premium increase is \$713,040, up 7.05%. It was also noted that this increase in premium is due to an 8.9% increase in Total Insured Value (TIV) and a 1.7% rate decrease. The 7.05% increase is calculated by multiplying the TIV increase by the net rate decrease.

The Administration recommends that the Board approve the renewal of property coverage with APIP using the Self-Insured Retention of \$500,000 per occurrence.

ADAMS/YOUNG moved to approve the property coverage renewal for Policy Year 2024 with APIP using the existing \$500,000 Self-Insured Retention for both HPR and Non-HPR property classifications. Motion carried.

LIABILITY COVERAGE RENEWAL FOR PY 2025

Board Policy GC-3.8 states that the Board will approve levels of self-insured retention (SIR) and the level and providers of reinsurance and blanket coverage.

Ms. Brandt stated at the May Board meeting that the Board authorized Ms. Brandt to renew liability coverage effective September 1, 2024, using the existing Self-Insured Retention (SIR) of \$1 million, with GEM providing limits of \$9 million over our \$1 million SIR. In addition, procure \$10 million more than the primary \$10 million coverage for a total of \$20 million in liability coverage.

The Administration recommended that the Board approve the liability coverage as stated above.

Enduris liability reinsurance structure is unchanged for PY 2025 as follows:

- \$20,000,000 Comprehensive General Liability, each occurrence.
- \$20,000,000 for public official errors and omissions, aggregate per member.
- \$20,000,000 Employment Practices Liability, aggregate per member.

The layering structure of Enduris is pending quotes and proposed as follows (per expiring coverage):

- First Dollar to \$1,000,000: Enduris Self-insured Retention
- \$1,000,000 to \$10,000,000: GEM
- \$5,000,000 excess of \$10,000,000
- \$5,000,000 excess of \$15,000,000

Ms. Brandt informed the board that GEM had provided a quote for \$9M x of the Enduris \$1 M SIR for \$1,070,490. This is a 5.06% rate increase from last year. Great American quoted \$5M x \$10M for \$240,888, with a 4% rate increase from last year. Everest Re quoted \$5 x \$15 for \$229,900, with a 3.24% rate increase. Ms. Millikan explained that a slight decrease in overall exposures offset some of the rate increase. A better loss year and favorable claim developments positively impacted this year's renewal rate.

WILLIQUETTE/WATTS moved to approve the Executive Director's renewal of liability coverage for Policy Year 2025. The board will be consulted if there are any circumstances beyond the expected renewal terms. Motion Carried.

APPROVAL OF ENDURIS MEMORANDUM OF COVERAGE FOR POLICY YEAR 2025

Board Policy GC-3.11 states that the Board will evaluate and approve coverages, including any changes to the Memorandum of Coverage (MOC).

For Policy Year 2025, the Administration is recommending updates to the MOC and adding several addendums. Enduris procured coverage counsel, Will Ashbaugh of Soha & Lang, P.S. to review the 2024 MOC for updates.

Recommendations for the 2025 MOC were provided to the board for review and approval.

The board was provided with revisions to Addendum A—Terrorism Coverage, Addendum C—Dam Coverage, and Addendum K—Prior Acts Coverage for review and approval.

The board was provided with the new addendums CC—Stop Gap Coverage and DD—Actual Cash Value for review and approval.

Ms. Nelson presented the changes and answered questions from the board.

WATTS/CARTER moved to approve the Policy Year 2025 Memorandum of Coverage as presented by the Executive Director, ALLOWING FOR MINOR adjustments for LANGUAGE AND Limits. Motion carried.

Approval of Enduris Rating and Underwriting Policy for Policy Year 2025

Board Policy GC-3.10 states that the Board will evaluate and approve member rates annually based on claims history, actuarial reports, and staff recommendations.

Ms. Brandt provided the Board with a draft of the Rating and Underwriting Policy for PY 2025. The Board of Directors has a goal to calculate rates based on consideration of actuarially determined rates and individual member adjustments based on revenue needed to meet the **Goal**, loss control, and contribution to the building of adequate reserves (OE-6.5.c).

For PY 2025, Ms. Brandt proposes the following Enduris base rate increases by coverage in alignment with the PY 2025 Budget proposal approved by the Board on May 8, 2024:

- Property (including minimum accounts): 4-6% increase.
- Liability (including minimum accounts): 5-10% increase.
- Auto Physical Damage: 5-10% increase.
- Crime (blanket bond): 5-10% increase.
- Named Position: 5% increase.

It was noted that Named Position is being combined with Crime (Blanket Bond) coverage.

It was also noted that the applied property rates are slightly lower than what was presented in the budget at the May board meeting due to an unexpected decrease in reinsurance costs.

In addition to rate changes, the Pool is required by our property reinsurer to apply Marshall-Swift inflationary increases of 5% for all property and replacement cost vehicles on Member asset schedules for the policy year 2024.

ADAMS/WILLIQUETTE moved to approve the Enduris Rating and Underwriting Policy for PY 2025 as presented. Motion carried.

Ms. Carter asked a question regarding the Underwriting Policy regarding passenger vans. The staff clarified the intent of the language. No motion followed.

Mr. Schanz allowed a short break so attendees could bring lunch into the boardroom and resumed the meeting at 12:18 p.m.

APPROVAL OF LEGAL COUNSEL CONTRACT FOR THE POLICY YEAR 2025

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

Ms. Brandt reported that the Enduris Board contracts with legal counsel annually. Mr. Matt Schanz, the Board Chair, noted that the only change to this year's contract was to extend the dates for an additional year.

CARTER/WILLIGUETTE moved to approve the Legal Counsel Contract for PY 2025, September 1, 2024, to August 31, 2025, with Heather Yakely, Law Firm of Evans Craven & Lackie P.S as presented.

APPROVAL OF BOARD GOVERNING POLICIES FOR PY 2025

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

Mr. Balka noted that some changes had already been made to the board policy throughout the year as needed, and no additional changes were recommended going into the policy year 2025.

CARTER/YOUNG moved to approve the proposed changes to the Board Governing Policies for PY 2025 as recommended by the Executive Director. Motion carried.

Approval of Work Plan for Policy Year 2025

Board Policy GC-6 states that the Board will follow an annual work plan that includes continued monitoring and review of all policies and activities to improve Board performance.

Mr. Balka provided a summary of the PY2025 Work Plan for the Board's approval.

CARTER/YOUNG moved to approve the Annual Board Work Plan for Policy Year 2025, with the amendment holding space to add a workshop the day before the February Board Meeting. The motion carried.

Approval of PY 2025 Meeting Calendar

Board Policy GC-6 states that the Board will follow an annual work plan that includes continued monitoring and review of all policies and activities to improve Board performance.

Ms. Brandt noted that August is the month to set Board Meeting dates for the next policy year, 2025. The board discussed meeting dates and chose the PY2025 board meeting dates. All meetings for 2025 will be held at the Enduris office in Spokane. Mr. Schanz recited the dates for the record.

CARTER/ADAMS moved to approve the meeting dates for PY2025: Wednesday, February 19th, for a half-day workshop; Thursday, February 20th, 2025, for the board meeting; Thursday, May 22, 2025; Thursday, August 21, 2025; and Thursday, November 13, 2025. The motion carried.

Election of Directors for Policy Year 2025

Board Policy GC-3.15 states that the Board will ratify the annual Board election results.

On behalf of the Board Development Committee, Ms. Young was given the online ballot results, which were tallied. Ms. Young read the results of the PY 2025 Board of Directors elections and asked the full board to ratify the results.

Results:

- **Position #2 – Ms. Vicki Carter: 74 votes**
- **Position #5 – Mr. BiJay Admas: 73 votes**

WILLIQUETTE/YOUNG moved to ratify the Enduris Election of Directors results for Policy Year 2025 with 74 votes for Ms. Vicki Carter (Position #2) and 73 for Mr. BiJay Adams (Position #5). Motion carried.

Election of Board Officers for Policy Years 2025

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 beginning the next fiscal year, which would be PY2024 and 2025.

Current officers are:

- Chair ~ Matt Schanz
- Vice Chair ~ BiJay Adams
- Secretary/Treasurer ~ Vicki Carter

Mr. Schanz recited the new Board Officers that were selected for the record:

Let the record show that Enduris board officers were last elected in Policy Year 2023, and their two-year term will expire on August 31, 2025

Board Development Committee Appointments for Policy Year 2025

Board Policy GC-4.6 states that the Chair will appoint members of all Board committees with the ratification of the full Board. **Board Policy GC-5.5** states that three members of the Board Development Committee are appointed by the Chair, none of whom are up for election the next policy year.

The current members of the Board Development Committee (BDC) are Sara Young, chair; Kelly Williquette, Vice Chair; and Donna Watts.

Mr. Schanz recommended appointments for the Board Development Committee for PY 2025.

Mr. Schanz recited the new Board Development Committee Members that were selected for the record:

Let the record show that Enduris Board Development Committee Members for Policy Year 2025 are Kelly Williquette as Chair, BiJay Adams as Vice Chair, and Matt Schanz

CARTER/HARDIN moved to ratify the appointments of Kelly Williquette as Chair, BiJay Adams as Vice Chair, and Matt Schanz to the Board Development Committee for Policy Year 2025 as recommended by the Board Chair. Motion carried.

BOARD SELF-ASSESSMENT

Board Policy GC-2.3 states that the Board will conduct a summative self-assessment with full, honest, and timely participation by all directors. The assessment will include an evaluation of the Board as a whole based on Governance Culture (GC) and Board-Executive Director Relations (B/EDR) policies. The board's assessment of progress on Results and the Executive Director's summative evaluation will drive targets for the following year.

Mr. Balka outlined the board self-assessment process. As part of the process, the board completes an online survey, and the results are discussed in the meeting.

Ms. Watts mentioned that the results are favorable and reflect well on the staff and board. Ms. Carter stated that she believes the organization is in the best place it has ever been, and the staff has been doing a fantastic job. Ms. Brandt voiced her appreciation for the board's support and engagement. Mr. Schanz noted his appreciation for the staff listening to the board and not treating them as a mere formality.

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. Ms. Watts noted all the work that went into preparing for the meeting and her appreciation of the staff's efforts. She congratulated the staff on the claims audit as well as the financials. She thanked the staff for their work on securing low renewal rates. Ms. Carter noted the favorable renewal rates and thanked the staff for their work on it. She also thanked the other board members for their contributions. Ms. Young noted the positive news of this meeting and added that she feels the staff also does a good job handling the hard news when needed. Mr. Williquette thanked the staff for their hard work. Mr. Adams noted the Claims and Member Relations departments for their efforts and positive renewal.

Mr. Schanz mentioned his appreciation for the organization. He thanked Ms. Carter and Mr. Hardin for the value they bring as seasoned board members. Mr. Hardin noted how smoothly the organization is running and thanked the staff for the information that is provided. Ms. Brandt reminded the board that the next meeting is valuable to attend with the additional guest presentations. Ms. Boie thanked the board for being able to attend and noted some of her takeaways.

ADJOURNMENT

Mr. Schanz adjourned the Board meeting at **12:52 pm**.

WILLIQUETTE/WATTS moved to adjourn the meeting. Motion carried.



Matt Schanz, Chair

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