



BOARD OF DIRECTORS' MEETING

TUESDAY, JUNE 28, 2011 – 10:00 a.m.

121 ALDER ST, Ephrata WA

PROPOSED AGENDA

ITEM 1

INTRODUCTIONS - Wes

- Call to order

ITEM 2

ADDITIONS - Wes

ITEM 3

APPROVAL OF MINUTES - Wes

ITEM 4

VOUCHER AND SUMMARY APPROVAL – Phil or Dave K

- Current Voucher
- Fiscal Committee Voucher

ITEM 5

QUARTERLY FINANCIAL REPORT - Stefanie

- Proposed preliminary budget – Eric and Stefanie

ITEM 6

RENEWAL TIMELINES - Eric

ITEM 7

LOSS RUNS AND UPDATE FROM CLAIMS – Phil and Dave

ITEM 8

NEW CONSIDERATIONS – Wes

- Accreditation support - Shane
- AGRIP Membership - Eric/Becky

ITEM 9

SCHOLARSHIP COMMITTEE - Laura

ITEM 10

EXECUTIVE SESSION – Wes

- Potential litigation

ITEM 11

NEXT MEETING - Jenni



All BOARD SIT DOWN MEETING

April 27, 2011 at 9:00 A.M.

Cedar Brook Lodge; Seattle WA

The Cities Insurance Association of Washington (CIAW) Board of Directors conducted an All Board Sit Down Meeting, April 27, 2011 at 9:00 a.m. Board members participating: Wes Crago, City of Ephrata; Laura Koenig, City of Sultan; Kathy Bowman, City of College Place; Pat Reay, City of College Place, Teresa Camfield, City of Lynden; Steve Taylor, City of Connell, Gina Anderson, City of Woodland, Carla Shirley, City of Wilbur, Tim Sneed, City of Quincy and Brian Asmus City of Liberty Lake. Also participating from the Administration Office: Jenni Bates, Jim Cherf, Eric Homer, Chris Youngberg, Shane Heston, Phil Riche, John Crawford, Sarah McDonnell, Rachel Huffman, Brian Turnbull, Becky Holt and Stefanie Lowry representing Canfield. Others in attendance were various Broker and Members representing the CIAW.

ITEM 1 INTRODUCTIONS

ITEM 2 ADDITIONS

Additions were called for, there were none.

ITEM 3 BOARD APPOINTMENTS

Chair Crago introduced two members interested in filling the vacant Board positions. Both positions can be filled by the Board due to an un-expired term.

After some discussion, motion Shirley to appoint Tim Sneed, City of Quincy to the open position in area two. Also to include an appointment to Patrick Reay, City of College place in area three. Second Camfield, motion carried unanimously.

The area two position will expire in 8/31/ 2012; area three will expire 8/31/2011.

APPROVAL OF MINUTES

Motion Taylor to approve the February 2011 minutes as presented. Second, Camfield. Motion carried.

ITEM 4 RESERVE ACCOUNT REPORT AND VOUCHER APPROVAL

Riche gave an overview of the items listed on the Voucher Summary.

The vouchers have been audited and certified by the Auditing Officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW

42.24.090 have been recorded on a listing, which has been made available to the Board of Directors.

As of this date, April 27, 2011, the Board does approve for payment those vouchers included in the above list and further described as follows: CIAW March Fiscal Voucher #10/11-07 in the amounts of \$551,424.65. Motion Koenig, second Anderson. Motion carried.

As of this date, April 27, 2011 the Board does approve Current CIAW voucher # 10/11-08 in the amount of \$805,928.46. Motion Reay, second by Taylor. Motion carried.

Lowry went over a presented budget amendment in detail. All questions were answered. Motion Taylor to adopt the presented budget amendment with one change in excess Insurance regarding expenses. Second Camfield, motion carried unanimously.

ITEM 5

ACTUARY CONTRACT

Cherf presented the 2011 Actuary Contract with Fallquist Actuaries Inc. Motion Reay to approve the presented Actuary contract with no changes. Second Taylor, motion carried.

ITEM 6

RENEWAL TIMELINES

Homer went over the timelines for this up-coming renewal cycle. He went over the Munich – CIAW – Canfield relationship with flow charts to better illustrate.

The renewal committee going forward will consist of the Chair, Vice Chair and Fiscal Officer of the Board. This group will meet several times before the preliminary and final budgets are presented to the full Board for consideration.

ITEM 7

CLAIMS REPORT

Riche went over a claims report for the larger claims still pending and those that have settled since the last meeting of the Board. All questions were answered. More data will be available as follow up in later meetings.

ITEM 8

AUDIT UPDATE

Crago updated the Board and those present regarding the audit taking place currently and those that have concluded over the last six months.

Riche went over the Claims audit and the recent Munich audit with the Board.

Cherf presented the Board a report from the accounting department explaining proposed changes due to a recent fining regarding internal controls by SAO. The Board looks forward to seeing the changes implemented and will do some follow up work in the near future creating additional policy.

ITEM 9

MARKETING PLAN GOING FORWARD

Crago asked the Board and those present to think about a marketing strategy going forward for the CIAW. He goes on to say, how proud he is of the CIAW and wants

everyone to think about what they want to see in the coming years. Also so set some goals and objectives.

Some feedback included: Continue to increase the strong risk management in the program, CIAW is Insurance with a higher purpose and should be sold that way, visit council meetings to enhance relationships and communication with membership, make sure the CIAW is at all the conferences and regional trainings that are appropriate to reach membership, find new members that will enhance the CIAW, "it's a privilege to be a part of the CIAW". Encourage Board members to visit their neighbors and share the good news!

ITEM 10
SCHOLARSHIP COMMITTEE REPORT

Scholarship committee Chair Koenig asked the Board to consider several scholarship requests from various members. All scholarships are awarded to enhance education in the work place. City of Pacific, City of Almira and City of Connell had all applied for assistance this quarter. Taylor from the City of Connell did abstain from this vote. Motion Koenig to approve scholarship requests in the total amount of \$2250.00. Second Camfield. Motion carried.

ITEM 11
LEGISLATIVE COMMITTEE

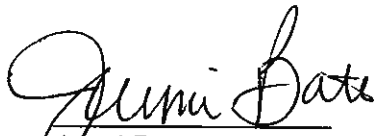
Crago asked for the Board to appoint a legislative committee going forward to work with the outcome of this year's activity in Olympia. Anderson, Taylor and Crago were asked to serve by the Board. The CIAW Lobbyist, Marcia has reached out to OFM and Marty Browns office regarding the meeting of all programs. Marcia will report back to the Board regarding any scheduled dates and times.

The committee will work on several projects in 2011-2012 and keep the full Board informed.

ITEM 12
NEXT MEETING

The next meeting of the Board is scheduled for June 28, 2011 at 10:00 a.m. in Ephrata Washington.

Respectfully submitted,


Jenni Bates

Wes Crago, Chairman

Cities Insurance Association of Washington
Preliminary Budget
2011 – 2012

	2011 – 2012 <u>Pre-Budget</u>
Revenues	
Program Costs	5,275,569
Excess Insurance	4,593,049
Physical Damage	200,000
First Installment – Additional Funding	-0-
Interest Income	<u>10,000</u>
Total Revenues	<u>10,078,618</u>
Expenses	
Administrative Fee	183,051
Risk Mgt/Loss Control Fee	330,588
Inservice Expenses	18,000
Pre Litigation Program	110,000
Simulator Training Expense	200,000
Simulator Payment	20,000
Scholarship Program	5,000
Group Legal/Accounting	15,000
Consultant Fees (Lobbying)	10,600
Account Application & Review	195,000
State Audit & Fees	27,000
Medicare Reporting	4,500
Actuary Study	20,000
Director's E&O	20,500
Miscellaneous & Supplies	35,000
Meeting Expense	18,000
Physical Damage	150,000
Claims & Expenses	3,623,330
Claims Subject to Recovery	500,000
Deductible Recovered	(450,000)
Subrogation Recovered	(50,000)
Excess Insurance	<u>4,593,049</u>
Total Expenses	<u>9,578,618</u>
Total Revenues Over Expenses	<u>500,000</u>