



**Enduris
Board of Directors
Meeting Minutes**

February 17, 2022

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 Matt Schanz called the meeting to order at 10:54 a.m.

ROLL CALL

Board Members Present: Matt Schanz, Chair; BiJay Adams, Vice-Chair; Vicki Carter Secretary/Treasurer; Noel Hardin, Board Member, Donna Watts, Board Member; and Sheryl Brandt, Executive Director.

Others Present: Alric Balka, Director of Operations; Kimberly Millikan, Enduris Director of Finance; Joe Davis, Enduris Director of Risk Management and Member Relations; Holly Nelson, Enduris Director of Claims; and Shawna Masterton, Executive Assistant

ADOPT AGENDA

Mr. Schanz made the following recommendations: **1)** to move the *Discussion/Action* Items up to the forefront of the meeting with the exception of the claim payment approval **2)**. There is a motion to amend the Board Development Committee update to consider an appointment of new board member.

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

DISCUSSION/ACTION ITEMS

Financial Report and Financial Statements/SCIP Report

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 financial reports for October, November, and December 2021. Also provided was the performance investment report as of December 31, 2021, from the Spokane County Investment Pool. Ms. Brandt and Ms. Millikan presented the January 31, 2022, financials.

CARTER/HARDIN moved to approve the October 31, 2021, November 30, 2021, and December 31, 2021; financial reports as presented. Motion carried.

CARTER/HARDIN moved to accept the activity report from the December 31, 2021 SCIP fund as presented. Motion carried.

Board Development Committee Update

Board Policy GC-5.5-a.i, a.i, states that the **Purpose/Charge** of Board Development Committee (BDC) is to Recruit and nominate the slate of candidates for Board elections, whether for election or appointment, based upon their eligibility as a director. Directors may either be an employee, volunteer, or a member of the governing body of a member entity and may be elected or may be write-in candidates; *and to fill a vacancy as soon as possible.*

Ms. Brandt provided an update on the two vacant positions (**position #3 and position #6**) on the Enduris Board. Ms. Brandt contacted a few members to gauge their interest in participating as a board member. Sara Young, Executive Director of the Port of Skagit County responded that she was interested. Ms. Young stated that she heard positive things about being on the board from Patsy Martin.

At the invitation of the Board Development Committee (BDC), Ms. Sara Young attended the board workshop held on February 16, 2022, where she was able to participate with the other board members present.

The BDC reviewed Ms. Youngs Board Application which was made available to the full board. There was a brief discussion by the directors about which position Ms. Young should be appointed to; it was agreed that board position #3 would be best suitable.

CARTER/ADAMS moved to appoint Ms. Sara Young from Port of Skagit to Board Position #3 effective today (02/17/2022) as recommended by the Board Development Committee. Motion carried.

Recommended Changes to Bylaws Section 9 - Board of Directors Quorum

Board Policy GC2.8 The Board, by majority vote, may revise or amend its policies at any time

Ms. Brandt shared concern regarding board vacancies combined with a pandemic (or some other black swan event) could jeopardize having a quorum and therefore getting business done. At the November 18, 2021, the board had in depth discussions on the policies and provisions of the quorum. Ms. Brandt and Ms. Yakely drafted language within the Bylaws to address the key matters. The administration presented the amended recommended changes to Bylaws, Section 9 to the board.

The board discussed their concerns about the number of directors to allow a quorum. Ms. Watts suggested the wording to read that if there are 3 or fewer directors to have a quorum, any vote

would have to be unanimous. There was consensus to this suggestion and the board authorized Ms. Brandt to work with Ms. Yakely to amend the language.

ARTICLE III, Section 9. "Quorum" A majority of the full Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time to a specified date not longer than thirty (30) days from the last adjournment without further notice.

CARTER/HARDIN moved to authorize Ms. Brandt and Ms. Yakely to go back and conduct a legal review of the language suggested by Ms. Watts. If they find no legal issues requiring additional consideration by the board, Ms. Brandt is authorized to present the proposed changes to the membership 30 days prior to the May board meeting where the board will formally vote to adopt them. 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.

At the December 8, 2021, Special Board meeting Mr. Schanz stated that the Executive Director evaluation process should be modified to seek improvement on the overall processes and work toward developing new evaluation and compensation tools. Ms. Brandt and Mr. Schanz worked on the overall evaluation and compensation tools and provided a copy to the board. Ms. Brandt stated that the key elements of the evaluation are still present, but the scoring simplified, and compensation increases are clearly defined.

After discussion by the board, Mr. Schanz recommended that Ms. Brandt modify the evaluation process to incorporate the strategic plan model based on the work that was done the previous day at the workshop. Ms. Carter stated she would like to see a structure for the remarks section; and include a benchmark on the cap of the salary scale. Ms. Carter suggested when we get the strategic plan roadmap back that we incorporate elements into the overall goal and ED Evaluation. Ms. Brandt acknowledged the recommendations and reiterated that she will revise the Executive Director Evaluation to incorporate the changes based upon the feedback and discussions from the board to incorporate key components of the strategic plan model into the evaluation.

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 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

- Annual Board Meeting Minutes – November 18, 2021
- Special Board Meeting Minutes – December 8, 2021

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

BOARD CONSENT AGENDA (continued)
Executive Director Consent Agenda

- Expenses (November 2021, December 2021, January 2022)

ADAMS/HARDIN moved to approve all items on the Executive Director Consent Agenda. Motion carried.

Mr. Schanz recessed the meeting for lunch 11:46 a.m.

Mr. Schanz reconvened the meeting at 12:15 p.m.

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.

Pooling and Membership Updates

Ms. Brandt advised the board about an auto claim that involves one of our members which is currently in litigation and has reached the level of The Washington State Supreme Court. Ms. Brandt provided a high-level summary on the amicus briefing. The Washington State Supreme Court has accepted the review of this case; and will be heard by the Supreme Court on March 10, 2022. Ms. Brandt stated she will notify the board of any crucially important updates. Should any board members have concerns regarding this matter, please reach out to Ms. Brandt or Ms. Nelson directly.

Future Actuary Services/Request for Proposals

Ms. Brandt informed the board that the Request for Proposals (RFP) for Actuary Services including scope of work are out. The RFP was sent out to six actuarial firms for consideration and posted on the AGRiP website. Mr. Balka advised the board that we have heard back from Bickmore, Milliman, Inc, and Willis Towers Watson; Mr. Balka also noted that an RFP was sent to Aon, but they declined to participate. The deadline for final submittals is March 11, 2022. Ms. Brandt stated that the actuary is hired by the board; the administration will review the proposals, do some pre-work analysis, and make a recommendation to the board.

Director's Summit and Staff Retreat – Jason Swain, Symbio Leadership

Ms. Brandt recounted the *Enduris Director's Summit*, some of the topics discussed were revisiting the *Enduris Mission, Goal, and Core Values*, as well as reviewing the challenges and successes that were experienced in the last policy year; discussed the work culture and staff return to work in the hybrid model and what that may look like.

In addition, Enduris held an *All-Staff Retreat*. Ms. Brandt stated this was the first time the staff were all together since the pandemic, and noted it was well timed due to number of new staff members; Jason Swain, with Symbio Leadership was hired to facilitate the retreat. The staff was given homework to learn more about the power of identifying their **WHY** and the drive or motivation behind what they do and how they do it in a group exercise. Ms. Brandt acknowledged it was a momentous success and that was one of the "best experiences" she has had in any organization; she commended the team. Mr. Balka noted, there was a lot of team building, learning, and understanding each other's social styles and self-perception profiles.

Association of Governmental Risk Pools (AGRiP)

Ms. Brandt discussed the AGRiP (Association of Government Risk Pools) Governance Conference that is coming up next month and will be held in-person in New Orleans, Louisiana from March 6-9, 2022. The focus will be on Governance; we have four directors and three board members attending the conference.

Quarterly Summary

Ms. Brandt presented the quarterly summary and reviewed key topics that we will be focused on which included:

- PY2023 member renewal and exposure updates.
- Actuary (RFP) selection.
- Complete website redesign.
- Risk Management Strategies; appraisals and mini training webinars for the membership.
- Training new staff and board members.
- Generative Thinking; strategic work with the board.
- PY2023 member data collection.
- PY2023 annual budget.
- Completion of the State Financial Audit.

Ms. Brandt concluded the quarterly summary with the financial presentation with data as of December 31, 2021. Key points included a change in net position which the financial results are positive and slightly better than the 2022 budget, from \$1.2M in net position to \$21.2M, \$0.4M higher than the \$0.8M budgeted. \$7.4M in Member Contributions, \$0.4M (6%) higher than \$6.9M budgeted; \$6.3 Operating Expenses, slightly less (\$7.1k) that budget – increases in reinsurance are offset with savings in Admin/Operations. \$152k Non-Operating Incomes \$42k (22%) lower than 194k budget due to lower interest earnings than expected.

Ms. Brandt noted there is nothing unusual or unexpected in the 4-month results.

EXECUTIVE SESSION

The Board entered into Executive Session at 12:58 a.m. for 51 minutes to review the status of open claims. Short break taken at end of Executive Session. The meeting reconvened in Open Session at 1:49 p.m.

DISCUSSION/ACTION ITEMS

Claim Payment Approval

Board Policy OE-6.10 states that the Executive Director 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 ratification.

Our member's vehicle rear-ended a third-party vehicle causing injury to the claimant. Claim #120-120-4 has been settled in the amount of \$400,000.00 and presented to the Board.

HARDIN/ADMAS moved to ratify the indemnity payment of up to \$400,000.00 for Claim 120-120-4. 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. Ms. Watts appreciated the work that was done over the last few days and felt it was meaningful; she felt everyone's voices were heard with clear guidance, and she appreciate the synergy we have as a team with the board and the staff; Mr. Hardin was pleasantly surprised with all the knowledgeable work that was done and covered in the workshop; he stated being face to face with the board and staff was valuable to working towards the overall goal and is looking forward to more in person open discussions. Mr. Adams appreciated the important conversations that came out of the workshop and is looking to implementable action items and is very hopeful of accomplishing the action items moving forward; he also appreciated the open exchanges and great synergy. Mr. Schanz noted the exercises were excellent and generated a lot of meaningful conversations; the structure of the workshop exercises had such a natural flow with valuable and usable material; Mr. Schanz, as Chair is looking forward to becoming better connected and appreciated how engaged the board and staff was in the workshop and meeting.

ADJOURNMENT

Mr. Schanz adjourned the Board meeting at 2:02a.m.

ADMAS/HARDIN 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 action. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.