

**LOCAL GOVERNMENT LIABILITY POOL
BOARD MEETING
Cheyenne, Wyoming
January 28, 2010**

Board Members in Attendance:

Ron Crook, Chairman, Lincoln County Weed & Pest District
Brad Basse, Vice-Chairman, Hot Springs County Commissioner
Jim Hudelson, Treasurer, Goshen County Commissioner
Linda Smith, Secretary, At-Large Member
Greg James, Mayor of Newcastle
Don Richards, Shoshone Municipal Pipeline
Bob Wood, Mayor of Dayton

Staff and Guests in Attendance:

Mark Pring, Executive Director
Shuler Boone, Administrative Assistant
James Childress, CPA
Monty Lauer, Consultant

● **APPROVAL OF MINUTES**

Chairman Ron Crook called the meeting to order at 9:10 A.M, introduced Greg James, and welcomed him to the board. Each board member introduced him or herself with a short biography.

Chairman Ron Crook asked for a motion to approve the minutes from the board meeting held on November 5, 2009. Linda Smith made a motion to approve the minutes from the meeting, and Brad Basse seconded the motion. Linda Smith amended her motion to include the Executive Session minutes. Brad Basse concurred and seconded the motion. The motion passed, with Jim Hudelson and Greg James abstaining, as they were not present at the previous meeting.

● **EXECUTIVE DIRECTOR'S REPORT**

Mark Pring announced that Richard Rideout would not be present for the meeting because of adverse weather conditions. He also stated that a staff member had been involved in an auto accident and would not be in the office today.

A. Election Results

Mark also announced the results from the board elections. Two municipal positions and one special district positions were to be filled. There were five nominees for the two municipal positions: J.B. Hayes, John Melott, Mike Nelson, Greg James and Bob Wood. Don Richards ran unopposed for the special district position. Mark stated that the terms were for three years, from January, 2010 through December, 2012. He said that with the absence of Will Davis, a treasurer would need to be elected. Bob Wood nominated Jim Hudelson. The nomination was seconded by Don Richards. Linda Smith moved that nominations cease and a ballot be cast for Jim Hudelson. The vote was unanimous, and Jim Hudelson was elected as the new treasurer of the board.

Chairman Ron Crook suggested deviating from the proposed agenda and proceed with the audit report as the next item. The board agreed.

• AUDIT REPORT

Chairman Ron Crook introduced James Childress, the financial auditor for the Pool. James apologized for the tardiness of the audit, and said that there were many odd things that had attributed to it. He said he had hired a part-time staff person, which had helped to speed things up, and hoped he could have the same help next year.

James asked everyone to look at page one of the audit report, which stated that it reflected his unqualified opinion and was performed in accordance with generally accepted accounting principles (GAAP). Page 3 of the audit was the management discussion and analysis, prepared by management, and qualitative aspects, which he had reviewed for consistency. James stated that the largest change in the balance sheet from the last audit was that cash had increased 1.4 million or 46 percent, and interest receivables had decreased by \$52,000 or 38 percent. Cash had also increased in the money market accounts with the two brokerage firms. James said that the money in the WyoStar account was also considered as cash and equaled \$3.3 million, as of June 30, 2009, from which there had also been transfers to cash. Overall, the current assets had increased approximately \$1.5 million, or almost eight percent. Minor adjustments in property and equipment had been made, along with depreciation.

James continued his audit report by stating that liabilities, which include accounts payable and unearned revenue, had also increased by almost \$646,000, or 40 percent from the last fiscal year. He explained that all bills are recorded on an accrual basis, which means that bills are recorded as they are incurred, not when they are paid. The accrual basis of accounting is similar to accounting used by most private-sector companies. James stated that the IBNR (incurred but not reported claims) figure of \$5,498,412 was transferred directly from the Pool's actuary. The final result was that, as of June 30, 2009, the Pool had net assets of \$13.9 million.

James Childress said that his favorite financial report, the Statement of Revenue and Expenses and Changes in Assets reflected a 9.91 percent increase in charges for services. There was a significant increase in operating expenses; with a 62 percent increase in settlements, and 52

percent increase in legal fees. There was one more employee than usual for a few months, which attributed to some of the increase. Total operating expenses increased by \$701,000, while operating income was down over 96 percent. Investment income was down by five percent, which James said was good as some of his other clients had fared much worse in the economic downturn. The market value of the Pool's investments had decreased, but not as much as it could have. Overall, there was a \$257,000 loss in net assets from fiscal year 2008.

James Childress reviewed the Statement of Cash Flows, on page 10 of the audit report. He explained that this report takes income and combines it with the balance sheet. Cash provided by operating activities was \$682,000, which was positive when compared to fiscal year 2008. Investments, including certificates of deposits and the brokerage firm accounts, had increased slightly. Investments had increased a bit from the previous years, with net cash provided by investing activities at \$771,639. The reconciliation of operating income to net cash provided by operating activities decreased from last year from \$470,341 to \$17,119.

James said that the increase of the FDIC of \$250,000 made compliance with covering investments with securities much easier. He added that this provision would be in place until December 31, 2013. There was an addition of \$4,449 to property and equipment from the last fiscal year. James pointed out that as a claim progresses in time, the associated cost increases, which would correspond to the increased IBNR number. Page 22 of the audit report stated that there were no significant findings to be reported

Don Richards asked James Childress if there were areas for improvement of internal control. James recommended that the staff receive additional training in QuickBooks and Excel software programs in order to improve productivity and accuracy. He said he understood that there may be time constraints, but that the board may be able to assist the staff in making training a priority. He also suggested an operational audit, which he could perform on an hourly basis, which would help the staff work more efficiently. Ron Crook asked James if the board chose to hire him for an operational audit if he could still perform the financial audit. James replied he could still perform the financial audit as long as he conducted the operational audit to merely submit information to management and they could make the necessary decisions. James explained that he would have to conduct the operational audit in such a way that he could keep his independence. Mark Pring asked James what his fee would be for an operational audit. James replied \$100 per hour. James also suggested that an official accounting policies manual be completed which would detail monthly, quarterly and annual tasks for the accounting staff. This manual could be accomplished in the operational audit.

James Childress said that accountants must disclose corrected misstatements, including immaterial items, and a small list of adjustments that were made during the audit. There was a settlement check that was prepared in April, but was not actually cashed until July, which directly affected accounts receivable and deferred revenue. Greg James asked James how many of these "adjustments" could be performed by the staff after additional training. James answered that two could be performed on Excel, and one could be performed by a simple journal entry. He commented that the timing of the actuarial report is not completed until time for the audit.

He also stated that management representations certify and agree with numbers in the audit. James said that the last page of the audit report had an audit difference evaluation form. He said that in almost every case it is less than one percent, except compensated absences, which occurred when Monty Lauer retired. Next year, the number will be small again, but for fiscal year 2009, it was five percent. James Childress explained that if every employee quit on July 1, 2009, the Pool would have owed them for vested vacation benefits. This number is calculated and was found to be immaterial to the Pool's financial status. Don Richards said he was concerned as there was significantly less cash to invest, and asked James if he agreed. James replied that his intent was to dispute the perception that there would be too much cash.

James Hudelson made a motion to accept the financial audit for fiscal year 2009. Don Richards seconded the motion, and it passed unanimously. Linda Smith made a motion to place the audit report of record. The motion was seconded by Bob Wood. Mark Pring confirmed with James Childress that he would submit the final audit to the State. The motion passed unanimously.

The board meeting recessed at 10:30 A.M., and reconvened at 10:35 A.M.

- **EXECUTIVE DIRECTOR'S REPORT (continued from first page)**

B. New Members

Mark stated that, due to the encouragement of Bob Wood, Tongue River Valley Community Center had joined the Pool. He said he had also provided quotes to the Valley Community Center, the Buffalo Bill Dam Visitor Center and the Glenrock Senior Center. Mark further explained that he has Richard Rideout review any prospective entity's application, articles of incorporation and bylaws if it is unclear if they meet the definition of a governmental entity.

C. Budget Report

Mark Pring said in review of the October, November and December budget reports that the Pool was over budget on out-of-state travel. He suggested adjusting the amount for out-of-state travel, as the PRIMA conference was going to be in Orlando this year. As of December 31, 2009, administrative expenses totaled approximately \$26,000, settlements were over \$250,000, and attorney fees were over \$90,000 bringing total expenditures in excess of \$373,000. He said that there may be a better "feel" for an adjustment at the next meeting.

As of December, 2009, cash and equivalents were just over \$3 million. There were over \$7.6 million in certificates of deposit bringing the total cash and equivalents and certificates of deposit to a total of \$10.76 million. The combined brokerage accounts added an additional \$10.3 million, for a total of \$21.1million.

Don Richards said he had some concern over what was being paid in investment fees. Mark answered that he had done some investigation, and had found that the 20 basis points that was being charged by both investment firms was a very competitive rate.

D. Bill Miller's Report

Bill stated that due to the holidays and inclement weather, he had been able to visit 16 entities. He had taught three training sessions on documentation and discrimination. He said he had also done his first webcam with the Department of Agriculture. Don Richards asked what the Pool had to do with the Department of Agriculture. Bill explained that the Department of Agriculture conducts large meetings with all of the conservation districts. The Wyoming Association of Municipalities (WAM) had also asked Bill if he could do a full one-to-two hour presentation at their Winter Workshop. He said that after his last WAM presentation, he received eight requests to review policies and procedures manuals. Bill said that he had been working with the Department of Aging and the senior centers, but that was on the "back burner" for now. He stated that the turnaround for directors at the senior centers was high, but some have very good directors and he enjoys working with them. Out of 40 senior centers, approximately 35 had joined the Pool, and a couple more are looking at joining the Pool. Bill said he felt it would be a very busy year, with entities having to cut back as his services are free.

• APPROVAL OF EXPENDITURES

After a short discussion, Chairman Ron Crook asked for a motion to approve the expenditures for October, November and December. Linda Smith made a motion that the expenditures, including the credit card payments, be approved. Jim Hudelson seconded the motion, and it was approved unanimously.

• CERTIFICATES OF DEPOSIT

The board had been given a report showing all the current certificates of deposit, and the interest that had been earned on each one. The board agreed to allow Shuler to request quotes on the five certificates maturing in May.

• MEDICARE SECTION 111 REPORTING

Mark Pring explained that the federal government was attempting to prevent people on Medicare and Medicaid from being paid twice for medical claims, by requiring insurance companies, pools, and attorneys to report to them any settlement payments for injuries. Mark explained that the Pool had registered with CMS as a Registered Reporting Entity. He mentioned several calls and emails had been sent to the federal government with basic questions. No answers had been received, only referrals to their website and users guide, which was 300 pages long. He said he felt that they were simply overwhelmed and under-staffed.

The board meeting recessed at 11:20 A.M. for lunch, and resumed at 12:52 P.M.

- **ACTUARY REPORT**

Mark asked everyone to review the loss distribution table on page 8 of the ARM Tech actuarial report for fiscal year 2009. The paragraph at the bottom of the page stated that 86 percent of the claims reported are below \$10,000. The remaining 14 percent of the claims consume 83 percent of the Pool's funds. Mark added that most of staff's time is spent on small claims, while Bill Miller was working to prevent large claims by educating the members in the more problem areas. Page 9 of the actuary report showed the projected financial position of the Pool. Mark said that the Pool was in a good financial position and received a confidence level of 90 percent. He explained if you have a confidence level of 70 percent, your rates should be adequate seven out of ten years. Ron Crook asked Mark what confidence level should cause concern. Mark answered that he thought that Mujtaba Dato, the Pool's actuary wouldn't be comfortable with anything less than a 55 percent confidence level. Mark added that he thought that rates have to be considered separately from reserves. He recommended that the board not discuss rates until the reserve issue was discussed.

Mark continued by stating that Page 12 of the report showed that the average cost per claim had increased to \$8,946. The number of claims per \$1 million of payroll had decreased, but the cost of the claims had increased. Mark said he could appreciate that rates may have to be increased for some entities. Monty Lauer asked if Mr. Dato wanted to decrease the rate for certain types of entities. Mark stated he felt the report indicated that if you group all member entities together, the Pool needed to increase rates by 18% to maintain the 70 percent confidence level. Page 15 of the report showed the various entity types and three levels of confidence. Mujtaba Dato was recommending a 70 percent confidence level. Page 16 listed the rates for the larger entities like cities and counties, with and without law enforcement. In the past, the Pool used the figures without law enforcement as the State provides some peace officer coverage. Mark said that his rate comparison sheet showed the difference between Mr. Dato's rates at the 70 percent confidence level and the current rates now being charged by the Pool. Mark stated that the current rate for cities and counties was \$17.99 per \$1,000 of payroll, and at Mr. Dato's 70 percent confidence level, the rate would be 18.14 per \$1,000 of payroll, which was less than a one percent difference. When other entities were considered, however, the rates changed dramatically. Mark said his recommendation was to bring the entities to the appropriate rate based on the actuary's recommended 70 percent confidence level. He said that the actuary recommended if the board wanted to change the contributions, to do it after the entities' rates were moved to the appropriate level. Mark explained that the rate relativities would vary from year to year with the member's experience rating. The board, in an effort to help the members, had left the rates unchanged for several years. If every member's rate were to be brought to where it should be, it would result in a 9.5 percent increase or approximately \$300,000 increase in contributions from last year.

Mark explained that the board had an actuary to perform a study to tell them what rates they should be charging each year, but did not adopt the actuary's recommended rates. Mark stated that he understood that the board had good intentions of wanting to help the members by not raising the rates, and suggested Mr. Dato's recommendation of reducing the contributions, but not the rates. He explained that a percentage decrease could be charged "across the board". Cities are currently charged \$17.99 per \$1,000 in payroll, the rate could be increased to the

actuary's recommended rate of \$18.14, but the contribution could still be reduced. Don Richards stated that in the final analysis, rates would be at the actuary's recommended rate. Mark remarked that the rates would be "appropriate". Brad Basse stated that a decrease in premium would take effect after all other steps had been satisfied. Mark Pring confirmed. In addition, he added that Mujtaba Dattoo also did not feel that it was appropriate for a large entity to be able to choose a \$250 deductible. He suggested that if an entity had \$1 million or more in payroll, it should not be allowed to choose a deductible level less than \$1,000. Ron Crook asked how the new rates would work for senior centers since they were currently being charged \$13.64 per \$1,000 in payroll and the actuary's recommended rate was \$19.14. Don Richards stated that one senior center's contribution would increase 40 percent if the actuary's rate were used. Greg James said that what was being recommended was to get rates where they should be, but as a board they could apply a percentage decrease.

Mark passed out his "Payroll Expenditures and Premium for FY11 @ 25% Reduction" sheet. He said that the actuary's recommended rate appeared to be a drastic increase for most entities, especially for those still trying to "catch up" from the switch from calculating the contributions based on expenditures to payroll. He had taken each exposure at the recommended rate and then reduced the contribution by a flat percentage so that those entities would not get such a drastic increase.

Mark added that if every member were given a flat percentage discount, every entity would be at their appropriate rate. Jim Hudelson said he thought that the board needed to look at the level of cash reserves that were needed, as even if rates were not increased, salaries likely would, which would increase total contributions. Mark said that he assumed that the increase in payrolls would be the same as last year of 8 to 12 percent. Don Richards stated that the board had set the goal of \$22 million in reserves at its last retreat. Greg James said it seemed that the board had three separate decisions: 1) Are we going to accept the actuary's recommended rates? 2) Are we going to set a limit on deductibles? 3) How does all this relate to the amount of reserves? Mark stated that they had not gotten that far yet. Greg James made a motion that the board accept the actuary's recommended rates. Don Richards seconded the motion. Mark asked Greg to please specify at which confidence level. Greg James amended his motion to show acceptance of the actuary's recommended rates at the 70 percent confidence level. There was a short discussion. Greg James said it was his intent to bring it to the floor for discussion, but his personal feeling that it was a "go"; i.e., rates, not necessarily contributions. There was a vote, and the motion passed unanimously.

Mark said one of the functions of the actuary's report is to tell the board how well the Pool is funded. The report indicated the Pool is well-funded. Mujtaba Dattoo had suggested that the board set a reserve level. Mark explained that a reserve was the dollar amount needed to cover claims. The actuary's incurred but not reported claims figure was 5.5 million, add to that the \$2.4 million figure estimated reserves to cover reported claims, so roughly \$8 million is needed to cover the claims exposure. Mark said that surplus can give the board flexibility. Large losses can be absorbed with surplus without increasing contributions. The board can expand coverage if there is surplus. The board has already decided to self-fund its excess coverage, which it could not have done without surplus.

Mark continued by saying that surplus can be directly affected by changes in law. If for example, the state legislature were to double the cap on the limits of liability in the Governmental Claims Act, the board could have to cover the increase by using the Pool's surplus. Different boards have different comfort levels, so surplus is directly affected by the board. Mark brought up the possibility of a judge starting to ruling harder on the Pool on sewer issues, having a large surplus would be a benefit. Brad Basse said that it was scary to him to charge too little in case the Pool has a "bad year". He said he wanted to be cautious with giving too much, as it has taken the Pool a long time to build its surplus. Greg James stated that the board was really looking at two numbers; the actuary's recommended reserve and the surplus amount that the board would be comfortable with. Mark Pring agreed, and stated that the board had to be careful giving away surplus, as it is not only the surplus that is lost, but the interest that could have been earned on that surplus. Mark Pring said that Mujtaba Dattoo would not tell the board what to do as far as surplus level, as it was the board's decision. Mark mentioned the board had done a great job, as the Pool enjoys a 90 percent confidence level.

Mark said that there are primarily five ratios that risk pools are using, with the three most common being: ratio of premium to surplus, ratio of reserve to surplus, and self-insured retention to surplus (SIR). Mark explained that the last ratio was somewhat limited by the \$250,000 cap set by the Governmental Claims Act. The Pool could adopt ratios such as: premium to surplus is 3 to 1, reserve to surplus is 2 to 1, and self-insured retention to surplus is 10 to 1. Monty stated that at the board's last retreat, the actuary had run those ratios for them. Mark said that the board could look at the ratios every year and see what they feel comfortable with. Monty said if the Pool had \$21 million in cash, if the board set aside \$8 million for reserves, it will have \$13 million in surplus. Brad Basse said that the board could adjust contributions downward to collect less than the Pool had over the past few years. He added that he felt that the increase in contributions had been due to the change from calculating contributions from expenditures to payroll. Monty Lauer said that seeing things from the "long run", it may have been a mistake not to charge entities their full contributions when making that change, as now some may see a large increase. He explained that when the switch was made, he tried to calculate a rate so that the entities would not get a large increase. He added that it did not seem to him that senior centers had that many claims. Jim Hudelson asked Monty what the actuary's rate was for senior centers in the past. Monty answered that the board had never used the actuary's recommended rates, as they had always set them lower because the Pool was never in line with the national averages. He said he felt that Wyoming was different because of its conservative society and the Governmental Claims Act limits. Monty said he wondered what the actuary's recommended rates would be if they were only calculated on the Pool's loss history. Don Richards asked if another actuary would calculate the same rates; i.e., are they all the same or are some different? Mark said in the actuary's opinion, you typically do not use just one ratio, but several. Don Richards said if the board decided to use the actuary's recommended rates today, and two to three years down the road, a different actuary report was received, an adjustment may need to be made. Greg James stated that some of that reflects the level of trust there is with the actuary. Don Richards agreed and stated that the board needed to establish its level of surplus. Mark Pring stated that he did not know that the board needed to do anything other than to be aware that the need to establish a surplus level is there. He added that there is enough excess to where the board could adjust the contribution rate. Greg James asked if the board was looking to establish numbers for surplus and excess. Jim Hudelson stated that in order

to prepare budget numbers, the board needed to know how much contribution dollars the Pool would receive, but for now, it needed to consider how much it felt comfortable with. Mark Pring agreed.

Mark said he had “run the numbers”, and if the board used the actuary’s recommended rates, and implemented a 25 percent decrease “across the board”, it would cost approximately \$790,000. Don Richards said if history provided a guideline, considering the figures provided to the board today in the audit report (He was referring to the comparison of \$470,341 in 2008 and \$17,119 in 2009 of operating income in the reconciliation of operating income to net cash provided by operating activities), the Pool will have \$17,000 left over. Brad Basse said that figure would not include investment income. Don Richards said that the Pool still had the money from not purchasing the excess insurance as it was put into a certificate of deposit. Mark Pring stated that instead of getting the funds from the members, they would be getting it from the surplus. Don said he would rather try to look at another percentage figure so that the Pool would not take such a big hit so that next year, possibly a lower percentage could be used. Greg James said he would far rather not have such a large decrease and realize an increase the next year. He said he did not disagree, but he was uncomfortable with no income at all. Monty Lauer said that it all came back to what the board wanted to establish as a surplus amount. Monty said that the Pool had \$13 million, but he was uncomfortable with \$10 million. Jim Hudelson said the audit was not helpful for arriving at a surplus figure. Greg James agreed for what they were trying to do for the moment, as the audit was simply a snapshot of what was as of June 30, 2009.

Mark stated that contributions were based on payroll, and they typically increase, but they may eventually decrease with the present economic conditions. Monty told the board that they would see a slight increase this renewal period, but he believed that next year they would see a decrease. Mark asked the board if it could provide a flat percentage adjustment this year, as next year they would probably see a decrease in contributions. Gradually, payrolls would increase and would bring the members where the actuary said they should be. Monty asked how much in contributions would the Pool need to collect to stay at a level where they are now. He added if \$3 million in contributions was collected, and the administrative and claims reserve budgets deducted, surplus would be the result, excluding interest income. Don Richards added (again referring to the audit report’s operating income figure) that the Pool only had \$17,000 in operating income for fiscal year 2009. Monty remarked that figure would change from year to year. Linda Smith said she had a major concern that if the board made a reduction in contributions; it possibly could catch up with them in two years. Don Richards said if they did not make a reduction, then senior centers would see a 40 percent increase. Bill Miller stated that senior centers were struggling. Don said that they did want to lose senior centers, as it will be a struggle for them to come up with the additional money.

Greg James said that as he looked at the numbers, it seemed that some other entities other than senior centers might also take a “large hit”. Monty stated that some of the entities had been paying “artificially low” contributions because they had not “caught up” with the change from calculating contributions from expenditures to payroll. Some entities had “caught up” quicker than others, but it was hard to “catch up” when payroll increased each year and each contribution could only be increased by five percent a year. Ron Crook suggested going with a ten percent flat reduction. Mark stated that those at the minimum contribution of \$500 would stay the same.

He added that the board would not want to increase senior centers by 40 percent in one year, as that would really hurt in these difficult economic times. He suggested that the board approve a smaller reduction in contributions.

Don Richards made a motion to take the actuary's 70% recommended rates, and reduce the adjustments, both increases and decreases, by 50 percent. This action would shave 50 percent off the top and bottom and leave everything else the way it was. Don further explained his motion by stating that the rate for airports was recommended to decrease by 15 percent. He was suggesting that the board accept that rate, but only decrease the contribution by 7.5 percent. Another example was the recommended increase to fair boards of 30.9 percent. Their contribution would only increase approximately 15 percent. Don stated that his previous motion was to accept the rate *relativities*. Greg James reminded everyone that the motion had already passed to go with the actuary's 70 percent confidence level rates. He explained that Don Richard's motion was that the board accept the actuary's 70 percent confidence level rates, but only utilize half of the increase and half of the decrease. Monty Lauer said that action would not help, because what the board would actually be reducing the recommended rates. Greg James said that the board would be accepting the rates but adjusting the premium. Mark said that concerned him that some members would still get a 20 percent increase. He asked if the contributions that had been held "artificially low" due to the switch in calculating contributions from payroll would be calculated as they should be; i.e., without the past 5 percent increase limit. Don further explained his motion by stating that the 0.83 percent raise in rate recommended for towns and counties be cut in half, which would result in a 0.42 percent increase. Mark said he was not sure if that calculation would be accurate. He took one county whose contribution last year was \$62,000, under the actuary's 70 percent confidence level would be \$66,000, the difference was 6.88 percent, half that would 3.44 percent, totaling \$3,100. Monty asked what would be the result if the member's payroll had increased. Don Richards said to take the actuary's 70 percent confidence level and reduce or increase by 50 percent, not the rate, but the proposed *rate of change*. Greg James said that he had a sense that this method would get the members' contributions where they should be and, at the same time, minimize the effect on the members. Mark Pring agreed with what Brad Basse had previously stated; the senior centers would take a large hit.

Bob Wood asked if the actuary was basing the rate for senior centers on the national average or on the Pool's. Jim Hudelson said that the actuary should be basing the Pool's rates on the Pool's losses. Monty stated that the exposure for senior centers includes their exposure of going out of state. Bill Miller commented that WYDOT had pulled funding for senior centers going out of state. Jim Hudelson called the motion to question. There was a vote, and the motion passed unanimously.

Brad Basse made a motion to change the rules concerning deductibles such that any entity with \$1 million in payroll would have a minimum deductible of \$1,000. Greg James called the motion to question. Jim Hudelson seconded the motion. The motion passed with one "nay". Monty Lauer suggested to the board that they set reserves and surplus at their next retreat.

- **RISK ENVISION UPDATE**

Mark Pring reminded everyone that Risk Envision was the claims-tracking software that the Pool utilizes. There was an upgrade from the old version, and the new version was not very user-friendly, thus the transition had been problematic. The name of another software company was obtained at PRIMA. The new provider's software was more expensive, but the salesman was very interested in obtaining the Pool's business. At the last board meeting, it was discussed to give Risk Envision another chance. Risk Envision had since set up a spreadsheet with timelines in an attempt to address the issues. Mark said he was frustrated with the report feature. The staff was also unhappy with the upgrade. Most of the unresolved issues were more of an inconvenience than a deal breaker. Mark added that the new software provider had a Section 111 reporting upgrade and was QuickBooks compatible. Greg James asked how much more money the software would cost. Mark answered that it would cost approximately \$30,000 more. Ron Crook asked if Risk Envision was compatible with QuickBooks. Mark said that he had heard that they were, for an additional fee. He had also discovered that the State of Wyoming was using Risk Envision too. Monty said he thought he remembered that Risk Envision was originally chosen because it was considerably less expensive. Bill said he thought a lot of the problems stemmed from Risk Envision being sold to another company. Linda Smith asked if the salesman with the other software company was willing to lower his price. Mark answered, "No", and continued by stating that the guy talked a "good game" and could show anything on a demonstration. Ironically, Risk Envision's original demonstration of their upgrade had worked flawlessly. Greg James stated that there was nothing more frustrating than to try to work with something that would not work. Ron Crook asked how Risk Envision's tech support rated. Mark replied that it took a long time to get issues fixed. He added that there was no guarantee that the other software would not be any better. Greg James suggested obtaining references, even though it would take time. Mark replied that he had checked on some references and found that the other software system was not the perfect either, but it appeared that it performed as it was supposed to. Don Richards asked why Risk Envision was not taking care of the issues. Mark said he had read that Risk Envision was just bought again, this time by a Fortune 500 company. Don Richards suggested if necessary, having Richard Rideout write a letter stating that the issues needed to be resolved. Monty Lauer said it would be ideal to hire an IT person write a custom program. Since the Pool is so small it tracks a few things, most programs have more than what is needed. Mark said that the salesman with the other firm had put a time constraint on his quote, which concerned him.

- **EXECUTIVE SESSION**

Linda Smith moved that the board meeting enter Executive Session. Greg James seconded the motion. The motion passed unanimously, and the board meeting entered its Executive Session at 3:15 P.M.

Greg James made a motion that the board meeting exit Executive Session. Jim Hudelson seconded the motion, and the motion passed unanimously. The board meeting exited Executive Session at 4:15 P.M.

Greg James made a motion to authorize the executive director to negotiate on its behalf, as discussed in Executive Session. Brad Basse seconded the motion, and it passed unanimously.

- **RETREAT**

Shuler had given the board a sheet showing five possible board retreat locations and their amenities. After a short discussion, Greg James suggested that the board not have a retreat this year. The board decided not to have a retreat for 2010.

- **PRIMA CONFERENCE**

Linda Smith asked about the PRIMA Conference. Bill Miller answered that the PRIMA Conference was being held at the Orlando Marriot this year. He said he had made his reservations, and had been able to hold his cost at under \$1,500. He explained for the benefit of Greg James that PRIMA was the Public Risk Management Association, which held a conference each year with classes dealing with risk management. He said that there was no agenda available as yet.

- **NEXT BOARD MEETING**

The board decided to hold its next meeting in Cheyenne on April 22, 2010.

- **ADJOURNMENT**

Linda Smith made a motion that the board meeting adjourn. Don Richards seconded the motion, and the meeting adjourned at 4:30 P.M.

Ronald Crook, Board Chairman

Date