

**LOCAL GOVERNMENT LIABILITY POOL
BOARD MEETING
Cheyenne, Wyoming
June 26, 2009**

Board Members in Attendance:

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

Board Members Absent:

Will Davis, Treasurer, Mayor of Evanston

Staff and Guests in Attendance:

Shuler Boone, Administrative Assistant
Monty Lauer, Executive Director
Mark Pring, Executive Director (beginning July 1st)
Richard Rideout, LGLP Attorney

• **APPROVAL OF MINUTES**

Chairman Ron Crook called the meeting to order at 9:00 A.M, and requested that a motion be made for approval of the minutes of the Board meeting of April 30th. Jim Hudelson made a motion that the minutes from the meeting be approved. Linda Smith seconded the motion. Mark Pring stated that the agenda for the meeting had been revised since sending the Board members their packets. Don Richards suggested leaving the names of Pool members out of the minutes on sensitive issues. Monty Lauer asked Richard Rideout for his opinion. Richard Rideout stated that he did not recall that anything that was said at the last Board meeting that he would consider sensitive. Don Richards made a motion that the minutes be amended to omit the names of members on sensitive issues. Linda Smith seconded the motion. Chairman Crook reminded the Board that there was still a motion on the table. Jim Hudelson cancelled his motion to approve the minutes. Chairman Crook asked Don Richards how the minutes should be amended. Don Richards answered that the names of the members be removed from the minutes on sensitive issues. Brad Basse suggested that, in the future, all sensitive issues should be discussed in Executive Session. There was a vote, and the motion to amend the minutes of the April 30th Board meeting passed unanimously.

• **EXECUTIVE DIRECTOR'S REPORT**

Mark Pring announced that Monty Lauer's retirement reception would be from 2:00 P.M. to 4:00 P.M. tomorrow, dinner would be at 5:00 P.M., and this would be Monty's last Board meeting.

A. Renewals/New Entities

Mark Pring reported that there were 15 member entities that had not mailed in their renewal applications after several notifications, and 84 had not paid, which meant that the Pool was currently 99 members short for fiscal year 2010. He stated that six new members had joined or committed to join the Pool in the near future; Big Horn County Airport Board, Big Horn County Rural Health District No. 1, Byron Drainage District, Glenrock Housing Authority, Parker Draw Improvement and Service District, and South Torrington Water and Sewer District. Monty said that contributions had increased 13 percent from last fiscal year. He added that a couple of entities had dissolved.

B. Budget Report

Mark Pring presented the budget report. He said that there were a couple of line items that were over their budgeted amounts, but overall the budget for fiscal year 2009 looked good. He added that it may be a good time to discuss computer hardware/software in regard to the Risk Envision upgrade and request a change for the FY2010 budget. Mark said that the Risk Envision (claims software) upgrade was projected to be \$35,000, but it would not be completed in fiscal year 2009, so he would like to move it into the FY2010 budget and reduce the amount to \$25,000. He added that training had been completed for the upgrade, but the server was going to have to be upgraded, and some information technology time would be needed to set up the new server and install Risk Envision software on it. Ron Crook asked Mark how much the new server would cost. Mark answered that the projected cost of \$5,000, was included in the upgrade amount.

Don Richards asked if the amount for attorney fees needed to be amended since it was "over budget". Monty answered that as a joint powers board, the Pool is not required to have a balanced budget, but cities and towns do. He added that claims reserve expenses were so hard to project that he did not know if they should be budgeted. Monty told the Board that it could do whatever it wished, but there was no requirement under the joint powers board statute that the budget had to be balanced. Chairman Crook stated in the past, the Pool has had a balanced budget. Linda Smith said that in her perspective, she looks at the expenses and revenue and looks at the bottom line. She added that, technically, to be absolutely right, she thought that the Board had a duty to balance the budget. Brad Basse suggested increasing the claims reserve budget, as claims seem to be requiring more money. Don Richards asked if the budget was turned into the State Auditor. Monty answered, "Yes". Shuler reminded the Board that what is reported to the State's Audit Department is on an accrual basis and what the Board sees is always on a cash basis. Monty said he has always tried to keep up with costs and has notified the Board when he sees that something will go over budget. The subject of a balance budget was discussed at length.

C. PRIMA Conference

Mark reported that he, Monty, and Bill Miller had attended the PRIMA Conference and it was time well spent. He said that they had split up to attend different classes and, at the end of the day, compared notes. He said that this year, they also had the ability to download class materials from their computers. Don Richards asked if the Board needed to have a session on what had been learned at the PRIMA Conference. Monty answered that the PRIMA Conference is geared to cities and towns, so there was nothing regarding board training.

D. WAM/JPIC Appointment

Mark Pring announced that he has been appointed to fill Monty's position on the WAM/JPIC Board. He said the appointment had taken place at a WAM/JPIC meeting during the WAM Conference. He added that while working for the State of Wyoming, he worked for the Insurance Department for 19 years. Mark said that he had been an advisor for the State of Wyoming Employees and Officials Group Health Insurance Board for 7 years and a Board member for 6 years.

E. Board Elections

Mark announced that Don Richards, Bob Wood, and Will Davis terms would expire in January. Don Richards and Will Davis stated at the last board meeting that they were interested in running for another term.

F. Bill Miller's Report

Bill Miller reported that in addition to attending the PRIMA and WAM conference, he had also met newly-elected officials since the last Board meeting. He stated that one advantage to his position is every two years he is re-training because of newly-elected officials. He added that he had also visited 23 different entities, and discussed policies and procedures, liability, general human resource issues, and a few risk assessments. He said he had conducted 11 policy and procedure reviews and modifications and had six more on his desk. He added that he had conducted four training classes on documentation and ethics. Bill said he had visited the northwest quadrant of the state and it looked like two more senior centers may join the Pool.

• REQUEST FOR CHANGE IN FY2010 BUDGET

Mark requested that the change discussed earlier in the Board meeting be made for computer hardware/software line item for the fiscal year 2010 budget, transferring \$25,000 from the fiscal year 2009 budget. Don Richards made a motion that \$25,000 be moved from the fiscal year 2009 budget to the 2010 budget for computer hardware/software for the Risk Envision upgrade. Jim Hudelson seconded the motion. After some discussion, there was a vote and the motion passed unanimously.

• APPROVAL OF EXPENDITURES

Mark Pring stated that a list of expenditures and VISA bills for the last quarter were submitted in each Board member's packet. Chairman Ron Crook asked for questions and discussion of the expenditures. There were no questions or discussion. Brad Basse made a motion that the expenditures for the last calendar quarter be approved. Bob Wood seconded the motion. There was a vote, and the motion passed unanimously.

• EXCESS INSURANCE PROPOSAL

Mark Pring stated that A. J. Gallagher, the Pool's former excess carrier had submitted a second proposal. He reminded the Board, at their last meeting, they decided not to renew the excess insurance policy and self-insure. He said that A. J. Gallagher was very disappointed with the Board's decision, and offered a \$2 million self-retention and lowered the premium from \$290,600 to \$179,000. Monty stated that the Board should do whatever it felt the most comfortable. Don Richards asked if the Board had decided to

earmark the premium and put it into a separate account. Monty answered that it was discussed to put the amount of the excess premium into a separate account, but he did not believe a formal decision was made. Don Richards asked if the Pool still had to pay \$45,000 commission. Monty answered that if the excess coverage was purchased, the Pool would not pay the commission, as Genesis (the excess insurer) would pay the commission to the broker.

Richard Rideout stated that in a recent case in a neighboring state, a judge awarded an inmate a large amount in a sexual assault case. He said that it is possible that such cases may come up in the future. Richard added that the Pool is in great financial shape. Monty stated that there was previously a \$1 million self-retention for the excess coverage and the new proposal offered \$2 million self-retention for \$179,000. Jim Hudelson stated that on page 4 of the minutes from the April Board meeting, the discussion was if the Pool self-insured the excess insurance, the coverage would decrease from \$5 million to \$2 million. Mark Pring explained that Genesis was providing the \$5 million aggregate and the Pool was increasing its exposure from \$1 million to \$2 million. He said that if there were a claim on the excess insurance, Genesis would be "on the hook" for \$5 million and the Pool would have a \$2 million deductible if the new proposal was accepted. Monty said that he remembered that the Pool will provide \$1.5 million per occurrence with a \$5 million aggregate, which was the Board's decision at the last board meeting. He said in Gallagher's second proposal they were offering the same coverage with a higher deductible.

Chairman Ron Crook asked Mark Pring's opinion on Gallagher's second proposal. Mark replied that he thought that the Board had made a good decision at the last meeting to self-insure its excess coverage. He said he appreciated Gallagher's effort, but felt comfortable with the decision to self-insure after speaking with Mutjaba Dato, the actuary.

• COMPANY CAR

Bill Miller said he had requested nine bids and advertised in newspapers for three weeks. He said he was disappointed that only one local bid had been received. Five bids were received of the nine that were requested, and they are as follows: Tyrrell-Doyle, Fremont Motors, Greiner Ford, Converse County Motors, and King GMC out of Loveland. He said that 10 vehicles were quoted. Tyrrell-Doyle, the only local bidder, and King GMC were the two most competitive. Tyrrell-Doyle's bid was on a Chevrolet Traverse, and King quoted the GMC Acadia. Don Richards asked what the price range was on the vehicles. Bill answered that the lowest price was the Jeep Liberty at \$26,589, but it was difficult for him to fit into it. The Board was given a comparison of the vehicles, along with the prices. Brad asked about the Traverse, and Bill said that it was a cross-over vehicle just like the Acadia. Bill stated that General Motors was offering OnStar free for one year, so it was a consideration. He added that he had a problem sitting in the Liberty, Explorer and Cherokee models. Don Richards asked Bill if his choice was between the Traverse 2LT and the Acadia. Bill answered, "Yes". Linda asked what features were on the Traverse 2LT. Bill answered that power seats, lumbar support and Bluetooth capability were featured on the Traverse 2LT. Bill said he had done some research online and found that General Motors took the Acadia, fixed problems and made the Traverse. Mark stated that both vehicles were considered crossovers. Monty said he thought that the Traverse had the highest gas mileage rating of its class. Bill stated that King Motors was present for the bid opening and said that they would bring a loaner if there was a problem and the vehicle needed service. Bill said he feared if that salesman moved on, that the dealer may not be willing to honor the salesman's agreement. Don Richards asked what the sticker price would be on the Traverse. Bill answered, "\$42,000". Jim Hudelson stated that you may pay for extra features up front, but when you go to sell a vehicle with those extra features, you can potentially sell it for more money. Brad Basse stated that heated windshield fluid and remote starting were very handy in the winter. Bill answered that the Traverse 2LT had remote start, heated mirrors and a block heater. Linda Smith asked Bill if the same specifications were quoted for each vehicle. Bill answered that he tried to have "apples to apples" when requesting bids. Monty said he did not know if a motion was needed since

the Board had decided to buy a vehicle in the last meeting. Mark stated that the ladies on the staff would also be driving the vehicle on errands, and the feature of preset settings on the power seats would be very convenient. Bill Miller stated that the Traverse 2LT would seat seven people. Linda Smith made a motion that the Board authorize the staff to purchase the 2009 Chevy Traverse 2LT for \$36,250. Jim Hudelson seconded the motion, and it passed unanimously.

The Board recessed at 10:30 A.M. and reconvened at 10:45 A.M.

● **CERTIFICATES OF DEPOSIT MATURING IN MAY, 2009**

Mark Pring stated that there were two certificates of deposit maturing in the next quarter totaling approximately \$1.2 million. He added that the Board would be asked to provide signatures for a new checking account that had been opened at Wyoming State Bank in an effort to acquire new credit cards. He explained that the current VISA card was opened based on Monty's personal credit as the Pool did not have credit at the time it was opened, and Capital One had refused to switch it over. Mark stated that benefits of the new checking account would be QuickBooks online banking capability, and hopefully a complimentary safety deposit box. Jim Hudelson asked if QuickBooks was charging for direct deposit. Shuler said that there was minimal charge for direct deposit of payroll checks. She added that a machine may be purchased that would make trips to the bank for depositing check unnecessary. She said that Alicia could run the checks received through the machine, and it would automatically deposit the checks into the bank. Shuler said that with the current bank, in order to find the current balance, she had to go online and sign in using Monty's name and password, and in doing so, had the authority to make online transactions, which could put her in a bad position since she cuts the checks. Shuler explained that the reason she wanted QuickBooks online banking was so that she could find out the checking account balance quickly without the ability to make transactions. She added that if anyone had the name of an additional bank they would like for her to request bid from for certificates of deposit, to let her know.

● **CONTRACT FOR MONTY LAUER'S CONSULTING SERVICES**

Mark Pring stated that consulting fees for Monty were discussed at the last board meeting. He presented Monty's consulting contract for one year, beginning August 1, on an "as-needed" basis at \$50 per hour. He said that Richard Rideout had not looked at the contract yet. Don Richards made a motion to approve Monty's contract for consulting services. Brad Basse seconded the motion. Linda Smith asked if the contract should be reviewed. Don Richards stated that it appeared to be a standard contract. The motion passed unanimously.

● **ARM-TECH CONFERENCE**

Mark announced that the 2009 Arm-Tech Conference was August 2nd through August 5th. He asked those attending to obtain their airline tickets as soon as possible. He said that there would be a special pre-conference tutorial on Monday, August 3rd specifically geared toward Board members and encouraged all to attend. He asked that anyone planning to attend the pre-conference tutorial to notify Shuler as it was an extra charge and needed to be reserved when registering for the conference. Monty stated that Mutjaba Dattoo would be teaching the pre-conference tutorial. Mark said that there would be a dinner on a battleship, which was included in the price for conference registration. Chairman Ron Crook asked who all was planning to attend. Linda Smith, Brad Basse, Don Richards, Bob Wood, and Ron Crook said that they were planning to attend the Arm-Tech Conference.

- **PRIOR ACTS COVERAGE**

Mark Pring explained that a new member in the Pool and had requested prior acts coverage. He further explained that typically, smaller entities have claims-made policies. He said that the member was not aware of any potential claims. He stated that they would have to pay \$652 for one year's coverage and \$1,630 for two years prior acts with their former insurance company. Monty explained that the prior acts issue is an old one and the Board had voted previously to leave the offer of prior acts coverage at the discretion of the executive director. Monty said that prior acts coverage typically goes back two years, and did not see it as a large exposure and did not think it was necessary to impose a fee. Mark explained that the claims-made portion of the policy was typically for errors and omissions (directors & officers) coverage. Chairman Ron Crook asked for a motion. Jim Hudelson made a motion to provide the member with two years prior acts coverage with no additional contribution. Bob Wood seconded the motion, and it passed unanimously.

- **SEWER CLAIM**

Don Richards made a motion that the agenda be amended to reflect that the sewer claim be discussed in executive session. Jim Hudelson seconded the motion. The motion carried as the vote was unanimous.

- **MEDICARE/MEDICAID SECONDARY PAYOR**

Mark Pring explained that when a claim for bodily injury is settled, the Pool pays for the treatment of injuries and if the claimant is on Medicare or Medicaid, it is possible that the claimant may receive "double payment". Medicare and Medicaid were making an attempt to track this double dipping. The Federal Government is passing the tracking responsibility down to insurance companies and self-insured pools. He explained that the Pool is going to be required to report any settlement payments made to anyone who is covered by Medicare or Medicaid. Monty explained that the program begins January 1, 2010, but the Pool must register by September 1, 2009. He added that if the Pool fails to notify Medicare and/or Medicaid of a settlement paid to someone with coverage, the Pool can get fined \$1,000 per day. Brad Basse asked how the Pool could know if a claimant was on Medicare or Medicaid program. Monty answered that Richard Rideout will have to help prepare a form for each claimant to sign off on under a perjury statement that they are or are not on Medicare and/or Medicaid. Monty said that it was his understanding that there would be a way to check online to make sure that a claimant was not falsifying a statement.

- **ATTORNEY GENERAL'S OPINION ON WHETHER SENIOR CENTERS ARE GOVERNMENT ENTITIES**

Mark Pring stated that at the last Board meeting, the Board voted to take the question to the State Attorney General as to whether senior centers are governmental entities and thus eligible for the cap on limits. He explained that after the last Board meeting, Monty said that he recalled that there had been an opinion from the State Attorney General's office in the past. They found the opinion and gave the Board a copy. Monty said that the letter stated that the Deputy Attorney General at the time, John Renneisen, stated that, in his opinion, senior centers are governmental entities, and the legislature missed specifically naming them in the Governmental Claims Act. Richard Rideout stated that as public corporations they are eligible to join the Pool, but the question is, are they governmental entities. He said that at some point in time a court could decide differently and the cap on limits would not apply to them even though they would be members of the Pool. He added that the letter from the Attorney General supported the Pool accepting public corporations into its membership. Monty Lauer said that the issue may be taken to the State legislature to add senior centers to the Governmental Claims Act. Mark said that he and Monty had called John Renneisen, Deputy Attorney General, and he had said that he felt comfortable with the 1996

Attorney General's decision. Jim Hudelson asked if the senior centers in the Pool should be contacted. Bill Miller answered that the management turnover rate is very high, so he felt that the best way of contacting them would be through the State. Brad Basse suggested the senior centers to take the issue to the legislature. Monty stated that most senior centers are 501(c)(3)s and thus are not senior *districts* but senior *centers*. Chairman Crook asked if the Board should pursue legislation. Monty answered that if the senior centers would have been included in the Governmental Claims Act specifically, there would not be a problem. He stated that the Board could tell the senior centers that they have a letter from the State Attorney General and encourage them to pursue legislation. The Board meeting recessed for lunch at 11:35 A.M.

● **EXECUTIVE SESSION**

The Board meeting reconvened at 12:40 P.M. Jim Hudelson immediately made a motion that the Board meeting enter its executive session. Don Richards seconded the motion, and it passed unanimously.

Don Richards made a motion to exit executive session. Bob Wood seconded the motion, it passed unanimously, and the Board meeting exited its executive session at approximately 2:00 P.M.

Brad Basse made a motion that per the Board's discussion in Executive Session and agreement with Mark Pring that in recognition of excellent service, he receives a \$10,000 annual raise in salary at the end of his six-month review, effective September 1, 2009. Bob Wood seconded the motion, and it passed unanimously.

● **OLD OR NEW BUSINESS**

Chairman Ron Crook announced that former Board member Jim Carroll had passed away. He showed the Board a program from his memorial service in Kemmerer. He said that Jim had been the mayor of Kemmerer for a number of years and had moved back to Texas to due to his health. Ron said that Jim was a great guy and would be missed.

Monty announced that Tom Satterfield, former chairman of the LGLP Board, was also retiring from public service as of June 30, 2009.

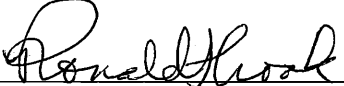
Chairman Ron Crook presented Monty Lauer a retirement card and thanked him for his many years of service to LGLP. Ron said that there were no words to express what Monty had accomplished as Executive Director. He also commented on Monty's willingness to answer questions whether it was a member or a Board member. Monty thanked the Board for its support through the years and also gave credit to the staff. He updated the Board on the condition of his health. Linda Smith said that from the moment she met Monty, she considered him to be a very professional yet genuine person, and appreciated him and the staff. Richard Rideout said that he had enjoyed working with Monty for over 32 years, and also thanked him and wished him the best. Brad Basse said that even though he had been on the Board a relatively short time, he was proud to be associated with Pool and was proud of Monty and the staff and wished Monty luck in his retirement. Jim Hudelson said had had been on the Board only a few months, but assured Monty that his life would get easier. Bob Wood commented that he was apprehensive in joining the Board at first, but Monty always had time to explain things and that he had really gotten to know and respect Monty after attending mediations with him. Don Richards thanked Monty for his years of service.

Monty said that he hoped to see everyone at his retirement reception the next day, including some former Board members. He said that he would not attend dinner as he had family that was travelling for his retirement celebration that would be arriving that evening.

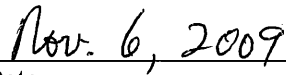
• **ADJOURNMENT**

Don Richards made a motion that the Board meeting adjourn. Jim Hudelson seconded the motion, and the meeting adjourned at 2:40 P.M.

Approved:



Ronald Crook, Chairman of the Board



Date