

ASSOCIATION OF WASHINGTON CITIES

RMSA Board of Directors Meeting Minutes Wednesday, September 28, 2022 Cedarbrook Lodge and Online Meeting with Phone Access 10:00 am

Present:

President & Position 7 - Julie Struck, Mayor, South Bend
Vice President & Position 4 – Jose Trevino, Mayor, Granger
Position 1 - Dee Roberts, Mayor, Raymond
Position 3 – Leanne Guier, Mayor, Pacific
Position 5 - Stefany Smith, Mayor, Springdale
Position 6 – Micki Harnois, Councilmember, Rockford
Operating Committee Chair - Dawn Masko, Finance Director, Pacific, *arrived at 10:14 am*

Staff Present:

Deanna Dawson, CEO
Alicia Seegers Martinelli, Deputy CEO/COO
Gene Emmans, CFO
Carol Wilmes, Director, Member Pooling Programs
Carol Rehnberg, Program Director
Ashley Jones, Senior Claims Analyst
Andrea Luper, Membership Supervisor
Kim Dennis, Risk Management Coordinator
Betsy Hildreth, Executive Assistant/Recording Secretary

Others:

Charles H. "Skip" Houser III, RMSA General Counsel
Jordan He, PwC
Mike Day, Katie Dimak, Aon

1. *Call to Order, Welcome, and Introductions*

Ms. Rehnberg reviewed the meeting protocols, in compliance with the Open Public Meeting Act (OPMA) under RCW 42.30; she explained to attendees how to use the Zoom technology to actively participate in the meeting, explained the remote governance procedures, and confirmed that all motions and seconds would be made by name. A roll call vote would be taken only if it were not clear how many “nays” were voiced.

Ms. Rehnberg then asked for verbal confirmation from the Board members that they can hear and be heard and that they have all received the agenda. Upon confirmation, the meeting was turned over to President Julie Struck to call the meeting to order.

1.1 Welcome, introductions, opening remarks

President Julie Struck called the meeting to order at 9 am. A quorum was established. Introductions followed.

1.2 Call for Public Comment

Pursuant to the Open Public Meetings Act RCW 42.30.240, the AWC RMSA Board of Directors invited public comment on the agenda items presented.

There was no public comment.

2. Approval of Minutes

2.1 June 22, 2022 Board of Director Meeting Minutes

The Board reviewed the minutes of the June 22, 2022 AWC RMSA Board meeting.

Motion:

Motion by Dee Roberts to approve the minutes of the June 22, 2022 AWC RMSA Board meeting, second by Leanne Guier; motion carried.

3. CEO Report

3.1 CEO Meeting Overview

Ms. Dawson provided an overview of the meeting.

4. Administration

4.1 Public Records Update – JLARC Report

Ms. Martinelli provided an update on the Public Records Report submitted to the Joint Legislative Audit and Review Committee.

4.2 Coverage Agreement Updates

Ms. Jones reviewed the draft 2023 Privacy and Cyber Coverage Agreement, and the draft 2023 Liability Coverage Agreement with the Board, including recommended changes. All recommended changes have been reviewed by AWC RMSA Coverage Counsel and recommended for approval by the Operating Committee.

Motion:

Motion by Dee Roberts to approve the proposed Privacy and Cyber Coverage Agreement, as presented, second by Micki Harnois; motion carried.

Motion by Dee Roberts to approve the proposed changes to the Liability Coverage Agreement, as presented, second by Micki Harnois; motion carried.

4.3 Coverage Renewal Updates

All lines of coverage AWC RMSA Program purchases will expire on December 31, 2022 and renew on January 1, 2023.

Mike Day of Aon, reviewed the current coverages and carriers and provided tentative 2023 renewal information, including estimated premiums and coverage options. At this time, no renewals and/or coverage options have been confirmed, therefore, final coverage options will be brought to the Board for review at its December meeting.

5. Financials

5.1 2021 Annual Financial Audit

Mr. Emmans reviewed the 2021 RMSA annual financial audit performed by the State Auditor's Office. The reports were issued on August 25, 2022.

5.2 Quarter 2 2022 Financial Report

Mr. Emmans reviewed the 2022 second quarter financial report for the period ending June 30, 2022.

5.3 2022 Mid-Year Actuarial Report

Ms. Rehnberg presented an overview of the potential 2023 coverage rate increase and the impacts to members, noting the 2023 coverage rates are based on the underwriting policy approved by the Board of Directors last year.

Jordan He of PricewaterhouseCoopers (PwC), provided an actuarial review of the Pool's self-funded property and liability program.

Rate options were discussed with the Board, including a 10, 15, and 20 percent increase. Mr. He gave an overview of the rating structure under the new methodology outlining member contribution impacts.

Mr. He explained that a rate increase of 10 percent would set the revenue of the program at roughly \$1,664,000 below the program's estimated cost level, a rate increase of 15 percent would set the revenue of the program at roughly \$1,190,000 below the program's estimated cost level, and a rate increase of 20 percent would set the revenue of the program at roughly \$716,000 below the programs estimated cost level.

The Operating Committee recommended a 15 percent rate increase based upon current knowledge at their last meeting and acknowledged that the Board may need to consider modifications due to adjustments between then and now. Dawn Masko spoke to the Operating Committee's thought process behind their recommendation.

Motion:

Motion by Leanne Guier to approve a 15 percent increase for the 2023 coverage year rate adjustment as recommended by the Operating Committee, second by Jose Trevino; motion carried.

Motion by Jose Trevino to approve Option 1, expiration of the rate stabilization plan, as recommended by the Operating Committee, second by Micki Harnois; motion carried.

6. *Membership*

6.1 Claims Report

Ms. Jones presented the claims report.

6.2 Risk Control Report

Ms. Dennis gave the risk control report.

6.3 Membership Report

Ms. Luper gave an update on the AWC RMSA membership services.

7. *Other Business*

7.1 Operating Board and Board of Director Elections

Ms. Rehnberg reviewed the Operating Committee and Board of Directors elections process noting Operating Committee elections for odd-numbered seats will occur at the Annual Meeting in October. All incumbents have stated an interest in re-election.

The Board of Directors odd-numbered seats election process will begin in October with results announced at the December 8 Board meeting.

7.2 2023 Board and Operating Board Fiduciary Training Opportunities

Ms. Rehnberg updated the Board on confirmed 2023 conferences and encouraged members to notify staff if they wish to attend.

7.3 2022 and 2023 Governance Meetings Schedule

Ms. Rehnberg reviewed the balance of the 2022 and 2023 Board, Operating Committee, and Annual Meeting schedules.

8. *Adjournment*

8.1 Adjourn

Motion:

Motion by Stefany Smith to adjourn the meeting at 11:45 am, second by Micki Harnois; motion carried.

The foregoing minutes were approved by the RMSA Board of Directors on 12/8/2022.
Date

DocuSigned by:

Julie Struck

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President

ATTEST:

DocuSigned by:

Betsy Hildreth

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Recording Secretary