ASSOCIATION OF WASHINGTON CITIES
RMSA Board of Directors

Meeting Minutes
September 25, 2019
SeaTac Airport Conference Center
10:00 am

Present:
President & Position 1 - Jim Bailey, Councilmember, Wenatchee
Vice President & Position 5 - Michael Schaub, Mayor, Eatonville
Position 2 - Bruce Albert, Councilmember, Index
Position 4 – Jose Trevino, Mayor, Granger
Position 6 – JW Foster, Mayor, Yelm
Position 7 - Julie Struck, Mayor, South Bend
Operating Committee Chair - Duncan Wilson, Town Administrator, Friday Harbor

Staff Present:
Peter King, CEO
Alicia Seegers Martinelli, Deputy CEO/COO
Lucy Lu, CFO
Carol Wilmes, Member Pooling Programs Director
Adrienne Beatty, Program Manager
Harlan Stientjes, Claims and Pre-Litigation Manager
Nate Sulya, Membership Coordinator
Ezra Stark, Risk Control Coordinator
Betsy Hildreth, Administrative Assistant III/Recording Secretary

Others:
Charles H. "Skip" Houser III, RMSA General Counsel
Kevin Wick, PricewaterhouseCoopers
Jordan He, PricewaterhouseCoopers
Mike Day, Aon
Erin Rian, NLC MIC
Jill Eaton, NLC MIC
Mike Kruse, NLC MIC

Absent:
Position 3 - Leanne Guier, Mayor, Pacific

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

1.1 Call to Order
President Jim Bailey called the meeting to order at 10:00 am. A quorum was established. Introductions followed.

2. *Approval of Minutes*

2.1 June 26, 2019, Board Meeting Minutes

The Board reviewed the minutes of the June 26, 2019 Board meeting.

Motion:

Motion by JW Foster to approve the minutes of the June 26, 2019 Board meeting, second by Julie Struck; motion carried.

3. *CEO Report*

3.1 CEO Meeting Overview

Mr. King gave an overview of the meeting.

4. *Financials*

4.1 Quarter 2 2019 Financial Report

Ms. Lu reviewed the 2019 second quarter financial report for the period ending June 30, 2019 with the Board.

4.2 2019 Mid-Year Actuarial Report

Kevin Wick from PricewaterhouseCoopers provided an actuarial review of the Pool's self-funded property and liability program.

Ms. Beatty presented an overview of the potential 2020 coverage rate increase and the impacts to members.

Motion:

Motion by Mike Schaub to approve an overall 1.5% rate increase for the 2020 coverage year, second by JW Foster; motion carried.

5. *Administration*

5.1 National League of Cities Mutual Insurance Company (NLC MIC) Financial Update & Review of Pool Services

Jill Eaton, Erin Rian, and Michael Kruse from NLC MIC reported on the financial conditions, membership services, and resources provided by their organization.

Chair Bailey called for a recess at 11:46 am. The meeting reconvened at 12:17 pm.

5.2 2020 Coverage Renewal Update

All lines of coverage the AWC RMSA Program purchases will expire on December 31, 2019 and renew on January 1, 2020. Board and staff reviewed 2020 coverage options for pollution, aviation, cyber, drone, and terrorism coverages. Ms. Beatty noted that final proposals for liability, property, auto physical damage, and crime coverages were not yet available and would be brought back to the Board at the November 19 meeting for formal action.

Motion:

Motion by JW Foster to approve the renewal of the pollution policy for the 2020 program year, as presented, second by Bruce Albert; motion carried.

Motion by Mike Schaub to approve the renewal of the aviation policy for the 2020 program year, as presented, second by Julie Struck; motion carried.

Motion by Bruce Albert to approve the renewal of the cyber policy at a $25,000 pool deductible and with a $3,000,0000 aggregate total limit for the 2020 program year, second by Julie Struck; motion carried.

Motion by Julie Struck to approve the purchase of a blanket group-purchase policy for property and liability drone coverage with a $1,000,000 liability coverage limit for the 2020 program year with premium costs to be shared amongst members owning drones, second by Jose Trevino; motion carried.

Motion by Jose Trevino to approve continuing to purchase terrorism coverage for member properties, second by Bruce Albert; motion carried.

5.3 2020 Liability Coverage Agreement Update

Mr. Stientjes reviewed the draft 2020 Liability Coverage Agreement with the Board, including recommended changes. All recommended changes have been reviewed by AWC RMSA Coverage Counsel Craig Bennion of Cozen O'Connor and recommended for approval by the Operating Committee.

Motion:

Motion by Bruce Albert to approve the proposed changes to the 2020 Liability Coverage Agreement, as presented, second by Jose Trevino; motion carried.

Motion by Julie Struck to approve staff's discretionary use of pre-litigation funds to assist members in addressing compliance with the WVRA, second by Mike Schaub; motion carried.

5.4 Property Appraisals Re-Cap, Annual Values Adjustments, and 2020 Property and Auto Physical Damage Coverage Agreement Update

Ms. Beatty provided a property appraisal update including adjustments that have been made and are being proposed to the Property Coverage Agreement as a result of the appraisal process.

Ms. Beatty reviewed the draft 2020 Property and Auto Physical Damage Coverage Agreement with the Board, including recommended changes. All recommended changes have been reviewed by AWC RMSA's Coverage Counsel, Craig Bennion, of Cozen O'Connor and are recommended for approval by the Operating Committee.

Motion:

Motion by JW Foster to approve the proposed changes to the 2020 Property and Auto Physical Damage Coverage Agreement, as presented, second by Julie Struck; motion carried.

5.5 Amicus Curiae Request: Kilduff v. San Juan County

As per adopted policy, AWC RMSA Officers granted approval to RMSA to participate in a joint Amicus Curiae brief with the Association of Washington Cities and Washington State Association of Counties in August in the case of *Kilduff v. San Juan County*, scheduled to be heard by the State Supreme Court on October 29.

Motion:

Motion by Bruce Albert to ratify the action taken by RMSA's Officers to approve RMSA's participation in the *Kilduff v. San Juan County* Amicus Curiae brief, second by JW Foster; motion carried.

6. *Membership*

6.1 Loss Prevention Report

Ms. Beatty gave the loss prevention report and introduced AWC RMSA's Risk Control Coordinator Ezra Stark to the Board.

6.2 Membership Report

Ms. Beatty gave an update on AWC RMSA membership services.

7. *Other Business*

7.1 Operating Committee and Board of Directors Elections

The AWC RMSA Board of Directors are elected by member vote. Currently, the odd-numbered seats are up for election.

In mid-October, ballots will be distributed to the membership and opened at the November meeting. The following incumbents have all expressed interest in running for re-election:

Position 1 – Jim Bailey, Councilmember, Wenatchee
Position 3 – Leanne Guier, Mayor, Pacific
Position 5 – Michael Schaub, Mayor, Eatonville
Position 7 – Julie Struck, Mayor, South Bend

The AWC RMSA Operating Committee elections are held each year at the Annual Meeting & Dinner. Currently, the even-numbered seats are up for election at the October meeting.

The following incumbents have all expressed interest in running for re-election:

Position 2 – Kynda Browning, Clerk-Treasurer, Tekoa/Waverly
Position 4 – John Millard, Clerk-Treasurer, Tenino
Position 6 – Abby Gribi, Town Administrator, Eatonville
Position 9 – Brenda Martinez, Clerk/HR Manager, Black Diamond

7.2 2019/2020 Board and Operating Committee Fiduciary Training Opportunities

Ms. Beatty provided an overview of the 2019/2020 fiduciary training opportunities available to the Committee and the Board.

7.3 2019/2020 Governance Meetings Schedules

Ms. Beatty gave a brief overview of the 2019/2020 Committee, Board, and Annual Meeting schedule.

7.4 Claims Report

Mr. Stientjes gave the claims report.

8. *Executive Session*

8.1 Executive Session pursuant to RCW 42.30.110(I)

Motion by Bruce Albert to adjourn to Executive Session to discuss current and potential litigation, per RCW 42.30.110(i), for a period of 10 minutes at 2:12 pm, second by Mike Schaub; motion carried.

Skip Houser, AWC RMSA general counsel; Peter King, CEO; Alicia Seegers Martinelli, Deputy CEO/COO; Lucy Lu, CFO; Carol Wilmes, Director of Member Pooling Programs; Adrienne Beatty, AWC RMSA Program Manager; Harlan Stientjes, AWC RMSA Claims & Pre-Litigation Manager; Nate Sulya, Membership Coordinator; Ezra Stark, Risk Control Coordinator; and Betsy Hildreth, Recording Secretary, were included in the Executive Session.

President Bailey adjourned executive session at 2:22 pm and returned to open session.

9. Adjournment

9.1 Adjourn

President Bailey adjourned the meeting at 2:22 pm.

The foregoing minutes were approved by the RMSA Board of Directors on 11-19-19.
Date

President

ATTEST:

Recording Secretary