

Iowa Communities Assurance Pool
Board of Directors
Thursday, January 14, 2010

West Des Moines City Hall, West Des Moines, Iowa

Board members present: Jody Smith, Gary Mahannah, Dave Hageman, Holly Fokkena, Tom Roth, Larry Burger, and Alan Kemp. Board members absent: Pam Ward and Bill Peterson. Present from American Risk Pooling Consultants: John Brockschmidt, J.T. Babish, Chris Dondzila, and Michele Chandler. Present from Public Entity Risk Services of Iowa: Frank Miller. Present from York: Rick Taketa. Present from Bilbrey Insurance Services: Ken Bilbrey, Kasi Koehler and Megan Roth. Ahlers-Cooney Law: Elizabeth Grob (10:48 AM – 12:30 PM).

The meeting was called to order at 9:02 a.m. CST by Mr. Smith, Chairman.

Upon motion by Ms. Fokkena, second by Mr. Mahannah, the agenda was unanimously approved.

Mr. Mahannah, as a member, thanked BISI staff for their excellent work on the ICAP-IMWCA joint 2010 calendar.

Upon motion by Mr. Burger, second by Mr. Roth, the minutes of the October 15, 2009 board meeting were unanimously approved.

Election of 2010 Officers and Designation of Investment Committee

Upon motion by Mr. Roth, second by Ms. Fokkena, it was unanimously resolved to reappoint the current slate of officers and members of the Investment Committee.

ARPCO Service Team

Mr. Brockschmidt referenced ARPCO's continued efforts to strengthen the underwriting staff and announced Ms. Chandler as the appointed liaison to ICAP. Upon motion by Mr. Mahannah, second by Mr. Hageman, the Board unanimously approved to have Ms. Chandler serve as the liaison to the Pool.

Mr. Taketa acknowledged ICAP is a very important customer to both ARPCO and York and commented both companies will remain committed to providing the Pool with the highest level of service.

Mr. Smith thanked both ARPCO personnel and Mr. Taketa for their presence.

Claims Report

Mr. Miller and Mr. Dondzila reviewed new and active claims with reserves or recent payments of \$100,000 or more.

Iowa Communities Assurance Pool
Board of Directors
Thursday, January 14, 2010

Financial Report / CRF Review

Via teleconference, Mr. Mark Weaver, ARPCO, reviewed the ICAP financials as provided in the board handbook. With particular reference to investments and fund balances, Mr. Weaver highlighted similarities between the September 2009 and September 2008 balance sheets. It was reported that, through September 2009, both member contributions and claims expense are up from the previous year, but investment performance was the biggest driver in the improved results.

Mr. Weaver reviewed the 2010 budget with the 2009 re-projections and provided a brief analysis of the budgetary funds.

Investment Report

Mr. Smith reviewed the Investment Report for the period ending December 31, 2009, as provided by Graystone Consulting. He recognized current portfolio balances and acknowledged ICAP returns exceeded market indices for 2009.

Loss Control Report

Ms. Chandler reviewed the loss control report as provided in the board handbook and discussed both previous and upcoming efforts to anticipate exposures and increase risk awareness.

Mr. Burger questioned the availability of policies related to cell phone usage while driving and Ms. Chandler indicated sample policies are available in the online resource library to guide members on this subject. Discussion ensued and Mr. Kemp provided insight to pending state and federal legislation that could dictate such policies.

Marketing / BISI Administration Report

Mr. Bilbrey reviewed current marketing efforts and announced a CRMS-ISAC sponsorship, which will lead to increased publicity for CRMS at ISAC events in 2010.

Ms. Koehler provided an overview of recent ICAP events and detailed select services provided on behalf of the organization. She offered follow-up on the unallocated endorsement project and, per Mr. Smith's request, will provide additional details at the April Board Meeting.

At Ms. Fokkena's inquiry, Mr. Bilbrey reported CRMS will make considerable marketing efforts at the statewide County Supervisors Meeting in February.

It Never Occurred to Me to Ask

Ms. Grob provided an overview of the responsibilities of a Board Member. She

**Iowa Communities Assurance Pool
Board of Directors
Thursday, January 14, 2010**

highlighted duties, potential risks and obligations of each individual, as relevant specifically to the Pool and Iowa public entities.

Review of Expense Reimbursement Policy

Mr. Smith provided an overview of the Expense Reimbursement Policy and suggested the current policy be updated. He expressed a desire to revise reimbursement dollar amounts and possible per diem rates as those have been in effect since 1995.

Discussion ensued regarding current rates, reimbursement procedures and the gift law.

Ms. Fokkena requested further clarification on reimbursement procedures and Mr. Brockschmidt provided details regarding the policies of ARPCO and APEEP regarding events and sponsorships.

Ms. Grob offered insight to statutes and legal issues related to the gift law and related policies. At Mr. Smith's inquiry, she will conduct research and relay her findings to the Board.

Mr. Mahannah moved to increase per diem rates from \$100 to \$150 for Board Meetings and \$50 to \$75 per day of travel; reimbursement rates for golf and like activities from \$25 to actual cost; and spousal fees from \$25 to \$40 with the proviso that Ms. Grob completes a review and relay her findings to the Board. Mr. Burger seconded. Additional discussion occurred and the motion was unanimously approved.

Review of IRMA Articles X and XI

Ms. Chandler discussed the CRF as a continuation from the October Board Meeting with the focus at this meeting on IRMA Articles X and XI.

She identified various areas to consider with respect to CRF including financial considerations, marketing aspects and the IRMA.

She relayed the current CRF standing and addressed different scenarios that may arise in cases where a Member's basis rate has changed and/or if Member CRF is lowered. At Mr. Smith's request, ARPCO will present examples of these different scenarios at the April meeting. Additionally, as part of the Board's continued discussion of CRF, ARPCO will provide financial analysis at the summer meetings.

New Business

a) APEEP Board Meeting

Mr. Mahannah provided details from APEEP's October Board meeting and recognized APEEP for receiving a Demotech AAA-rating. He highlighted 2010 changes at the property reinsurance level. At Mr. Mahannah's request,

Iowa Communities Assurance Pool
Board of Directors
Thursday, January 14, 2010

Mr. Babish provided an overview of the effects these changes have on ICAP's Property Program.

b) APEEP 2010 Annual Meeting

Mr. Brockschmidt provided details regarding the 2010 APEEP Annual Meeting, which will be held February 10-14 in Scottsdale, Arizona.

c) ICAP BOD Election Process

Ms. Koehler proposed revisions to the ICAP Board of Directors Election Policy and procedures through which the process is conducted.

Discussion ensued, during which Ms. Fokkena expressed concern on how the automation of this process will be communicated to County Supervisors. Ms. Koehler agreed to address this issue based on feedback received from Members.

Upon motion by Mr. Mahannah, second by Ms. Fokkena, it was unanimously resolved to amend the Board of Directors Election Policy so that notification of an upcoming election is no longer required to be submitted "via direct mail." Rather, it may be sent via any means deemed appropriate by ICAP Board members or BISI personnel. The motion was unanimously approved.

A second motion was offered by Ms. Fokkena, second by Mr. Hageman, to allow BISI to move forward with the voting process based on Member feedback. The motion was unanimously approved.

d) ICAP Board of Directors 2010 Meeting Calendar

Ms. Chandler presented options for the October 2010 Board Meeting, which will be held in Southfield, Michigan. The Board elected to arrive on October 13th, hold meetings on October 14th and the morning of October 15th, and depart in the afternoon of October 15, 2010.

e) Proposed 2011 BOD Meeting Calendar

Ms. Roth provided the proposed 2010 board meeting calendar for consideration. Mr. Smith requested Ms. Roth follow up with Ms. Ward and Mr. Peterson for their comments and present this for final approval at the April meeting.

f) Coverage Enhancements

Mr. Babish presented a list of coverage enhancements to be considered for the Pool and proposed these go into effect April 1, 2010 at no additional cost to the membership.

Iowa Communities Assurance Pool
Board of Directors
Thursday, January 14, 2010

He highlighted potential benefits of these enhancements and stated the costs to ICAP will be increased claims and related expenses, which are expected to be minimal.

Mr. Kemp questioned how proposed EPA standards related to the Clean Water Act may affect these enhancements. Mr. Dondzila and Ms. Chandler explained how existing coverage and enhancements would work in different scenarios.

Ms. Koehler offered a marketing perspective, stating increased coverage options will make the Pool more desirable to prospective members.

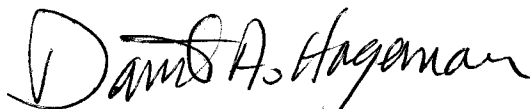
Mr. Smith requested these coverage enhancements be reviewed in detail at the February meeting.

g) Next Regular Meeting

Ms. Roth reported the next regularly scheduled ICAP Board Meeting will be held April 15, 2010 at Hyperion Field Club in Johnston.

Mr. Smith adjourned the meeting at 2:10 p.m. CST.

Respectfully submitted,



Dave Hageman, Secretary

DH/mmr