

**Iowa Communities Assurance Pool
Board of Directors
Thursday, June 12, 2009**

West Des Moines City Hall, West Des Moines, Iowa

Board members present: Jody Smith, Gary Mahannah, Dave Hageman, Pam Ward, Holly Fokkena, Tom Roth, Larry Burger and Bill Peterson. Present from American Risk Pooling Consultants: John Brockschmidt, Bal Capote, Chris Dondzila and Vanessa Fults. Present from Bilbrey Insurance Services: Ken Bilbrey, Val Bilbrey and Kasi Koehler. Present from Public Entity Risk Services of Iowa: Frank Miller.

The meeting was called to order at 9:04 a.m. CST by Mr. Smith, Chairman.

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

No member/citizen comments were brought forward.

Upon motion by Mr. Mahannah, second by Ms. Ward, the minutes of the April 10, 2009 meeting were unanimously approved.

Claims Report

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

Mr. Miller reported the claims staff has received many weather-related claims.

Financial Report / CRF Review

Via teleconference, Adam Pakledinaz, APRCO, reviewed the ICAP financial reports as of March 31, 2008.

Loss Control Report

Ms. Capote reviewed the loss control report for April and May 2008. He pointed out there have been several requests for workers' compensation materials from the ICAP resource library.

Investment Report

Mr. Smith reviewed the report of ICAP investments provided by Smith Barney at the investment committee meeting Wednesday, June 11, 2008.

He identified three corporate bonds not within compliance – Tribune and Co., General Motors Acceptance Corp. and Knight Ridder. He stated the Investment Committee recommends continuing to hold these bonds. He also reported the Investment

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Committee elected to accept the tender offer for the Falcon fund and responded to questions as to the rationale by which Citi (Smith Barney) were active participants in the tender offer. In response to Mr. Peterson's inquiry, Mr. Smith reported the most previous 10 days of volatile markets have not had a great effect on the ICAP Portfolio.

Marketing / BISI Administration Report

Mr. Bilbrey and Ms. Koehler reviewed the Marketing Report as provided in the Board handbook.

Mr. Burger reported he attended a recent meeting of the Union County Board of Supervisors, during which local agent Dennis Carter presented a positive report about ICAP. Mr. Smith commented he met Bruce Kelley, CEO of Employers Mutual, during his recent trip to the May 2009 APEEP meeting.

New Business

a) Intention for Re-election

Mr. Roth and Mr. Hageman both indicated their desire to seek re-election for four-year terms.

Unfinished Business

a) Endorsement Contracts

Elizabeth Grob joined the meeting. Mr Smith reported Ms. Grob will be reviewing the current contracts and will be working with Mr. Peterson, Mr. Kemp, the ICAP Board of Directors, ARPCO and BISI. It is expected that proposed contracts will be brought to ICAP's August 2008 meeting.

b) Monticello

Upon motion by Mr. Mahannah, second by Mr. Hageman, it was unanimously resolved to enter closed session to discuss the City of Monticello's 2007 withdrawal from ICAP.

Upon motion by Mr. Roth, second by Mr. Mahannah, it was unanimously resolved to leave the closed session.

Upon motion by Mr. Burger, second by Mr. Mahannah, it was unanimously resolved to authorize ARPCO and Board counsel to negotiate a mutually satisfactory resolution with the City of Monticello.

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Upon motion by Mr. Mahannah, second by Ms. Ward, it was unanimously resolved to direct ARPCO and Board counsel to work on potential IRMA to amendment to address the Monticello situation with the intend a recommendation be made at the August meeting.

New Business

1) Next Meeting

Mrs. Bilbrey provided information regarding the August 2008 meeting in Bettendorf, Iowa. Mr. Brockschmidt outlined the itinerary for the October 2008 meeting. Ms. Bilbrey also offered location proposals for the 2009 meetings.

Mr. Smith recessed the meeting at 12:34 p.m. CST.

The meeting reconvened at 2 p.m. at Clive City Hall for a joint meeting with the IMWCA Board of Directors and staff.

ICAP representatives present: Jody Smith, Tom Roth, Holly Fokkena, David Hageman, Pam Ward, Larry Burger and William Peterson, ICAP Board of Directors; John Brockschmidt, Bal Capote and Vanessa Fults, ARPCO. Ken Bilbrey, Val Bilbrey and Kasi Koehler, BISI.

Mr. Smith reviewed the agenda:

- 1) Introduction of Attendees
- 2) Staff Communication Issues
- 3) Underwriting Issues
- 4) Loss Control Issues
- 5) Other Business
- 6) Future Meetings

Jim Dowling, President, IMWCA Board of Directors, recognized this second joint meeting of the two boards. He reported the IMWCA Board has authorized the hiring of a marketing representative to assist with renewals and new business.

Staff Communication

Curt Svalstad indicated there has not been much communication between loss control representatives of the two programs. Mr. Bilbrey agreed. Mr. Svalstad reported representatives from both programs attended the Midwest regional safety

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meeting approximately one month previously.

Upon Mr. Smith's inquiry, Mr. Svalstad confirmed IMWCA loss control representatives are making earlier loss control visits to new members, as is the ICAP policy. He indicated it has always been IMWCA policy to require mandatory visits to new members with volunteer fire departments.

Ms. Fokkena indicated her appreciation of the improved communication between staffs. She indicated her wish that loss control efforts be better coordinated for benefit of the Members. Mr. Clinton indicated his belief that separate visits are beneficial.

Mr. Svalstad clarified the policy requiring mandatory on-sight visits of volunteer fire departments was begun in 2008.

Mr. Smith requested information outlining the new IMWCA marketing representative's duties and responsibilities be forwarded to the ICAP Board. Mr. Svalstad indicated the job description will be completed and forwarded prior to June 30, 2008.

Future Meetings

Mr. Svalstad indicated the IMWCA 2009 meeting calendar will be finalized at their September 2008 meeting and a copy will be forwarded to the ICAP Board of Directors thereafter. Mr. Smith requested Ms. Bilbrey forward a copy of the ICAP 2009 meeting calendar to Mr. Svalstad.

Mr. Smith adjourned the joint meeting with the IMWCA Board and the ICAP Board Meeting at 2:33 p.m.

Respectfully submitted,

David Hageman, Secretary

DH/vjb