

## BOARD OF SUPERVISORS MINUTES

The Valley County Board of Supervisors met in special session in their Courthouse meeting room on Monday, May 16, 2005 for the purpose of choosing a liability insurance carrier. The meeting was called to order at 9:00 a.m. with Cetak, Sintek, Collins, Cullers, Baker, Ash and Sevenker present. The Clerk verified that notice of meeting was published in last weeks Quiz and an agenda posted in the Courthouse. The agenda, containing only the liability insurance item, was adopted on motion of Ash, seconded by Collins. Carried. Yes: Ash, Baker, Cullers, Collins, Sintek, Cetak. No: none. Absent: none. EMC representative Alan Anderson and NIRMA representative Larry Pelan were present.

Anderson indicated EMC underwriters had admitted an error was made on the workmans' compensation premium for last year and that a refund should be forthcoming whether the County elects to stay with EMC or not. He presented a revised premium quote for 2005-2006 coverage of \$80,053, this was down from the quote of \$90,000 at the meeting on May 10, 2005. The \$80,053 includes an increase in the Courthouse building value and the corrected workman's comp figures.

Pelan presented a quote of \$69,092 for 2005-2006 coverage based on updated figures provided to him by the County. His quote of May 10, 2005 was \$73,234. NIRMA's renewal date is August 1, so Valley County would pay \$14,371 for coverage from May 17, 2005 to August 1, 2005 and \$69,092 for coverage from August 1, 2005 to August 1, 2006 if they chose to go with NIRMA. NIRMA's deductible is \$500 for property and \$250 for autos.

Attorney Cullers reported that he had reviewed the agreements presented by Pelan at the last meeting and brought to the Board's attention items 7.2 through 7.4. These items indicate that a member county cannot withdraw from participation during the first 36 months except for nonpayment of premium or other violation, that after the first 36 months a member county can withdraw upon written notice to the Pool and the Director of Insurance 90 days prior to their anniversary date and the withdrawal must be approved by the Director, and that member counties are assessable if claims exceed the pool and counties remain assessable for 36 months after termination. EMC is not an assessable company.

Sintek questioned Attorney Cullers on the county's obligation to bid the liability insurance coverage. Cullers indicated that the county bid the coverage 2 years ago and had the same two bidders. He said he was not aware of a statute that required the county to bid their liability coverage, but he has not fully researched this question. Cullers felt the county was free to go with NIRMA at this time if they chose to. Attorney Cullers had to leave the meeting for County Court.

Supervisor Cullers questioned Pelan regarding the meaning of the county being assessable if claims exceed the pool. Pelan explained that the actuarial report shows the amount of reserve the pool needs to maintain and member counties are billed based on this report, if claims exceed what is billed, counties can be assessed the difference based on their percent of the shared premium. Cullers also asked about the possibility of NIRMA insuring other entities besides counties and Pelan said it is a possibility but that he felt they would set up a separate division for other entities rather than lump them in with counties. Sevenker mentioned that some insurance companies are assessable companies but that EMC is not.

Discussion was held regarding the Board's desire to do business locally and their obligation to make the best use of taxpayer dollars. Baker asked if the potential refund caused by EMC's audit error would come off of the coming year's premium. Anderson said it would not as it is a refund from last year. Pelan was asked about dividends and cautioned the Board that there are no guarantees of dividends and that their decision should not be based on that.

Supervisor Cullers moved that the county go with NIRMA for property and casualty, including workers' compensation, insurance coverage, Collins seconded the motion. Carried. Yes: Cullers, Collins, Sintek, Cetak, Ash, Baker. No: none. Absent: none. Chairman Sevenker signed both agreements presented, property under NIRMA I and workers' compensation under NIRMA II.

The Board thanked Anderson for 15 years of service to the county.

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Pelan asked the Board to designate a contact person. Collins moved to designate Clerk Jenette Lindsey as the contact person for NIRMA, seconded by Ash. Carried. Yes: Collins, Sintek, Cetak, Ash, Baker, Cullers. No: none. Absent: none.

Pelan indicated that confirmation of coverage should be mailed tomorrow and insurance cards for the vehicles will also be sent. He stated that NIRMA has been operating since 1988. There will be some further paperwork required and he, the adjuster and claims manager will be in attendance at a Board meeting in the near future. He expressed his appreciation to the county and noted they are the 75th NIRMA member.

Meeting adjourned at 9:40 a.m., to reconvene on Tuesday, May 31, 2005, at 9:00 a.m. in regular session and 10:00 a.m. as Board of Equalization. Complete minutes of the May 10 and May 16 meeting and an agenda for the May 31 meeting are available in the office of the County Clerk.

I, the undersigned County Clerk, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the County Board, that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the County Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that said minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notice of the time and place of said meeting and the subjects to be discussed at said meeting.

Jenette G. Lindsey, County Clerk