

**SECURIS INSURANCE POOL INC.**

**Minutes of the Meeting of the Board of Directors  
May 20, 2020**

A virtual meeting of the board of directors of Securis Insurance Pool, Inc., was held on May 20, 2020.

**Members present:** David Tharp: Central Arizona Fire and Medical Authority  
Robert Biscoe: Arizona Fire and Medical Authority  
Randy Karrer: Golder Ranch Fire District

**Members absent:** None

**Staff Present:** John Ashton: Ashton Tiffany, LLC  
Mike Tiffany: Ashton Tiffany, LLC  
Tracy Foss: Ashton Tiffany, LLC  
Roshell Lee: Ashton Tiffany, LLC  
Wes Gates: Ashton Tiffany, LLC  
Garrett Mahoney: Ashton Tiffany, LLC  
Lori Jundt: Ashton Tiffany, LLC  
Dawn Chambers: Ashton Tiffany, LLC  
Austin Schell: Ashton Tiffany, LLC  
Shelley Hall: Ashton Tiffany, LLC  
Tara Zika: Ashton Tiffany, LLC  
Lauren Scardello: Ashton Tiffany, LLC  
Jennifer MacLennan: Gust Rosenfeld, PLC

**A. Opening of the Meeting**

1. Call to order

David Tharp called the meeting to order at 10:02 a.m.

2. Welcome visitors

Mary Dalton, Arizona Fire and Medical Authority  
Brad Bradley, Northwest Fire District

**B. General Business**

1. A motion was made to approve the agenda for May 20, 2020

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

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**C. New Business**

**1. Discussion and approval of articles of incorporation**

John Ashton presented the articles of incorporation, which were prepared by pool counsel. Mr. Ashton also provided an overview of the key provisions of this and other governance documents. He advised that the coverage agreement was still under review and would be presented at the June board meeting.

The board discussed the information as presented and suggested that no more than one individual from a fire district be permitted to participate on the board at any point in time. The board also discussed management of delinquent members and ability to manage new members through the establishment of underwriting requirements.

A motion was made to approve the articles of incorporation.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**2. Discussion and ratification of board of directors**

John Ashton presented the initial board members, as listed in the articles of incorporation, for ratification by the board. The board discussed expansion of board representation, and it was agreed that a slate of additional members would be presented at the June meeting.

A motion was made to ratify the board of directors.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**3. Discussion and adoption of bylaws**

John Ashton presented the corporate bylaws, which regulate the pool's actions and define the rights and duties of the pool's officers and members. The board discussed provisions of the bylaws and requested the following changes:

- Amend board member removal provisions to require a super-majority vote of the board and a subsequent member vote.

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- Correct a typographical error in section 4.1.
- Maintain separate positions for the office of secretary and treasurer, noting that a given individual may hold more than one office.

A motion was made to adopt the corporate bylaws, as amended.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**4. Discussion and appointment of officers**

John Ashton advised that per the bylaws, the board officers, including at least a president, a secretary, a treasurer, and if available, a vice-president, shall be elected to three-year terms. The board of directors may elect such other officers and agents as it deems necessary or appropriate. Any number of offices may be held by the same person.

Mr. Ashton then requested that the board appoint the offices of president, secretary, and treasurer at this time, as needed for the organizational filings. The board agreed to proceed, pending appointment of the additional board representatives at the June meeting.

A motion was made to appoint David Tharp as president.

Robert Biscoe, moved  
Randy Karrer, seconded  
David Tharp, abstained  
Motion passed

A motion was made to appoint Robert Biscoe as secretary and treasurer.

Randy Karrer, moved  
David Tharp, seconded  
Robert Biscoe, abstained  
Motion passed

**5. Discussion of approval of corporate counsel**

John Ashton presented the agreement for corporate counsel services. Jennifer MacLennan of Gust Rosenfeld, PLC, advised the board that she works with

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several public entity pools and that Securis will receive a 10 percent public entity discount on the firm's hourly rates. Robert Biscoe noted that the pool was hiring the legal firm with Jennifer as counsel.

A motion was made to approve Gust Rosenfeld, PLC, and Jennifer N. MacLennan as corporate counsel.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**6. Discussion and approval of Ashton Tiffany, LLC, as administrator**

John Ashton presented Ashton Tiffany's offer to serve as administrator of the pool. He advised that a formal contract will be provided to counsel for review prior to board review at the June board meeting. It was noted that Ashton Tiffany is currently working for no compensation.

A motion was made to approve Ashton Tiffany, LLC, as administrator.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**7. Discussion and approval of participation agreement**

John Ashton presented the participation agreement between the pool and the individual members. He noted that the agreement establishes expectations and requirements on matters such as membership terms and contributions. He also advised that a draft of the membership agreement had been sent to all potential pool members. The board discussed the agreement and requested that the three-year commitment, currently stated in Section 7.1., also be added to Section 1.3.

A motion was made to approve the participation agreement, as amended.

Randy Karrer, moved  
David Tharp, seconded  
Motion passed unanimously

**8. Discussion and approval of fiscal year-end**

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John Ashton advised that in order to establish financial operations, the board needs to designate the pool's fiscal year-end. Staff recommended a fiscal year-end of June 30.

A motion was made to approve June 30 as the end of the fiscal year.

Robert Biscoe, moved  
David Tharp, seconded  
Motion passed unanimously

**9. Discussion and approval of bank accounts and signature authority**

John Ashton advised the board that Securis needed to establish bank accounts and authorize signatories on the accounts. It was proposed that John Ashton, Tracy Foss, and the newly elected officers be appointed as authorized signers.

The board discussed and then requested that the matrix be amended to reflect the same authority levels for the offices of president and vice president. The board also requested further discussion of claim settlement processes and authority at June board meeting.

A motion was made to approve John Ashton, Tracy Foss, and the newly elected officers as authorized signatories on the bank accounts.

Randy Karrer, moved  
Robert Biscoe, seconded  
Motion passed unanimously

**10. Discussion and approval of actuarial service provider**

John Ashton presented Willis Tower Watson (actuarial agency) and Russ Sutter (lead actuary) as the recommended providers of actuarial services. He informed the board that Mr. Sutter performs similar services for other pools administered by Ashton Tiffany. He also indicated that Mr. Sutter is working on an initial Phase 1 actuarial study for Securis liabilities and pool claims. Mr. Ashton explained that Securis is contemplating a Phase 2 actuarial study relating to proposed cancer presumption legislation, but no action will be taken on Phase 2 at this time..

It was clarified that Central Arizona Fire and Medical Authority (CAFMA) agreed to front the actuary and legal fees for Securis, but that may not be necessary if contributions are received by the time invoices are due.

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A motion was made to approve Russ Sutter and Willis Tower Watson as providers of actuarial services.

Robert Biscoe, moved  
David Tharp, seconded  
Motion passed unanimously

**11. Discussion and approval of annual meeting date**

John Ashton informed the board that the pool must establish an annual meeting date per the bylaws of the corporation. He presented the recommendation of an initial meeting date of December 1, 2020. It was discussed that this date may be changed later in the year.

A motion was made to approve December 1, 2020 as the initial annual meeting date.

David Tharp, moved  
Randy Karrer, seconded  
Motion passed unanimously

**12. Discussion and approval of schedule of regular meetings and posting of agendas for open meeting law compliance**

John Ashton presented, and the board discussed, establishment of a regular meeting schedule per the bylaws of the corporation (Section 4.6). The board agreed to establish a regular meeting schedule for the calendar period ending December 31, 2020. The board further agreed that staff would post agendas in compliance with Arizona open meeting law at the offices of Ashton Tiffany, LLC. Mr. Ashton indicated that specific dates need not be agreed to at the meeting, as those will be established by the full board.

A motion was made to approve of the schedule of regular meetings through the period ending December 31, 2020, and the posting of agendas for open meeting law compliance.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**13. Discussion and approval of application for self-insurance**

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John Ashton provided an update on the application to the Industrial Commission of Arizona (ICA) to obtain authorization to self-insure the pool's risks. It was discussed that the board of directors:

- approve the application for self-insurance,
- authorize staff to file the application upon the pool's behalf,
- designate David Tharp as the authorized signer, and
- submit the following class codes for consideration: 7710, 8411, 7705, 7425, 9410, 8385, and 8810.

Robert Biscoe inquired about the information listed as Exhibit A. Tracy Foss advised that the exhibit will be provided with the final submission to the ICA, and contains individual member information including payroll and loss history.

A motion was made to approve of the application for self-insurance.

Robert Biscoe, moved  
Randy Karrer, seconded  
Motion passed unanimously

**14. Discussion and approval of indemnity agreement**

John Ashton presented the indemnity agreement and supplemental indemnity agreement required by the Industrial Commission of Arizona. The indemnity agreement was reviewed by counsel as part of the board materials.

A motion was made to approve the indemnity agreement.

Randy Karrer, moved  
David Tharp, seconded  
Motion passed unanimously

**15. Discussion of additional board members**

Board members discussed the option of expanding the board to include additional board members. It was suggested that membership be expanded to seven representatives, noting the future possibility of expanding to a total of nine, in accordance with the bylaws. John Ashton stated that at this time candidates expressing interest included:

- Brad Bradley: Northwest Fire District,

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- Mark Gallard: Summit Fire District,
- Ed Mezulis: Sedona Fire District, and
- David Maxwell: Daisy Mountain Fire District.

The board discussed various items such as geographical representation from fire districts across the state; representation from smaller districts; and unions.

After discussion with counsel, the board directed David Tharp and John Ashton to provide a slate of nominees for consideration and approval at the June meeting.

#### **16. Discussion of pool membership status**

John Ashton updated the board on the current status of pool membership, advising that 29 districts had formally joined the pool, with \$3.6 million in contributions. He noted that there are still districts awaiting board approval, and that additional districts are undecided. The board directed Mr. Ashton to provide board members with a current listing of undecided districts in order to facilitate communication with them.

#### **D. General Business Continued**

##### **1. Management report**

The following items were discussed in the management report.

- introduction of AT staff at the June board meeting;
- update on claims vendor contracts and rates;
- update on the Nurse Triage Program;
- update on cancer presumption legislation;
- update on COVID-19;
- presentation of actuarial report at the June board meeting; and
- June meeting date.

The board agreed to June 25, 2020, at 9:00 a.m. for the next meeting date/ time.

#### **E. Adjournment**

David Tharp adjourned the meeting at 12:13 p.m.



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Received and approved by David Tharp  
Board President  
Securis Insurance Pool, Inc.