

SECURIS INSURANCE POOL, INC.
Minutes of the Annual Meeting of the Board of Directors
June 22, 2022

A meeting of the board of directors of Securis Insurance Pool, Inc., was held on June 22, 2022.

Members present: David Tharp: Central Arizona Fire and Medical Authority
David Maxwell: Daisy Mountain Fire and Medical
Mary Dalton: Arizona Fire and Medical Authority
Josh Tope: Pinewood Fire District

Members via remote access: Randy Karrer: Golder Ranch Fire District
Norman "Brad" Bradley: Northwest Fire District

Members absent: Ed Mezulis: Sedona Fire District

Staff present: John Ashton: RPA
Tracy Foss: RPA
Roshell Lee: RPA
Garrett Mahoney: RPA
Lori Jundt: RPA
Ginger Schell: RPA
Catie Bassett: RPA
Sherna Willis: RPA
Andre Lugo: RPA
David Dodenhoff: RPA
Jennifer Sherman: RPA
Jennifer MacLennan: Gust Rosenfeld, PLC

A. Opening of the Meeting

1. Call to order

David Tharp called the meeting to order at 11:31 a.m.

B. General Business

1. A motion was made to approve the agenda for June 22, 2022.

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

SECURIS INSURANCE POOL, INC.
Minutes of the Annual Meeting of the Board of Directors
June 22, 2022

2. A motion was made to approve the minutes of the March 23, 2022 meeting of the board.

Brad Bradley, moved
Mary Dalton, seconded
Motion passed unanimously

C. Executive Session

1. A motion was made to enter into executive session at 11:33 a.m. pursuant to A.R.S. § 38-431.03(A)(2).

Josh Tope, moved
Brad Bradley, seconded
Motion passed unanimously

D. Open Session

1. A motion was made to re-enter open session at 12:18 p.m.

Josh Tope, moved
Brad Bradley, seconded
Motion passed unanimously

2. A motion was made to approve the executive session minutes from the March 23, 2022 meeting of the board.

Mary Dalton, moved
Josh Tope, seconded
Motion passed unanimously

David Tharp then advised that no action was needed at this time on executive session item C.2, and counsel confirmed.

B. General Business Continued

3. Financial Reports

Garrett Mahoney presented a summary of Securis's April 30, 2022 financials via the financial dashboard. The dashboard summarized the pool's financial performance: contributions and capitalization, loss expenses, and paid and incurred amounts compared to budget.

SECURIS INSURANCE POOL, INC.
Minutes of the Annual Meeting of the Board of Directors
June 22, 2022

Mr. Mahoney then discussed the interim financial statements as of April 30, 2022. Total assets were \$6,948,979. The reserve for reported losses and loss expense was \$3,311,979. Claims incurred but not reported (IBNR) increased to \$2,197,502. Total liabilities were \$7,289,888. Net position as of June 30, 2021 was \$340,909.

Mr. Mahoney continued by presenting the statements of revenues, expenses, and changes to net position for the one-month and ten-month periods ending April 30, 2022.

Next, Mr. Mahoney provided information on the preliminary May 31, 2022 financial statements.

The financial report concluded with Patrick Kohlen of Claremont Capital Management presenting a financial market update to the board.

4. Claims Report

Ginger Schell presented the claims performance reports for Securis. The reports contained 2021/2022 claims data through May 31, 2022.

Ms. Schell advised that open claims through May 31, 2022 showed a gross incurred amount of \$3,881,654. Next, Ms. Schell reviewed current year-to-date claims organized by loss cause categories.

The claims presentation resulted in a board discussion regarding workers' compensation and PSPRS benefits. The board directed management to explore opportunities for coordination of these benefits.

5. Management Report

The following items were discussed in the management report:

- government relations update;
- AFG grant update;
- renewal update;
- loss control update; and
- items to be discussed at the next board meeting.

SECURIS INSURANCE POOL, INC.
Minutes of the Annual Meeting of the Board of Directors
June 22, 2022

E. New Business

1. Discussion and appointment of officers of the corporation

John Ashton explained that the bylaws of Securis state that the officers of the corporation shall be chosen annually by the board of directors and shall include a president, vice president, and secretary/treasurer.

Mr. Ashton reminded the board that for the 2021/2022 policy year, David Tharp, Brad Bradley, and Mary Dalton were appointed as president, vice president, and secretary/treasurer. The board recommended reappointing David Tharp as president, Brad Bradley as vice president, and Mary Dalton as secretary/treasurer.

A motion was made to approve the appointment of the designees to the offices of president, vice president, and secretary/treasurer.

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

2. Discussion and approval of revised policies

Roshell Lee explained that management had reviewed the pool's policies and procedures, and that three pool policies featured the name "Ashton Tiffany": the Board Communication Policy, the Code of Conduct Policy, and the Protection of Electronic Files Policy.

Management changed each to reflect the name of Ashton Tiffany's successor firm, Risk Program Administrators.

A motion was made to approve the revision to the policies

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

3. Discussion and approval of 2022/2023 contracts and policies

Roshell Lee presented the 2022/2023 contract and policy summary that identifies vendors that provide services to the pool. The summary included a description of services, fees, and rates. Ms. Lee noted one fee change affecting one vendor.

SECURIS INSURANCE POOL, INC.
Minutes of the Annual Meeting of the Board of Directors
June 22, 2022

She then advised that the proposed fees have been contemplated in the 2022/2023 Budget—Rev. 2, which would be presented later in the meeting.

A motion was made to approve the 2022/2023 contracts and policies

Brad Bradley, moved
Mary Dalton, seconded
Motion passed unanimously

4. Discussion and approval of proposed Risk Program Administrators (RPA) contract

John Ashton presented the 2022/2023 Risk Program Administrators contract and discussed the changes that were redlined throughout the document, with a focus on the compensation change. Next, he confirmed that legal counsel reviewed a draft of the proposed changes.

Mr. Ashton offered to have staff leave the room if the board members wished to discuss the contract among themselves. The board declined.

A motion was made to approve the 2022/2023 Risk Program Administrators contract

Brad Bradley, moved
Josh Tope, seconded
Motion passed unanimously

5. Discussion and approval of Budget—Rev. 2 and 2022/2023 plan rates

John Ashton led a discussion of the key budget provisions and the assumptions incorporated into Budget—Rev. 2 for the year ending June 30, 2023.

Next, Mr. Ashton asked the board to reconsider plan rates for the 2022/2023 policy year and explained management's approach to underwriting.

The board expressed some concern, and Mr. Ashton assured board members that management would have discussions with the members most affected.

A motion was made to approve Budget—Rev. 2 and 2022/2023 and the associated plan rates.

SECURIS INSURANCE POOL, INC.
Minutes of the Annual Meeting of the Board of Directors
June 22, 2022

Josh Tope, moved
Mary Dalton, seconded
Motion passed unanimously

F. Adjournment

David Tharp adjourned the meeting at 1:44 p.m.



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