

**COUNTY ROAD ASSOCIATION SELF-INSURANCE FUND  
BOARD OF TRUSTEES MEETING  
Sunday, December 5, 2010  
“Condensed Minutes”**

The Board of Trustees of the County Road Association Self-Insurance Fund (CRASIF) met in a regular session on Sunday, December 5, 2010, at the Soaring Eagle Casino & Resort, Mt. Pleasant, Michigan.

Trustees present: Chair Don Spray, Vice-Chair Joyce Kuipers, & Trustees Fred Chapman, Mary Herman, John Hunt, Dale Linton, Bob Ottenhoff, Steve Stocking & John Strauss.

Staff present: D. Mack Rabourn, Administrator, Jim deSpelder, Interim Administrator, Dale Ruttan, Finance & Services Officer & Treasurer, & Janet Aemisegger, Secretary.

Chair Spray called the meeting to order at 8:00 a.m. The chair lead those present in reciting the pledge of allegiance to the flag. A roll call of the trustees was taken and a quorum was present.

**ORGANIZATIONAL MEETING MINUTES OF SEPTEMBER 8, 2010 APPROVED**

**#10-032** Trustee Herman moved, Trustee Hunt seconded, that the minutes of the September 8, 2010, organizational meeting be approved with one spelling correction and that the minutes be placed on file. Motion carried unanimously.

**PERIOD 33 - FIRST QUARTER (07/01-09/30/2010) FINANCIAL STATEMENTS APPROVED AS PRESENTED, SUBJECT TO AUDIT, & ADMINISTRATIVE EXPENSE BUDGET REPORT ACCEPTED**

**#10-033** Trustee Stocking moved, Trustee Herman seconded, to accept the CRASIF Financial Statements for Period 33 -1<sup>st</sup> Quarter (07/01-09/30/2010), subject to audit, and to accept the administrative expense budget report for the same period, with a minor cosmetic correction. Motion carried unanimously.

**PERIOD 33 - 1<sup>st</sup> QUARTER (07/01-09/30/2010) GENERAL FUND CHECK REGISTER APPROVED**

**#10-034** Trustee Stocking moved, Trustee Herman seconded, to approve the Period 33 - 1<sup>st</sup> Quarter General Fund Check Register for the period 07/01-09/30/2010 covering checks #6862-#6934 totaling \$276,682.12, subject to audit. Motion carried unanimously.

**COUNTY ROAD ASSOCIATION SELF-INSURANCE FUND  
BOARD OF TRUSTEES MEETING  
Sunday, December 5, 2010  
“Condensed Minutes”**

**AUTHORIZATION FOR MEMBERS’ EQUITY REFUND - \$1 MILLION**

**#10-035** Trustee Herman moved, Trustee Strauss seconded, that a \$1 million members’ equity refund be authorized from periods XIII (1990-92) and XIX (1996-97) so those periods can be closed out.

**Discussion:** Administrator Rabourn confirmed that the upfront discount will not be included in the \$1,067,991 derived from closing the two periods mentioned. The funds to cover the discount will be withdrawn from members’ equity in addition to the funds for the refund. The board concurred.

**Motion carried unanimously.**

**NEW INTERIM ADMINISTRATOR INDEPENDENT CONTRACTOR SERVICES AGREEMENT LANGUAGE APPROVED**

**#10-036** As prepared by Attorney Bob Stocker and with the revisions requested by Jim deSpelder, Trustee Strauss moved, Trustee Stocking seconded, that the language of the Independent Contractor Services Agreement between the County Road Association Self-Insurance Fund (CRASIF) and James L. deSpelder, providing for Mr. deSpelder’s employment as CRASIF’s interim administrator effective August 20, 2010 be approved. Motion carried unanimously.

**NEW INTERIM ADMINISTRATOR REQUEST FOR INCREASE IN ANNUAL BENEFITS ALLOWANCE DISCUSSED - \$25,000 ANNUAL INCREASE APPROVED**

**#10-037** Due to increased expenses as a result of the interim administrator’s employment classification as an independent contractor, rather than as an employee as originally offered, Trustee Strauss moved, Trustee Kuipers seconded, that Jim deSpelder’s annual benefit allowance be increased from \$25,000 to \$50,000 retroactive to August 20, 2010, his date of hire. Motion carried unanimously.

**COUNTY ROAD ASSOCIATION SELF-INSURANCE FUND  
BOARD OF TRUSTEES MEETING  
Sunday, December 5, 2010  
“Condensed Minutes”**

**MACK RABOURN EMPLOYMENT AS “STAFF CONSULTANT” APPROVED  
ON “AS NEEDED” BASIS AT DISCRETION OF NEW ADMINISTRATOR**

**#10-038** At Mack Rabourn’s request, Trustee Herman moved, Trustee Strauss seconded, that he be employed as a staff consultant solely at the discretion of the new administrator if his services are needed, with his compensation to be determined and set at a flat hourly rate.

**Discussion:** Trustee Herman clarified that his employment as a consultant would be on an “as needed” basis to be determined by Mr. deSpelder and not for a set period of time.

**Motion carried unanimously.**

**MACK RABOURN’S “STAFF CONSULTANT” HOURLY FEE APPROVED**

**#10-039** Trustee Stocking moved, Trustee Kuipers seconded, that Mack Rabourn’s hourly staff consultant fee be \$41.00 per hour, plus a \$9.00 per hour office expense allowance, for a total, all inclusive consultant fee of \$50.00 per hour for his services as previously stipulated. Motion carried unanimously.

**BOARD’S PREVIOUS DECISION OVERTURNED TO SOLICIT  
“REQUESTS FOR PROPOSALS” FOR TPA SERVICES**

**#10-040** After further analysis and consideration, Trustee Hunt moved, Trustee Kuipers seconded, that we not solicit “Requests for Proposals” at this time from third party service providers for a total package of claims administrative services and loss control services. Motion carried unanimously.

**AUTHORIZATION FOR RETIREMENT GIFT FOR MACK RABOURN**

**#10-041** Trustee Stocking moved, Trustee Linton seconded, that in recognition of his many years of service that a monetary gift of \$2,000.00 be presented to retiring administrator, Mack Rabourn. All yeas, with one nay. Motion carried.

**COUNTY ROAD ASSOCIATION SELF-INSURANCE FUND  
BOARD OF TRUSTEES MEETING  
Sunday, December 5, 2010  
“Condensed Minutes”**

**PERIOD 34 (7/01/2011-6/30/2012) ACTUARIAL REPORT & RECOMMENDED RATES  
FOR 2011-2012 ACCEPTED, SUBJECT TO RE-INSURANCE QUOTE**

**#10-042** As recommended by the actuary and staff, Trustee Ottenhoff moved, Trustee Herman seconded, that the actuarial report as of 6/30/2010 and the actuary’s recommended rate of \$3.76 per \$100 of payroll for the fiscal year 7/01/2011-6/30/2012 be accepted, subject to the re-insurance quote. Motion carried unanimously.

**AUTHORIZATION FOR 25.0% UPFRONT PREMIUM DISCOUNT FOR 2011-2012**

**#10-043** Based on the staff’s recommendation, Trustee Strauss moved, Trustee Kuipers seconded, that an upfront premium discount of 25.0% be authorized for the 7/01/2011-6/30/2012 fund year to offset the premium increase for the members. Motion carried unanimously.

**AUTHORIZATION FOR NEGOTIATION OF EXCESS INSURANCE PREMIUM  
WITH SAFETY NATIONAL CASUALTY CORPORATION**

**#10-044** Trustee Kuipers moved, Trustee Hunt seconded, that Fred Holland be authorized to negotiate with Safety National Casualty Corporation for a multiple year contract with 1.0-1.5% rate decrease.

**Discussion:** Administrator Rabourn noted that a quote of \$0.239 per \$100 of payroll has already been received from SNCC so anything equal or less will be better. Mr. Holland said he thought he would ask for a 10% premium decrease and then would try to negotiate a two year agreement.

Interim Administrator deSpelder suggested quotes could be requested for one year renewable term, a two year term and a three year term to check the value of SNCC’s commitment to CRASIF.

Second to original motion withdrawn and motion re-phrased as follows:

Trustee Kuipers moved, Trustee Hunt seconded, that Fred Holland be authorized to solicit renewal quotes for excess insurance from Safety National Casualty Corporation, our current excess insurance carrier, for a renewable one year period, a two period and a three year period. Motion carried unanimously.

**COUNTY ROAD ASSOCIATION SELF-INSURANCE FUND  
BOARD OF TRUSTEES MEETING  
Sunday, December 5, 2010  
“Condensed Minutes”**

**2011 CRASIF BOARD OF TRUSTEES MEETING SCHEDULE**  
**APPROVED AS PRESENTED**

**#10-045** Trustee Hunt moved, Trustee Chapman seconded, that the 2011 CRASIF Board of Trustees Meeting Schedule be approved as presented, with meeting dates subject to change at the call of the chair. Motion carried unanimously.

**Next Board Meeting - Monday, March 7, 2011, Causeway Bay Hotel in Lansing.**

**Meeting Adjourned - 12:00 p.m.**

There being no further business, Chair Spray adjourned the meeting at 12:00 p.m.