

**WASHINGTON COUNTIES RISK POOL  
BOARD OF DIRECTORS  
ANNUAL MEETING**

**MINUTES**

**8:30 a.m., Friday, July 24, 1998  
Enzian Inn, Leavenworth**

**ATTENDANCE:**

President - Dick Dixon, Grays Harbor County Commissioner  
Secretary/Treasurer - Mary Jo Cady, Mason County Commissioner  
Executive Committee -  
    Frank A. Bishop, Cowlitz County Budget Director  
    Steve M. Lowe, Franklin County Prosecuting Attorney  
    Mike Shelton, Island County Commissioner  
    David Goldsmith, Jefferson County Deputy Director of Public Services  
    Spence Higby, Okanogan County Commissioner  
    Judy Wilson, Thurston County Commissioner  
    Ron Zirkle, Yakima County Chief Deputy Prosecuting Attorney  
Adams County - Leon Long, Public Works Director - Alternate  
Benton County - Melina Wenner, Risk Manager - Director  
    Claude Oliver, County Commissioner - Alternate  
Chelan County - Jim Lynch, County Commissioner - Director  
Clallam County - Toni Gilbert, Safety/Training Specialist  
Cowlitz County - Rick Spangenberg, Risk Manager - Alternate  
    Claire J. Hauge, Budget Analyst - Alternate  
Franklin County - Neva J. Corkrum, County Commissioner - Director  
Garfield County - Dean D. Burton, County Commissioner - Alternate  
Grays Harbor County - Rose Elway, Director of Management Services - Alternate  
Island County - Betty Kemp, Director of General Services Administration - Alternate  
Klickitat County - Lane Smith, County Commissioner - Director  
    Richard Levengood, County Administrator - Alternate  
    Lori Wolford, Personnel Director  
Kitsap County - Barbara Razey, Risk Manager - Director  
    William Nogle, Director of Administrative Services - Alternate  
Lewis County - Russ Wigley, County Commissioner - Director  
    Linda Zarek, Personnel Director - Alternate  
Mason County - Ione Siegler, Director of Budget and Finance - Alternate  
Okanogan County - Dan Powers, Administrative Coordinator - Alternative  
Pacific County - Vyrle L. Hill, County Administrative Officer - Director  
San Juan County - Si Stephens, County Auditor - Director  
Skamania County - Marilyn Breckel, Administrative Services Manager - Director  
Spokane County - Claude L. Cox, Risk Manger - Director  
    Tim Durken, Deputy Prosecuting Attorney  
Thurston County - Starleen Parsons, Human Resources Manager - Alternate  
Whatcom County - Randall J. Watts, Chief Civil Deputy Prosecuting Attorney - Director  
Whitman County - Richard Brown, Director of Administrative Services - Director

Broker - Mike Croke, Vice President, Willis Corroon of Seattle  
Robert Curtis, Director of Risk Management Services, Willis Corroon of Seattle  
Marianne McCrary, CPCU, Senior Account Manager, Willis Corroon of Seattle  
Risk Pool Staff - John Crawford, Executive Director  
Alicia Johnson, Claims Manager  
Jay Winter, Programs Manager  
Aileen Boren, Financial Officer

**WELCOME and ROLL CALL:** The meeting was called to order at 8:37 a.m. by President Dick Dixon who welcomed all in attendance and noted that a quorum was present.

**Board Workshop:** The meeting followed a Board Workshop held on Thursday, July 23rd from 1:30 p.m. until 4:25 p.m. Walla Walla County Commissioner Pam Ray and William Nogle, Director of Administrative Services attended the Workshop, however, did not attend the Board Meeting. Workshop agenda items included the ratemaking report by Coopers & Lybrand actuaries Kevin Wick and Craig Scukas, a presentation on lowering our reinsurance attachment point by Willis Corroon broker Mike Croke and a discussion on the annual staff work plan, salaries, and administrative budget by John Crawford.

**Director Emeritus:** John Crawford presented Cowlitz County Risk Manager with the Golden Dragon Award "for untiring dedication and service to the Pool's risk management program for the years 1988-1998." John and Cowlitz County Budget Director Frank Bishop spoke about Rick's contributions to the county's and Pool's risk management programs. Vyrle Hill moved to bestow the title of "*Director Emeritus*" on Rick and grant him lasting honorary director privileges. The motion was seconded and unanimously acclaimed.

#### **APPROVALS:**

**Agenda:** The agenda was approved as printed.

**Minutes:** Marilyn Breckel moved to approve the minutes of the April 23<sup>rd</sup> Spring Meeting in SeaTac. The motion was seconded by Ron Zirkle and approved.

#### **DISCUSSION AND ACTION:**

**Election of Executive Committee Members and Officers:** Nominating Committee Chair Dick Dixon reported the nominations of the committee. Si Stephens moved to accept the nominations of the committee and to cast a unanimous ballot for the election of Mason County Commissioner Mary Jo Cady for President and Yakima County Chief Deputy Prosecuting Attorney Ron Zirkle for Secretary/Treasurer. The motion was seconded by Neva Corkrum and approved without dissent.

Dick Dixon also reported that the committee had nominated Benton County Risk Manager Melina Wenner, Franklin County Prosecuting Attorney Steve M. Lowe, Okanogan County Commissioner Spence Higby, San Juan County Director of Administrative Services David L. Zeretzke and Skamania County Administrative Services Manager Marilyn Breckel for the three positions on the Executive Committee. Dave subsequently withdrew his name because of workload. Nominations were opened from the floor, and hearing none, nominations were closed. Melina Wenner, Steve

M. Lowe and Marilyn Breckel were elected by the Board to serve three-year positions expiring in September 2001.

Mary Jo Cady presented Dick Dixon with a wall plaque in recognition of his devoted and distinguished service as President.

**Joint Self-Insurance Liability Policy:** Spence Higby moved to accept the proposed written changes to the joint self-insurance liability policy regarding underinsured motorist liability (UIM) and employment practices stop-gap liability. The motion was seconded by Si Stephens and approved.

**Actuary Report:** Claude Cox moved to accept the actuary report. The motion was seconded by David Goldsmith and approved.

**Reinsurance:** Mike Shelton moved to purchase \$9.9 million of reinsurance excess of the Pool's self-insured retention layer of \$100,000 as proposed. The motion was seconded by Si Stephens and approved.

**Staff Work Plan, Salaries and Administrative Budget:** Mary Jo Cady moved to amend section A.5.b. of the proposed annual work plan for more county visits to promote the Pool. The motion was seconded by Marilyn Breckel and approved. David Goldsmith moved to add a new section A.5.e. to read "continue development of membership compact." The motion was seconded by Russ Wigley and approved. Ron Zirkle moved to amend the title of part B to read "Program Services / Risk Management." The motion was seconded by Si Stephens and approved. After an inquiry from Judy Wilson about a marketing plan, Mary Jo Cady moved to amend section A.5.c. to read "develop a marketing plan to non-member counties." The motion was seconded by Si Stephens and approved. Marilyn Breckel then moved to approve the work plan as amended. The motion was seconded by Ron Zirkle and approved.

Mary Jo Cady moved to approve staff salaries and benefits as amended regarding changes in the executive director (\$82,500) and claims analyst (\$37,698). The motion was seconded by Neva Corkrum and approved. Si Stephens moved to approve an administrative expense budget for the 1998-99 fiscal year in the amount of the \$943,837, as amended by the increased salaries just approved. The motion was seconded by Mike Shelton and approved.

**Premiums:** Judy Wilson asked for clarification of last year's Board action regarding the ability of the three counties with \$250,000 deductible elections to decrease their deductibles to take advantage of the lower reinsurance attachment point. Si Stephens moved to allow the three counties the opportunity to lower their deductibles if they choose to do so. The motion was seconded by Vyrle Hill and approved.

Si Stephens moved to approve the revised spreadsheet, with changes in administrative costs, and to:

1. Compute the 1998-99 joint self-insurance premium rate by applying the 'expected' ultimate loss rates for general liability, employment practices liability and automobile liability provided in the PricewaterhouseCoopers LLP report, without discounting for future interest earnings;
2. Apportion the reinsurance and increased confidence level costs according to each county's proportional percentage amount of worker hours;
3. Apportion administrative costs, including general administration, programs, and claims, to each county's proportional percentage amount of payment to purchase the first layer reinsurance (\$400,000 excess of \$100,000), and each county's proportional percentage amount of payment to fund the Pool's self-insurance layer;

4. Set 5:00 p.m. on Monday, August 31st as the deadline when members must notify staff in writing of changes in their exposure information and deductible elections;
5. Require payment of 105% of the 1998-99 premium as of September 30th, with the balance to be paid as of January 31st; and
6. Charge interest on unpaid premium balances at the rate of one percentage point above the equivalent coupon issue yield of the average bill rate for twenty-six week treasury bills as determined by RCW 19.52.020(1), but at not less than 6%.

The motion was seconded by Russ Wigley and was approved without dissent.

#### REPORTS:

**Executive Committee:** The minutes of the July 2nd Meeting of the Executive Committee were included in the materials.

**Executive Director:** John Crawford distributed ten-year recognition baskets to Frank Bishop, Marilyn Breckel, Claude Cox, Rose Elway, Rick Spangenberg and Toni Gilbert for Marge Upham. He gave five-year recognition pens to Barbara Razey, Melina Wenner, Judy Wilson and Jay Winter.

**Finances:** Aileen Boren reported on financial investments and the Pool's new Internet web site.

**Claims:** Alicia Johnson passed out claims summaries.

**Programs:** Jay Winter described training program activities of the past year. He reported on new H.E.L.P. Academy courses added in the Fall and described the preliminary information gathered from the Year 2000 computer study.

#### OTHER BUSINESS:

**Future Board Meetings:** The Autumn Board Meeting is Thursday, October 22nd at the TRAC facility in Pasco. The Board voted to return to Leavenworth next July for the Annual Meeting, to Yakima for the other eastern meeting, and to meet in the Seattle/SeaTac area for the two western meetings.

With no further business, the meeting was adjourned at 11:24 a.m.

MINUTES APPROVED:

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President

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Attest:

  
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Secretary