

**WASHINGTON COUNTIES RISK POOL
BOARD OF DIRECTORS**

SPRING MEETING

MINUTES

**8:30 a.m., Thursday, March 29, 2001
WestCoast Sea-Tac Hotel, SeaTac**

ATTENDANCE:

President – Si A. Stephens, San Juan County Auditor
Secretary/Treasurer – Mary Jo Cady, Mason County Commissioner
Executive Committee –
Marilyn J. Breckel, Skamania County Administrative Services Manager
David Goldsmith, Jefferson County Deputy Administrator
Vyrle L. Hill, County Administrative Officer
Steve M. Lowe, Franklin County Prosecuting Attorney
Mike Shelton, Island County Commissioner
R. S. Zirkle, Yakima County Chief Deputy Prosecuting Attorney
Chelan County – John A. Hunter, County Commissioner – Director
Clallam County – Marge Upham, Director of Personnel & Risk Management – Director
Toni Gilbert, Safety/Training Specialist
Cowlitz County – Frank A. Bishop, Director of Administrative Services
Clyde W. Carpenter, Risk Manager – Alternate
Garfield County – Dean Burton, Commissioner – Director
Grays Harbor County – Rose Elway, Director of Management Services – Alternate
Mary Davis, Deputy Director of Management Services – Alternate
Island County – Betty Kemp, Director of General Services Administration – Alternate
Kitsap County – Barbara Razey, Risk Manager – Director
Klickitat County – Lori Wolford, Human Resources Manager
Lewis County – Dennis Hadaller, County Commissioner – Director
Mason County – Ione Siegler, Director of Budget and Finance – Alternate
Okanogan County – Craig Vejraska, County Commissioner – Director
Pacific County – Janet Corey, Risk Manager – Alternate
San Juan County – David Zeretzke, Director of Administrative Services – Alternate
Spokane County – Leon Long, County Risk Manager – Director
Thurston County – Diane Oberquell, County Commissioner – Director
Tammy Devlin, Risk Manager – Alternate
Whatcom County – Randall J. Watts, Chief Civil Deputy Prosecuting Attorney – Director
Whitman County – Richard Brown, Director of Administrative Services – Director

State Risk Management – John Nicholson, LGSI Program Administrator
Broker – Mike Croke, Senior Vice President, Willis Corroon Corporation of Seattle
Risk Pool Staff - John Crawford, Executive Director
Alicia Johnson, Claims Manager
Jay Winter, Programs Manager

WELCOME and ROLL CALL: The meeting was called to order at 8:38 a.m. by President Si Stephens who welcomed all in attendance and noted that a quorum was present. He asked everyone around the table to introduce him or herself. Directors Reference Manuals were distributed for use back at the courthouse.

Committee Meetings: The Board Meeting followed Finance, Risk Management and Underwriting Committees meetings in Sea-Tac on Wednesday, March 28th from 2:00 p.m. until 4:30 p.m.

APPROVAL:

Agenda: The agenda was approved as presented.

Minutes: Vyrle Hill moved to approve the minutes of the November 9th meeting at Yakima. The motion was seconded by Mike Shelton and approved.

REPORTS, DISCUSSION AND ACTION:

Executive Committee Report: The minutes of the February 15th Meeting of the Executive Committee was placed in the meeting packet.

State Risk Manager: State Local Government Self Insurance Program Administrator John Nicholson reported that he had completed the fourth examination of the pool. He gave a PowerPoint presentation and distributed his examination report, which complements the pool for addressing the need for a retroactive assessment in a responsible manner. He concluded that the current operations of the pool "are very sound."

Underwriting Committee Report: Committee Co-Chair Marilyn Breckel reported that the committee met on March 28th in SeaTac. It reviewed the draft affiliate membership agreement and discussed the pros and cons of a one-year membership plus one, or two years with an early out provision. Either way, the committee wanted the agreement to be a helpful marketing tool rather than a limitation on prospective new members. However, an affiliate member would not have voting rights, participate in future refunds from a policy year, and would have to convert over to regular membership or leave after the expiration of the agreement. Mike Shelton moved to allow flexibility in marketing by offering an affiliate membership as proposed. The motion was seconded by David Goldsmith and approved. Before using it, the agreement will need to be reviewed by an attorney and approved by the State Risk Manager and State Auditor.

Personnel Committee: After discussion about staffing, Mary Jo Cady moved to authorize two interim positions for an interim administrative services officer and interim accounting officer effective April 1st. Job descriptions will need to be developed within a month for review by the Personnel Committee and Approval of the Executive Committee. The motion was seconded by David Goldsmith and approved with several dissents.

Ron Zirkle moved to amend section F.5 of the Personnel Policy to allow sharing of annual leave. The motion was seconded by Steve Lowe and approved. There will be no sharing of sick leave.

Claims: Alicia Johnson reported that we are not very successful on lawsuits that are appealed. She also mentioned that a claims audit had been completed by Pricewaterhouse Coopers since the last board meeting and a copy of the report was included in the Directors Reference Manual that had been distributed.

Risk Management Committee: David Goldsmith reported that the Risk Management Committee had met in SeaTac on March 28th and reviewed the results of the surveys on misdemeanor

probation and pre-trial release. The committee recognized the new liability exposure as a result of court decisions and jury awards in the past two years. David also referred the board to a contracts manual that was developed by the State Risk Manager and being used by state agencies.

Programs: Jay Winter gave a video preview of the speaker for the Wednesday of our summer training conference. John J. Scherer lives in Spokane and is a consultant and leadership development coach and speaker.

Clallam County Safety/Training Specialist Toni Gilbert distributed copies of the county's emergency response and evacuation procedures materials that were just developed.

Administration: John Crawford reported that we will be sending out copies of the loss run and will request renewal information.

Because the WCIF health benefits trust is becoming a joint self-insurance benefits pool, the pool board will have to approve its interlocal agreement or join the state-sponsored program. Mike Shelton moved to sign the agreement and join the new pool. He also asked for a review of sharing costs with employees. The motion was seconded by Diane Oberquell and approved without dissent.

John Crawford said that the professional services contract with PricewaterhouseCoopers for claims auditing had concluded and service contracts with the actuary and broker were near their ends. Vyrle Hill moved to authorize the executive director to negotiate extensions on all three contracts. The motion was seconded by Leon Long and approved without dissent.

Strategic Planning: David Goldsmith commented on the comments generated from the strategic planning session at the last board meeting and the "performance development process performance management system" that was developed. Copies of the comments and system report were included in the meeting materials.

Finance Committee Report: Committee Chair Vyrle Hill reported that the state financial audit had been completed without any findings. The balance sheet was revised to restate the adverse and rate stabilization reserve to the restricted retained earnings item, and to add an unallocated loss adjustment expenses reserve. The committee had met on March 28th in SeaTac and compared the costs of self-insuring the \$500,000 and \$1 million layers compared to purchasing reinsurance. The committee concluded that we need to make that decision annually after receiving the actuary report and reinsurance renewal information.

Broker's Report: Mike Croke gave a PowerPoint presentation regarding the changing insurance market and the worsening combined ratios of the major reinsurance companies.

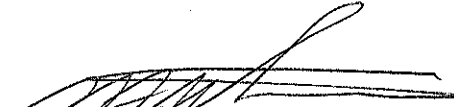
WSAC Legislative Steering Committee: Mike Shelton and Mary Jo Cady reported that the new Senate budget has some good provisions for counties. Mary Jo Cady reported about difficult negotiations regarding growth, annexations and incorporations.

Other Business: President Si Stephens commented on Frank Bishop's retirement next month and said that his wit and wisdom will be missed by the Risk Pool and counties around the state. John Crawford presented Frank with a "Golden Dragon" certificate and award for "His great contributions to county risk management in the State of Washington" for the years 1987-2001. Similar to the Oscars, the dragon will be named "Frank" in his honor. David Goldsmith also presented Frank with a "Golden Shaft" award for being "A Golden Gear in the Machinery of the Washington Counties Risk Pool" for the years 1987-2001.

**FUTURE BOARD MEETING: Board Summer Workshop & Annual Meeting – Thurs & Fri,
July 19-20, 2001, Spokane**

With no further business, the meeting was adjourned at 12:28 p.m.

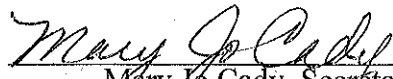
MINUTES APPROVED: 7 120 12001



Si A. Stephens, President

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Attest:



Mary Jo Cady, Secretary