

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

MINUTES

**Wednesday and Thursday, November 2-3, 2005
Marcus Whitman Hotel, Walla Walla**

ATTENDANCE:

* = denotes Executive Committee Member

Chair – *Randy Watts, Whatcom County Chief Civil Deputy Prosecutor
Secretary-Treasurer – *Steve Clem, Douglas County Prosecuting Attorney
Adams County – *not represented*
Benton County – *not represented*
Chelan County – Keith Goehner, County Commissioner - Director
Clallam County – *not represented*
Clark County – *not represented*
Columbia County – Sharon Richter, County Auditor (attended Wednesday session)
Cowlitz County – Clyde W. Carpenter, Risk Manager – Director
Douglas County – *see Secretary-Treasurer*
Franklin County – *Neva J. Corkrum, County Commissioner – Director
 Bob Koch, County Commissioner
 Ryan Verhulp, Chief Civil Deputy/Risk Manager
Garfield County – Bert Obenland, Risk Manager (attended Wednesday session)
 Dean Burton, County Commissioner – Director (attended Thursday session)
Grays Harbor County – Bob Beerbower, County Commissioner - Director
Island County – *Mike Shelton, County Commissioner - Director
 Betty Kemp, Director of General Services – Alternate
 Vickie Chambers, Administrative Assistant
Jefferson County – John Fischbach, County Administrator - Director
Kitsap County – Mark Abernathy, Risk Manager – Director
Kititas County – David Bowen, County Commissioner - Director
Lewis County – Dennis Hadaller, County Commissioner - Director
 Harry B. Green, Risk Manager – Alternate
Mason County – *not represented*
Okanogan County – Heidi Appel, Chief Civil Deputy Prosecutor - Director
Pacific County – Bryan Harrison, County Administrative Officer - Director
Pend Oreille County – Tom Metzger, Prosecutor/Coroner
San Juan County – David Zeretzke, Administrative Services Director - Alternate
Skagit County – *not represented*
Skamania County – Marilyn Butler, Administrative Services Director - Director
Spokane County – *Leon Long, Risk Manager/Geiger Center Director – Director
 Steve Bartel, Supervisor, Risk Management - Alternate
 Rob Binger, Senior Deputy Prosecutor/Risk Mgt Div. – Alternate
 Jim Kaufman, Civil Deputy Prosecutor
Thurston County – Tammy Devlin, Risk Manager – Alternate
Walla Walla County – *Jay Winter, Personnel/Risk Manager – Director
 David Carey, County Commissioner (attended Thursday session)
Whatcom County – *see President*
Yakima County – Ron Zirkle, County Prosecuting Attorney – Director
 Larry Peterson, Senior Deputy Prosecutor – Alternate

Broker – Mike Croke, Senior Vice President, Willis of Seattle, Inc

Risk Pool Staff - Rich Bodell, Loss Control Specialist; Kitty Bottemiller, Events Coordinator/
Administrative Assistant; Sue Colbo, Auditing/Accounting Officer; David Goldsmith, Member Services
Manager; Vyrle Hill, Executive Director; and Susan Looker, Claims Manager.

WELCOME and ROLL CALL: President Randy Watts called the meeting to order at 3:30 p.m. He asked the Executive Director to conduct a roll of the member counties which confirmed a quorum was present.

President Watts reminded those present that Alternate Directors were entitled to participate to all discussions, but they can only make, second and vote on motions in the absence of their county's designated Director.

Leon Long, Spokane County's Director, noted he was yielding his authority for this meeting to Alternate Director Steve Bartel.

APPROVAL:

Agenda: Mike Shelton moved approval of the agenda, but moving the Tab 10 Item (Review/Approve Membership Compact/Audit Plan/Form) to Committee Reports under Risk Management; Steve Bartel seconded, and the motion passed.

Minutes (Tab 1): Mike Shelton moved approval of the minutes of the Annual Board Meeting held July 28, 2005, in Richland; Jay Winter seconded, and the motion passed.

REPORTS, DISCUSSION AND ACTION

Member County Solicitations (Tab 2): David Goldsmith and Vyrle Hill acknowledged that WCRP recently received Letters of Intent (for membership withdrawal) from Franklin and Skamania Counties. They also spoke about their visitations to member counties this summer and the preliminary contacts made with non-member county representatives during the WSAC Annual Conference.

Review of Competitive Offerings (Tab 3): Mike Croke spoke about the WCRP property program, its catastrophic limits for fire, flood and mold, and the advantages/disadvantages of various types of coverage.

With input from Mr. Croke, David and Vyrle presented details of the two insurance program offerings, WCRP and Washington Rural Counties Insurance Pool, highlighting their similarities and differences. Several Board members spoke about their experiences with various insurance programs.

A 10-minute rest break was taken at 4:45 p.m.

Review WCRP Operational Plan (Tab 4): David reviewed the WCRP Operational Plan adopted in March 2001. He gave a brief update on progress made on soliciting interest by non-profit entities that serve public agencies, noting that resolution on a non-county public entity insurance program is expected by about the first of the year (2006).

Review Organization/Development Strategy: The attendees were asked during the work session to write down five suggestions of what they thought WCRP offers or should offer to "Meet the Challenge" and/or for future operations. After a few minutes, the written suggestions were collected, read aloud and placed in groupings for use in updating the WCRP Operational Plan.

The meeting was adjourned at 5:58 Wednesday evening to be reconvened at 9:30 Thursday morning.

The meeting was reconvened at 9:35 a.m. November 3rd. Jay Winter introduced Walla Walla County Commissioners Greg Tompkins, who had to leave shortly thereafter, and David Carey, who stayed for the meeting. Commissioner Tompkins officially welcomed the Pool representatives to Walla Walla.

The Board agreed to delay reviewing the Organizational Development Strategy until David Goldsmith, who stepped out to gather some handout information, returned.

Resolution – Appointing Designated Representative to AGRIP (Tab 5): Mike Shelton moved approval of the resolution designating the Executive Director (Vyrle Hill) for WCRP; Clyde Carpenter seconded, and the motion passed.

Confirm 2005-06 (Year R) Deposit Premium Worksheet (Tab 6): Executive Director Vyrle Hill reviewed the "final" worksheet used for the recent member assessments. Dennis Hadaller moved to approve the worksheet as final; Mike Shelton seconded, and the motion passed.

Approve Q4-2005 (Jul-Sep) "Unaudited" Financial Reports (Tab 7): Vyrle Hill noted that some significant changes had occurred due to the excess insurance and reinsurance recoveries which substantially negated the retroactive assessment of a year ago. He also noted that the WCRP has been taken off the State Risk Manager's "subject to takeover" list. Steve Clem moved for approval of financial reports; Neva Corkrum seconded, and the motion passed.

Waive Interest Charge: Vyrle Hill reported that when Pend Oreille County notified him that the county wouldn't be able to pay its 2005-06 assessment until November due to its cash shortage, they asked him to waive the interest as the previous Executive Director had done. He responded that he lacked authority because the interest policy was set by the Board, but that he would present the request to the Board and ask for its support. Neva Corkrum moved to waive the interest charge for Pend Oreille County; Clyde Carpenter seconded, and the motion passed. Larry Peterson asked "Why is there such a policy if it is always waived?" Randy Watts answered that waivers are not requested often; Mike Shelton noted a waiver to this particular policy has not come to the Board in 12 years.

David Goldsmith returned to the room and reviewed the prior day's Organizational Review (Tab 4). David noted that the plan was last updated in 2001, but probably needs updating yearly. A plan revision based on Wednesday's discussions will be drafted and should be ready for review, first by the Executive Committee and then by the Board during the spring 2006 meeting.

Committee Reports:

Membership and Chairmanship Appointments: Harry Green announced that the Risk Management Committee added two members: Mark Abernathy and Steve Bartel volunteered to serve during the November 2nd Risk Managers Roundtable. Tom Metzger also agreed to participate on the committee.

- **Executive Committee Minutes:** It was acknowledged that minutes from Executive Committee meetings of July 27 and Aug. 26 were included in the Board agenda packet, and that the Executive Committee had approved the minutes at their meeting earlier this morning. Mike Shelton moved for approval; Clyde Carpenter seconded, and the motion passed.
- **Executive Committee:** President Watts reported that minutes from Executive Committee meetings of July 27 and August 26 were included in the Board agenda packet, and that the Executive Committee had approved the August 26th minutes during its meeting earlier this morning. He also reported the committee had approved WCRP vouchers and reviewed the proposed Claims Management Policy. He briefed those present on the pending sale of the WCRP building, and noted that the committee authorized extending a revocable purchase offer for a new building which may also house WCIF/WCIP. He also noted that the committee briefly discussed the loss-control practices of a particular member county, and that it will ask to meet with officials from that county to review the practices soon.

Review/Approve Claims (Handling & Reserving) Policy (Tab 9): The Claims Management Procedures were modified to incorporate claims reserving/appeal provisions. The draft was distributed through the Underwriting Committee and approved by the Executive Committee for recommendation to the Board with the last phrase of section 1.2 deleted and the replacement language suggested by Ron Zirkle in section 6.2 repeated accordingly in section 6.3. Marilyn Butler moved for Board adoption of the recommended Claims Management Policy; Steve Clem seconded, and following a brief discussion clarifying responsibilities, the motion passed.

- **Finance Committee:** No report.
- **Personnel Committee:** Chair Ron Zirkle noted that the committee will be working on policy/job description changes that had been proposed and expects to present its report and recommendations at the next Board meeting.

- **Risk Management Committee:** Co-chair Harry Green reported that the committee met Wednesday morning and discussed key cases relating to the new probation legislation. They asked if anybody was interested in working with (Lewis County Civil Deputy Prosecutor) Mike Golden in the development and pursuit of legislative changes that might better respond to these concerns.

Harry also noted that the WCRP Claims Filing Form had been updated, and that an agreement with WSU is near for provision of facilities/services for the Pool training through WECN that should save in delivery costs. Seven WSU Extension Service sites are planned to be utilized: Port Hadlock, Mount Vernon, Wenatchee, Spokane, Olympa, Vancouver and Richland. The committee identified six broad topics for upcoming training, starting in January 2006: probation, law enforcement, public works, jail-related issues, communications supervision/management, and two employment-related courses.

Regarding driver-safety training, Harry reminded counties that need to offer it for compliance with the Membership Compact requirement to contact Rich Bodell to arrange for this training.

Harry also outlined changes recommended by the committee regarding the Pool's Risk Management Certification. The changes were: 1) successful completion of training in all required categories, 2) adding Risk Management for Public Entities (RMPE) training for certification, and 3) deleting the current requirement of five hours training annually in Claims Administration and adding the language "successful completion of such training as needed." Dennis Hadaller moved for approval of the recommended changes; Steve Bartel seconded, and the motion passed.

Review/Approve Membership Compact Audit Plan/Form (Tab 10): Harry said the committee also discussed the proposed WCRP Audit Form included in the Board's agenda notebook and liked it as is. No revisions were suggested. Dennis Hadaller moved to approve the form as drafted; Mike Shelton seconded, and the motion passed.

David Goldsmith noted that the Risk Pool remains available to provide training resources to specific counties if needed.

Underwriting Committee: Co-chair Steve Clem reported that the committee is working on cleaning up language in the Pool's insuring document including sections 1.B.3, 2.B.3 (earlier oversight), Paragraph 4, Nominal Damages, and Dams.

Harry Green noted that Lewis County had asked for a letter to be drafted from WCRP to the State Department of Licensing regarding access to driver abstracts which led to some success, but he suggests now asking the state legislature to clarify language regarding this subject.

President Watts called for volunteers to join the Risk Pool Committees. He noted that other than the Executive Committee, this can involve any member county employee, that board membership is not required for participation. He asked that anyone interested contact himself or Vyrle Hill. *Heidi Appel volunteered to serve on the underwriting or finance – she was assigned to the Finance Committee.*

Broker's Report: Mike Croke spoke about huge catastrophic losses incurred by the major insurers with the recent storms in the Southeast. He noted that he and other Willis staff have been meeting with their syndicate contacts worldwide and pursuing capital. Gas-price increases aren't news, but the off-shore platforms are. The good news, he reported, was that property programs set prior to these occurrences such as the Pool's remain intact, thus guaranteeing rates for additional counties. However, there's no telling how these events will affect coming rates.

Delegate/Approve Renewal Process for Actuarial, Claims Auditing & Broker Services: It was reported that contracts for each of these professional services expire December 31, 2006, and that the Board should decide on a process for renewing them. Discussion ensued. Ron Zirkle moved to delegate the task to the Executive Committee to solicit Requests for Qualifications for such professional services, adding that the new process should be in place in time for new contracts to take effect in January 2007; Marilyn Butler seconded. A "friendly amendment" was offered by Tammy Devlin and accepted to have the Executive Director complete the RFQ preparation and solicitation. Ron asked that Vyrle report his findings to the Board during the spring 2006 meeting. Motion passed with one nay vote.

WCRP Property Program (catastrophic loss allocation process): The Executive Director noted that several of the eleven WCRP member counties not participating in the Pool's program will be considering renewals of their programs in the next few weeks/months. WCRP staff is preparing a simple summary of the property program, Vyrle reported. Letters will be sent to non-participants outlining the process and the information needed for those counties to secure a property insurance quote for the WCRP program.

WCRP Staff Reports:

- **Summaries of Claims/Losses:** Claims Manager Susan Looker reported that an audit of WCRP claims by AIG is scheduled to take place in December. She also noted the recent defense verdict reached in *Watts v. Clallam* and the Spokane directed verdict, as well as voluntary dismissals in four large-loss cases from Chelan, Cowlitz, Island and Mason Counties. She reported there were 432 open cases compared to 392 a year ago. And she reminded everyone that Mason and Lewis Counties have "public duty-related" cases pending before the Supreme Court.
- **Marketing Efforts:** Member Services Manager David Goldsmith reported that contact will soon be made with the two counties (Franklin and Skamania) that have indicated their intent to withdraw from WCRP membership. He again reported that letters will be sent to member counties who are not participating in the Washington Counties Property Program. He also noted that at the WSAC Conference last month (where WCRP had a marketing booth), four non-member counties requested program information/proposals from WCRP, and that staff would be following up to schedule presentations in those, and possibly other non-member counties. He repeated an earlier mention that the non-profit insurance program proposal was being prepared for underwriting.

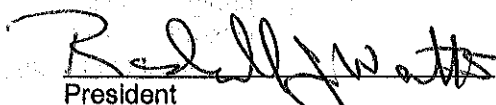
Future Meetings:

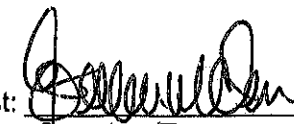
- **Executive Committee:** Randy Watts reported that the committee was scheduled to meet December 16, 2005 in SeaTac.
- **Board of Directors:**
 - **Winter Meeting:** Because the primary intent of the meeting was to deliver the Pool's year-end closing information and due to weather-related travel concerns, the Executive Director suggested he be allowed to simply provide the membership with an explanatory cover and the year-end information. Mark Abernathy moved approval of the suggestion and to forego the winter meeting; Neva Corkrum seconded and the motion passed.
 - **2006 Spring Meeting:** After a brief discussion, Ron Zirkle moved that the spring meeting be held at the new Hilton Hotel in Vancouver; Neva Corkrum seconded, and the motion passed. Mark Abernathy suggested that the meeting be in March, noting that an April date would stretch the time since the last meeting to about six months. No objections were expressed.
 - **2006 Annual/Summer Meeting – July 26-27, 2006:** It was reported that plans were proceeding to hold the meeting at the Enzlan Inn in Leavenworth.

Dean Burton moved to have WCRP staff explore Sun Mountain, Skamania Lodge and Leavenworth as possible locations for the 2007 Annual/Summer Meeting; Mike Shelton seconded, and the motion passed.

The meeting was adjourned at 11:22 a.m.

MINUTES APPROVED:


President

Attest: 
Secretary/Treasurer