

**BOARD OF DIRECTORS FALL MEETING
MINUTES**

9 a.m., November 9, 2007

Kitsap Conference Center, Bremerton Harborside

ATTENDANCE:

* denotes Executive Committee Member

Adams County: *not represented*
Benton County: *not represented*
Chelan County: *Keith Goehner, County Commissioner – Director and President
Clallam County: Marge Upham, HR/Risk Manager – Director
*Toni Gilbert, Safety/Training Officer – Alternate Director
Clark County: *not represented*
Columbia County: Drew Woods, County Engineer/Risk Manager – Director
Cowlitz County: Clyde Carpenter, Risk Manager – Director
Douglas County: Thad Duvall, County Auditor – Alternate Director
Franklin County: Ryan Verhulp, Chief Civil Deputy PA /Risk Manager – Alternate Director
Garfield County: *not represented*
Grays Harbor County: Bob Beerbower, County Commissioner – Director
*Rose Elway, Director of Management Services/Budget – Alternate Director
Island County: John Dean, County Commissioner – Director
Betty Kemp, Director of General Services Administration – Alternate Director
Jefferson County: *not represented*
Kitsap County: *Mark Abernathy, Risk Manager – Director and Secretary-Treasurer
Kittitas County: Kirk Eslinger, HR Director – Alternate Director
Lewis County: F. Lee Grose, County Commissioner – Director
Harry Green, Risk Manager – Alternate Director
Mason County: *not represented*
Okanogan County: Andrew Lampe, County Commissioner – Director
Pacific County: Bryan Harrison, County Administrative Officer – Director
Pend Oreille County: Ken Oliver, County Commissioner – Director
San Juan County: Pete Rose, County Administrator – Director
Skagit County: Billie Kadrmas, HR/Risk Manager – Alternate Director
Skamania County: *Marilyn Butler, Administrative Services Director – Director
Spokane County: Steve Bartel, Risk Management Supervisor – Alternate Director
Thurston County: *Diane Oberquell, County Commissioner – Director
Tammy Devlin, Risk Manager – Alternate Director
Walla Walla County: *Jay Winter, Personnel/Risk Manager – Director
Whatcom County: *Randy Watts, Chief Civil Deputy Prosecutor – Director
Yakima County: Larry Peterson, Senior Civil Deputy Prosecutor – Alternate Director
Actuary Services: Craig Scukas, Director (PricewaterhouseCoopers LLP)
Broker Services: Mike Croke, Area Senior Vice President (Arthur J. Gallagher RMS Inc.)
Liz Miser, Area Vice President (Arthur J. Gallagher RMS Inc.)
WCRP Staff: Vyrle Hill, Executive Director
David Goldsmith, Member Services Manager
Susan Locker, Claims Manager
Sue Colbo, Accounting/Auditing Officer
Kitty Bottemiller, Administrative Assistant/Events Coordinator

CALL TO ORDER: President Goehner called the meeting to order at 9:03 a.m. A roll call was conducted and a quorum was validated with 22 of the 28 WCRP member counties responding to the roll call.

AGENDA: Mark Abernathy moved for approval of the agenda; Diane Oberquell seconded. *Motion was approved by voice vote without opposition.*

WELCOME: Mark Abernathy then introduced Josh Brown, Chair of the Kitsap County Board of Commissioners, who welcomed the group to Kitsap County and the Bremerton area and thanked everyone for coming.

DISCUSSIONS, REPORTS & ACTION ITEMS

- **Tab 1: Minutes of Board of Directors' Work Session and Annual Meeting July 26-27, 2007.** Marilyn Butler moved for approval as distributed; Diane Oberquell seconded. *Motion was approved by voice vote without opposition.*
- **Tab 2: Executive Committee Meeting minutes.**
 - a) July 26-27, 2007
 - b) August 30, 2007
 - c) October 25, 2007 teleconferenceThere were no questions or comments pertaining to the minutes for the three Executive Committee meetings.
- **Tab 3: State Risk Manager's Report.** Shannon Stuber, Local Government Self-Insurance (LGS) Program Administrator, was not in attendance. No report was available.
- **Tab 4: Actuarial Reserve Review as of September 30, 2007.** Craig Scukas provided a PowerPoint presentation summarizing the reserve review as of September 30, 2007 that PwC recently completed for the Pool. He noted that the Pool's net assets should exceed \$5.3 million, even with the revisions for the estimated \$7.9 million unpaid claims reserves and \$0.8 million unallocated loss adjustment expenses, resulting in a 90 - 95% confidence level. Pete Rose moved for approval of the actuarial reserve review; Larry Peterson seconded the motion. *Motion was approved by voice vote without opposition.*
- **Tab 5: Broker's Report.**
 - a) Activities Report: Mike Croke circulated and commented on his report dated November 8, 2007, referring also to Craig's summary of the Pool's Net Losses & Reserves Report. He gave a summary of the services that he expects to make available to the Pool now that he is employed by Arthur J. Gallagher RMS Inc. President Goehner asked Mike, what can the Pool expect? Mike detailed his list. Randy Watts noted that the Pool also has among its resources the ACE-provided (HELPLINE) hotline for employment law practices.
 - b) Amendment of Broker Services Agreement: Mark Abernathy moved to enter into a brief executive session to review and discuss the contractual amendment and the revisions being proposed; Marilyn Butler seconded. *Motion was approved by voice vote without opposition.*

Executive Session: President Goehner convened an estimated 10-minute executive session at 10:12 a.m. with only the WCRP Directors, Alternate Directors and select staff members present. All other meeting attendees were excused. Those waiting were then notified that the executive session was being extended to 10:40 a.m., and again until 10:45 a.m. The executive session was concluded at 10:45 a.m.

Upon President Goehner's reconvening the regular meeting at 10:55 a.m. following a 10-minute recess, amendment of the Broker Services Agreement was considered. Marge Upham moved to approve the proposed amendment of the Broker Services Agreement from and with Arthur J. Gallagher Risk Management Services, Inc. ("AJG") extending the agreement through December 2010, along with the "WHEREAS" enhancements suggested by the Executive Director and recommended by the Executive Committee to acknowledge the contractual transfer from Willis of Seattle, Inc. to AJG. The motion was seconded by Andrew Lampe. Diane Oberquell asked Mike Croke whether the Pool and the member counties will receive all the services that were stipulated in the underlying broker services agreement. Mr. Croke responded "yes" to her question. *Motion was approved by voice vote without dissent.*

- **Tab 6: Q4 (July-September) 2007 Financial Reports.** Vyrle Hill presented the fourth quarter financial reports and noted the adjustments needed to incorporate the actuary's reserving report that

had just been received. The (pre-audit) reports reflected Total Net Assets (Member Equities) of more than \$5.3 million, most of which ED Hill commented would be listed in the published reports as "restricted" in conformance with the Board's policy revision adopted last March, and an Assets to Liability Ratio (State Risk Manager's report) of 1.79. Larry Peterson moved for acceptance of the Financial Reports; Diane Oberquell seconded. *Motion was approved by voice vote without dissent.*

- **Tab 7: Confirm/Update Strategic and/or Operational Plan.** Vyrle Hill and David Goldsmith noted that the previous day's planning session resulted in several items requiring refinement and further discussion. They suggested deferring this matter to the spring 2008 (March 28th) meeting. David invited any county that hadn't already done so to complete and return the strategic planning survey recently issued.

STANDING COMMITTEE REPORTS (TAB 8). President Goehner asked that each committee chair provide him and/or the executive director a list of their committee's PY2008 membership.

- **Finance:** Substitute chair Rose Elway reported that the Pool is in good financial shape, calling this a credit to the Executive Director's leadership, and noted that the enhanced reserving resulting from the board's decision to increase the "confidence factor" should help if/when the insurance market turns unfavorable.
- **Personnel:** Chair Tammy Devlin reported that the committee has not been active, but was awaiting issues for its agenda.
- **Risk Management:** Chair Steve Bartel reported that the group has been working on drafting objectives and goals to assist in directing the Risk Management Committee. He noted that the Executive Committee had reviewed the proposal and agreed to recommend approval.
- **Underwriting:** Co-chair Randy Watts reported that the group has three new members, Diane Oberquell, Jay Winter and Ryan Verhulp, and would be studying offering other lines of coverage. Examples mentioned were public officials bonds, special events and maybe underinsured/uninsured motorist.

Following the committee reports, Mr. Hill displayed the Risk Management Committee's proposed Statement of Purpose, Objectives and 2007-08 Goals. RMC Chair Steve Bartel spoke about wanting to provide the group with a better sense of direction in several areas including: identifying and evaluating loss exposure data, evaluating other risks/exposures, prioritizing and recommending risk management strategies and/or techniques and assisting with the implementation of such, and reviewing/revising the plan at least annually. It was noted again that the proposal had already received the Executive Committee's support. Steve Bartel moved for approval of the RM Committee's proposal; Rose Elway seconded. *Motion was approved by voice vote without dissent.*

STAFF REPORTS (Tab 9)

- **Claims:** Claims Manager Susan Looker summarized the Pool's claims activities and reviewed the outcomes of several cases. She noted that WCRP Claims Assistant Claire Thompson recently participated in the annual Connect (Riskmaster) Training and invited any counties needing help with claims reporting/reports or the RiskMaster system(s) to contact Claire. She also reported that Claims Analyst Candy Drews is preparing to take her third of four exams needed for an Associate in Claims certification, and that Claims Representative Tammy Cahill has also begun working toward her AIC certification.
- **Member Services:** David Goldsmith reported that the Membership Compact Audits are nearly complete, with only one follow-up visit left to conduct. He noted that these audits differ from the Risk Management Audit in that the member county visits include a meeting/discussion with the Boards of County Commissioners / County Councils with suggestions to "reduce good practices" to policies where advisable. He presented a matrix of the audit findings, and noted that he estimated 65 percent of the member counties are in compliance with compact requirements. He added that while more work is to be done, he is very impressed with what all counties are already doing.

David also reported that he was working on the property valuation test effort with a few WCPP participating counties and Mike Croke and the Gallagher/Basset appraiser(s). He mentioned that they planned to examine the contents valuation concerns raised during yesterday's planning session.

Trainings/Training Opportunities: Loss Control Coordinator Jill Lowe summarized recent and trainings and scheduled training opportunities. Steve Bartel noted a conference coming in December in Las Vegas, on in-custody deaths, where Spokane County is sending three employees. Jill also acknowledged and expressed the Pool's appreciation to the several RMPE presenters and participants, and acknowledged those that successfully completed the exams in July for the Intro to Claims and Intro to Insurance courses.

David Goldsmith noted that the Pool is working with/through the Washington State Association of Counties (WSAC) on a legislative proposal relating to obtaining abstracts of driving records, and that he is scheduled to present the proposal to the Legislative Steering Committee at the WSAC Conference November 13th.

Larry Peterson suggested the Pool publish a resource book for membership compliance.

- **Administrative Services:** Executive Director Hill noted that he had met with LEXIPOL's president and had hoped to obtain a (discounted) price quote for interested member counties to utilize the company's web-based, online law enforcement policies and procedures services. It was noted that LEXIPOL had established similar relationships with most of the California insurance pools, and that the system for Washington's corrections personnel is expected to be available in a few months. Responses to the interest inquiry were not sufficient to secure the quote for consideration during this meeting. It was felt that assurance should be secured from WASPC that the system will address its accreditation requirements. Mr. Hill suggested postponing this matter to the 2008 Spring Meeting.

FUTURE MEETINGS & UPCOMING EVENTS


- **WSAC Annual Conference** (November 12-16, 2007 – Vancouver, WA). It was noted the Pool was a registered event sponsor, and that staff members planned to attend and host a vendor booth.
- **AGRiP Spring Conference** (March 17-19, 2008 – Phoenix, AZ).
- **WCRP Spring Session:** It was reported that the Executive Committee had agreed to recommend Spokane as the location for the Spring Session (March 26-28, 2008). Drew Woods moved in support of the (Spokane) recommendation; Diane Oberquell seconded. *Motion was approved by voice vote without dissent.*
- **RIMS Annual Conference** (April 27-May 1, 2008 – San Diego, CA).
- **PRIMA Annual Conference** (June 1-4, 2008 – Anaheim, CA).
- **WCRP Summer Session** (July 30-Aug 1, 2008 – Leavenworth, WA).
- **AGRiP G&L Conference** (October 27-29, 2008 – New Orleans, LA).

ADJOURNMENT. President Goehner again noted January 17th as the tentative date for the next Executive Committee meeting. He then called for other business. Diane Oberquell moved to adjourn the meeting at 12:10 p.m.; Lee Grose seconded. *Motion was approved by voice vote without dissent.*

MINUTES APPROVED this 28th day of March, 2008.



President

Attest: 

Secretary/Treasurer