

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

**9:00 a.m. Thursday, February 15, 2001
Risk Pool Office, Tumwater**

ATTENDANCE:

President – Si A. Stephens, San Juan County Auditor

Secretary/Treasurer – Mary Jo Cady, Mason County Commissioner

Executive Committee –

David Goldsmith, Jefferson County Deputy County Administrator

Vyrle L. Hill, Pacific County Administrative Officer

Steve M. Lowe, Franklin County Prosecuting Attorney

Mike Shelton, Island County Commissioner

R. S. Zirkle, Yakima County Chief Deputy Prosecuting Attorney

Broker – Mike Croke, ARM, Senior Vice President, Willis Corroon of Seattle

State Risk Management – John C. Nicholson, Local Govt Self Insurance Program Administrator

Risk Pool Staff - John Crawford, Executive Director

Alicia Johnson, Claims Manager

Jay Winter, Programs Manager

WELCOME and ROLL CALL: President Si Stephens called the meeting to order at 9:14 a.m., welcomed all in attendance, and announced that a quorum was present. John Crawford introduced Risk Pool staff members Aileen Boren, Kitty Bottemiller, Candy Drews and Claire Thompson.

APPROVAL:

Minutes: Mike Shelton moved to approve the minutes of the October 3rd meeting in Kennewick. The motion was seconded by Ron Zirkle and approved.

Joint Self-Insurance Liability Policy Endorsements: The President and Secretary signed the Joint Self-Insurance Liability Policy Endorsements for those counties electing higher limits.

Vouchers: Dave Goldsmith moved to approve the vouchers. The motion was seconded by Mike Shelton and approved. The President and Secretary signed four amended vouchers for last year where a series of checks had been omitted from the forms.

REPORTS, DISCUSSION AND ACTION:

Minutes of Board Annual Meeting: The minutes of the Autumn Meeting of the Board were included in the meeting materials.

State Risk Manager: John Nicholson alerted the committee that he would be conducting his regular examination of the program pursuant to statute and administrative code on March 6th and 7th. Copies of his examination outline and member interview forms were included in the meeting materials.

WSAC Legislative Steering Committee: Mike Shelton and Mary Jo Cady discussed some of the bills that were of interest to counties, including taxes, I-695 backfill, open public meeting executive sessions, and vulnerability analysis by the emergency management council. Other committee members mentioned legislation regarding the seat belt statute, LEOFF I pooling, tort reform and a state risk management study on large losses by state agencies. A copy of Ron Zirkle's letter on SB 5791 regarding payment of punitive damages against law enforcement officers was included in the meeting materials.

Underwriting Committee: Steve Lowe reported that the Underwriting Committee met by conference call on January 25th and discussed short-term affiliation membership agreements, surveying fair associations to see what insurance coverages they had, possible coverages for public disclosure commission complaints, and reviewing the differences between member deductibles and self-insured retentions. An affiliate membership agreement was drafted based on the schools risk pool agreement. Ron Zirkle moved to recommend a two-year agreement offering non-voting affiliate membership entitling a new county to joint self-insurance coverage, subject to retroactive assessments, but without benefit of refunds. An affiliate could convert to regular membership any time during the two-year period. The motion was seconded by David Goldsmith and approved. An attorney will be asked to review the membership agreement, and it will also be submitted to the state risk manager and state auditor for review.

Claims: Alicia Johnson reported that PricewaterhouseCoopers performed a claims audit in November 2000. This was his third claims audit of the Risk Pool, having performed earlier audits in March 1996 and December 1998. Copies of his report and staff responses were provided the committee. Alicia also discussed three recent Risk Pool appellate cases from Chelan, Island and Whatcom Counties where favorable lower court decisions had been reversed by the appeals courts.

Risk Management Committee: David Goldsmith said that a regional Risk Managers Roundtable had been held in Jefferson County on February 9th. He reported that the Risk Management Committee is consulting with the County Road Administration Board to modify the public works safety management system for counties. It is also exploring with the State Department of Personnel the development of a practices manual for first line supervisors.

Programs: Jay Winter updated the committee on the several training developments, including the "Certified Public Officials" (CPO) training being developed by WSU and other county associations, and the "Certified Public Manager" (CPM) training developed by the state government and community colleges. He also reported attempts to work with other risk pools to provide necessary training opportunities. Thirdly, he described the month-long pilot program with Kitsap County to provide training through the Internet at www.etrain.com.

Finance Committee: Vyrle Hill reported that the state had completed its financial audit and issued a report without findings and without a management letter. The financial statements show a revised presentation as recommended by the finance committee and approved by the Board.

Vyrle Hill moved to approve the disposition of surplus assets as proposed by the Executive Director. The motion was seconded by David Goldsmith and approved.

The committee discussed starting the planning process for the assumption of a higher pool self-insured retention layer when the commercial insurance market tightens.

Personnel Committee: Ron Zirkle reported that the Personnel Committee has been working at long-distance by telephone calls and e-mail messages. The committee recommends the creation of a new information technology officer position, with a job description as set forth in the meeting materials, and at a salary range midway between the financial officer and programs

manager ranges. Mary Jo Cady moved to accept the recommendation of the Personnel Committee and make it the recommendation of the Executive Committee. The motion was seconded by Ron Zirkle and approved.

John Crawford requested that the Personnel Policy be amended to allow employee leave sharing. Mary Jo Cady moved to approve the concept, to ask Ron and Vyrle to work with John on language revisions for consideration at the Spring Board Meeting. The motion was seconded by Ron Zirkle and approved.

Administration: David Goldsmith compiled suggestions from the colored cards at the Autumn Board Meeting regarding what the Pool can do to manage risks and reduce the cost of claims, what the Pool can do to enhance member services, and what the Pool should do to make it attractive to potential members. He then incorporated the suggestions into the performance management system for the present operational plan year. The draft will be sent to Board members before the Spring Meeting for review and approval.

John Crawford reported on efforts to comply with the 10% energy cutback in the Governor's Energy Supply Alert Order.

John Crawford discussed the termination of the WCIF contract with Regence Blue Shield and the creation of the new WCIP health insurance pool. If we changed to the state public employee benefits board program, there could be an annual savings of over \$11,000. He recommended that we stay with the WCIF life insurance program, but submit an application to transfer to the state program. It will take the state more than a month to process our application. Vyrle Hill moved to authorize the officers to sign the application. The motion was seconded by David Goldsmith and approved with one dissent.

John Crawford said that our Claims Audit Service Agreement has now expired, and the Broker and Actuarial Services Agreements will expire next year. He will place on the Board agenda extension of the contracts for an additional period through 2006.

Reinsurance: Mike Croke reported that he had recently traveled to San Francisco to visit our reinsurance underwriters to start the renewal of our account.

ADJOURN: With no further business, the meeting was adjourned at 1:13 p.m.

FUTURE MEETINGS:

Spring Committee & Board Meetings – Wednesday & Thursday, March 28-29, 2001 – WestCoast Sea-Tac Hotel, SeaTac

Executive Committee – Thursday, June 14, 2001 – Yakima WestCoast Gateway Hotel, with WSAC Summer Convention

Summer Committee Meetings, Workshop & Annual Board Meeting – Thursday & Friday,

July 19-20 – DoubleTree Hotel Spokane Valley


MINUTES APPROVED:

6/14/2001


Si A. Stephens, President

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Attest:


Mary Jo Cady, Secretary