

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

**1:30 p.m. Thursday, June 14, 2001
WestCoast Gateway Hotel, Yakima**

ATTENDANCE:

President – Si A. Stephens, San Juan County Auditor
Secretary/Treasurer – Mary Jo Cady, Mason County Commissioner
Executive Committee –
Marilyn Breckel, Skamania County Administrative Services Manager
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
Melina Wenner, Benton County Risk Manager
R. S. Zirkle, Yakima County Chief Deputy Prosecuting Attorney
Neva Corkrum, Franklin County Commissioner
Rose Elway, Grays Harbor County Director of Management Services and Budget
Broker – Mike Croke, ARM, Senior Vice President, Willis Corroon of Seattle
Actuary – Kevin Wick, FCAS, MAAA, Principal Consultant, PricewaterhouseCoopers
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 1:30 p.m., welcomed all in attendance, including guests, and announced that a quorum was present. The meeting followed the Finance Committee Meeting at 8:00 a.m. attended by Committee Chair Vyrle Hill, members Rose Elway, Ron Zirkle and Si Stephens, and John Crawford.

APPROVAL:

Minutes: Vyrle Hill moved to approve the minutes of the February 15th meeting in Tumwater. The motion was seconded by Mike Shelton and approved.

Vouchers: Vyrle Hill moved to approve the vouchers. The motion was seconded by Marilyn Breckel and approved.

REPORTS, DISCUSSION AND ACTION:

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

Washington Counties Building: Washington State Association of Counties Executive Director (and past Risk Pool President) Bill Vogler reported to the committee that WSAC, WACO, WAPA, WCIP and the Risk Pool have an opportunity to acquire the Grange Building located at Capitol Way and 10th Avenue in Olympia. Bill discussed that both buildings had been appraised and they are discussing a swap of buildings. The Grange Building is approximately twice the size of the Counties Building and would provide enough space for the county associations plus

future growth. Mary Jo Cady moved to authorize the Executive Director to review the possibility, commission a formal appraisal of the Risk Pool building if necessary, and report back to the Board at its next meeting. The motion was seconded by David Goldsmith and approved.

Bylaws Revision: John Crawford stated that with the change from four Board of Directors meetings per year to three, with an active committee structure involving many volunteer directors and alternates, and with three strong policy committees for finance, risk management and underwriting, the Bylaws should be revised to clarify the powers of the Executive Board. After a discussion about checks and balances, and after affirmation that the Board of Directors retained ultimate authority to modify Executive Board action, Mike Shelton moved to recommend that the Bylaws be revised as proposed. The motion was seconded by David Goldsmith and approved.

Finance Committee: Vyrle Hill reported that the Finance Committee had met earlier in the morning and had reviewed the draft uniform finance report. He discussed the format with the Executive Committee and together they modified it slightly. The new format will be used next month at the Board Annual Meeting.

The Finance Committee also reviewed proposed changes to the Travel Policy allowing per diem expenses according to the state schedule. Mary Jo Cady moved to recommend that the Travel Policy be revised as proposed. The motion was seconded by Vyrle Hill and approved.

Personnel Committee: Ron Zirkle reported that job descriptions had been developed for the two interim positions. The Committee went into executive session for 22 minutes to discuss personnel. After coming out of executive session, David Goldsmith moved to approve the job descriptions as proposed, and recommend to the Board that they be continued and budgeted as interim positions for not more than one fiscal year to allow time for staff synergies if the county associations move into a building together. The motion was seconded by Ron Zirkle and approved.

Actuary Report: Kevin Wick gave a short report on his actuary ratemaking calculations. The GL rate is up, and the EPL and AL rates are down slightly. All coverages combined increased at about the inflationary amount. Kevin also calculated experience rate modifiers by county, and Yakima and Benton Counties had the best mod factors.

Kevin Wick stated that it would be difficult for actuaries to calculate ultimate losses for new exposures like juvenile and misdemeanor probation and pre-trial release and county human services supervision of independent contractors, because there is no historical loss data.

Risk Management Committee: David Goldsmith reported that the Risk Management Committee will be working with Jay Winter to identify and analyze the exposures presented by juvenile and misdemeanor probation and pre-trial release and county human services supervision of independent contractors.

Underwriting Committee: David Goldsmith moved to recommend approval of the same Joint Self-Insurance Liability Policy for 2001-2002 policy year as is being used in the 2000-2001 policy year, without changes. The motion was seconded by Ron Zirkle and approved.

Programs: Jay Winter reported that he had received several good responses on an RFP for e-training of supervisory managers. He is working with a small committee to review the responses and begin the e-training.

Claims: Alicia Johnson reported on large losses that had been concluded in the past quarter. She also reported on open and closed claims from early years. There are no open claims for the first

three years and the fifth year. There is one open claim in the fourth year, three in the sixth year, 8 in the seventh year, and 15 in the eighth year.

Reinsurance: Mike Croke reported that our reinsurance underwriters are still working on the rates, and that he should have the final numbers next week.

Retroactive Assessments: Vyrle Hill reported that the Finance Committee had reviewed the retroactive assessment and were aware that there may be additional adverse loss developments in those years. The committee will monitor claims payments and review the October 2001 actuary reserving report. It may recommend a supplemental retroactive assessment in the future.

Administration: John Crawford discussed how the staff work plan for next year fits with the performance management system that was approved by the Board at the Spring Meeting.

John Crawford discussed the proposed administrative budget for next year. After discussion, the sense of the committee was to recommend a budget of \$1,015,000, which includes approximately \$30,000 for e-learning.

John Crawford said that he had negotiated extensions of our Claims Audit Service and Actuarial Services Agreements with small inflationary increases. He also negotiated an extension of the Broker Services Agreement for an additional period through 2006, with payment by commissions from the premium. David Goldsmith moved to approve the three contracts. The motion was seconded by Steve Lowe and approved.

Nominating Committee: Si Stephens reported that several people had contacted him about serving on the Executive Board. Melina Wenner declined to serve again because of her pregnancy and future child rearing responsibilities. The committee nominated Marilyn Breckel, Rose Elway, Leon Long, and Steve M. Lowe, with additional nominations allowed from the floor at the Annual Meeting.

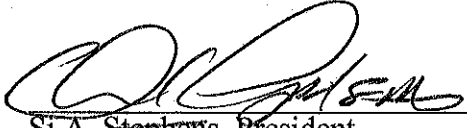
ADJOURN: With no further business, the meeting was adjourned at 5:05 p.m.

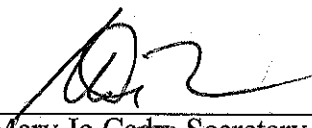
FUTURE MEETINGS:

Summer New Director Orientation, Committee Meetings, Workshop & Annual Board Meeting – Thursday & Friday, July 19-20 – WestCoast Grand Hotel, Spokane

MINUTES APPROVED:

10, 11, 01


Si A. Stephens, President
[BOARD-M/Minutes 2001 06.14.doc]
David Goldsmith

Attest: 
Mary Jo Cady, Secretary
Steve Lowe