

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE
MINUTES**

**10:00 A.M., Thursday, June 29, 2006
Radisson Gateway Hotel Seattle
SeaTac, Washington**

ATTENDANCE:

President – Randy Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney
Secretary/Treasurer – Steve Clem, Douglas County Prosecuting Attorney

Committee Members –

Keith Goehner, Chelan County Commissioner
Toni Gilbert, Clallam County Safety Training Officer
Neva Corkrum, Franklin County Commissioner
Rose Elway, Grays Harbor County Management Services/Budget Director
Leon Long, Spokane County Geiger Corrections Center Director/Risk Manager
Diane Oberquell, Thurston County Commissioner
Jay Winter, Walla Walla County Personnel/Risk Manager
Ron Zirkle, Yakima County Prosecuting Attorney

Risk Pool Staff –

Vyrle Hill, Executive Director
David Goldsmith, Member Services Manager
Susan Looker, Claims Manager
Rich Bodell, Loss Control Specialist

Others –

Mike Croke, Broker (Willis of Seattle, Inc.)
J. William "Will" Ashbaugh, Coverage Counsel (Stafford Frey Cooper)
Si Stephens, WCRP Finance Committee Chair (San Juan County Auditor)
Tina Weber, PHR Senior Consultant (HR Answers, Inc.)
Monty Cobb, Chief Civil Deputy Prosecuting Attorney (Mason County)
TJ Martin, Land Use Attorney (Mason County)

Welcome and Roll Call: President Watts called the meeting to order at 10:01 a.m. and noted that he could visually confirm a quorum was present... no agenda modifications were suggested.

Minutes: Rose Elway moved to approve the minutes of the March 30, 2006 Executive Committee meeting held at the Vancouver Hilton with the minor corrections noted. The motion was seconded by Ron Zirkle and passed.

Vouchers: Neva Corkrum moved to approve Voucher Approval Request No. 06-06, more specifically Administration check numbers 13819 through 14044 totaling \$234,797.71 with transfers of \$107,369.84 and Claims check numbers 17195 through 17510 totaling \$2,793,245.61. The motion was seconded by Toni Gilbert. Committee members again noted the need to provide the purpose for each expense, especially travel-related credit card payments. Executive Director Hill assured the committee that a detailed travel ledger would accompany future voucher transmittals. The motion passed.

Quarterly Financial Reports: Keith Goehner moved to approve the quarterly financial reports for Pool Year 2006 quarter two with the correction of the Balance Sheet middle column heading (FY Ended Sep-06 to FY Ended Sep-05). The motion was seconded by Diane Oberquell, and following a brief overview of the reports by Vyrle Hill wherein he noted that the Pool's Assets to Liability Ratio had improved to 1.36, the motion passed unanimously.

Finance Committee: Chair Si Stephens reported that the committee had met telephonically Tuesday (June 20th) to review the March 31, 2006 Actuarial Review of Loss Rates for Py2007 and to discuss the options for PricewaterhouseCoopers to use for drafting the Py2007 deposit premium assessment. Chairman Stephens asked Kevin Wick to brief the Executive Committee. Mr. Wick noted that cost estimates were down approximately \$100,000 to about \$9.1 million, and that the Py2006 collections were about \$9.8 million. He proposed increasing the collections a few percentage points to approximately \$10.1 million to continue improving the equity position and as a hedge against future insurance rate increases. Chair Stephens reported that the committee voted to recommend acceptance of the Py2007 Actuarial Rate-setting Review, and to increase the total collections by 3% using the premiums assessment calculations developed by PwC and applied for Py2006. Leon Long moved to recommend acceptance of the PwC report and to increase the composite rate by 3% to approximately \$10.1 million. The motion was seconded by Rose Elway and passed.

Personnel Committee: Tina Weber of HR Answers, Inc. presented the compensation study results and market-rate analyses. As suggested in the Personnel Policy, several similar Washington pools, as well as one pool each from Oregon and Montana, Lewis and Thurston Counties and the State were included in the survey though only minimal information from the State could be used. The results reflected mid-point rates for most of the Pool's staffing positions inline with the surveyed entities; however, the rates for the Claims Manager and Loss Control positions were found to be quite low. Ms. Weber also reviewed the Pool's job descriptions and its personnel policy with the revisions that were drafted in 2005. She suggested not including several items in the policy and instead including these in an employee handbook. Included were hours of work, conduct, and appearance. She also suggested some minor additions to the job descriptions. Ms. Weber was thanked for her work efforts and the findings and information she had provided. Action was deferred on this matter.

Coverage Determination Appeal Hearing: President Watts recognized Mason County's Monty Cobb and TJ Martin and opened the hearing regarding the County's appeal of the Executive Director's coverage determination in the C.W. Williams Construction Company vs. Mason County Complaint (*Thurston County Superior Court Cause No. 06-2-00622-1*). Chief Civil Deputy Prosecuting Attorney Monty Cobb presented evidence, argument and legal authorities on behalf of Mason County. Mr. Cobb was asked and responded to questions from several committee members. Executive Director Vyrle Hill presented evidence, argument and legal authorities on behalf of the Pool. Mr. Hill also responded to committee questions. Mr. Cobb presented no rebuttal. Mr. Cobb and Mr. Martin were thanked and excused.

The hearing/meeting was recessed by President Watts from 12:00 pm until 12:28 pm.

Executive Session: Steve Clem moved to enter an executive session for brief discussions regarding the Mason County appeal with coverage counsel. The motion was seconded by Ron Zirkle and passed. The meeting was conducted in executive session in accordance with WCRP Bylaws Article 8, section B.5.c. and RCW 48.62.101 to discuss the coverage determination appeal with the Pool's coverage counsel.

After reconvening in regular session at 12:31 pm, Ron Zirkle moved to deny the coverage determination appeal from Mason County. The motion was seconded by Diane Oberquell and passed unanimously.

Nominating Committee: President Watts informed the committee that terms for three positions on the Executive Committee expire September 30th – his, Steve Clem's and Ron Zirkle's – and that Mr. Zirkle had provided notification that he wasn't interested in another term. He noted that he was interested in another term. Mark Abernathy has asked to be considered, and there

appeared to be some interest from other eligible individuals. Steve Clem noted that he too was interested in another term on the committee but would prefer not being considered for President.

Leon Long moved to recommend the nomination of Keith Goehner for President; the motion was seconded by Diane Oberquell and carried. Committee consensus was to forward Randy Watts, Steve Clem and Mark Abernathy for the Executive Committee.

Risk Management Committee: Rich Bodell informed those present that RMC Co-chair Harry Green had suggested that consideration be given to selecting at least one of this committee's co-chairs from the Executive Committee membership.

Underwriting Committee: Co-chair Steve Clem and Stafford Frey Cooper's Will Ashbaugh presented the changes being suggested or under further consideration by the UWC to the Pool's Joint Self-Insurance Liability Policy document. Also under review is a new Claims Handling Policies and Procedures compilation to replace the present Claims Administration Policy and Claims Management Procedures. The UWC will consider other modifications before or in conjunction with the upcoming Summer Session.

Inmate Health Program: Bob Streich and Ron Hawkins with moloney + o'neill were introduced by Leon Long. The firm has assisted Spokane County with implementation of an inmate healthcare review and administration program. They will be attending the forthcoming Summer Session to present a conceptual statewide program for those that might be interested.

Database Review Committee: President Watts and Rich Bodell presented the DBC report which concluded that: 1) the (Riskmaster Claims System) database is a workable, good system that is meeting the functional needs to the degree the available resources have allowed, and 2) it may be too premature to adequately address reviewing whether the system is providing the best return when compared with other products and options.

Broker's Report: Willis' Mike Croke distributed a compilation of preliminary cost proposals for the Pool's liability insurance program renewal reflecting a reduction of more than \$500,000 from the present year. He noted that he felt the April underwriting efforts in New York by Pool representatives resulted in the competition and favorable rates. Concern was expressed about the potential impacts of changing carriers. Mr. Croke mentioned that options were being discussed with the underwriters. He asked to delay acting upon a recommendation until the next meeting.

Mr. Croke mentioned that the Washington Counties Property Program renewal compilation would soon be submitted to the underwriters. He noted that recent property insurance renewals have been affected by exposures aggregation by regions due to the large and wide-spread losses resulting from last year's Gulf Coast hurricanes. Mr. Croke also noted that Garfield County had accepted the WCPP and was being bound for July coverage. Skagit County's application has been submitted to the underwriters for an August start.

Mr. Croke also mentioned that Willis has been working on a healthcare insurance program for inmates with the Pool and several member counties. He said proposals had been submitted to underwriters, and that they expected to be able to present the plan(s) soon.

Claims Report: Susan Looker excitedly reported the recent case successes for the Pool and/or several of its member counties. Included were: the Supreme Court decisions for the Osborn and Cummins cases; settlements of the Chiles and Henry cases, a Clark County shooting-related case, and a Skamania County case; a defense verdict without appeal in the Barbee trial; and the Court of Appeals affirmation of Yakima County's MSJ.

Member Services/Executive Director's Report: Vyrle Hill reported that the results of the Whatcom County Compact compliance audit were presented to a committee of county officials in late May. He also reported that the field visit to Okanogan County had been completed, but the scheduled field visits to Chelan, Douglas and Kittitas Counties were recently postponed due to conflicts.

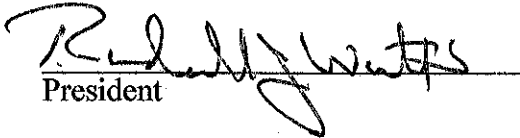
The committee concurred with Mr. Hill's suggestion to submit the preliminary Loss Control Services Work Plan for next year to the Risk Management Committee's review and comment, and to submit the yet-to-be compiled Py2007 Operating Budget along with the Work Plan(s) and comments to the Finance Committee for its review and comment.

ED Hill reminded the committee of the upcoming events this summer and fall. He encouraged those committee members that may be interested in attending the AGRIP Governance and Leadership Conference to contact him soon because room availability was very limited.

It was agreed that the committee would meet in Leavenworth in conjunction with the Summer Session/Annual Meeting before Wednesday's Board Workshop.

Adjournment: With no further business, President Watts adjourned the meeting at 2:20 p.m.

MINUTES APPROVED this 26th day of July, 2006.



President

Attest: 

Secretary/Treasurer