

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING MINUTES**

9:00 AM, Thursday, July 16, 2009

Radisson Hotel Gateway Seattle-Tacoma Airport
SeaTac, Washington

ATTENDANCE:

President – Mark Abernathy, Director – Kitsap County Risk Manager

Secretary/Treasurer – Jay Winter – Walla Walla County Personnel / Risk Manager

Executive Committee Members –

Keith Goehner, Director – Chelan County Commissioner

Steve Clem – Douglas County Prosecuting Attorney

Rose Elway – Grays Harbor County Director of Management Services & Budget
(teleconferencing)

Lee Grose – Lewis County Commissioner

Andrew Lampe, Okanogan County Commissioner

Marilyn Butler – Skamania County Administrative Services Director

Steve Bartel – Spokane County Risk Manager *(teleconferencing)*

Tammy Devlin, Thurston County Risk Manager

Randy Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney

Vyrle Hill – WCRP Executive Director *(ex-officio)*

Risk Pool Staff –

Susan Looker – Claims Manager

David Goldsmith – Member Services

Claire Thompson – Claims Assistant

Others –

Michael Croke, Area Senior Vice President – Arthur J. Gallagher RMS, Inc.

Elizabeth Miser, Area Vice President – Arthur J. Gallagher RMS, Inc.

Kevin Wick, Managing Director – PricewaterhouseCoopers, LLP

Craig Scukas, Director – PricewaterhouseCoopers, LLP

Call to Order, Welcome, Roll Call and Agenda: President Abernathy called the meeting to order at 9:06 a.m., and announced that he could confirm a quorum was present. No adjustments to the agenda were proposed.

Minutes: Jay Winter moved for approval of the Executive Committee minutes of the June 23, 2009 meeting held at the Radisson Hotel Gateway Seattle-Tacoma Airport, SeaTac; Randy Watts seconded. Keith Goehner noted the minutes should reflect the meeting was held on Tuesday, not Thursday. *The motion passed with the correction noted without dissent.*

Vouchers: Lee Grose moved for approval of Voucher Approval Request No. 09-05, more specifically check numbers 2647 through 3011 (administrative) and 28133 through 28278 (claims) totaling \$5,279,198.93 with transfers of \$43,607.24; Marilyn Butler seconded, and the motion passed without dissent.

3rd Quarter 2009 Financial Reports: Executive Director Hill briefly reviewed the 3Q-2009 financial reports for the period April through June 2009, noting that 1) Net Assets had grown nearly \$580,000 during Py2009 to more than \$7.35 million; 2) the Assets to Liability Ratio from the SRM report grew slightly to 2.04; and 3) 63% of the operating (administrative) budget having been expended. Keith Goehner moved to approve the report; Rose Elway seconded and the motion passed without dissent.

Claims Settlement Authorizations: No settlement authorizations were pending approval.

State Risk Manager Report: Shannon Stuber, LGSI Program Administrator was not present; Executive Director Hill discussed some significant changes to WAC 82.60 – Self-insurance requirements as to local governments and nonprofit corporations. The Risk Pool has not taken a position with respect to the pending changes.

Actuarial Review of Loss Rates for Py2010: Craig Scukas reviewed the Executive Summary. Marilyn Butler moved to recommend approval by the Board; Jay Winter seconded, and the motion passed without dissent.

Experience Rating Modification (ERM) Analysis: The Finance Committee, in response to member concerns, worked with Kevin Wick to analyze experience rating modifications. Steve Clem and Kevin Wick presented the analysis. After the presentation, a discussion took place regarding a possible cap to the experience rating modification any member could incur. Steve Clem moved to recommend approval of the revised experience rating modification program outlined by Kevin Wick and presented as the Contemplated Option or Alternate System in Mr. Wick's July 2, 2009 compilation; Jay Winter seconded and the motion passed without dissent and without any cap.

Recess: President Abernathy recessed the meeting at 10:23 AM, and reconvened the meeting at 10:35 AM.

Deposit Assessment Distribution Methodologies: Craig Scukas presented the assessment allocation methodologies. Steve Clem moved to recommend approval of the prior method with the exception of adjustment of ERM to incorporate recommended ERM program presented earlier in the meeting. Marilyn Butler seconded and the motion carried.

Producer's (Broker's) Report: Mike Croke presented information regarding renewal of the policies. ACE will renew \$400K x \$100K with corridor at the same price as last year. All the other layers of coverage appear will be increasing significantly, but remain under negotiation. Mike noted the quotes for liability and property coverage appear to be significantly greater than last year due to the general insurance market conditions and the experience of the Pool. Some options to deal with increased premium rates were discussed. Steve Clem moved to table the discussion to a telephonic meeting on July 23, 2009 at 2:00 PM, with another possible meeting at the Summer Conference in Leavenworth prior to the Annual Meeting; Lee Grose seconded and the motion passed without dissent.

Recess: President Abernathy recessed the meeting for lunch at 11:52 AM, and reconvened the meeting at 12:32 PM.

Nominating Committee: Jay Winter reported four members expressed interest in the three upcoming Executive Committee openings: Mark Abernathy, Randy Watts, Steve Clem, and Larry Peterson. Jay Winter moved to report to the Board all four names as the Committee's nominees for the three open Executive Committee positions; Lee Grose seconded and the motion carried. Rose Elway moved to advance the nomination of Jay Winter for Py2010 President; Randy Watts seconded and the motion carried. Steve Clem moved to advance the nomination of Marilyn Butler for Py2010 Secretary-Treasurer; Keith Goehner seconded and the motion carried.

Standing Committees' Reports

- **Finance:** Chair Steve Clem reported the Committee decided to defer the topic of independent examination of internal controls to the next Executive Committee meeting. He indicated the committee tabled discussing other possible factors that could affect premiums until they can see the changes created by the modified ERM program. During a discussion of the Py2010 budget, Steve Clem moved to remove an increase of \$29,850 in Intergovernmental Services (715.5000) category and recommend the Operating (Administrative) Budget with Staff Salary Schedule and Annual Work Plan for Board approval; Lee Grose seconded and the motion passed without dissent.
- **Personnel:** Chair Tammy Devlin: nothing to report.
- **Risk Management:** Chair Steve Bartel reported that the Committee had met telephonically June 30, 2009 and deferred discussions on Jefferson County's compact request, policy language and the scholarship program until after the Annual Meeting.
- **Underwriting:** Co-chair Randy Watts moved to support the Underwriting Committee's suggested changes to the JSILP, most notably related to an insured's right to waive coverage.

and recommend approval by the Board. Marilyn Butler seconded the motion. During discussion, Steve Clem moved to amend the motion by modifying Section 1.A.5 to read, "Monetary damages shall not include penalties imposed under RCW Chapter 42.56, the Public Records Act." Keith Goehner seconded the amendment to the motion; the amendment to the motion carried. After further discussion, the amended motion passed with two dissenting.

Staff Reports:

- **Claims Manager Susan Looker** reported that relations with AIG are improving. The Sentencing Hearing regarding A. Johnson theft has been continued to August 3, 2009 to allow a real property appraisal, and will be conducted concurrently with the related Restitution Hearing.
- **Member Services Manager David Goldsmith** informed the committee that the *Risk Management Basics* manual is complete and available for use. The WCPP database, Property Inventory Management System (PIMS) is live and participating counties can now access and change insured properties information.
- **Executive Director Vyrle Hill** discussed the proposed Cellular Telephone Policy in response to recent concerns advanced by the SAO. Steve Clem moved to recommend the policy with the addition of a stipend option; Randy Watts seconded and the motion carried.

The proposed Bylaws amendment was discussed. Steve Clem moved to recommend approval of Bylaws amendment with the service providers' rights removed and included in the Financial Management Policy's purchasing provisions; Marilyn Butler seconded and the motion carried.

Executive Director Hill is working with the Pool's Producers to provide a proposal for insurance services for Wahkiakum County and asked the Executive Committee for approval to extend membership to the county. Marilyn Butler moved to extend membership to Wahkiakum County; Tammy Devlin seconded, and the motion carried with two dissenting.

Rose Elway announced she was exiting the meeting at 2:30 PM.

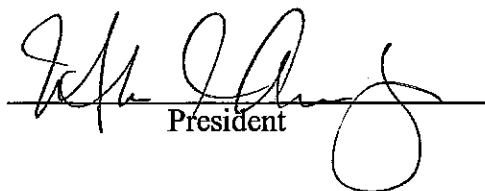
Recess: President Abernathy recessed at 2:30 PM and reconvened the meeting at 2:40 PM with all but Committeepersons Abernathy, Goehner, Clem, Grose, Lampe, Butler, Devlin and Watts, and Mr. Hill having exited the meeting during the recess.

Executive Session (Performance Review): Recognizing that public discussion would impair the Committee's ability to conduct its business effectively and acting under RCW Chapter 42.56, **President Abernathy moved the meeting into an estimated 10-minute executive session at 2:42 pm.** Committeepersons Abernathy, Lampe, Goehner, Watts, Devlin, Clem and Butler participated in the executive session, while Executive Director Hill was excused. **The executive session ended at 2:52 PM** when President Abernathy reconvened the regular meeting and invited Mr. Hill to return.

Steve Clem moved to delegate authority to the President to meet with Executive Director Hill for a performance review at/before the Annual Meeting. Randy Watts seconded and the motion carried.

Adjournment: Keith Goehner moved for meeting adjournment; Marilyn Butler seconded, and the motion carried. President Abernathy adjourned the meeting at 2:55 PM.

MINUTES APPROVED this 23 day of July, 2009.



President

Attest: 

Secretary/Treasurer