

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

**8:30 AM, Thursday, October 13, 2011**

**Red Lion Hotel, 18220 International Blvd, SeaTac, Washington**

**ATTENDANCE:**

President – Steve Bartel, Director – Spokane County Risk Manager

Secretary/Treasurer – Mark Wilsdon, Director – Clark County Risk Manager

Executive Committee Members Present –

Steve Clem, Director – Douglas County Prosecuting Attorney

Lee Grose, Director – Lewis County Commissioner

Andrew Lampe, Director – Okanogan County Commissioner

Laura Merrill, Director – Pend Oreille County Commissioner

Marilyn Butler, Alternate Director – Skamania County Risk Manager

Tammy Devlin, Alternate Director – Thurston County Risk Manager

Randy Watts, Director – 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

Jill Lowe – Loss Control Coordinator

Others –

Andrew Woods, Director – Columbia County / Risk Management Committee Co-chair

J. William Ashbaugh, Coverage Counsel – Hackett Beecher & Hart

Michael Croke, Area Senior Vice President – AJGRMS, Inc.

Elizabeth Miser, Area Vice President – AJGRMS, Inc.

Executive Committee Members Not Present –

Keith Goehner, Director – Chelan County Commissioner

Jay Winter, Director – Walla Walla County Personnel / Risk Manager

**Welcome and Roll Call:** President Bartel called the meeting to order at 8:35 a.m. and welcomed all those attending. He announced that he could confirm visually that a quorum of committee members was present.

**Agenda:** President Bartel asked if there were any changes to the (version 10-11) preliminary agenda circulated earlier electronically. No changes were proposed, so the meeting proceeded accordingly.

**Minutes:** R. Watts moved and L. Grose seconded for approval of the minutes as prepared and circulated for the July 7, 2011 Executive Committee meeting at the SeaTac Red Lion Hotel and the August 31, 2011 telephonic Executive Committee meeting; the motion carried without dissent.

**Vouchers:** S. Clem moved and R. Watts seconded for approval of Voucher Approval Request No. 11-04, more specifically check numbers 4993 through 5280 (administrative) and 31877 through 32437 (claims) totaling \$3,286,608.28 with transfers of \$137,046.91; the motion passed without dissent.

**Claims Settlement Authorizations:** R. Watts moved and S. Clem seconded for approval of Claims Settlement Confirmation No. 2011-10-13, more specifically Greenbluff et al v. Spokane County et al; the motion carried with Mr. Bartel abstaining.

President Bartel expressed concern about the monitoring of outside attorneys assigned Pool cases for compliance with 10-year records retention rules. Claims Manager Looker responded with assurance that the records are being retained accordingly.

**Final Py2012 JSILP Coverage Form:** Already reviewed by the Underwriting Committee, the final compilation of the JSILP Coverage Form for Py2012 with the *Quantum Meruit* exclusion drafted by coverage counsel was accepted without further comment or action.

MINUTES – WCRP EXECUTIVE COMMITTEE

October 13, 2011 - Page 1 of 4

**Final WCPP Insuring Program, SOVs and Deposit Assessment Allocation for Py2012:** Liz Miser shared a summary of the carriers involved and discussed the final program placement reflecting a modest reduction from the \$2.72 million premium reported during the Annual Meeting.

Executive Director Hill noted that the 2-page worksheet titled *Washington Counties Property Program – Revised Final Py2012 SOVs and Deposit Assessment Allocation* he compiled October 6<sup>th</sup> was in error since it was based upon a revised base premium of \$2.685 million, not the \$2,667,264 premium Ms. Miser is reporting now. He estimated the actual gross savings at \$75,000, not the \$57,166 reflected in the revised worksheet. Following a brief discussion regarding options available for these savings, L. Grose moved and M. Butler seconded for the Pool to retain the savings for application against Py2013 WCPP costs. S. Clem noted that the refunds would be minimal and expressed support for the motion. *The motion passed without dissent.*

**Appeal Hearing:** At 9:04 a.m. President Bartel opened the hearing regarding Kitsap County's appeal of the Executive Director's decision denying coverage for the *Harborside Condominiums Owners Association Tort Claim* against Kitsap County et al. He reported that (former) Risk Manager Mark Abernathy emailed notice that the county would not be represented and included a brief summary of the county's arguments, position, and expected and acceptable results. Executive Director Hill and Claims Manager Looker provided brief explanations of their coverage denial decisions and the basis for their actions. Mr. Hill and Ms. Looker were asked and responded to additional questions.

Noting being unaware of any lawsuit from the claimants having been filed and served in this matter, and also noting that the Pool would again review any such complaint for coverage under the applicable JSILP Coverage Form once filed and served, R. Watts moved that the Executive Committee decline to review the coverage arguments put forth by Kitsap County and the Executive Director and instead hold that the earlier coverage denial decisions by the Claims Manager and by the Executive Director be considered non-binding on the County, the Committee and the Pool. *The motion was seconded by T. Devlin, and then passed without dissent.*

**Payment Deferral Request:** L. Grose moved to approve the request from Skamania County to defer payment of its Py2012 JSILP assessment until not later than 1/31/2012; M. Wilsdon seconded and noted being aware of the hard times that the County was dealing with. *The motion passed without dissent.*

**Personal Services Agreement (David Goldsmith):** Executive Director Hill presented the proposed Sixth Amendment to the Personal Services Agreement with David Goldsmith (DRG Sound Solutions) that commenced June 1, 2005, and noted that it was simply being extended another year with the terms agreed to in the past. M. Butler moved to approve the Sixth Amendment; M. Wilsdon seconded, and *the motion passed without dissent.*

**Disposal of Fixed / Capital Assets:** Secretary/Treasurer Wilsdon reported that he recently (October 4, 2011) conducted the public bid opening for the disposal of the Pool's (121 E. Franjo Beach Drive) property in Mason County via public auction. He noted receiving four bids, the highest being \$85,000 and the lowest being \$51,100. D. Goldsmith shared the efforts taken to advertise the sale and show the property to obtain the best and as many bids reasonably possible. He also reported that the bidders were informed that their bids were below the minimum value set by the Committee, and that the bidders when asked if they wanted to leave their bids and bid deposits for further Committee consideration, all responded affirmatively.

A brief discussion followed that included pros and cons of holding onto the property, choosing another disposal option, and reconsidering the \$150,000 minimum value established in March 2010 and accepting one or more of the bids offered. M. Wilsdon moved and L. Grose seconded to reduce the minimum bid amount set earlier by the Committee and accept the highest (\$85,000) bid received during the recent public (auction) bid opening, and further to recognize that the Committee would reevaluate its position if this sale falls through before closure. *The motion passed without dissent.*

**Restitution Order:** After a brief discussion about the amount of and the basis and accounting required for the restitution ordered against former Claims Manager A. Johnson in the Franjo Beach property fraud, T. Devlin moved and A. Lampe seconded to request when the Court considers amendment of the restitution order against Ms. Johnson in response to the Pool's Franjo Beach

expenses and the proceeds from the property's sale, that the order be modified to reflect only the extraordinary costs the Pool has incurred – fraud investigations, criminal proceedings, ownership/maintenance and repairs, and auction/sale/closing. *The motion passed without dissent.*

**President Bartel recessed the meeting at 9:35 a.m. and reconvened at 9:51 a.m.**

**State Risk Manager Report / Washington Risk Pool Advisory Committee (WRAC):** LGSIP Administrator Shannon Stuber was not present and no report was available. However, M. Butler moved and L. Grose seconded acknowledgement of the Pool's participation in the new WRAC with each year's representatives being named by the President; *the motion passed without dissent.* President Bartel immediately appointed for Py2012 the Executive Director as the Pool's primary representative and the Pool's President and Claims Manager as alternate representatives.

**Actuarial Services Report:** Kevin Wick and Craig Scukas (PricewaterhouseCoopers LLP) were not present, and no report was presented or expected.

**Claims Auditing Services Report:** Gary Jennings (Strategic Claims Direction LLC) was not present, and no report was presented or expected.

**Insurance Producer (Broker) Services Report:** Mike Croke and Liz Miser shared a recent inquiry regarding coverage for trestles (rail-line bridges). Discussion followed regarding the extent and unknown elements of railroad-related exposures and available coverages. Mike and Liz agreed to explore further specialty coverages for railroad activities and report at a future meeting.

#### **Standing Committee Reports / Action Items**

- **Finance** – Co-chairs Clem and Grose had nothing to report.
- **Personnel:** Co-chair Devlin reported that efforts had been commenced regarding compilation of a Continuity of Operations Plan for the Pool. She also reported that the non-mandatory benefits study was still too premature to report upon.
- **Risk Management:** Co-chair Woods reported that the Committee met September 29<sup>th</sup> at the Pool's headquarters with Tim Chace, Mike Croke and Liz Miser to refine and negotiate AJGRMS' optional (loss control) services proposal. The Committee's recommendation for initial services, if approved, would cost no more than \$15,000.
- **Underwriting:** Co-chair R. Watts reported that the Committee would commence efforts to address the two exposure concerns just raised – bonds and securities, and railroads.

**President Bartel recessed the meeting at 10:50 a.m. and reconvened at 11:01 a.m.**

#### **Staff Reports:**

- **Executive Director Hill** reported that Claire Thompson had submitted written notice of her 12/31/2011 retirement plan. Also, Claims Manager Looker reported that Lisa Daly had been selected from the applicants' pool for the Claims Representative position recently vacated with Tammy Cahill's promotion to the new Claims Analyst position. Mr. Hill noted his intention to open both the Claims Assistant and Administrative Assistant simultaneously to maximize the applicant pools while minimizing recruitment efforts and costs. M. Butler moved to accept Ms. Thompson's separation notice and proceed with the recruitment plan proposed; M. Wilsdon seconded, and *the motion passed without dissent.*

Mr. Hill also noted having timely received from Franklin County conditional notice of the county's intent to withdraw from the Pool at the conclusion of Py2012. He reported receiving assurance that the purpose is to conduct a due diligence exploration of insuring options.

- **Claims Manager Looker** noted ACE has scheduled a claims review in early November. She reported that CHARTIS recently challenged the single occurrence determination made several years ago and administered as such in Case et al v. Clallam County et al. She also reported that an ACE "corridor" status is being compiled for sharing during the Autumn Conference.

**Executive Session – Claim Review / Settlement Authorization:** S. Clem moved and R. Watts seconded to convene in executive session under appropriate statutory authorities for an estimated five (5) minutes to examine the litigation of existing claims and potentially discuss settlement

authorizations; the motion passed without dissent. Recognizing that public discussion would impair the Committee's ability to conduct its business effectively, and acting in accordance with the WCRP Bylaws and RCW 48.62.101 as well as RCW 42.30.110(1) (i), President Bartel moved the Executive Committee into an estimated 5-minute executive session at 11:29 a.m. after determining all those present to be pertinent to the Wallace v. Island County case review. President Bartel reconvened the Executive Committee in regular session at 11:31 a.m. with all earlier participants and announced that no decisions were made or would result from this specific executive session.

- **Loss Control Coordinator Lowe** presented and the Committee acknowledged acceptance of the revised attachment to the Membership Compact reflecting the Py2012 Targeted Risk Management Program approved during the Annual Meeting. She also provided a compilation of Lexipol usage by member counties, and shared a listing of dates and locations for the Py2012 Pool-sponsored trainings. Finally, she noted several new WCRP member-county appointees and asked that they not go unnoticed or be left to themselves during the upcoming conference.
- **Member Services Manager Goldsmith** reported having completed the Py2011 county visitations. He also mentioned the planning component of the Autumn Conference.

**Future Meetings:** Executive Director Hill noted the upcoming Pool meetings and shared that Ms. Merrill and Mr. Goldsmith were scheduled to attend the AGRIP Conference later in the month. He also commented on the other AGRIP, RIMS and PRIMA training and conference opportunities, and asked members to express their desires as soon as possible to him and/or President Bartel.

#### **Officer and Committeeperson Reports:**

- **Executive Session – Review Performance of a Public Employee:** R. Watts moved and L. Grose seconded to convene in executive session under appropriate statutory authorities for an estimated thirty (30) minutes to conduct the Executive Director’s annual performance evaluation; the motion passed without dissent.

**President Bartel recessed the meeting at 11:58 a.m.** and announced that there would be no items of business other than adjournment following the executive session.

**President Bartel reconvened at 12:04 p.m.,** and after recognizing that public discussion would impair the Committee's ability to conduct its business effectively and acting in accordance with the WCRP Bylaws and RCW 48.62.101 as well as RCW 42.30.110(1) (g), **moved the meeting into an estimated 30-minute Executive Session** with only committee members Merrill, Butler, Clem, Devlin, Lampe, Watts, Wilsdon and Bartel, and Executive Director Hill present. Mr. Grose was excused for another appointment. Mr. Hill was excused but asked to remain available.

**President Bartel reconvened in regular session at 12:35 p.m. to announce the executive session would be extended an additional ½-hour.**

**President Bartel again reconvened in regular session at 12:55 p.m. to announce the executive session would be extended still another ½-hour** and asked Mr. Hill to return. Ms. Merrill was excused to catch a flight.

**President Bartel reconvened the regular meeting at 1:21 p.m. and announced that no decisions were made or would result from this executive session.**

**Adjournment:** With no further business, President Bartel adjourned the meeting at 1:25 p.m.

**MINUTES APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary/Treasurer