

**WASHINGTON COUNTIES RISK POOL
BOARD OF DIRECTORS**

MINUTES

**Summer Meeting
9:00 a.m., Wednesday, July 20, 1994
Cavanaugh's Inn at the Park, Spokane**

ATTENDANCE:

**President - Neva J. Corkrum, Franklin County Commissioner
Secretary/Treasurer - Frank A. Bishop, Cowlitz County Budget Director
Executive Committee -
Steve M. Lowe, Benton County Chief Civil Deputy Prosecuting Attorney
Marjorie Upham Rood, Clallam County Dir of Personnel & Risk Management
Rose Elway, Grays Harbor County Director of Management Services
Mike Shelton, Island County Commissioner**

**Adams County - Bill Wills, County Commissioner - Director
Gordon P. Hey, Fiscal Director - Alternate
Clallam County - Jane Elvrum, Safety & Training Officer
Cowlitz County - Claire Roney, Budget Analyst
Franklin County - Lois Wood, Human Resources Director - Alternate
Grays Harbor County - Dick Dixon, County Commissioner - Director
Mary Davis, Deputy Director Insurance & Risk Mgmt - Alternate
Island County - Betty J. Kemp, Risk Manager - Alternate
Kitsap County - Debbie Broughton, Director of Administrative Services - Director
Klickitat County - Sverre Bakke, County Commissioner - Director
Lewis County - Warren Dahlin, County Commissioner - Director
John Nacht, Risk Manager - Alternate
Mason County - Laura Porter, County Commissioner - Director
Pacific County - Vyrle L. Hill, County Administrative Officer - Director
Skamania County - Marilyn Breckel, Administrative Coordinator - Director
Spokane County - Claude L. Cox, Risk Manager - Director
Thurston County - Judy Wilson, County Commissioner - Director
Jeff Watson, Chief Deputy Prosecuting Attorney - Alternate
Whatcom County - Shirley Van Zanten, County Executive - Director
Whitman County - Richard Brown, Director of Administrative Services - Director**

**Broker - Mike Croke, Vice President, Willis Corroon of Seattle
Marleen Francis, Account Executive
Deborah Bovee, Vice President**

**Risk Pool Staff - John Crawford, Executive Director
Alicia Johnson, Claims Manager
Jay Winter, Training Coordinator
Aileen Boren, Administrative Assistant
Susan Looker, Claims Assistant
Carol Rediske-Mudd, Programs Assistant**

WELCOME, ROLL CALL AND APPROVAL OF AGENDA: The meeting was called to order at 9:00 a.m. by President Neva Corkrum who welcomed all in attendance and asked that everyone sign the roll call sheet. Neva noted that a Board Workshop had been held during the afternoon of July 19th to inform the Board about the action items on the agenda.

The agenda was approved as printed except action on the budget was moved to the beginning of the action items.

APPROVAL OF MINUTES: Vyrle Hill moved to approve the minutes of the April 22nd Spring Meeting at Tukwila. The motion was seconded by Dick Dixon and approved.

REPORTS:

Executive Committee: A copy of the June 17th Report was provided in the file folders.

Members: Members reported on solid waste, public official salaries, bloodborne pathogen policies, growth management and indoor air quality.

Executive Director: John Crawford displayed the PRIMA Pooling Section Recognition Award that was received in May. It states: "The Public Risk Management Association acknowledges that Washington Counties Risk Pool, Olympia, Washington, has demonstrated general compliance with recommended operational practices and documentation set forth in PRIMA's Pooling Advisory Standards."

John recognized the following directors for their five year service on the Board: Frank Bishop, Marilyn Breckel, Deborah Broughton, Neva Corkrum, Claude Cox, Ron Crawford, Mary Davis, Paul Dunning, Rose Elway, Vyrle Hill, Steve Lowe, Gary Rowe, and Shirley Van Zanten.

John presented the Golden Dragon Award to *Columbia County* for the best loss frequency, best loss severity and best combined ratio of all the member counties. Other counties recognized were *Benton County* for low loss frequency, *Cowlitz County* for low loss severity and low combined ratio, *Garfield County* for low loss frequency and low combined ratio, *Jefferson County* for low loss severity and low combined ratio, *Kitsap County* for low loss severity and low combined ratio, *Klickitat County* for low loss frequency, and *Skamania County* for low loss severity and low combined ratio. Also recognized were new counties *Adams* and *Whitman* for their low loss frequency, severity and combined ratio.

John also presented Willis Corroon Vice President Michael Croke with a Golden Dragon Award for "outstanding service in marketing excess lines of insurance coverage for the years 1989-1994."

Finances: Aileen Boren gave a financial report stating that the Pool has more than \$11 million on deposit with the State Treasurer and in investments.

Programs: Jay Winter recapped the training programs held during the year.

Claims: Alicia Johnson reported that the Pool has incurred \$6.8 million in losses, but has paid only \$3.3 million. During the same time, member counties have incurred \$7.7 million, and paid \$3.7 million.

DISCUSSION AND ACTION:

Budget: Debbie Broughton moved to reduce the severance leave reserves to \$12,000 and use \$18,000 for the purchase of "nose/tail" coverage. The motion was seconded by Gordon Hey. After discussion, Debbie moved to table her motion. The motion to table was seconded by Steve Lowe and approved. Vyrle Hill then moved to return to the printed agenda order. The motion was seconded by Judy Wilson and approved.

Annual Election of Executive Committee Members and Officers: Nominating Committee Chair Neva Corkrum gave the report of the committee to fill two Executive Committee positions for three year terms through September 30, 1997. Marilyn Breckel moved, and Vyrle Hill seconded, the nomination of Lewis County Commissioner Warren Dahlin to the Executive Committee. Frank Bishop moved, and Laura Porter seconded, the nomination of Whitman County Administrative Services Director Richard Brown. Laura Porter then moved that the nominations be closed and a unanimous ballot cast for the two nominees. The motion was seconded by Steve Lowe and approved.

Mike Shelton nominated, and Marilyn Breckel seconded, Frank Bishop for President. Vyrle Hill moved that a unanimous ballot be cast for his election. The motion was seconded by Dick Dixon and approved. Frank Bishop nominated, and Steve Lowe seconded, Mike Shelton for Secretary/Treasurer. Vyrle Hill moved that a unanimous ballot be cast for his election. The motion was seconded by Marilyn Breckel and approved.

Office Lease: After discussion about the office rent increase, Laura Porter moved to continue the office lease for one year only, search for space to purchase within the year, continue to work with the county associations toward acquiring a common facility, and delegate to the Executive Committee discretion regarding the acquisition of a new office. The motion was seconded by Dick Dixon and approved.

CDL drug/alcohol "fit for work" training: Jay Winter described training that could assist members in complying with federal CDL drug/alcohol mandates. Claude Cox moved to support the training, except to limit the contract with MBG Management Services Inc. to \$1,000 per participating county. The motion was seconded by Judy Wilson and approved.

Actuary Report: Frank Bishop moved, and Mike Shelton seconded, to accept the Coopers & Lybrand actuary report dated June 20, 1994. Vyrle Hill moved to amend the motion to accept the report "with reservations" about the allocated loss adjustment expenses (ALAE). The amendment was seconded by Judy Wilson, then the amended motion was approved.

Reinsurance: Mike Croke reported about reinsurance as an option to the present excess insurance program. Steve Lowe moved to increase our program to \$10 million limits, purchase 100% reinsurance for \$9.5 million excess of \$500,000, and delegate to the Executive Committee the remaining issues of tail/nose coverage, medical malpractice and environmental spraying. The motion was seconded by Richard Brown and approved. Laura Porter then moved to reconsider the vote (she voted in the affirmative). The motion was seconded by Vyrle Hill and approved.

Steve Lowe then moved, and Laura Porter seconded, as a substitute motion to:

1. Increase the Risk Pool's Joint Self-Insurance Liability Policy limits to \$10 million;
2. Approve the purchase of 100% reinsurance for \$4.5 million excess of \$500,000 from

- TIG Re (formerly Transamerica Reinsurance Company) for \$655,000;
3. Approve the purchase of 100% reinsurance for \$5 million excess of \$5 million from Gen Re for \$223,000;
 4. Authorize the Executive Committee to work with the reinsurance companies on the remaining issues of tail/nose coverage, medical malpractice and environmental spraying;
 5. Authorize an increase of \$150,000 to upgrade the coverages; and
 6. Authorize the President to sign the agreements on behalf of the Pool.

Laura Porter moved, and Richard Brown seconded, to amend item 5 of the motion to approve an increase of up to \$150,000 to upgrade the coverages. Vyrle Hill moved, and Mike Shelton seconded, to amend the motion to add that if more than \$150,000 was needed to upgrade the coverages, then the President would call a special meeting of the Board. Vyrle's amendment was approved with one dissent. Laura's motion was approved with two dissents, and the original motion, as amended, was approved with two dissents.

Budget and Work Plan: Frank Bishop moved to fix the compensation for the staff as recommended:

Executive Director	\$66,261
Administrative Assistant	\$36,759
Secretary/Receptionist	\$19,722
Training Coordinator	\$46,350
Programs Assistant (75%)	\$18,420
Claims Manager	\$51,632
Claims Representative	\$27,612
Claims Clerk	\$17,060

The motion was seconded by Marge Rood and approved with one dissent.

Laura Porter moved to remove from the table consideration of the budget and work plan. The motion was seconded by Vyrle Hill and approved. Judy Wilson moved to delete \$10,000 from the training scholarship line item number 715.5300. The motion was seconded by Debbie Broughton and approved by a hand vote of 10 to 6.

Marilyn Breckel moved to reduce \$18,000 from severance leave reserves and use it to help pay the costs of tail/nose coverage. The motion was seconded by Sverre Bakke and approved.

Vyrle Hill moved to approve a budget for the 1994-95 fiscal year consisting of:

General Administration	\$276,333
Programs	\$233,933
Claims	\$212,951
<u>Ending Fund Balance</u>	<u>\$ 59,626</u>
Total	\$782,843

The motion was seconded by Marilyn Breckel and approved.

Premiums: Shirley Van Zanten moved to waive the deficiency for staff error in calculating the Adams County premium for 1993-94, but charge the county the normal full rate amount for 1994-95. The motion was seconded by Debbie Broughton and approved unanimously.

Mike Shelton moved to:

1. Apportion administrative costs, including general administration, programs, and claims, according to each county's proportional percentage amount of payment to fund the Pool's joint self-insurance layer;
2. Compute the 1994-95 joint self-insurance premium rate by applying the "expected" ultimate loss rates provided in the June 20, 1994 Coopers & Lybrand report, without discounting for future interest earnings;
3. Apportion the reinsurance costs according to each county's proportional percentage amount of worker hours;
4. Set 5:00 p.m. on August 31st as the deadline when members must notify staff in writing of changes in their deductible elections; and
5. Charge interest on unpaid premium balances at the rate of 6%.

The motion was seconded by Vyrle Hill and approved unanimously.

Future Board Meetings: Neva confirmed the date of the Autumn Board workshop and meeting as follows:

Thursday, October 20, 1994
Friday, October 21, 1994

Afternoon Workshop
Morning Board Meeting


She also gave notice that she may call a special meeting of the Board on Friday, September 16th at SeaTac if there are unresolved issues left in placing our reinsurance.

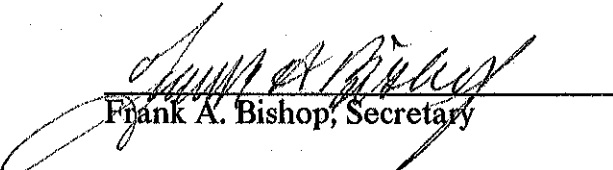
Other Business: John Crawford presented outgoing President Neva Corkrum with a wall plaque commemorating her service as President in 1993-94.

The meeting was adjourned at 2:29 p.m.

RESPECTFULLY SUBMITTED:

APPROVED: 12/19/94


Neva J. Corkrum, President
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Frank A. Bishop, Secretary