

**WASHINGTON COUNTIES RISK POOL
BOARD OF DIRECTORS**

MINUTES

**Annual Meeting
8:30 a.m., Friday, July 28, 1995
Enzian Motor Inn, Leavenworth**

ATTENDANCE:

President - Frank A. Bishop, Cowlitz County Budget Director

Secretary/Treasurer - Mike Shelton, Island County Commissioner

Executive Committee -

Marjorie Upham Rood, Clallam County Dir Personnel/Risk Mgmt

Steve M. Lowe, Franklin County Prosecuting Attorney

Rose Elway, Grays Harbor County Director of Management Services

Judy Wilson, Thurston County Commissioner

Richard A. Brown, Whitman County Director of Administrative Services

Adams County - Gordon P. Hey, Fiscal Director - Alternate

Benton County - Melina Wenner, Risk Manager - Director

Chelan County - Paul Dunning, Administrative Coordinator - Alternate

Cowlitz County - Claire Roney, Budget Analyst - Alternate

Franklin County - Neva J. Corkrum, County Commissioner - Director

Garfield County - Vern Emerson, County Commissioner - Director

Grays Harbor County - Mary Davis, Risk Manager - Alternate

Island County - Betty Kemp, Director of General Services - Alternate

Kitsap County - Barbara Razey, Risk Manager - Alternate

Lewis County - Carl Hemenway, County Commissioner - Director

John Nacht, Risk Manager - Alternate

Mason County - Mary Jo Cady, County Commissioner - Director

Ione Siegler, Director of Administrative Services - Alternate

Okanogan County - Spence Higby, County Commissioner - Director

Dan Powers, Administrative Officer -- Alternate

Pacific County - Vyrle Hill, Administrative Officer - Director

San Juan County - Si A. Stephens, County Auditor - Director

Skamania County - Marilyn Breckel, Administrative Coordinator - Director

Spokane County - Claude L. Cox, Risk Manger - Director

Thurston County - Jeff Watson, Chief Deputy Prosecuting Attorney - Alternate

Whatcom County - Randy Watts, Chief Civil Deputy Prosecutor - Alternate

Broker - Mike Croke, Vice President, Willis Corroon of Seattle

Risk Pool Staff - John Crawford, Executive Director

Alicia Johnson, Claims Manager

Jay Winter, Training Coordinator

Aileen Boren, Administrative Assistant

WELCOME, ROLL CALL AND APPROVAL OF AGENDA: The meeting was called to order at 8:42 a.m. by President Frank A. Bishop who welcomed all in attendance. Frank noted that the Executive Committee had met on the morning of July 27th, and the Board had held a workshop during the afternoon to brief Directors about the action items on the agenda.

APPROVALS:

Agenda: The agenda was approved as printed, except member county reports were to be tabled.

Minutes: Si Stephens moved to approve the minutes of the April 21st Spring Meeting at SeaTac. The motion was seconded by Rose Elway and approved.

REPORTS:

Executive Committee: A copy of the June 23rd Minutes of the Executive Committee was provided in the file folder.

Executive Director: John Crawford recognized the five years of service of San Juan County Auditor Si A. Stephens on the Risk Pool Board of Directors, and presented him with a commemorative pen. John also distributed historical summaries of member county licensed vehicles, worker hours and premiums, and a diagram showing our insurance and reinsurance program.

Finances: Aileen Boren included the 1995 first quarter report in the file folder and reported that we earned 5.8% on our investments. Judy Wilson asked that Aileen be applauded for all of her work in purchasing and remodeling the new office building.

Claims: Alicia Johnson reported that she had received information and costs on the insurance index reporting system, and that we will begin participating.

Programs: Jay Winter described safety management systems (SMS) for public works projects. He also reported that eight member counties had sent information about their efforts in revising key safety policies and training county employees on the policies.

Financial Benchmarking: Si Stephens gave his annual report on financial benchmarks using ratios to describe Risk Pool trends on our assets, liabilities, surpluses and reserves.

DISCUSSION AND ACTION:

Annual Election of Executive Committee Members and Officers: Nominating Committee Chair Frank Bishop gave the report of the committee to fill three expiring Executive Committee positions for three years terms through September 30, 1998. Floor nominations included Claude L. Cox (nominated by Marge Upham Rood), Deborah Broughton (nominated by Si Stephens), and Si Stephens (nominated by Neva Corkrum). Frank Bishop and Steve Lowe were elected on the first ballot, and Deborah Broughton on the second after tying with Rose Elway on the first.

Vyrle Hill moved that a unanimous ballot be cast for the election of Mike Shelton to the office of the President. The motion was seconded by Neva Corkrum and approved.

Marge Upham Rood was elected to the position of Secretary/Treasurer.

Actuary Report: The written actuary report was distributed as part of the meeting materials. John Crawford summarized the oral report that Coopers & Lybrand actuary Kevin Wick gave the day before at the Board Workshop. Si Stephens moved to accept the July 13, 1995 report. The motion was seconded by Randy Watts and approved.

Reinsurance: Mike Croke distributed an exhibit showing our reinsurance placement. He said that he traveled back to the Discover Re headquarters in Connecticut and was able to receive a three-year rate guarantee commitment. Si Stephens moved to approve the purchase of reinsurance as presented. The motion was seconded by Marge Upham Rood and approved.

Financial Management Policy: John Nacht's letter requesting an amendment to the Financial Management Policy to require a periodic competitive selection process for actuarial services was provided in the meeting materials. Marge Upham Rood moved to amend the policy as requested. The motion was seconded by Si Stephens and approved.

Work Plan and Budget: Neva Corkrum moved, and Gordon Hey seconded, to approve the Work Plan as proposed. Deborah Broughton moved to amend the motion to add a section A.3.c. to "perform competitive solicitation process for actuarial services." The motion was seconded by Vyrle Hill and approved. The amended motion was then approved.

After a discussion about the maintenance budget and enhancements, Dick Brown moved to add \$10,000 to the budget to participate in an NCCAE feasibility study of a county association reinsurance program, with the caveat that we pay only our fair share of the study. The motion was seconded by Gordon Hey and approved.

The Board went into executive session from 11:10 a.m. to 11:45 a.m. to discuss personnel matters.

The President asked staff to investigate further the development of a skid car program, and report back to the Board about the costs.

Gordon Hey moved to add an additional \$5,000 to the claims travel budget. The motion was seconded by Dick Brown and approved. Judy Wilson moved that the additional \$5,000 amount for claims travel be charged against the 1994-95 ending fund balance, and not added to the 1995-96 premiums. The motion was seconded by Mary Jo Cady and approved.

Vyrle Hill moved to:

1. Table action on fixing the compensation for staff until the October Board Meeting;
2. Make staff salary adjustments approved at the October Board Meeting effective as of October 1st;
3. Add staff contingencies to the budget in the amount of \$7,500;
4. Designate a committee to review the Personnel Policy and recommend a wage policy;
5. Approve an expense budget for the 1995-96 fiscal year in the amount of \$745,500;
6. Set the 1995-96 ending fund balance at \$74,228; and
7. Approve a 1995-96 budget in the total amount of \$819,728.

The motion was seconded by Mike Shelton and approved with one dissent.

The President appointed Deborah Broughton to chair the committee, with Marjorie Upham Rood and a Thurston County personnel officer, and to report to the Board at the October Meeting.

Premiums: Vyrle Hill moved to allocate premiums as before, that is to say:

1. Apportion administrative costs, including general administration, programs, and claims, according to each county proportional percentage amount of payment to fund the Pool's self-insurance layer;
2. Compute the 1995-96 joint self-insurance premium rate by applying the 'expected' ultimate loss rates provided in the July 13th 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 one percentage point above the equivalent coupon issue yield of the average bill rate for twenty-six week treasury bills as determined by RCW 19.52.020(1), but at not less than 6%.

The motion was seconded by Dick Brown and approved.

Washington Counties Insurance Fund Service Agreement: Mary Jo Cady moved to renew the Service Agreement with the Washington Counties Insurance Fund for twelve months in 1996 at the amount of \$2,000 per month and to allow the Executive Director to contract with the Fund separately for compensation provided there is no diminishment in his employment with the Risk Pool. The motion was seconded by Dick Brown and approved with several dissents.

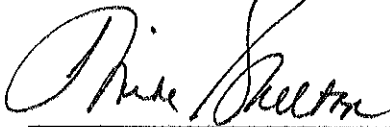
OTHER BUSINESS:

John Crawford presented outgoing President Frank Bishop with a wall plaque commemorating his service as President in 1994-95.

Future Board Meetings: Frank confirmed that the Autumn Meeting of the Board will be at the Radisson Hotel, SeaTac, on Friday, October 20, 1995. The 1996 Winter and Spring Meetings will be held on Thursday, January 18th and Thursday, April 18th at SeaTac. The 1996 Summer Workshop and Annual Meeting will be held at the Enzian Motor Inn in Leavenworth, with the dates of July 25th and 26th tentatively chosen.

The meeting was adjourned at 12:25 p.m.

MINUTES APPROVED: 10 / 20 / 95



Mike Shelton, President
[BOARD/M(G)0728.DOC]



Attest: Marjorie Upham Rood
Marjorie Upham Rood, Secretary