

**WASHINGTON COUNTIES RISK POOL
BOARD OF DIRECTORS
SUMMER WORKSHOP and ANNUAL MEETING**

MINUTES

**1:00 p.m. Wednesday, July 21 and 9:00 a.m. Thursday, July 22, 2004
Shiloh Inn, Ocean Shores**

ATTENDANCE:

President – Leon Long, Spokane County Risk Manager
Secretary-Treasurer – Craig L. Vejraska, Okanogan County Commissioner
Executive Committee –
 Rose Elway, Grays Harbor County Director Management Services / Budget / Insurance
 David Goldsmith, Jefferson County Administrator
 Vyrle L. Hill, Pacific County Administrative Officer
 Steve M. Lowe, Franklin County Prosecuting Attorney
 Mike Shelton, Island County Commissioner
 Si A. Stephens, San Juan County Auditor
 Randall J. Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney
 R. S. Zirkle, Yakima County Prosecuting Attorney
Benton County – Melina Wenner, Personnel / Risk Manager – Director
Chelan County – Keith Goehner, County Commissioner – Director
 Cathy Mulhall, County Administrator – Alternate
Clallam County – Marjorie J. Upham, Director of Personnel/Risk Management – Director
 Toni Gilbert, Safety Training Specialist – Alternate
Clark County – Ed Pavone, Risk Manager – Director
Columbia County – Scott Smith, County Engineer / Risk Manager – Alternate
Cowlitz County – Clyde W. Carpenter, Risk Manager – Director
Douglas County – Steven M. Clem, Prosecuting Attorney – Director
 Thad Duvall, County Auditor – Alternate
Franklin County – Neva J. Corkrum, County Commissioner – Director
Grays Harbor County – Bob Beerbower, County Commissioner – Director
 Anne Sullivan, Emergency and Risk Manager
Island County – Betty Kemp, Director of General Services – Alternate
Kitsap County – Mark Abernathy, Risk Manager – Director
Kittitas County – Max A. Golladay, County Commissioner – Director
Lewis County – Dennis Hadaller, County Commissioner – Director
 Harry B. Green, Risk Manager – Alternate
Mason County – Herb Baze, County Commissioner – Director
 Ione Siegler, Director Budget & Finance – Alternate
Pacific County – Bryan Harrison, Community Development Director – Alternate
San Juan County – David Zeretzke, Director of Administrative Services – Alternate
Skagit County – Billie Kadrmas, Risk Manager – Alternate
Skamania County – Marilyn J. Butler, Director of Administrative Services – Director
Spokane County – Rob Binger, Deputy Prosecuting Attorney
 Jim Kaufman, Deputy Prosecuting Attorney
Thurston County – Diane Oberquell, County Commissioner – Director
 Tammy Devlin, Risk Manager – Alternate
 Bill Kenny, Human Resources Director
Walla Walla County – Jay Winter, Human Resources / Risk Manager – Alternate

Washington State Office of Financial Management – John Nicholson, State Risk Manager
Actuary – Kevin Wick, FCAS, MAAA, PricewaterhouseCoopers
Broker – Mike Croke, Senior Vice President, Willis of Seattle, Inc.
Rebecca Stinson-Lane, Senior Client Manager, Willis of Seattle, Inc.
Beverly McIntosh, Account Executive, Swiss Re
Risk Pool Staff - John Crawford, Executive Director
Rich Bodell, Programs Manager
Kitty Bottemiller, Program Assistant
Susan Looker, Senior Claims Analyst
Mike Cooke, Claims Analyst
Candy Drews, Claims Representative

WELCOME and ROLL CALL: The meeting was called to order at 9:05 a.m. by President Leon Long who welcomed all in attendance and noted that a quorum was present. He welcomed Swiss Re Beverly McIntosh..

The July 22nd Board Annual Meeting follows after the July 21st Summer Workshop.

APPROVAL:

Minutes: Mike Shelton moved to approve the minutes of the April 15th Spring Meeting at Leavenworth. The motion was seconded by Diane Oberquell and approved.

REPORTS, DISCUSSION AND ACTION:

Executive Committee: The minutes of the April 20th and June 21-22nd meetings of the Executive Committee were placed in the meeting packet. The Executive Committee also held meetings in Ocean Shores on July 20th, 21st and 22nd.

Election of Executive Committee Members and Officers: Nominating Committee Chair Leon Long stated that Mason County Commissioner Herb Baze, Garfield County Commissioner Dean Burton, Douglas County Prosecuting Attorney Steve Clem, Franklin County Commissioner Neva Corkrum, Grays Harbor County Director of Management Services/Budget/ Insurance Rose Elway, Lewis County Commissioner Dennis Hadaller, Skagit County Risk Manager Billie Kadrmas, Spokane County Risk Manager Leon Long, and Walla Walla County Personnel / Risk Manager Jay Winter had been nominated for the four open positions of the class of 2007 on the Executive Committee and the vacant position in the class of 2006. There were no nominations from the floor. Herb Baze, Steve Clem, Rose Elway, Leon Long and Jay Winter were elected, with Steve Clem's name drawn to immediately fill the vacant position in the class of 2006.

Chair Leon Long then put forth the nominations of Okanogan County Commissioner Craig Vejraska as President and Whatcom County Chief Civil Deputy Prosecuting Attorney Randy Watts as Secretary / Treasurer for next year. Seeing no further nominations from the floor, Marilyn Butler moved that the nominations be closed and a unanimous ballot cast for Mr. Vejraska and Mr. Watts. The motion was seconded by Diane Oberquell and approved.

Executive Session - Personnel: At 9:25 a.m., the chair conducted the meeting in executive session in accordance with RCW 42.30.110(g) to review the performance of a public employee. The executive session was concluded at 9:50 a.m.

Reconvening after the executive session, Mike Shelton moved the following: "The Executive Committee recommends the Board accept the reorganization plan forwarded by the Executive Director on an interim basis and authorize the Executive Committee to retain a third party

administrator (TPA) to oversee the WCRP operation, and evaluate the business model of the Pool, the Pool's organization structure and personnel staffing during the interim period. Further, during the interim period, the TPA shall develop a report on its findings and include a specific set of recommendations and options to address deficiencies identified and future opportunities. The interim period shall be for not more than six (6) months." The motion was seconded by Randy Watts and approved by a vote of 17 to 7.

Service Recognition: John Crawford gave fifteen-year recognition plaques to Neva Corkrum and Steve Lowe, and five-year pens to Clyde Carpenter, Scott Smith and Tammy Devlin for their service on the Board. He also recognized five-years of service of staff members Candy Drews, Kitty Bottemiller, Rich Bodell and Sue Colbo.

Programs Report: Rich Bodell reported on Risk Pool training and programs.

State Risk Management Report: John Nicholson described improvements the state had made in the past few years to manage its risks.

Claims Management Policy: Ron Zirkle moved to amend the claims administration policy as recommended regarding Executive Committee authorization for claims in excess of \$50,000 over a county's deductible per occurrence. The motion was seconded by Si Stephens and approved.

Joint Self-Insurance Liability Policy: Marilyn Butler moved to approve the recommended change in the joint self-insurance liability policy to limit public nuisance coverage arising out the operation of landfill, transfer station and drop box operations. The motion was seconded by David Goldsmith and approved.

Craig Vejraska moved to approve the policy coverage form as amended for use in 2004-2005. The motion was seconded by Mike Shelton and approved.

Actuary Report: PricewaterhouseCoopers LLP Principal Consultant Kevin J. Wick gave a report on his "Actuarial Review of Loss Rates for Pool Year 2005" at the Board Workshop on July 21st. He projected a slight overall decrease in the 2005 loss rate for the Pool's \$100,000 retention. Mike Shelton moved to accept the report for filing. The motion was seconded by Neva Corkrum and approved.

Reinsurance: Mike Croke gave a report on the state of the insurance market at the Board Workshop on July 21st. Mike Shelton moved to purchase reinsurance from Swiss Re, AIG / Insurance Company of Pennsylvania, and Everest Re as recommended. The motion was seconded by Craig Vejraska and approved with one dissent. Mike Shelton moved to purchase excess insurance from Lexington as recommended. The motion was seconded by Craig Vejraska and approved.

Financial Report: The financial report was placed in the meeting packet, and Co-Chairs Vyrle Hill and Si Stephens used the report on July 21st to explain the Risk Pool finances. Vyrle Hill distributed copies of a resolution regarding a retroactive assessment for uncollected excess insurance and reinsurance and after discussion verbally suggested amendatory language of the resolution. Si Stephens moved to approve Resolution 2004-01 with the suggested changes. The motion was seconded by Herb Baze and approved.

Si Stephens moved the following regarding the Accounting/Auditing Officer: "The Pool staff position of Accounting Officer shall be renamed Accounting/Auditing Officer. Line reporting of this position shall be redesignated to the Executive Director and the Board of Directors through the Chair of the Finance Committee. The Finance Committee and the Executive Director are authorized to review the job responsibilities of this position to insure appropriate accounting,

internal control, and reporting processes are in place for an organization of the size and complexity of the Risk Pool." The motion was seconded by Neva Corkrum and approved.

Si Stephens moved the following: "The Executive Director is requested to revise the appropriate Pool documents for Board approval to recognize the Finance Committee as a standing committee of the Board of the Risk Pool." The motion was seconded by Mike Shelton and approved.

Budget: Si Stephens moved to approve an administrative budget of \$1,043,086 that covers general and programs (\$600,112) and claims administration (\$442,974). The motion was seconded by Ron Zirkle and approved. Unused salary and benefits of the claims manager's position would be applied to the TPA contract.

Premiums and Retroactive Assessment: Si Stephens moved to approve the computation of premiums of approximately \$9,452,824 as per past years, as presented and without equity increases, subject to changes in county deductibles. The motion was seconded by Herb Baze and approved. A straw poll showed members in favor of a study by the Finance Committee to review a multi-year approach to increase member equity.

Craig Vejraska moved to allow members three weeks after receipt of the revised premium spreadsheet the opportunity to change their deductibles, to allow members to pay 105% of the present premium by September 30th, with the balance due by January 31, 2005 with no interest charges, and to charge 6% interest on unpaid amounts. The motion was seconded by Neva Corkrum and approved.

Other Business: The President wished David Goldsmith a good retirement, and thanked him for his service to the Risk Pool.

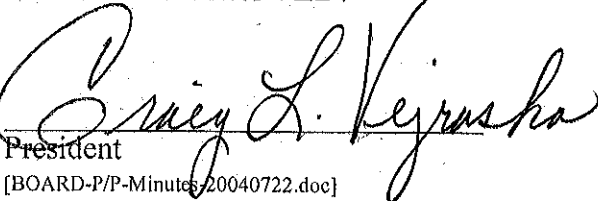
The President-elect presented Leon Long with a recognition plaque and thanked him for his leadership during this eventful year.

Leon Long gave his President's Report about the Risk Pool's accomplishments this year. He recognized the special efforts by committee chairs Vyrle Hill and Si Stephens, Marilyn Butler and Craig Vejraska, Ron Zirkle, and Tammy Devlin and David Zeretzke. He also thanked Craig Vejraska for his work as Secretary/Treasurer.

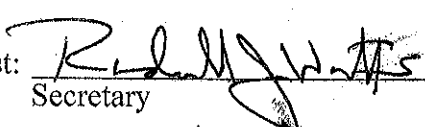
FUTURE BOARD MEETINGS: The Board approved holding the 2005 Summer Workshop and Annual Meeting in the Tri-Cities.

With no further business, the meeting was adjourned at 12:09 p.m.

MINUTES APPROVED:



President
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Attest: 

Secretary