

**WASHINGTON COUNTIES RISK POOL
AUTUMN BOARD OF DIRECTORS MEETING
MINUTES**

Friday, November 8, 2013
Three Rivers Convention Center, Kennewick, Washington

ATTENDANCE:

* denotes Executive Committee Member

Adams County:	Linda Reimer, Clerk of the Board – Alt. Director
Benton County:	Bryan Perry, Safety & Training Coordinator – Alt. Director
Chelan County:	* Keith Goehner, Commissioner – Director
Clallam County:	Rich Sill, HR Director – Director
Clark County:	<i>Not Represented</i>
Columbia County:	* W.A. "Drew" Woods, Public Works Director – Director, Vice President
Cowlitz County:	Clyde Carpenter, Risk Manager – Director
Douglas County:	Steve Clem, Prosecuting Attorney – Director * Thad Duvall, Auditor – Alt. Director
Franklin County:	Robert Koch, Commissioner – Director
Garfield County:	* Dean Burton, Commissioner – Director
Grays Harbor County:	Dale Gowan, Central Services Director – Alt. Director
Island County:	Kelly Emerson, Commissioner – Director
Jefferson County:	* David Alvarez, Chief Civil DPA – Alt. Director
Kittitas County:	* Lisa Young, Human Resources Manager – Director
Lewis County:	* Lee Grose, Commissioner – Director Paulette Young, Risk & Safety Administrator – Alt. Director (Left at 10:14 AM) Michael Strozyk, Director Central Services – Alt. Director (Left at 10:14 AM)
Mason County:	<i>Not Represented</i>
Okanogan County:	<i>Not Represented</i>
Pacific County:	* Lisa Ayers, Commissioner – Alt. Director
Pend Oreille County:	Mike Lithgow, Community Development Director – Director
San Juan County:	Mike Thomas, County Manager – Director (Left at 9:30 AM)
Skagit County:	Arne Denny, Civil Deputy PA – Alt. Director
Skamania County:	Scott Pineo, General Services Director – Alt. Director
Spokane County:	* Steve Bartel, Director of Risk Manager – Director
Thurston County:	* Tammy Devlin, Risk Manager – Alt. Director, President
Walla Walla County:	Jesse Nolte, Deputy PA - Director Lucy Schwallie, Personnel/Risk Manager
Whatcom County:	Karen Goens, Human Resources Manager – Director
Yakima County:	<i>Not Represented</i>
Washington DES:	Shannon Stuber, LGSJ Program Administrator
Broker Services:	Liz Miser, Area Vice President – AJGRMS, Inc.
WCRP Staff:	Vyrle Hill, Executive Director David Goldsmith, Member Services Manager Jill Lowe, Loss Control Coordinator Susan Locker, Claims Manager Sue Colbo, Accounting Officer Stacey Spears, Administrative Assistant Debbie Larsen, Office Assistant

CALL TO ORDER / WELCOME: WCRP President Tammy Devlin called the 2013 Autumn Board of Directors Meeting to order Friday, November 8, 2013 at 8:33 a.m., she welcomed all in attendance and recognized the Veterans in the group in honor of Veterans' Day. President Devlin conducted a roll call and stated she could confirm a quorum – 23 (of 27) members represented.

AGENDA: President Devlin announced she would like to move the elections for the Executive Committee and Secretary/Treasurer vacancies to the beginning of the meeting, she asked if there were any other changes; hearing none Drew Woods moved to accept the agenda with President Devlin's change in order; Dale Gowan seconded; the motion passed without dissent.

ELECTIONS – EXECUTIVE COMMITTEE AND SECRETARY/TREASURER VACANCIES: President Devlin announced the Executive Committee, acting as the Nominating Committee, was putting forward Bob Koch (Director – Franklin County) as its candidate for the Executive Committee vacancy with an unexpired term through 9/30/2015. She asked for nominations from the floor, there were none. Lee Grose moved to close the nominations and cast a unanimous ballot for Bob Koch, Thad Duvall seconded, the motion passed without dissent.

President Devlin announced the Executive Committee, acting again as the Nominating Committee, was putting forward Keith Goehner as its candidate for Secretary/Treasurer. She asked for nominations from the floor, there were none. Steve Clem moved to close nominations and cast a unanimous ballot for Keith Goehner as Secretary/Treasurer for the unexpired term through 9/30/2014, Bob Koch seconded; the motion passed without dissent.

CONSENT AGENDA: Drew Woods moved to approve the consent agenda, Steve Bartel seconded. Discussion took place regarding changing the size of the Investment Committee. The motion passed without dissent.

Consent Agenda

- Minutes of (07/25-26/13) Board Worksession/Annual Meeting
- Review Executive Committee minutes
 - October 4, 2013 Telephonic Meeting
 - November 1, 2013 Meeting:
- Financial Management Policy §G.4.b – modifying term(s) for consultant agreements
- Bylaws Article 4-D.1 – expanding Investment Committee size

ACTUARIAL REPORT: Executive Director Vyrle Hill reported the actuaries are working diligently on the actuarial analysis and Kevin Wick and Craig Scukas were not available to attend the Board Meeting. Mr. Hill heard from Mr. Scukas that with the early results, the actuary is projecting a self-insured retention reduction in the 1 to 1.5 million dollar range when the report is completed. The actuaries still need to evaluate the corridor program and that will take a little longer, but the actuaries also expect favorable results regarding the corridor program. These positive results mean an increase in net position (aka members' equity). Discussion took place regarding members' equity. Mr. Hill reported that the Finance Committee has that topic on the committee's work plan for this Pool Year and will make recommendations for the Board to consider.

CLAIMS AUDITING REPORT: Claims Manager Susan Looker reminded the group that the claims handling procedures were changed in 2008 and the Board agreed to audit the claims handling by member counties. Skagit, Yakima and Spokane were audited this year, six audits are now complete. The auditor will complete a consolidated report with all audited counties included. Overall, the counties did well on the audits. An in-house claims audit is scheduled to begin on November 18, 2013. Gary Jennings will come to the Pool office in order to conduct the audit of internal staff. Mr. Hill added that Mr. Jennings is a very good claims auditor and his contract will be complete at the end of this year, staff would like to have the relationship with Mr. Jennings extended. Terms for consultant agreements are a maximum of 5 years, with a possible one-year extension as approved earlier in the meeting with the change to the Financial Management Policy. A contract extension with Mr. Jennings was presented in the conference notebook

and Mr. Hill noted this would extend the initial agreement from three to five years with a possible one-year extension and that the Executive Committee supports the contract extension.

Steve Bartel moved and Lee Grose seconded to accept the claims auditing report and extend the contract with Mr. Jennings as recommended by the executive committee; the motion passed without dissent.

PRODUCER'S (BROKER) REPORT: Liz Miser presented the producer's report. She stated the producer's report was provided under Tab 11 in the notebook. She gave an update on activities that were completed for Pool Year 2012-13.

Mr. Hill reported that AJG's contract was originally set up for three years, with two one-year extensions possible. As the initial three years ends at the end of 2013, AJG asked for the first one year extension. The Executive Committee recommends the basic contract be extended from a three to five year period, with one, one-year extension possible. With this plan, the contract would be from 2011 through 2015, with one, one-year extension possible. Mr. Woods added that RFP for broker services might end up taking place at the same time as the search for an Executive Director without the contract extension and Mr. Bartel noted this would be more in line with state rules.

Kelly Emerson moved to accept the producer's report and extend the contract from three to five years, with one, one-year extension, Lee Grose seconded; the motion passed without dissent.

Liz Miser then presented the Broker's Service Plan grid and the Loss Control Service Plan Proposal for 2013-14. Steve Bartel recognized how helpful the new chart is and thanked Liz for the detailed information provided. Bob Koch motioned to approve the AJG Loss Control Plan with the Loss Control Coordinator, with input from the Risk Management Committee, to determine the actual/final services offered, Lisa Ayers seconded; the motion passed without dissent.

DES/STATE RISK MANAGER REPORT: Shannon Stuber reported that the amendments regarding the regulations of Risk Pools are to increase transparency and increase the minimum confidence level to 80%. Ms. Stuber noted that WCRP met those requirements a long time ago. She expects the new rules to be adopted in December with only minor changes to the rules as presented.

STRATEGIC MANAGEMENT PLAN AND RESPONSIBILITY MATRIX: David Goldsmith presented the Strategic Management Plan and Responsibility Matrix, and noted that these documents guide staff work plans. He reported that a membership survey will be done next year, the results will come back to the Board and the Board can use that information to modify the plan and matrix as needed. Mr. Hill noted that these documents were presented in order to note the minor change in SMO #1, section B4 to reflect the change in terminology that came out of this summer's Annual Meeting. Steve Bartel moved to accept the Strategic Plan with the change to SMO #1, section B4, Thad Duvall seconded; the motion passed without dissent.

LEGISLATIVE PROPOSALS: Mr. Hill noted that the Pool's Bylaws restrict the Pool from lobbying. He asked if there were any concerns that should be forwarded to other county groups that are registered lobbyists. Lee Grose moved for the Pool to endorse the Fiscal Sustainability Initiative with the Pool noting its support for specific changes regarding liability reductions, Lisa Ayers seconded. Discussion and clarification took place. The motion passed without dissent. Mr. Hill will draft a letter for Pool Officers to review.

RECESS: President Devlin recessed the meeting at 9:40 a.m. and reconvened at 9:55 a.m.

INVESTMENT COMMITTEE: Thad Duvall gave the Investment Committee report. He reported that returns are much higher than a year ago. Currently the funds are split between the Local Government Investment Pool, and the Spokane County and Clark County Investment Pools. Steve Bartel gave further information regarding the Spokane County Fund, the strategies followed and answered questions regarding fund investments. Steve Clem noted he would like to further discuss the advisability of maintaining funds with the Clark County Investment Pool at a later point during the meeting.

OFFICERS / EXECUTIVE COMMITTEE REPORTS: Thad Duvall motioned to adjust the agenda in order to move onto Staff Reports and defer the Standing Committee reports until later in the meeting, David Alvarez seconded, the motion passed without dissent.

STAFF REPORTS

Claims: Claims Manager Susan Looker presented the Fall Claims Report. She noted that a woman out of Snoqualmie has filed claims with County Boards of Health and County Commissioners regarding Wi-Fi poisoning minds. At this time the Claims Department is not opening claims files but will track the information. Ms. Looker's report covered the number of claims filed and closed during Py 2013, the number of occurrences by loss year, case distribution (severity), adjuster case loads and staff training. Mr. Hill noted the Pool continues to experience favorable claims trends.

Drew Woods moved to move into executive session for a period of 20 minutes to discuss pending litigation, Steve Bartel seconded; the motion passed without dissent.

EXECUTIVE SESSION: Acting in accordance with the WCRP Bylaws and RCWs 48.62.101 and 42.30.110(1) (i) (i), and recognizing that public discussion would impair the Board's ability to conduct its business effectively, President Devlin excused all those present, except Board Directors and Alternate Directors, Executive Director Vyrle Hill and Claims Manager Susan Looker, and moved the meeting into an estimated 20 minute executive session at 10:14 AM. At 10:40 AM it was announced the Executive Session would be extended for 10 minutes.

President Devlin announced the Executive Session was concluded and reconvened the Board Meeting in regular session at 10:55 AM with all previous participants, with the exception of Michael Strozyk and Paulette Young.

Steve Bartel moved and David Alvarez seconded that the (WCRP) Board of Directors finds that Clark County violated the terms of our Interlocal Agreement under Article 21 (Prohibition Against Assignment). We, the Board, have determined that this violation rises to a level that enforcement under Article 22 is appropriate and necessary. Therefore, the Board directs the WCRP President and Executive Director to issue written notice to Clark County of this violation, to allow its officials sixty (60) days to correct the violation, and notify them that failure to remedy may result in future action up to and including (WCRP) membership cancellation by the Board.

Discussion and clarification took place regarding the motion. The motion by show of hands passed without dissent.

Steve Clem moved and Steve Bartel seconded that as the Board of Directors has determined to issue written notification to Clark County regarding a failure to meet the terms and conditions of our Interlocal Agreement, the Board desires to further protect the integrity and assets of the Pool by initiating or taking appropriate and reasonable administrative actions including, but not limited to directing the Pool's Claims Manager and claims staff under the WCRP Claims Handling Policies and Procedures to further enhance the levels of supervision and oversight for all claims from Clark County until such time that Clark County has corrected the (Interlocal Agreement) violation or resolved the impacts of such violation in full.

Discussion and clarification took place regarding the motion. The motion passed without dissent.

Discussion took place regarding the Autumn 2014 Conference currently scheduled to take place in Vancouver, WA. Nothing was decided.

Member Specialty Services: Specialty Services Representative David Goldsmith reported Wahkiakum County chose not to join the Pool. The cost difference between the Risk Pool and the Rural Counties Pool was not enough to make them switch. Mr. Goldsmith also reported that the Underwriting Committee has

been given draft information regarding scope and authority in order to update policy language, more information will be presented at the Spring Conference.

Loss Control: Loss Control Representative Jill Lowe presented the Autumn Loss Control update. Her presentation included information on the AGRiP conference, presentations, Risk Manager and Claims Administrator certifications, trainings, the website Sample Policy Library, Scholarships and Grants, Lexipol and Helpline. Ms. Lowe also noted that Commissioner Ayers (Pacific County) and Commissioner O'Brien (Kittitas County) recently received their CPO certifications.

Administrative Report: Executive Director Vyrle Hill recognized the Pool's new Office Assistant, Debbie Larsen. He also reported that the end of the Pool Year financial reports are not yet available but they are coming soon.

STANDING COMMITTEE REPORTS

Finance: Chair Thad Duvall reported the Finance Committee will be looking at Members' Equity this Pool Year, and he noted the committee members.

Personnel: Chair Lisa Young reported the Personnel Committee will be looking at compensation and benefits for Pool staff as well as reviewing the Personnel Policy. She noted the current committee members.

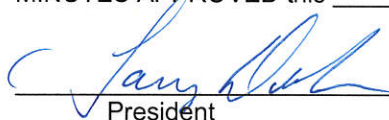
Steve Bartel requested to address the Board. He noted that not many Directors and Alternate Directors are participating on the standing committees, and he appealed for Directors and Alternate Directors to be involved with at least one standing committee.

Risk Management: Chair Bryan Perry reported the Risk Management Committee has been busy putting together the Targeted Risk Management Program for Pool Year 2013-14 that the committee would like to put forward for approval. The goal behind the policy is to remain proactive regarding employment claims. Mr. Perry noted that most counties are already meeting the requirement of offering one training per year. Drew Woods moved to adopt the Targeted Risk Management Program for 2013-14 as presented, Bryan Perry seconded. Discussion took place regarding the program. Lee Grose asked those in attendance to bring this policy to the attention of their legislative authorities. The motion passed without dissent.

Underwriting: Chair Drew Woods reported that the Underwriting Committee feels third party cyber liability is covered under the JSILP, and the committee recommends no changes on that issue at this time. More information on optional first party coverage will be presented by the Broker at the Spring Conference. Mr. Woods also reported the committee will work on the task brought to the committee by David Goldsmith regarding general policy language on scope and authority. The members of the committee were noted.

Mr. Hill added that county employees are also invited to serve on committees, committee membership is not limited to Pool designees. President Devlin added that insurers were impressed by the engaged membership during the spring marketing trip, and this is reflected in the Pool's rates. President Devlin thanked everyone for their involvement. With no further business to conduct, President Devlin adjourned the board meeting at 12:05 PM.

MINUTES APPROVED this 28th day of March, 2014.



President

Attest: 

Secretary/Treasurer