

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

Thursday-Friday, November 13-14, 2014  
The Hilton Hotel, Vancouver, Washington

**Board Members in Attendance**

County	Appointment	Present	Name
Adams	Director	<input type="checkbox"/>	Jeffrey Stevens
	Alternate Director	<input checked="" type="checkbox"/>	Patricia Phillips
Benton	Director	<input checked="" type="checkbox"/>	Bryan Perry *
	Alternate Director	<input type="checkbox"/>	Ryan Lukson
Chelan	Director, <i>Secretary/Treasurer</i>	<input checked="" type="checkbox"/>	Keith Goehner *
	Alternate Director	<input type="checkbox"/>	Cathy Mulhall
Clallam	Director	<input checked="" type="checkbox"/>	Rich Sill
	Alternate Director	<input type="checkbox"/>	James Jones
Columbia	Director, <i>President</i>	<input checked="" type="checkbox"/>	W.A. "Drew" Woods *
	Alternate Director	<input type="checkbox"/>	Dwight Robanske
Cowlitz	Director	<input checked="" type="checkbox"/>	Clyde Carpenter *
	Alternate Director	<input type="checkbox"/>	Claire Hauge
Douglas	Director	<input type="checkbox"/>	Steve Clem
	Alternate Director	<input checked="" type="checkbox"/>	Thad Duvall *
	Alternate Director	<input type="checkbox"/>	Ken Stanton
Franklin	Director	<input checked="" type="checkbox"/>	Robert Koch *
	Alternate Director	<input checked="" type="checkbox"/>	Shawn Sant (Thursday only)
	Alternate Director	<input type="checkbox"/>	Tim Dickerson
Garfield	Director	<input checked="" type="checkbox"/>	Dean Burton (Left at 11:15 am Friday)
	Alternate Director	<input type="checkbox"/>	Wynne McCabe
	Alternate Director	<input type="checkbox"/>	Robert Johnson
Grays Harbor	Director	<input type="checkbox"/>	Herb Welch
	Alternate Director	<input checked="" type="checkbox"/>	Dale Gowan
	Alternate Director	<input type="checkbox"/>	Wes Cormier
Island	Director	<input type="checkbox"/>	Jill Johnson
	Alternate Director	<input checked="" type="checkbox"/>	Elaine Marlow (Left at 11:46 am Friday)
Jefferson	Director	<input checked="" type="checkbox"/>	Philip Morley
	Alternate Director	<input checked="" type="checkbox"/>	David Alvarez *
Kittitas	Director, <i>Vice President</i>	<input checked="" type="checkbox"/>	Lisa Young *
	Alternate Director	<input type="checkbox"/>	Judy Pless
Lewis	Director	<input checked="" type="checkbox"/>	Lee Grose (Left at 9:37 am Friday)
	Alternate Director	<input type="checkbox"/>	Paulette Young
	Alternate Director	<input checked="" type="checkbox"/>	Michael Strozyk (Left at 11:20 am Friday)
Mason	Director	<input checked="" type="checkbox"/>	Tim Sheldon (Left at 12:00 pm Friday)
	Alternate Director	<input checked="" type="checkbox"/>	Dawn Twiddy (Left at 11:42 am Friday)
	Alternate Director	<input type="checkbox"/>	Randy Neatherlin
	Alternate Director	<input type="checkbox"/>	Terri Jeffreys
Okanogan	Director	<input type="checkbox"/>	Sheilah Kennedy
	Alternate Director	<input checked="" type="checkbox"/>	Tanya Craig (Left at 9:37 am Friday)
Pacific	Director	<input checked="" type="checkbox"/>	Kathy Spoor
	Alternate Director	<input type="checkbox"/>	Lisa Ayers *
	Alternate Director	<input type="checkbox"/>	David Burke
Pend Oreille	Director	<input checked="" type="checkbox"/>	Mike Lithgow

	Alternate Director	<input type="checkbox"/>	Teresa Brooks
	Alternate Director	<input type="checkbox"/>	Alan Botzheim
San Juan	Director	<input type="checkbox"/>	Mike Thomas
	Alternate Director	<input type="checkbox"/>	Pamela Morais
Skagit	Director	<input type="checkbox"/>	Jessica Neill Hoyson
	Alternate Director	<input checked="" type="checkbox"/>	Donnie LaPlante
	Alternate Director	<input checked="" type="checkbox"/>	Arne Denny
	Alternate Director	<input type="checkbox"/>	Tim Holloran
Skamania	Director	<input type="checkbox"/>	Doug McKenzie
	Alternate Director	<input checked="" type="checkbox"/>	Scott Pineo (Friday only)
Spokane	Director	<input checked="" type="checkbox"/>	Steve Bartel * (Left at 12:05 pm Friday)
	Alternate Director	<input type="checkbox"/>	Rob Binger
Thurston	Director	<input type="checkbox"/>	Sandra Romero
	Alternate Director	<input checked="" type="checkbox"/>	Tammy Devlin *
	Alternate Director	<input type="checkbox"/>	Jon Tunheim
Walla Walla	Director	<input type="checkbox"/>	Jesse Nolte
	Alternate Director	<input type="checkbox"/>	James Johnson
	Alternate Director	<input checked="" type="checkbox"/>	Lucy Schwallie (Left at 4:20 pm Thursday and 11:42 am Friday)
Whatcom	Director	<input checked="" type="checkbox"/>	Karen Goens
	Alternate Director	<input checked="" type="checkbox"/>	Dan Gibson (Thursday only)
Yakima	Director	<input type="checkbox"/>	James Hagarty
	Alternate Director	<input type="checkbox"/>	Terry Austin
	Alternate Director	<input checked="" type="checkbox"/>	Cindy Erwin

\* Denotes Executive Committee Member

#### Others in Attendance

County/Organization	Designation/Title	Name
Clallam	HR Analyst	Annie Achziger
Okanogan	Deputy Prosecuting Attorney	David Gecas (Thursday only, left at 3:50 pm)
Spokane	Liability Adjuster	Lauren Williams (Friday only, left at 11:00 am)
Thurston	HR Specialist	Neysa Caywood
AJGRMS	Area President	Darin Puryear (Arrived Thursday at 3:10 pm, left at 9:00 am Friday)
Confidence Consulting	President and CEO	Jeff Bills (Left at 10:45 am Friday)
WCRP Staff	Executive Director	Vyrle Hill
	Specialty Services	David Goldsmith
	Loss Control Coordinator	Jill Lowe
	Accounting Officer	Sue Colbo
	Administrative Assistant	Stacey Spears

**CALL TO ORDER / WELCOME:** WCRP President Andrew Woods called the 2014 Autumn Board of Directors Meeting to order Thursday, November 13th at 2:40 pm. He welcomed all in attendance. Around the room introductions took place and President Woods confirmed a quorum.

**AGENDA:** President Woods noted the date on page two of the agenda should be corrected from Friday, November 12<sup>th</sup> to reflect Friday, November 14<sup>th</sup>; under Personnel Committee (Tab #23) the Committee is requesting action on the revised Personnel Policy. Hearing no other changes, Dean Burton moved to accept the agenda with the changes as stated, Clyde Carpenter seconded; the motion passed without dissent.

**MINUTES:** Bob Koch moved to approve the minutes of the July 24-25, 2014 Annual (Board of Directors) Meeting, Lisa Young seconded; the motion passed without dissent.

**MEMBERSHIP SATISFACTION SURVEY:** David Goldsmith reviewed the results of the recent Member Satisfaction Survey. He noted the complete results were available in the notebook. Discussion took place regarding scholarship funding, modifications to the Property Insurance Database (PIMS) and the Annual Visits that take place each summer with member counties. Executive Director Vyrle Hill added the Annual Visits provide an update on the status of the Pool as a whole and reminded the attendees that the Pool is an association, not an agent of commercial insurance. Goldsmith then reviewed information about the Pool's committees, communications and succession planning.

**WCRP STRATEGIC MANAGEMENT PLAN & RESPONSIBILITY MATRIX:** David Goldsmith stated this topic would be covered on Friday due to time constraints.

**STRATEGIC SCOPING WORKSESSION:** Jeff Bills, with Confidence Consulting, addressed the group and spoke about his process and strategy for the recruitment and selection of a new WCRP Executive Director. Bills covered the input that would be needed from the Board, Board responsibilities, the current recruiting environment and the phases of a Leadership Search. He then spoke about key characteristics of successful Executive Directors and how this information is incorporated into the recruitment process. Bills led a discussion to gather information in order to develop a Position Specification for the Executive Director that potentially would be used to recruit and attract candidates. Bills stated he planned to use this information to craft a Position Specification that will be presented to the Board on Friday.

**ADJOURNMENT:** President Woods adjourned the meeting at 4:40 pm until Friday morning.

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**CALL TO ORDER / WELCOME:** President Woods reconvened the 2014 Autumn Board of Directors Meeting on Friday, November 14<sup>th</sup> at 8:30 am. He welcomed those in attendance and confirmed a quorum.

**PRODUCER'S (BROKER) REPORT:** Darin Puryear of Arthur J. Gallagher Risk Management Services addressed the group. He thanked the Board and Staff for their dedication and stability. He went over the accomplishments from last year including successful renewals for the liability/casualty and property programs, as well as risk control efforts. He praised the group for the strong communication between the Pool, Brokers and Underwriters. Puryear then presented the proposed risk management plan for the coming year which includes:

- Implementing (and Training) for the Contracts Manual that was developed by John Chino with input and assistance from Susan Looker and Steve Bartel
- Educational Opportunities: Introduction to Underwriting with John Chino and Cyber Liability training
- Continued development of White Papers (It was noted the Risk Management Committee wished to continue this service)

Puryear then spoke about the current state of the re-insurance marketplace. Currently, AJGRMS is seeing an "Equilibrium Marketplace" and the industry overall is posting fairly flat rates. At this time, for 2015 they anticipate moderately softer property rates and relatively flat casualty rates, but noted this could change.

A brief discussion took place regarding Public Records coverage with clarification offered by Executive Director Hill and Steve Bartel. David Goldsmith then inquired about inventory management for the property program and how AJGRMS might be able to assist the Pool. Puryear stated AJGRMS may be able to help find a property inventory program (but not take over the management of inventory) and research is needed regarding this topic.

**ACTUARIAL REPORT:** Executive Director Hill reported the PwC is working diligently on the actuarial analysis and Kevin Wick and Craig Scukas were not available to attend the Board Meeting. Hill heard from Scukas with preliminary numbers, the actuary is projecting a reduction in the fully self-insured retention layer of approximately \$700k and the Pool will likely see a reduction in the corridor program's layer(s) as well. Hill gave an overview and explanation of the Pool's corridor program.

**CLAIMS AUDITOR'S REPORT:** Philip Morley moved to send the Claims Audit Report dated February 2014 to the underwriting committee for review and to provide recommendations, Clyde Carpenter seconded; the motion passed without dissent.

**DES-LGSIP (STATE RISK MANAGER) REPORT:** As LGSIP Program Administrator Shannon Stuber was unable to attend the Board Meeting, Executive Director Hill reported the proposed amendments(s) to RCW 48.62 were available in the meeting notebook for review. It was reported the changes are related to non-profit groups and the changes will essentially allow the non-profits to operate under somewhat different rules than Public Entity Pools. The Pooling community views these changes as neutral.

**EXECUTIVE COMMITTEE MINUTES:** President Woods asked if there were any questions or comments regarding the Executive Committee minutes dated September 12, 2014; there were none.

**Py2015 JSILP/WCPP:**

**ASSESSMENTS DELINQUENCIES:** President Woods recused himself from this item of business and passed the gavel to Vice President Lisa Young. Young reported that Columbia, Garfield and Okanogan Counties did not meet the payment deadlines for the JSILP/WCPP assessments of September 30, 2014 and were subject to interest charges. After explanations were provided from the three Member Counties, Steve Bartel moved to waive interest charges for the late JSILP/WCPP payments from Columbia, Garfield and Okanogan Counties; Dale Gowan seconded; the motion passed without dissent and Columbia County abstaining from the vote. The gavel was passed back to President Woods to continue the meeting.

**"FINALLY CORRECTED" WCPP ASSESSMENTS/ALLOCATION:** After the September 7, 2014 Final Py2015 WCPP Assessments & Allocations spreadsheet was compiled by staff, and approved by the Executive Committee, adjustments were required for three counties and AJG added vehicles and equipment scheduled by and bound for Yakima County. It was reported that the adjustments changed the Py2015 Assessments resulting in \$9,230 due from Yakima County and credit balances for the remaining 25 counties ranging from \$18 - \$604. Keith Goehner moved to replace the 9/7/2014 worksheet with the adjusted worksheet "Finally Corrected" WCPP Assessments Allocation for Py2015 with Board-approved Methodology dated 10/03/2014; Karen Goens seconded; the motion passed without dissent.

Discussion took place on the options regarding the residual amounts for member county Py2015 assessments. Steve Bartel moved to invoice Yakima County for the \$9,230 and hold the credit balances for the remaining member counties in abeyance to be applied to Py2016 WCPP Assessments; Lisa Young seconded. Discussion took place. The motion passed without dissent.

**DEPARTURES:** President Woods announced that four Directors are leaving their respective Counties and certificates were presented thanking them for their service. James Hagarty (Yakima & Klickitat) and Herb Welch (Grays Harbor) were not in attendance, but recognized for their service. Lee Grose (Lewis) was recognized for his eight years of service and Dean Burton (Garfield) was recognized and commended for his 18 years of service. Commissioner Burton addressed the group.

**RECESS:** President Woods recessed the meeting at 9:37 am and reconvened at 9:55 am.

**EXECUTIVE DIRECTOR RECRUITMENT/SELECTION:** Executive Director Hill was asked to address the group regarding the selection of Confidence Consulting. Hill gave an overview of the process to date, President Woods added additional information. Jeff Bills addressed the group and presented a Position Specification that he created for the Executive Director position based on the scoping session that took place on Thursday afternoon. Comments and suggestions were offered and discussion took place regarding the document. Bills then excused himself from the meeting.

Philip Morley moved to accept the Position Specification with the comments and suggestions discussed to be incorporated and refer final approval of the document to the Executive Committee; Dale Gowan seconded; the motion passed without dissent.

Steve Bartel moved to engage Confidence Consulting and move forward with Jeff Bills on the recruitment effort for the Executive Director position; Keith Goehner seconded. Discussion took place. The motion passed without dissent.

**DEFERRED REQUEST FROM CLARK COUNTY FOR REFUND OF UNEARNED PREMIUM(S):**

President Woods noted this item was deferred from the Summer Meeting and the Pool still does not have final numbers from the Producer (Arthur J. Gallagher) regarding a possible refund of unearned premiums. President Woods noted there would likely be a need to seek legal counsel on the refund request issue due to differing information in Pool documents. President Woods then announced that there was a favorable ruling for the Pool from the Cowlitz County Court regarding the Assignment of Rights by Clark County. As a result of the ruling, Woods announced the Pool may be able to collect reasonable attorney fees. Steve Bartel moved to consult with legal counsel regarding Pool documents and defer action on Clark County's request for a refund of unearned premium until a future board meeting; seconded by Bryan Perry; the motion passed without dissent.

**LEGISLATIVE PROPOSAL(S):** None

**OFFICERS AND/OR EXECUTIVE COMMITTEE/REPORTS:** None

**INVESTMENT COMMITTEE REPORT:** Chair Keith Goehner reported that all WCRP funds previously invested in the Clark County Investment Pool have been moved to the Spokane County Investment Pool. The Investment Committee is looking at maintaining the liquidity needed but also moving some funds to longer term investments to increase potential returns. The Committee is currently researching options and expects to have a recommendation for the Board at the Spring Meeting.

**STANDING COMMITTEE REPORTS**

**FINANCE:** Chair Thad Duvall reported there are openings on the Finance Committee.

**PERSONNEL:** Chair Lisa Young reported the Committee had the Pool's Personnel Policy reviewed by attorney Suzanne Michaels as well as the consulting firm HR Answers. Young gave an overview of the recommended changes to the Policy and reviewed the copies that were included in the meeting notebook. She noted the Personnel Policy Acknowledgement Form was included as a recommended form to be implemented for Risk Pool staff. Discussion took place. Lisa Young moved to approve the revised Personnel Policy as presented including the implementation of the Personnel Policy Acknowledgement Form; Steve Bartel seconded; the motion passed without dissent. Young announced the next project for the Committee is to address the staff compensation review.

**RISK MANAGEMENT:** Chair Bryan Perry reported on the Risk Management Committee meeting that took place on October 16, 2014. Discussion and explanation took place regarding the Targeted Risk Management Program, Compact Compliance and the layering of Targeted Risk Management Programs. Following the discussion, Perry stated the Committee will re-address this topic at the next meeting. Perry noted the Committee recommends changing the wording on the WCRP Strategic Plan related to Lexipol. Bryan Perry moved to remove the word "full" from the sentence in the WCRP Strategic Plan SMO #2, B.5 to read: Maintain access to Lexipol, encourage participation by member counties. The motion was seconded by Lisa Young and passed without dissent.

**UNDERWRITING:** Chair Steve Bartel thanked Adam Kick for agreeing to vice-chair the committee and he thanked the committee members. He stated the Committee welcomes new members if anyone is interested. For Py2014-2015, the Committee plans to address:

- RCW 4.96 language
- Claims made against more than one Member County
- February 2014 Claims Audit
- RFQ for claims auditing services
- Current methodology of calculating the underwriting adjustment factor

- Recommendations for appointed Directors/Alternate Directors that have filed litigation against the Pool or a Member County.

### **STAFF REPORTS**

**Claims:** As Claims Manager Susan Looker was not in attendance, there was no Claims Report.

**Loss Control:** Loss Control Coordinator Jill Lowe reported she has not been able to get a viable recording of the Email class or the Risk Management Basics webinar. She also reported on Basic and Advanced Risk Management Certifications, exams and training, upcoming training seminars, the Labor Relations Institute, Lexipol participation, drones and enterprise risk management.

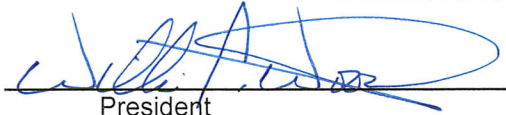
**Membership/Specialty Services:** Specialty Services Representative David Goldsmith reported that the Pool's Strategic Plan was available in the conference notebook. He then reported on the last ten years of Pool Operations "Decade in Transition" which covered WCPP (Washington Counties Property Program) Participation and Exposures, JSILP Participation and Exposures, JSILP Cases by Year, Total Paid and Total Incurred, as well as Net Position. Executive Director Hill added information regarding Categorized Assets, Liabilities and Net Position.

**Administrative & Financial Activities:** Executive Director Hill commented on succession planning and his tenure as Executive Director that began ten years ago.

**FUTURE WCRP CONFERENCES / BOARD MEETINGS:** President Woods announced the Spring Conference and Board Meeting will take place at Semiahmoo in Whatcom County. He reported that Suncadia Lodge is not honoring per diem room rates for the Spring 2016 Conference, this is a change from past conferences held at Suncadia. Due to the increase in cost of approximately \$10k, President Woods asked Accounting Officer Sue Colbo to try to move the Spring 2016 Conference to TRAC in the Tri-Cities, instead of Summer 2016 as previously planned. The Summer 2016 Conference will be discussed at a later date. President Woods also suggested looking at other potential sites in member counties where conferences have not previously or recently been held.

With no further business to conduct, President Woods adjourned the meeting at 12:12 pm.

MINUTES APPROVED this 26<sup>th</sup> day of March, 2015.

  
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President

Attest:   
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Secretary/Treasurer