

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

Thursday-Friday, Dec 1-2, 2016  
The Great Wolf Lodge, Grand Mound, WA

**Board Members in Attendance**

Name		County
Not Represented		Adams
Not Represented		Benton
Keith Goehner*	Director, President	Chelan
Rich Sill	Director	Clallam
W.A. "Drew" Woods *	Director, <i>Secretary/Treasurer</i>	Columbia
Clyde Carpenter *	Director	Cowlitz
Steve Clem *	Director	Douglas
Robert Koch *	Director	Franklin
Not Represented		Garfield
Vicki Raines	Director	Grays Harbor
Jill Johnson *	Director	Island
Not Represented		Jefferson
Lisa Young *	Director	Kittitas
Paulette Young	Director	Lewis
Dawn Twiddy	Alternate Director	Mason
Tanya Craig	Alternate Director	Okanogan
Kathy Spoor	Director	Pacific
Spencer Shanholtzer	Alternate Director	Pend Oreille
Mike Thomas*	Director	San Juan
Donnie La Plant	Alternate Director	Skagit
Adam Kick	Director	Skamania
Steve Bartel *	Director	Spokane
Tammy Devlin*	Alternate Director	Thurston
James Duncan	Director	Walla Walla
Karen Goens	Director	Whatcom
Cindy Irwin	Director	Yakima

\* Denotes Executive Committee Member

**Others in Attendance**

Name	Designation/Title	County/Organization
David Alvarez*	Alternate Director	Clallam
Tammy Sullenger	Alternate Director	Clallam
Tom Reyes	Civil Investigator	Clallam
Bud Blake (Thursday Only-left at 2:27pm)	Director	Thurston
Claire Hauge	Alternate Director	Cowlitz
Jessica Bischoff	Account Clerk	Cowlitz
Jordyn Giulio	Alternate Director	Douglas
Shawn Sant	Prosecuting Attorney	Franklin
Tim Dickerson	Deputy Civil Attorney	Franklin
Lynette Goodell	Assistant Claims Manager	Island
Joy Carossino	Alternate Director	Grays Harbor
Gary Stamper	Alternate Director	Lewis
Chris Horner	Deputy Prosecuting Attorney	Kittitas
Jennifer Silva	Budget Manager	Mason
Milene Henley	Auditor	San Juan
Arne Denny	Alternate Director	Skagit

Sharon DuBois	Alternate Director	Skagit
Robert Hamlin	Alternate Director	Skamania
Debra Van Camp	Alternate Director	Skamania
Katie Gerard (Thursday Only)	HR Director	Thurston
Shelly Peters	Alternate Director	Walla Walla
Jeffrey Sawyer	Alternate Director	Whatcom
Thad Duvall	Alternate Director	Douglas
Joseph Brusica (Thursday Only)	Director	Yakima
Liz Miser	Area Vice President	AJGRMS
John Chino	Area Senior Vice President	AJGRMS
Kevin Wick (Thursday only)	Managing Director	PricewaterhouseCoopers
Craig Scukas (Thursday only)	Director	PricewaterhouseCoopers
Derek Bryan	Executive Director	WCRP Staff
Susan Looker	Claims Manager	WCRP Staff
Sue Colbo	Accounting Officer	WCRP Staff
Jill Lowe	Loss Control Coordinator	WCRP Staff
Hanna Braennstroem	Member Programs Spec.	WCRP Staff

\* Denotes Executive Committee Member

**CALL TO ORDER / WELCOME:** WCRP President Goehner called the Board of Directors' Meeting to order Thursday, December 1, at 2:04 pm. He welcomed all in attendance. Around the room introductions took place. President Goehner confirmed a quorum.

**AGENDA:** President Goehner announced an amendment to the agenda, switching Item 8, Board Selection of Broker and Actuary, with Item 10, Finance Committee Update.

Lisa Young moved to accept the agenda as amended, Thad Duvall seconded; the motion passed.

**MINUTES:** Jill Johnson moved to approve the minutes of the July 21-22, 2016, Board of Directors Meeting, Tammy Devlin seconded; the motion passed.

**EXECUTIVE COMMITTEE REPORT:** Vice President Goehner noted the minutes from the September 27, 2016, meeting are available and the Committee has made some recommendations at their November 18 and 28<sup>th</sup> meetings that will be discussed during the Board meeting.

**QUARTERLY AND YEAR-END FINANCIAL REPORT:** Accounting Officer Colbo reviewed the 4<sup>th</sup> Quarter and Year End FY2016 Financials, including the Statement of Revenues and Expenses, the Pool's Net Position and Year-To-Date Expenditures.

Steve Bartel moved to accept the 4<sup>th</sup> Quarter and Year-End Financials as presented, Lisa Young seconded; the motion passed.

**INDEPENDENT ACTUARY REPORT:** Kevin Wick and Craig Scukas with PricewaterhouseCoopers presented the Year-End Reserve Study, noting \$13.7 million in net reserves, of which \$9.3 million is in the SIR layer and Allocated Loss Adjustment Expense (ALAE), \$9.3 million in corridor reserves, \$0.1 million in quota share excess reserves, and \$1.1 million in Unallocated Loss Adjustment Reserves (ULAE).

Tammy Devlin moved to accept the PricewaterhouseCoopers Actuarial Reserve Review report as of September 30, 2016, Lisa Young seconded; the motion passed.

**BROKER/PRODUCER REPORT:** Liz Miser and John Chino of Arthur J. Gallagher gave the Board an overview of marketing activities to be completed in the coming renewal, along with added services available through AJG. Mr. Chino presented to the Board on continued research and analysis of a stand-alone terrorism coverage which may be a beneficial option for the Pool to consider.

**CLAIMS REPORT:** Claims Manager Looker provided the Board with an update on activities of the WCRP Claims Department, to include a look at opened and closed claims for the prior year, current adjuster caseloads and an overview of the outcome of a few significant cases that had been pending, to conclude the recent resolution of the Clark County matter.

**PERSONNEL COMMITTEE REPORT:** Personnel Committee Chair Lisa Young provided an overview of the Personnel Committee's recommendation that the WCRP Board approve the proposed health benefits option for WCRP employees for calendar year 2017. Mr. Bryan then provided a more detailed overview of the option proposed, to include the impact of the proposal on the WCRP and on the staff. Ms. Young informed the Board that the WCRP Executive Committee passed a recommendation for Board approval at their November 18, 2016, meeting.

Paulette Young moved and Dawn Twiddy seconded that the WCRP Board of Directors approve the proposed health plan option for WCRP employees for calendar year 2017; The motion passed.

**President Goehner recessed the meeting at 3:45 pm until Friday, December 2, at 8:30 am.**

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**CALL TO ORDER / WELCOME:** WCRP President Keith Goehner reconvened the 2017 Fall Board of Directors Meeting on Friday, December 2, 2016, at 8:30 am. He welcomed all in attendance and confirmed a quorum. Around the room introductions took place.

**FINANCE COMMITTEE REPORT:** Committee Chair Thad Duvall provided the Board with an overview on activities of the Finance Committee, to include recent discussion relative to WCRP vehicles, per diem calculations and the WCRP Travel Policy. The Committee will be discussing updates to the Travel Policy in future meetings.

**SELECTION OF BROKER AND ACTUARY:** Executive Director Bryan provided the Board with an overview of the RFP process for the selection of actuarial services. The RFP was published on October 27, 2015 with a deadline to receive proposals of November 15, 2016. Proposals were received from four firms and evaluations were completed by the three-member staff selection team. The Board was provided with an overview of the proposals and the total scoring for each firm/proposal, with PricewaterhouseCoopers receiving the highest overall scores

At their November 28, 2016, meeting, the WCRP Executive Committee made a recommendation that the WCRP Board of Directors select PricewaterhouseCoopers to perform the WCRP's independent actuarial services for a three-year term, beginning January 1, 2017 and ending December 31, 2019.

Bob Koch moved and Jill Johnson seconded to select PricewaterhouseCoopers to perform the WCRP's independent actuarial services for a three-year term beginning January 1, 2017, and ending December 31, 2019. The motion passed.

Executive Director Bryan then provided the Board with an overview of the RFP process for the selection of broker services. The RFP was published on October 27, 2015 with a deadline to receive proposals of November 15, 2016. Proposals were received from three firms. A three-member staff selection team, along with members from the Executive Committee participated in interviews of candidates, which occurred on November 21<sup>st</sup> and 22<sup>nd</sup>. Evaluation forms were completed by those who participated in the interviews. The Board was provided with an overview of the proposals and the total scoring for each firm/proposal, with Arthur J. Gallagher & Associates receiving the highest overall scores.

At their November 28, 2016, meeting, the WCRP Executive Committee made a recommendation that the WCRP Board of Directors select Arthur J. Gallagher & Associates to perform the WCRP's independent broker services for a two-year term, beginning January 1, 2017 and ending December 31, 2018.

Tammy Devlin moved and Lisa Young seconded to select Arthur J. Gallagher to perform the WCRP's independent broker services for a two-year term beginning January 1, 2017, and ending December 31, 2018. The motion passed.

**INVESTMENT COMMITTEE REPORT:** Chair Woods reviewed the most recent Investment Activities Worksheet, noting the average returns for the LGIP, SCIP and Chandler investments have increased slightly, and overall average returns since inception are 1.10%, compared to the benchmark return of 0.86%.

Chair Woods reported the Committee met the previous day where it was discussed that U.S. domestic bond yields had risen over the past few months and that the Federal Open Market Committee will likely increase the federal funds rate in December, and likely a few more times in 2017.

**UNDERWRITING COMMITTEE REPORT:** Chair Bartel reported on recent activities of the WCRP Underwriting Committee, to include discussions relative to evaluating the assessment formulas for member assessments, an evaluation which should be completed every few years. The Underwriting Committee met on December 1 and discussed with PwC some of the parameters of the analysis, to include the criteria to be used for rating, the thresholds for underwriting adjustment factor and caps on losses. The Committee will be meeting again prior to the WCRP 2017 Spring Conference & Board Meeting where PwC will report on its analysis and determine if the Committee will feel ready to make recommendations.

**RISK MANAGEMENT COMMITTEE REPORT:** Committee Chair Rich Sill informed the Board that he has taken over as chair of the Committee since the former chair's resignation from employment with his respective county. Mr. Sill let the Board know that the Committee met in the afternoon on December 1 and discussion took place about moving forward with a new targeted risk management program, which will largely be based on data analysis the Pool staff hopes to perform and provide to the Committee.

**LOSS CONTROL REPORT:** Loss Control Coordinator Lowe provided the Board with an update on Loss Control activities of the WCRP, to include an update on the new method for assisting members with the cost of the Lexipol Program, an update on on-site member visits taking place, and the recognition of several member risk managers and claims administrators who have received basic and advanced certifications.

**EXECUTIVE DIRECTOR REPORT:** Mr. Bryan provided a report on administrative activities of the WCRP, to include the status on recruitments for open positions and work to be done for the coming year. Mr.

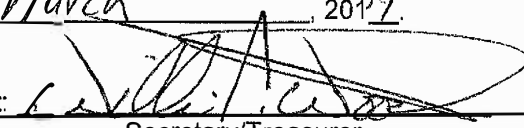
Bryan again introduced the new WCRP Member Programs Specialist, Hanna Braennstroem to the Board and is excited for Hanna to begin working on the training, scholarship programs, among other member programs the WCRP does and will offer.

**UPCOMING MEETINGS AND CONFERENCES:** President Goehner referred the Board to the overview of the upcoming Executive Committee meetings, WCRP Conferences and Board of Directors meetings, as well as of national conferences.

**ADJOURNMENT:** With no further business to conduct, Lisa Young moved and Donnie LaPlante seconded to adjourn the meeting. President Goehner adjourned the meeting at 9:37 am.

MINUTES APPROVED this 23<sup>rd</sup> day of March, 2017.

  
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President

Attest:   
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Secretary/Treasurer