

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

Thursday-Friday, July 19-20, 2018
Yakima, WA

Board Members in Attendance

Name	Appointment	Day 1	Day 2	County
Amalia Perez	Director	X	X	Adams
Paul Schut	Director	X	X	Benton
Keith Goehner	Director	X	X	Chelan
Tom Reyes	Alternate Director	X	X	Clallam
Mike Talbott	Director	X	X	Columbia
Clyde Carpenter	Director	X	X	Cowlitz
Steve Clem *	Director	X	X	Douglas
Robert Koch *	Director	X	X	Franklin
Robert Johnson	Alternate Director	X	X	Garfield
Vickie Raines *	Director	X	X	Grays Harbor
Jill Johnson *	Director	X	X	Island
Philip Hunsucker	Alternate Director	X	X	Jefferson
Lisa Young *	Director	X	X	Kittitas
Wayne Whiton	Alternate Director	X	X	Lewis
Randy Neatherlin	Director	X	X	Mason
Tanya Craig	Director	X	X	Okanogan
Kathy Spoor	Director	X	X	Pacific
<i>Not Represented</i>				Pend Oreille
Mike Thomas *	Director	X	X	San Juan
Donnie LaPlante	Alternate Director	X	X	Skagit
Adam Kick	Director	X	X	Skamania
Steve Bartel *	Director	X	X	Spokane
Tammy Devlin *	Alternate Director	X	X	Thurston
Jesse Nolte	Director	X	X	Walla Walla
Karen Goens *	Director	X	X	Whatcom
Joe Brusic	Director	X	X	Yakima

* Denotes Executive Committee Member

Others in Attendance

Name	Designation/Title	Day 1	Day 2	County/Organization
Patricia Phillips	Risk Manager	X	X	Adams
David Alvarez *	Civil DPA	X	<i>Arrived 9:15</i>	Clallam
Tammy Sullenger	HR Analyst	X	X	Clallam
Ronda Hollis	Risk Manager	X	X	Cowlitz
Jordyn Giulio	Public Records Officer	X	X	Douglas
Jennifer Johnson	Chief Civil DPA/Risk Manager	X	X	Franklin
Shawn Sant	Prosecutor	X	X	Franklin
Joy Carossino	Safety & Claims	X	X	Grays Harbor
Elaine Marlow	Budget Director	X	X	Island
Dalton Pence	Chief Civil DPA	X	X	Island
Bobby Jackson	Risk & Safety Administrator	X	X	Lewis
Nichole Wilston	Risk & Safety Compliance	X	X	Mason
Dawn Twiddy	HR Director	X	X	Mason
Chris Branch	Commissioner	X	X	Okanogan
James Wolf	HR & Risk Manager	X	X	San Juan

Name	Designation/Title	Day 1	Day 2	County/Organization
Jessica Neill Hoyson	Director HR/Risk	X	X	Skagit
Debra Van Camp	HR Director	<i>Left at 3:50pm</i>		Skamania
Carol Rehnberg	Risk Analyst	X	X	Thurston
Shelly Peters	HR/Risk Manager	X	X	Walla Walla
George Roche	Civil DPA	X	X	Whatcom
Cindy Erwin	Paralegal	X	X	Yakima
Liz Miser	Broker	X	X	AJGRMS
Vicki Alridge	Sr Client Services Manager	X	X	AJGRMS
Darin Puryear	Area President	<i>Arrived 3:30pm</i>		AJGRMS
Julie Hughes	Sr VP & Portfolio Strategist		<i>Left at 9:05am</i>	CAMS
Scott Prickett	Exec VP & Portfolio Strategist		<i>Left at 9:05am</i>	CAMS
Craig Scukas	Client Services Manager	X	X	PwC
Derek Bryan	Executive Director	X	X	WCRP Staff
Susan Looker	Claims Manager	X	X	WCRP Staff
Sue Colbo	Accounting Officer	X	X	WCRP Staff
Jill Lowe	Loss Control Coordinator	X	X	WCRP Staff
Hanna Braennstroem	Member Programs Specialist	X	X	WCRP Staff
Erin Konrady	Admin & Accounting Specialist	X	X	WCRP Staff
Holly Nelson	Senior Claims Analyst	X	X	WCRP Staff
Lisa McMeeKin	Claims Analyst	X	X	WCRP Staff
Cort Campbell	Claims Representative	X	X	WCRP Staff
Sally King	Claims Assistant	X	X	WCRP Staff

* Denotes Executive Committee Member

DAY ONE

CALL TO ORDER / WELCOME: WCRP President, Tammy Devlin, called the Board of Directors' Meeting to order Thursday, July 19, at 2:02pm. She welcomed all in attendance and confirmed a quorum. Around the room introductions took place.

AGENDA: President Devlin recommended an amendment to the agenda, by moving the Finance Committee Report to follow the Broker and Actuary Reports.

Vickie Raines moved to accept the agenda as amended, Lisa Young seconded; the motion passed.

MINUTES: Jill Johnson moved to approve the minutes of the March 28-29, 2018, Board of Directors' Meeting. Steve Bartel seconded; the motion passed.

EXECUTIVE COMMITTEE REPORT: President Devlin reported on noteworthy activities of the Executive Committee, to include an overview of the Executive Committee meetings held June 15, 2018, and July 10, 2018. President Devlin informed the Board that an internal investigation will be taking place within the WCRP office to objectively identify any discord and help ease the growing pains of the organizational changes. President Devlin continued by informing the Board that the annual Executive Director evaluation is anticipated to be conducted after the Summer conference and will be presented at the Fall 2018 Board meeting. The employment contract is for a two-year period which commenced January 1, 2018, and therefore contract renewal will not need to be discussed this year. President Devlin concluded with a brief overview of nominee recommendations for the election taking place later in the agenda.

EXECUTIVE DIRECTOR REPORT: WCRP Executive Director, Derek Bryan, provided the Board with an update on administrative activities of the Pool, to include a recruitment update for the vacant Senior Claims Analyst position, which is still open and posted. Mr. Bryan continued by discussing the existing contract with Computer Sciences Corporation (CSC), the supplier of the RiskMaster claims system, which expires on October 31, 2018. The WCRP intends on establishing a committee to participate in publishing an RFP for Risk Management Information Systems (RMIS) to include both CSC's products, as well as other products available, and an extension of the existing contract will be required to allow time for this process. At their June 15, 2018, meeting, the WCRP Executive Committee made a recommendation that the Board of Directors authorize the Executive Director to enter into a contract with CSC for up to 2 years.

Mr. Bryan then provided the Board with an overview of the current contract terms with the contracted broker, Arthur J. Gallagher, which will expire on December 31, 2018. The current contract requires the WCRP to notify Gallagher by October 1, 2018, if the WCRP wishes to renew the contract for January 1, 2019.

At their July 10, 2018, meeting, the WCRP Executive Committee made a recommendation that the Board of Directors authorize the Executive Director to extend the existing contract with Arthur J. Gallagher Risk Management Services, Inc., for up to 3 years.

Vickie Raines moved to authorize the WCRP Executive Director to enter into a contract with Computer Sciences Corporation for a period of up to 2 years, as well as enter into a contract with Arthur J. Gallagher Risk Management Services, Inc., for a period of up to 3 years. Jill Johnson seconded; the motion passed.

BROKER/PRODUCER Presentation: Liz Miser of Arthur J. Gallagher presented the Board with the quotes and proposals received on the marketing of the reinsurance and excess insurance program, as well as on the Cyber and Terrorism insurance programs. The Executive Committee's recommendation is to select a \$1 million Self-Insured Retention (SIR) and utilize fund balance for rate stabilization. Discussion took place.

Steve Bartel moved to select a Self-Insured Retention of \$1,000,000 with a \$2.5 million corridor for Fiscal Year 2018-19. Mr. Bartel further moved to select Brit for the \$1 million excess of \$1 million layer, Chubb for the \$3 million excess of \$2 million layer, Brit at 50% and Old Republic at 50% for the \$5 million excess of \$5 million layer, Old Republic at 50% and Allied World Assurance Company at 50% for the \$10 million excess of \$10 million layer, and to obtain the best pricing for the optional \$5 million excess of \$20 million layer, the Cyber Liability Policy, and the Terrorism policies. Vickie Raines seconded; the motion passed.

INDEPENDENT ACTUARY REPORT: Craig Scukas, with PricewaterhouseCoopers provided the Board with the rating and assessment analysis for the upcoming Fiscal Year 2019, to include an update on the current Target Funding Range. Mr. Scukas also provided an overview of the expiring 2017-18 overall cost at each layer, as well as three options noted for the proposed overall cost for 2018-19.

Option #1 included a \$2M Self-Insured Retention, Option #2 included a \$1M Self-Insured Retention with a \$2.5M corridor, and Option #3 includes a \$1M Self-Insured Retention with a \$2.5M corridor and using approximately \$1,000,000 from the Pool's Fund Balance to reduce the overall increase. At their July 10, 2018, meeting, the Executive Committee made a recommendation of selecting a \$1 million Self-Insured Retention (SIR) with a \$2.5M corridor and utilizing fund balance for rate stabilization. Discussion took place.

Jill Johnson moved to select an overall base rate increase of 24.7%, without utilizing funds from fund balance to offset the increase. Vickie Raines seconded. President Devlin called for a vote. The motion failed.

Jill Johnson moved to select an overall base rate increase of 19.3%, with any remaining program costs to be drawn from fund balance. Steve Bartel seconded; President Devlin called for a vote. The motion passed.

President Devlin recessed the meeting at 4:48pm until July 20, 2018 at 8:30am.

DAY TWO

CALL TO ORDER / WELCOME: WCRP President, Tammy Devlin, reconvened the 2018 Summer Board of Directors Meeting on Friday, July 20, 2018, at 8:32am. She welcomed all in attendance and confirmed a quorum.

FINANCE COMMITTEE REPORT: Committee Member, Karen Goens, reported on the activities of the Finance Committee, to include an overview of their June 7, 2018 meeting. Karen detailed that the committee analyzed member deductibles to consider whether the Pool should increase its minimum deductible and found that those with small deductibles are not having significant enough claims, both in frequency and in severity, to warrant a mandatory change. Karen then provided details about a change to the proposed 2018-19 budget that had been recommended to the Executive committee for recommendation to the Board.

The Executive Committee met and discussed the budget at their June 15, 2018, meeting and they were divided on the addition of the line item for independent adjusting costs to be paid out of the administrative budget, rather than out of individual claims. The Board was asked to discuss this and approve the 2018-19 budget with either including or excluding this additional line item. Discussion took place.

Keith Goehner moved to approve the budget as presented, including the independent adjusting line item in the administrative budget. Vickie Raines seconded; the motion passed with Steve Clem, Steve Bartel and Kathy Spoor opposed.

EXECUTIVE COMMITTEE AND OFFICER ELECTIONS: President Devlin announced that the Executive Committee terms for Lisa Young, Steve Clem, and Robert Koch will expire 09/30/2018. President Devlin announced that Drew Woods resigned from the Executive Committee on April 30, 2018, so an appointment will be needed by the Board to fill this now vacant term, expiring 09/30/2019. The nominating Committee recommended appointing Dawn Twiddy (Mason County) to the vacant position, and forwarded Lisa Young (Kittitas County), Gary Stamper (Lewis County), and Joe Brusica (Yakima County) as nominees for the expiring terms. President Devlin called for nominations from the floor for the recently vacated position. No floor nominations were presented.

Vickie Raines moved to appoint Dawn Twiddy to the vacated position on the WCRP Executive Committee, effective immediately and through September 30, 2019. Jill Johnson seconded; the motion passed.

President Devlin called for nominations from the floor for the three expiring positions. No floor nominations were presented.

Karen Goens moved to affirm Lisa Young, Gary Stamper, and Joe Brusica for the expiring terms, with terms from 10/01/2018 – 09/30/2021. Mike Talbot seconded; the motion passed.

The Nominating Committee forwarded Mike Thomas for the position of Vice President/President-Elect (2-year term 10/01/2018 – 09/30/2020) and forwarded Vickie Raines for the position of Secretary/Treasurer (1-year term 10/01/2018 – 09/30/2019). President Devlin called for nominations from the floor for the expiring Officer positions. No floor nominations were presented.

Lisa Young moved to affirm Mike Thomas as Vice-President and Vickie Raines to position of Secretary/Treasurer without an election. Jill Johnson seconded; the motion passed.

QUARTERLY FINANCIAL REPORT: Accounting Officer Colbo reported on the 3rd Quarter FY2018, as well as the results from the Annual State Audit for FY2017. The Board was provided with a document identifying a favorable audit with only two minor exit items and staffs' responses to those.

Mike Thomas moved, and Lisa Young seconded to approve the FY2018 3rd Quarter financials and Budget Worksheet as presented. The motion passed.

INVESTMENT COMMITTEE REPORT: Committee Chair, Mike Thomas, provided a report from the Investment Committee, to include an overview of the meeting that took place earlier that morning.

INDEPENDENT INVESTMENT ADVISOR REPORT: Julie Hughes and Scott Prickett, of Chandler Asset Management, presented the Board with the investment report as of June 30, 2018, including an Economic Update and Account Profile review.

CLAIMS REPORT: WCRP Claims Manager, Susan Looker, provided the Board with an update on current claims activities.

UNDERWRITING COMMITTEE REPORT: Committee Chair, Adam Kick, reported on the activities of the Underwriting Committee, to include the proposed changes to the WCRP Underwriting Policy, WCRP Claims Handling Policies & Procedures, and the Memorandum of Liability Coverage. Adam provided that the Underwriting Committee met on May 18, 2018 and made recommendations to the Executive Committee for changes to the Underwriting Policy, Claims Handling Policy, and Memorandum of Liability Coverage. On June 15, 2018, the Executive Committee met and reviewed these documents, which were presented with a recommendation for the Board of Directors' to review and approve the proposed changes. Discussion took place.

Mike Thomas moved to approve the proposed changes to the WCRP Underwriting Policy, the WCRP Claims Handling Policies & Procedures, and the 2018-19 Memorandum of Liability Coverage (MLC). Vickie Raines seconded. Discussion took place.

Vickie Raines offered an amendment to section K of the Claims Handling Policy that details defense counsel travel to include a comma after the "50% of the agreed hourly rate" to better distinguish between the 50% portion from the per mile reimbursement. Lisa Young recommended an amendment to remove "and" after the recommended comma and replace with "in addition to" for further clarification.

President Devlin asked Mike Thomas if he was in agreement with the friendly amendment(s) and he indicated that he was. President Devlin called for a vote. The motion passed with 13 yays and 10 nays.

RISK MANAGEMENT COMMITTEE REPORT: WCRP Loss Control Coordinator, Jill Lowe, provided the Board with an update on activities of the WCRP Risk Management Committee, to include a re-cap of the Committee meeting of May 16, 2018. The Board was provided with the recently requested data analysis, which consists of loss trends over the Pool's SIR and/or member deductibles, along with identifying claim trends from specific departments. Jill provided that at their June 15 meeting, the Executive Committee tasked the Risk Management Committee with an additional review of the WCRP Risk Management Policy, and the WCRP Membership Compact. At the Fall Conference, the Board will be presented with proposed changes to the WCRP Risk Management Policy and Risk Management Certification Requirements. The Board was asked to approve the 2019-20 Targeted Risk Management program, which would be a continuation of the 2017-18 program.

Lisa Young moved to accept the Risk Management and Executive Committee's recommendations for continuation of the current Targeted Risk Management Program. Karen Goens seconded; the motion passed.

LOSS CONTROL REPORT: WCRP Loss Control Coordinator, Jill Lowe, provided the Board with an update on Loss Control activities of the WCRP, to include a report on Loss Control visits.

MEMBER PROGRAMS REPORT: WCRP Member Programs Specialist, Hanna Braennstroem, provided the Board with an update on Member Programs activities, to include training, scholarships and other member services programs.

GAVEL EXCHANGE AND WELCOME INCOMING PRESIDENT: President Devlin provided that the 2018-19 assessment invoices will be sent for October 1, 2018 with the previous year's assessment amount due, and the remaining assessment balance will be due May 1, 2019. President Delvin addressed the WCRP Board of Directors for the final time during her 2017-18 term as WCRP President. President Devlin officially passed the gavel to the Vice-President, President-Elect, Steve Bartel, who addressed the group.

STANDING COMMITTEE ASSIGNMENTS: President-elect, Steve Bartel, addressed the WCRP Board of Directors. He requested that member directors, alternates, and others consider serving on standing committees for the 2018-19 Fiscal Year. There are also several vacancies on the WCRP Investment Committee. Tanya Craig (Okanogan County) and Cindy Erwin (Yakima County) both volunteered to serve on the Investment Committee.

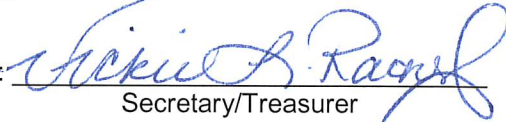
UPCOMING MEETINGS AND CONFERENCES: President Devlin referred the Board to the overview of the upcoming Executive Committee meetings, WCRP Conferences and Board of Directors' meetings, as well as national conferences.

ADJOURNMENT: With no further business to conduct, President Devlin adjourned the meeting at 10:45am.

MINUTES APPROVED this 30th day of NOVEMBER, 2018.



President

Attest: 

Secretary/Treasurer