



# County Connection

News from the Washington Counties Risk Pool

November / December 2014



**David Goldsmith**, Member Specialty Services

## ***2014 Ended on a High Note***

*Happy  
Holidays*



The Washington Counties Risk Pool ended its year on a high note on most fronts. Through the concerted effort of its member counties, Board of Directors and staff, the Pool has maintained its financial position, making it one of the best run and well positioned pools in the state, a position not unnoticed by the commercial insurance marketplace

This year Cyber Risk and Security coverage was added to further protect the membership. This joint purchase of commercial insurance creates a line of defense and resolution in the event of a cyber-breach.

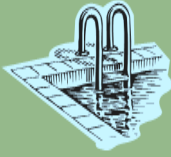
The most significant event this year was Clark County's breach of the Interlocal Agreement and Joint Self Insurance Liability Policy. Central to the issue was the assertion that the WCRP specifically and pooling in general is merely a front for commercial insurance and, as such, should be subject to insurance law. Our defense team was able to show the trial court that the shared risk created by pooling is indeed unique and not found in the traditional insuring environment; and that the specifics in the case emanated from a breach of contract.

While the WCRP weathered the initial storm, the Court approved a motion certifying the issue for discretionary (appellate) review. It would be premature to consider the matter resolved. And there is nothing to say that we won't be faced with a similar allegation in the future. To this end, the Pool and staff will speak of joint self-insurance rather than insurance, emphasizing that while reinsurance is purchased, it is an instrument of financial risk transfer by and for the Pool that protects the entire membership by reducing the potential of contingent liabilities, not a component of the insurance coverage for any one member county. This is a subtle but important difference.

As we move into 2015, you should be proud of how this organization came together under some very difficult circumstances, providing Clark County with every opportunity to remain a member of the WCRP, and in the end upheld the integrity of the Pool's formation agreement. You should be proud of the past ten years and the efforts to place the Pool in its strong financial position. And as we look toward 2015 and the eventual transition of the Pool's Executive Director, the same strength of organization will be the rock from which the new administration will emerge.

All of us here at the Pool's headquarters thank you for another great year. We look forward to serving you in 2015 and we wish each of you and yours the very best this Holiday Season and the coming New Year.





# POOLSIDE

with Executive Director *Vyrle Hill*

This column is intended to communicate a few of the Pool's administrative tidbits. Yet this edition also coincides with my tenth anniversary being chosen by the Board of Directors to first co-manage the administer the Pool, so this edition of PoolSide includes several comparisons with the prior era. We strongly encourage you to take time to read these newsletters entirely for many other worthy Pool happenings.

**Operational:** Some of the Pool's success over its more than 26-year existence likely stems from the combined efforts of its dedicated staff as well as its Board-retained professionals – actuaries, claims auditors, producers (brokers), and commercial insurers. Yet the member counties' elected and appointed officials and employees serving as Directors and Alternate Directors and as Pool officers and committee chairs/members surely have contributed to the Pool's success. That is the attribute that sets the Washington Counties Risk Pool apart from other pools across the state, nationally and even internationally. Regardless, all involved with the Pool's operations can and should be quite proud of its accomplishments and successes.

After losing a county this past year, the Pool's membership consists of 26 of Washington's 39 counties. There were 28 member counties ten years ago. And while several of the members' appointees exited or are exiting the Pool's family this year, which is more fully communicated elsewhere in this newsletter, only 8 of the Board's 66 directors and alternate directors were serving and have continued to serve throughout the past ten years.

The Pool's insuring programs were recently expanded with the addition of joint-purchased cyber risk/ security coverage. Also provided are jointly-purchased property and joint self-insurance for 3<sup>rd</sup>-party liabilities coverages. These protections are supplemented by the numerous trainings and loss control services provided by or via the Pool.

**Financial:** The Board's independent actuary recently completed its yearend Reserving Review, so we have commenced finalization of the Fiscal Year 2014 financial statements for submission to and audit by the State Auditor's Office. When finalized, the Pool's financial statements will most certainly prove that it ended FY-2014, as it has ended the past several fiscal years, "with the strongest financial position ever". For example, from the compilations completed thus far...

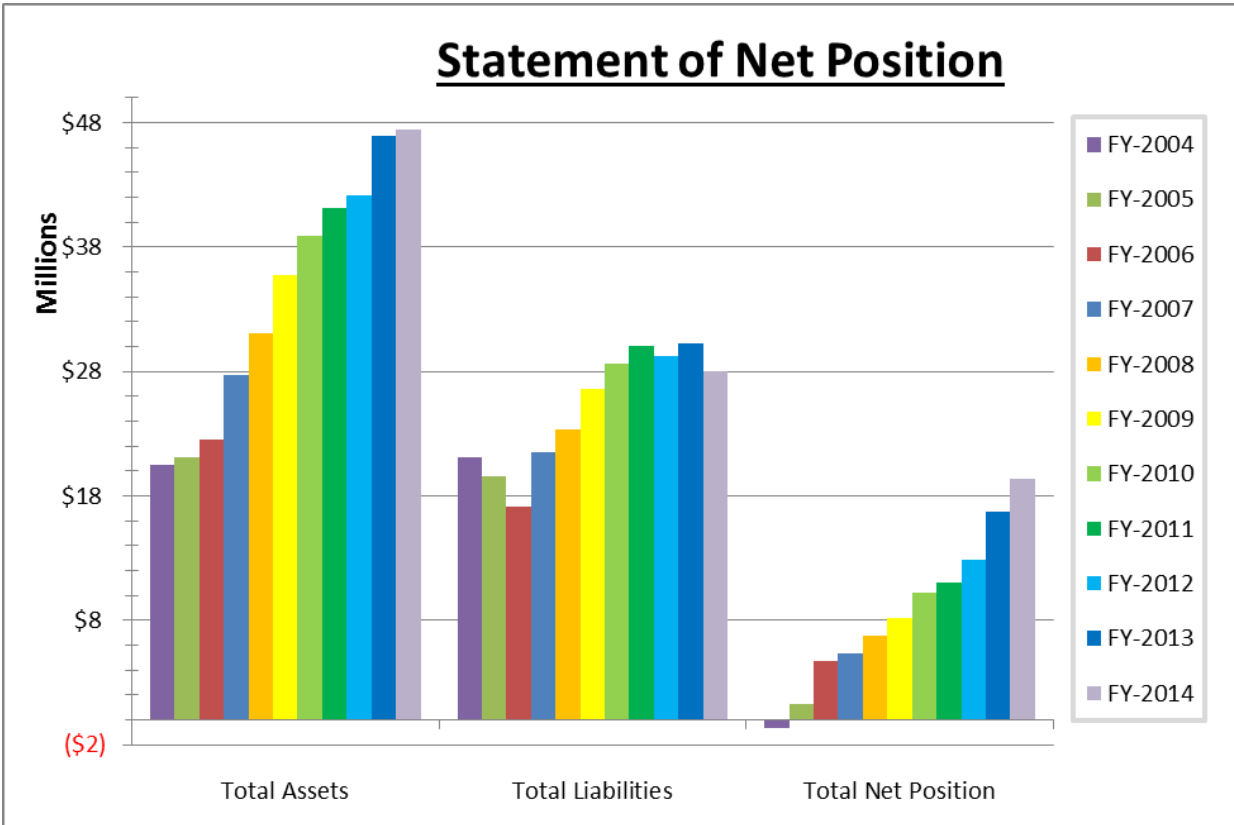
Operating Income of \$2.38 million was realized in Fiscal 2014. That is a 37% decrease from Fiscal 2013, but the 2014 amount is the third largest in recent years and 55% more than the annual average over the past ten years (2004 – 2013).

Total Assets only grew 1% (\$0.48 million) in Fiscal 2014 to \$47.41 million. Still, they have grown 130% since Fiscal 2004. Fiscal 2014's assets represent 169% of the year's liabilities. Fiscal 2004's assets on the other hand represented only 94% of that year's liabilities; however, if Fiscal 2004's members' reassessments receivables ("retroactive assessments") were excluded, the year's assets were only 74% of the year's liabilities.

Claims Reserves for the Pool's Joint Self-Insurance Liability Program as of September 30, 2014 were determined by the independent actuary. Net reserves were estimated at \$14.68 million, a very modest year-over-year increase of \$0.06 million, and include \$2.69 million for the Pool's Self-Insured Retention (SIR). The Fiscal 2004 SIR amount was \$11.35 million. Fiscal 2014's increased corridor layer estimates were nearly offset by its decreased primary layer estimates. Gross reserving estimates declined \$1.10 million in Fiscal 2014 to \$32.67 million with \$17.99 million ceded to applicable commercial insurers.

*Continued on next page*

Net Position (aka Net Assets or Members' Equity) grew another 16% (\$2.65 million) in Fiscal 2014 to \$19.37 million as of September 30, 2014. Fiscal 2004 ended "negative" \$0.69 million, so the Pool's Net Position improved more than \$20.06 million over the course of the past ten years. \$1.07 million of the Net Position is held in Capital Assets (net), which leaves \$18.30 million to satisfy both the State Risk Manager's solvency provisions (WAC 200.100.03001(3)) and section D.2 of the Pool's Underwriting Policy.



**Executive Director Contact:** Please feel free to provide feedback; knowing what our partner clients are thinking and experiencing helps to determine how we can better serve you. Direct your responses to Vyrle Hill – Executive Director, 2558 R.W. Johnson Road S.W., Suite 106, Tumwater, WA 98512-6103; OR phone: 360/292-4500 extension 101, 360/292-4495 direct, 360/292-4501 facsimile, or 360/480-2116 mobile.

*I would be remiss if I did not use this opportunity to express my sincere appreciation for being selected to serve as the Pool's executive director these past ten years. The selection alone was quite humbling, and the experience has been ever so rewarding. To the Pool's entire membership – its member counties and their numerous Pool-related appointees, the Board's independent consultants, the state's oversight officials, and especially its staff – my heartfelt thanks for entrusting me with the administration of this unique and special service organization. Holiday wishes to you all, and a promise that the Pool's administration and staff will continue to serve you during 2015 with the same commitment that we have the past ten years.*

## WCRP Officers/Executive Committee

Py 2015 President  
Andrew Woods, Columbia County  
Py 2015 Vice President  
Lisa Young, Kittitas County  
Py 2015 Secretary/Treasurer  
Keith Goehner, Chelan County  
Other Members  
Bryan Perry, Benton County  
Clyde Carpenter, Cowlitz County  
Thad Duvall, Douglas County  
Robert E. Koch, Franklin County  
David Alvarez, Jefferson County  
Lisa Ayers, Pacific County  
Steve Bartel, Spokane County  
Tammy Devlin, Thurston County

## Risk Pool Staff

### Administration

Vyrle Hill, Executive Director  
Sue Colbo, Accounting Officer  
Stacey Spears, Administrative Asst.  
Trish Todd, Office Assistant

### Claims

Susan Looker, Manager  
Mike Cook, Senior Analyst  
Joe Campeau, Senior Analyst  
Holly Fierro, Analyst  
Lisa McMeekin, Representative  
Jeri Woods, Assistant

### Member Services

David Goldsmith, Specialty Services  
Jill Lowe, Loss Control

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or if you have a story or photos to  
share, contact us:  
[stacey@wcrp.wa.gov](mailto:stacey@wcrp.wa.gov)

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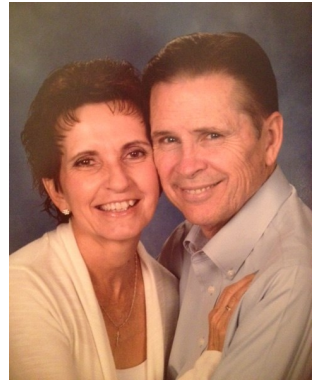
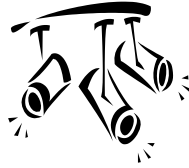


WASHINGTON  
COUNTIES  
RISK POOL

Created by Counties for Counties

[www.wcrp.info](http://www.wcrp.info)

## WCRP BOARD MEMBER SPOTLIGHT Featuring Rich Sill



*Official Work title:* Human Resources Director/Risk Manager

*Number of Years working for the County:* Nine

*What drew you to your current career?* The positive impact and interaction with employees that HR provides. There seems to be a natural connection between risk management and that of the investigations process. I also have a personal passion to volunteer in helping others in the navigation process of personal finance management. HR provides the opportunity for personal contact and growth in those areas that are of great interest to each of the employees.

I made a unique entry into the Human Resources field from that of law enforcement – specifically a career in Southern California policing and the fortunate ability to retire from there as a Chief of Police. We moved to the North Olympic Peninsula where I continued my secondary career instructing at the local college before being drafted into the position of county undersheriff in 2006. Working closely with HR in different organizations gave me a great respect for the work. I received the chance to intern for the HR Director position under Marge Upham and remain very grateful for that opportunity. Marge was also one of the Pool's founding charter members.

*Description of Family:* My wife Claudine (my best buddy) and I have been married almost 40 years and have been blessed with four great kids (two girls and two boys) who currently range in age from 25 to 33.

*How did you meet your wife?* We were working for two separate police organizations when our paths crossed, initially during a cooperative investigation.

*Where did you grow up?* We grew up in the East San Gabriel Valley and Pomona Valley in Southern California.

*Where do you live?* We live in the City of Sequim in Clallam County.

*What do you like to do when you aren't working for the county?* We enjoy serving the community in a number of ways through our community church and allied organizations.

*Have you taken any major trips during the last five years?* We attempt to do multi-state road trips while visiting our kids (Ohio, Texas, California...).

*Do you have pets or farm animals?* We have two certified therapy dogs which work at local care facilities and rehabilitation centers. We are now also new to raising and training "Guide Dogs for the Blind" puppies. Prior to moving to Washington we operated a small calf ranch in Chino California while also serving in law enforcement.

*Would you be willing to share an embarrassing moment?* Being humbled seems to follow me around, but I don't think it's contagious. Many of those moments occurred while working undercover narcotics and I think it's best to leave them in the dust bins of the police reports.

*What are you thankful for?* I am thankful for the ability to stay healthy and use that resource in serving others. Having made a number of trips into Mexico to either train police officials or build homes for those in need, I readily realize how blessed we are in the U.S. Thank You Risk Pool and Staff!!! You guys are the greatest!





**Jill Lowe**, *Loss Control Coordinator*



## TRAINING NEWS

### ***Protecting Your Organization from Computer Crime***

The Washington Counties Risk Pool has joined with three other Washington risk pools to bring Michael Bazzell to Burien on Wednesday, April 22, for a presentation you won't want to miss. Michael Bazzell spent 18 years as a law enforcement officer with the rank of Detective. During the majority of that time, he was assigned to the FBI's Cyber Crimes Task Force where he focused on "Hackers" and various computer crime investigations. As an active investigator for multiple organizations, he has been involved in numerous high-tech criminal investigations including online child solicitation, child abduction, kidnapping, cold-case homicide, terrorist threats, and high level computer intrusions. He has trained thousands of individuals employed by state and federal agencies, as well as the private sector, in the use of his investigative techniques. He has also taught several college courses including Ethical Hacking, Computer Forensics, and Computer Crime Investigation.

Mr. Bazzell's April 22 presentation will focus on recent trends of online fraud, computer intrusion, and ways that suspects steal valuable data from organizations. Details of how hackers commit their crimes and what organizations can do to protect assets will be discussed. Attendees will learn how password hacking, email phishing, wireless access, telephone scams, social engineering, and portable devices are emerging threats against every public entity. Throughout the presentation, his live 'hacking' is shocking, followed by detailed solutions on how to stop the threat.

Mr. Bazzell recently taught a much more in-depth, two day class at the Criminal Justice Training Commission in Burien. The class was geared toward law enforcement personnel and I attended the first day with the intent of staying for the first hour to get a sense of his presentation style. He offered practical, no nonsense cyber methods for combating crime. His information was so captivating, I ended up spending the full day. I learned how the bad guys commit cyber crime by hacking into personal accounts, and how law enforcement can use the same tools to solve crimes. I understand that this three hour workshop is equally informative.

Mr. Bazzell will give the same three hour presentation in the morning from 8:30 to 11:30 and again in the afternoon from 1:00 to 4:00. Registration instructions can be found on the flyer at the end of the newsletter. We look forward to seeing many of you at the presentation!

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### ***Email, Risk Liability and Retention***

Watch for an all-new flyer coming soon for the Email class. While the dates and locations remain unchanged, the class is being re-worked to better meet the needs of our member counties.

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Our classes and webinars do not have a registration fee for member counties' attendees! For more information or to register for a class, see the WCRP webpage at [www.wcrp.info](http://www.wcrp.info) and click on the Training tab. Class descriptions can be found under the More Information link. Registration is quick and easy, just click on the registration link and fill out a short form.



# COUNTY NEWS



Jessica with the Seahawks mascot, Blitz, at the Regional Cook-off which took place at Century Link Field in Seattle.

## ***Game Day Chef Challenge***

Jessica Neill Hoyson (Pool Director from Skagit County) recently competed in the Chevron Game Day Chef Challenge - and she was selected as the Regional Champion from Washington! Jessica will be competing in the Grand Finale Cook-Off on January 1, 2015, at the Rose Bowl Stadium in Pasadena, CA. Jessica's winning recipe is Cola Korean BBQ Wings with Umami Dipping Sauce. She will be competing against regional champions from Arizona, Oregon and California.

***Congratulations Jessica and good luck in the finale!***



# POOL NEWS

## ***Executive Director Search***

The Pool Board has commenced a Leadership Search to find the next Executive Director in order to prepare for Vyrle's eventual retirement. Confidence Consulting has been retained to assist with this recruitment. The Board has requested that all inquiries go through the consultant, Jeff Bills. For more information or to view the Position Specification, see the Pool's website at [www.wcrp.info](http://www.wcrp.info).

## ***Welcome Our New Staff Member***

WCRP is pleased to welcome Trish Todd as the new Office Assistant! Trish comes to us with several years of experience working for the State. She started her new position on November 17th and will generally work in the afternoons. When not at work, her two children keep her busy!



## ***Pool Directors and Alternate Directors***

AGRiP (The Association of Governmental Risk Pools) offers an on-line *Pooling Basics 2.0* class (consisting of nine modules) that was specifically designed for newer board members and pool staff to gain exposure to the intricate details of pooling. Based on an initial survey of interest, the Pool has signed up for one year of unlimited access for staff and board members. **Please contact Stacey ([stacey@wcrp.wa.gov](mailto:stacey@wcrp.wa.gov)) if you are interested in taking this course.** More information on the course can be found on the AGRiP website: <http://www.agrip.org/poolingbasics>



# POOL NEWS

**Changing Guard:** Several of the member counties' appointees, e.g. directors, alternate directors, etc. exited the Pool's family during the past year due to departures from their respective member counties. Several others are leaving the end of the year, or have already left, due to their decisions not to seek reelection or their unsuccessful reelection bids. We extend our sincere thanks to all for their Pool service/support and wish them the very, very best in their futures – we will miss them dearly! Departed or departing are:

Clerk of the Board Linda Reimer – represented Adams County as alternate director and both county claims administrator/risk manager for more than thirteen years (2000-14);

HR/Risk Manager Melina Wenner – represented Benton County as director and both county claims administrator/risk manager for more than twenty one years (1995-2014);

Chief Civil DPA Mark Nichols – represented Clallam County as alternate director (2013);

Clallam County Prosecuting Attorney Wayne Payne;

Risk Manager Mark Wilsdon – represented Clark County as director and both county claims administrator/risk manager for seven years (2007-14);

Director of General Services/County Administrator Mark McCauley – represented Clark County as alternate director for two years (2012-14);

Civil DPA Bernard Veljacic – represented Clark County as alternate director for one year (2013-14);

County Commissioner Tom Mielke – represented Clark County as alternate director (2014);

Cowlitz County Prosecuting Attorney Sue Baur;

Chief Civil DPA Ryan Verhulp – represented Franklin County as alternate director and both county claims administrator/risk manager for nearly seven years (2007-14);

County Commissioner Dean Burton (did not seek reelection) – represented Garfield County as director for eighteen years (1997-2014);

County Commissioner Herb Welch (did not seek reelection) – represented Grays Harbor County as director for more than two years (2012-14);

Grays Harbor Prosecuting Attorney Gerald Fuller (did not seek election);

County Commissioner Kelly Emerson – represented Island County as director (2013);

Jefferson County Prosecuting Attorney Scott Rosekrans;

County Commissioner F. Lee Grose (did not seek reelection) – represented Lewis County as director for eight years (2007-14);

Administrative Director Nanette Kallunki – represented Okanogan County as alternate director and both county claims administrator/risk manager for nearly five years (2009-14);

Chief Civil DPA Steve Bozarth – represented Okanogan County as alternate director for more than one year (2013-14);

Prosecuting Attorney David Burke – represented Pacific County as alternate director;

Pend Oreille County Prosecuting Attorney Thomas Metzger (did not seek reelection);

Spokane County Prosecuting Attorney Steve Tucker (did not seek reelection);

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Prosecuting Attorney James Hagarty (did not seek reelection) – represented Yakima County as director/alternate director and county risk manager for six years (2009-14). Mr. Hagarty earlier represented Klickitat County as director (1999-2000); and

WCRP staffers Tammy Cahill (Claims Analyst), Carli Easter (Claims Assistant), Debbie Larson (Office Assistant), Leslie Lubrano (Office Assistant/Claims Assistant), and Terry Sheerin (Sr. Claims Analyst).

***Yet departures create opportunities for replacement appointments and thus new relationships. Several contacts were added to the Pool's family via appointments of their respective counties during the past year, or will become contacts soon due to their successful election bids, that need to be acknowledged. Additions, or soon being added, are:***

Clerk of the Board Patricia Phillips – representing Adams County as alternate director and both county claims administrator/risk manager;

Civil DPA Ryan Lukson – representing Benton County as alternate director;

Clallam County elected Mark Nichols as Prosecuting Attorney;

Cowlitz County elected Ryan Jurvakainen as Prosecuting Attorney;

Civil DPA Timothy Dickerson – representing Franklin County as alternate director and both county claims administrator/risk manager;

Garfield County elected Justin Dixon as County Commissioner;

Grays Harbor County elected both Vickie Raines as County Commissioner and Katie Svoboda as Prosecuting Attorney;

County Commissioner Jill Johnson – representing Island County as director;

Jefferson County elected Michael Haas as Prosecuting Attorney;

Civil DPA Michael Nigrey – representing Kittitas County as county claims administrator;

Lewis County elected Gary Stamper as County Commissioner;

Clerk of the Board Julie Almanzor – representing Mason County as county claims administrator;

Deputy Clerk of the Board Tanya Craig – representing Okanogan County as alternate director and both county claims administrator/risk manager;

Pacific County elected Mark McClain as Prosecuting Attorney;

Pend Oreille County elected Dolly Hunt as Prosecuting Attorney;

Sr. HR/Risk Analyst Donnie LaPlante – representing Skagit County as alternate director;

Spokane County elected Larry Haskell as Prosecuting Attorney;

Yakima County elected Joe Brusica as Prosecuting Attorney; and

WCRP staffers Joe Campeau (Sr. Claims Analyst), Holly Fierro (Claims Analyst), Trish Todd (Office Assistant), and Jeri Woods (Claims Assistant).



***SAVE THE DATE!***

*Spring Conference and Board Meeting  
March 25-27, 2015, Semiahmoo Resort (Blaine, WA)*



# Michael Bazzell Presents

## *Protecting Your Organization from Computer Crime*

### April 22, 2015

8:30 am-11:30 am or 1:00 pm-4:00 pm

Hosted by: Criminal Justice Training Commission  
19010 1st Avenue South  
Burien, Washington 98148

Michael Bazzell is a full time law enforcement officer who is currently assigned to the FBI's Cyber Crimes Task Force.

Audience attendees will learn how password hacking, email phishing, wireless access, telephone scams, social engineering, and portable devices are an emerging threat against every business.



EARLY BIRD Registration Cost: \$100 per person  
Registration after 3/1/2015: \$150 per person  
*Payment is due no later than 4/22/2015*

*Members of Enduris, WCIA, WCRP  
and WSTIP are free*

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