

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

MINUTES

**8:30 a.m. Friday, July 26, 2002
WestCoast Grand Hotel, Spokane**

ATTENDANCE:

President – David Goldsmith, Jefferson County Administrator

Executive Committee –

Rose Elway, Grays Harbor County Dir, Mgmt Services, Budget, Insurance & Risk Mgmt

Vyrle L. Hill, Pacific County Administrative Officer

Leon Long, Spokane County Risk Manager

Steve M. Lowe, Franklin County Prosecuting Attorney

Marilyn Breckel, Skamania County Director of Administrative Services

Mike Shelton, Island County Commissioner

Si A. Stephens, San Juan County Auditor

Adams County – Linda Reimer, Clerk of the Board / Risk Management – Alternate

Benton County – Melina Wenner, Risk Manager – Director

Clallam County – Marge Upham – Director of Personnel & Risk Management – Director

Toni Gilbert, Safety/Training Specialist

Columbia County – Scott Smith, County Engineer – Alternate

Cowlitz County – Clyde W. Carpenter, Risk Manager – Director

Franklin County – Neva J. Corkrum, County Commissioner – Director

Garfield County – Dean Burton, County Commissioner – Director

Grays Harbor County – Mary Davis, Dep. Director of Insurance & Risk Management - Alternate

Island County – Betty Kemp, Director of General Services Administration – Alternate

Kitsap County – Mark Abernathy, Safety / Compliance Officer – Alternate

Lewis County – Dennis Hadaller, County Commissioner – Director

Harry B. Green, Risk Manager – Alternate

Mason County – Herb Baze, County Commissioner – Director

Ione Siegler, Director of Budget and Finance – Alternate

Okanogan County – Craig L. Vejraska, County Commissioner – Director

Spokane County – Tim Durkin, Senior Deputy Prosecuting Attorney – Alternate

Thurston County – Diane Oberquell, County Commissioner – Director

Tammy Devlin, Risk Manager – Alternate

Whatcom County – Randall J. Watts, Chief Civil Deputy Prosecuting Attorney – Director

Whitman County – Jerry Finch, County Commissioner – Director

State of Washington – John Nicholson, State Risk Manager

Underwriter – David Imbler, Branch Manager, C. V. Starr & Co.

Broker – Mike Croke, Senior Vice President, Willis Corroon Corporation of Seattle

Risk Pool Staff - John Crawford, Executive Director

Jay Winter, Programs Manager

Kitty Bottemiller, Programs Assistant

WELCOME and ROLL CALL: The meeting was called to order at 8:38 a.m. by President David Goldsmith who welcomed all in attendance and noted that a quorum was present. He asked that everyone around the table introduce him or herself.

The July 26th Board Annual Meeting follows after July 25th meetings of the Risk Management Committee, a joint meeting of the Finance and Executive Committee, and the Board Summer Workshop.

Chelan County Commissioner John Hunter had been present at the Board Workshop on July 25th, but was called back to the county because of an unwanted change in direction of a forest fire. New county representatives attending for the first time are Whitman County Commissioner Jerry Finch replacing Director Richard Brown, and Kitsap County Safety / Compliance Officer Mark Abernathy replacing Alternate Director William Nogle.

APPROVAL:

Minutes: Leon Long moved to approve the minutes of the March 29th Spring Meeting at SeaTac. The motion was seconded by Si Stephens and approved.

REPORTS, DISCUSSION AND ACTION:

Executive Committee: The minutes of the March 21st, April 18th, and June 19th Meetings and June 10th telephone conference of the Executive Committee were placed in the meeting packet.

Election of Executive Committee Members and Officers: Nominating Committee Chair David Goldsmith stated that the following had been nominated for the three open positions on the Executive Committee: Chelan County Commissioner John A. Hunter, Island County Commissioner Mike Shelton, San Juan County Auditor Si A. Stephens, and Okanogan County Commissioner Craig Vejraska. There were no nominations from the floor. Mr. Shelton, Mr. Stephens and Mr. Vejraska were elected to the three-year terms.

Chair David Goldsmith then put forth the nominations of Franklin County Prosecuting Attorney Steve M. Lowe as President and Spokane County Risk Manager Leon Long as Secretary / Treasurer for next year. Seeing no further nominations from the floor, Mike Shelton moved that the nominations be closed and a unanimous ballot cast for Mr. Lowe and Mr. Long. The motion was seconded by Craig Vejraska and approved.

David Goldsmith gave his President's Report about the Risk Pool's accomplishments this year. He recognized the special efforts by committee chairs Leon Long, Marilyn Breckel, Ron Zirkle and Vyrle Hill. He also thanked Steve Lowe for his work as Secretary/Treasurer.

John Crawford gave a ten-year basket to Betty Kemp and five-year pens to Dean Burton, Tim Durkin, and Leon Long for recognition of their service on the Board.

Programs Report: Jay Winter reported on the e-learning training. He also announced that we are on a fast track for changing over to new risk management information system software. He will coordinate training and start dates with member counties.

Claims Report: John Crawford gave a short claims report.

State Risk Manger's Report: John Nicholson gave a PowerPoint presentation about claims trends with municipal risk pools, and about changes in state risk management.

Finance Committee: Chair Vyrle Hill gave a report on Risk Pool finances.

Actuary Report: PricewaterhouseCoopers LLP Principal Consultant Kevin J. Wick gave a report on his "Actuarial Review of Loss Rates for Pool Year 2003" at the Board Workshop on July 25th. He projected a 4% overall decrease in the 2003 loss rate for the Pool's \$100,000 retention. Rose Elway moved to accept the report for filing. The motion was seconded by Leon Long and approved.

Mike Shelton moved to set the Risk Pool self-insured retention layer at \$100,000 limits per occurrence, to use the actuary recommended rates, and to set premiums at the "expected" confidence level. The motion was seconded by Craig Vejraska and approved. Mike Shelton also moved to offer member deductibles of \$10,000 / \$25,000 / \$50,000 / \$100,000 / \$250,000 and \$500,000. The motion was seconded by Diane Oberquell and approved. The Board then delegated to the Executive Committee the task of developing a methodology to fairly allocate general, program and claims administrative expenses among the members, regardless of the deductible election chosen.

Reinsurance: Mike Croke gave a report on the state of the insurance market at the Board Workshop on July 25th. C. V. Starr & Co. Branch Manager David Imbler had also reported on his company and spoke about its business strategies in the past year and in the future.

Si Stephens moved to purchase reinsurance from Swiss Re and AIG/Insurance Company of Pennsylvania as recommended by the broker, staff and the Executive Committee, to raise the Risk Pool basic limits to \$15 Million, and to offer an optional \$5 Million excess of \$15 Million layer. The motion was seconded by Mike Shelton and approved.

New Member: Mike Shelton moved to accept the admission of Clark County as of 12:01 a.m. on July 10th subject to approval of the Risk Pool Interlocal Agreement by its Board of County Commissioners. The motion was seconded by Rose Elway and approved.

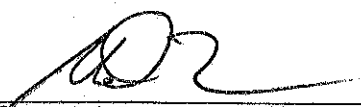
Budget and Premiums: Vyrle Hill moved to approve an administrative budget of \$934,752 that covers general, programs and claims administration. The motion was seconded by Mike Shelton and approved.

Mike Shelton moved to allow members the opportunity until the end of business on August 31st to change deductible elections and correct exposure information, to allow members to pay 105% of the present premium by September 30th, with the balance due by January 31, 2003 with no interest charges, and to charge 7% interest on unpaid amounts. The motion was seconded by Si Stephens and approved.

FUTURE BOARD MEETINGS: The Board set its Autumn Meeting to be in Vancouver on November 7th, the Spring Meeting in Pasco on April 17th, and the Summer Workshop and Annual Meeting in Spokane on Thursday and Friday, July 31st and August 1st.

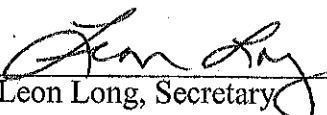
With no further business, the meeting was adjourned at 10:40 a.m.

MINUTES APPROVED: NOV / 7 / 2002



Steve M. Lowe, President

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Attest: 

Leon Long, Secretary