

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

Friday, March 27, 2009
Skamania Lodge, Stevenson, Washington

ATTENDANCE:

* denotes Executive Committeeperson

Adams County: Linda Reimer, Risk Manager – Alt. Director
Benton County: Melina Wenner, HR/Risk Manager - Director
Bryan Perry, Safety & Training Coordinator – Alt. Director
Chelan County: *Keith Goehner, Commissioner - Director
Clallam County: *Not represented*
Clark County: Mark Wilsdon, Risk Manager
Columbia County: Drew Woods, Public Works Director – Director
Cowlitz County: Clyde Carpenter, Risk Manager - Director
Douglas County: *Steve Clem, Prosecuting Attorney/Coroner – Director
Thad Duvall, Auditor – Alt. Director
Franklin County: Bob Koch, Commissioner - Director
Garfield County: Dean Burton, Commissioner - Director
Grays Harbor County: *Rose Elway, Management Services/Budget Director – Alt. Director
Anne Sullivan, Risk Manager/Emergency Services – Alt. Director
Island County: Angie Homola, Commissioner - Director
Betty Kemp, GSA Director – Alt. Director
Jefferson County: Philip Morley, County Administrator – Director *(at 8:45 am)*
Kitsap County: *Mark Abernathy, Risk Manager – Director / President
Ione George, Sr. Deputy Prosecuting Attorney – Alt. Director
Kittitas County: Lisa Young, Human Resources Manger/Safety Officer - Director
Lewis County: Harry Green, Risk Manager – Alt. Director
Mason County: Lynda Ring Erickson, Commissioner - Director
Ione Siegler, Budget & Finance Director – Alt. Director
Okanogan County: *Andrew Lampe, Commissioner - Director
Pacific County: Bryan Harrison, County Administrative Officer – Director
Pend Oreille County: Diane Wear, Commissioner - Director
San Juan County: Adina Cunningham, Deputy Director of County Administration – Alt. Director
Skagit County: Billie Kadrmas, HR/Risk Manager – Alt. Director
Skamania County: Jim Richardson, Commissioner – Director *(at 8:55 am)*
*Marilyn Butler, Risk Manager – Alt. Director
Spokane County: * Steve Bartel, Risk Management Supervisor – Director
Thurston County: *Tammy Devlin, Risk Manager – Alt. Director
Walla Walla County: *Jay Winter, Personnel / Risk Manager – Director, Secretary/Treasurer
Whatcom County: *Randy Watts, Chief Civil Deputy Prosecuting Attorney - Director
Yakima County: Larry Peterson, Senior Deputy Prosecuting Attorney – Director
Janet Kelly, HR/Program Analyst – Alt. Director

Broker Services: Liz Miser, Area Vice President – AJGRMS, Inc.

WCRP Staff: Vyrlle Hill, Executive Director
Jill Lowe, Loss Control Coordinator
Susan Looker, Claims Manager
Sue Colbo, Auditing/Accounting Officer
Claire Thompson, Claims Assistant

WELCOME & CALL TO ORDER: WCRP President Mark Abernathy called the 2009 Spring Board Meeting to order Friday, March 27, 2009 at 8:35 a.m. Introductions were conducted. All counties were represented except Clallam County.

AGENDA: President Abernathy asked, but no modifications to the preliminary agenda were requested. Keith Goehner moved for approval of the circulated agenda. The motion was seconded by Marilyn Butler and approved by voice vote.

MINUTES: President Abernathy asked for approval of the minutes of the fall meetings (Nov.6-7, 2008). Dean Burton moved for approval of the minutes as presented. The motion was seconded by Steve Bartel and approved by voice vote.

Keith Goehner noted for the record that he was actually in attendance at the Executive Committee Meeting held February 5, 2009, and did not teleconference.

FINANCIAL REPORTS: Executive Director Vyrle Hill reported that the SAO submission from the Pool for Py2008 operations was included in the board materials. He noted the field audit was scheduled to commence March 30, 2009. Each county will receive a copy of the audit when completed.

Mr. Hill reviewed the financial statements for the first quarter of Py2009 that were included in the board materials. He noted that assets have increased in part due to the "corridor" program. He then noted that Net Assets (Members' Equity) had grown to nearly \$7 million and the Assets to Liability Ratio computed for the State Risk Manager had increased to 2.03. Finally, he noted the growth in Net Assets reflects the desire of the Board to increase the Pool's confidence level to a 98% average level, and that the Pool might have realized that level this year but for the decrease in interest rates.

EXECUTIVE COMMITTEE VACANCY: Since Neva Corkrum was not reelected as Franklin County Commissioner, the Executive Committee position she held was vacated when she left office December 31, 2008. President Abernathy reported that the Nominating Committee met during the March 26, 2009 Executive Committee meeting and received two proposed names, and are submitting Prosecuting Attorney Steve Lowe (Franklin County Alternate Director) and Commissioner Andrew Lampe (Okanogan County Director) as nominees for the vacant position. Randy Watts moved, and Marilyn Butler seconded, to accept the Nominating Committee's recommendations. The motion was approved by voice vote. President Abernathy then asked if there were any other nominations from the Board. Keith Goehner moved, and Rose Elway seconded, to close the nominations. The motion was approved by voice vote.

President Abernathy designated Thad Duvall and Susan Looker as ballot tellers. Paper for balloting was distributed, and 26 votes were cast. Diane Wear (Pend Oreille) abstained from voting due to her relative newness on the Board and lack of knowledge of either nominee. The election result was announced later in the meeting.

STATE RISK MANAGER'S REPORT: With the legislature in session, LGSI Program Administrator Shannon Stuber was not able to attend. Mr. Hill reported that codes (WAC 82.60) covering self-insured entities and pools were being updated with final approval expected later this year.

LEGISLATIVE BRIEFING: Steve Clem gave the briefing to the Board, as Eric Johnson had another engagement and had provided a thorough briefing to the Roundtable participants the day before. Of concern is HB1553 which involves the claim filing statute. WAPA's Tom McBride is working with Steve Clem on this item. The prime area of interest is to use a single filing form for all counties – the state form – and to make it available with instructions. Some of the other features of the bill include: reduction of information that can be asked of claimant, the statement of damages cannot be used in court, statute of limitations would extend 5 days after the 60 day review, and the claimant does not have to sign the form – attorney can do it in their stead. Some of these issues have already been narrowed, but it is still unclear where this bill is headed.

PRODUCER'S REPORT: Liz Mizer of Arthur J. Gallagher gave the report. She noted that Mike Croke is under the weather. A get-well card was circulated for Mike. Liz reported that AJG has begun to place our book of business in the marketplace, and they are looking at about a dozen possibilities. ACE is looking to increase to a \$1M limit, and would like more of the business.

Medicare Secondary Payer requirements are coming. For counties that make their own payments, Mr. Hill recommended they stop doing so and request payments through the Pool. WCRP will be registered to make and report payments. Any portion of a payment made for medical payment must be reported for those receiving Medicare. Payments for LEOFF I retirees may fall under this requirement. Medicare is trying to reduce double-dipping. Reporting infractions will be expensive - \$1,000 per occurrence per day.

RECESS: Due to the need for timely check outs, President Abernathy recessed the meeting at 9:25 a.m. and reconvened at 9:40 a.m.

EXECUTIVE COMMITTEE VACANCY: President Abernathy announced the results of the election – Andrew Lampe, Commissioner from Okanogan County, was elected to the Executive Committee to fill the vacant position with the term ending September 30, 2009.

STANDING COMMITTEE REPORTS:

- Finance: Chair Steve Clem reported the Pool now has 10 years of experience rating modification statistics. Working with Kevin Wick of PricewaterhouseCoopers, the committee is determining if the statistics accurately reflect the rating modifications. Mr. Wick is providing reports and numbers to see what new ideas could be used and how they would affect the premiums. The Committee also asked for action from the Board to change and revise SMO 3.3, requesting removal of "...or to a level that will cover all administrative costs, whichever is greater." The Committee also would like the Board to approve removal of SMO 3.4, "Conduct an annual review of premium rates and the extent of coverage. Benchmark the rates and coverage against private industry and other public entity pools." Randy Watts moved to make both changes per the Committee's request and Steve Bartel seconded the motion. The motion was approved by voice vote after discussion of benchmarking and the unique nature of the Risk Pool.
- Personnel: Chair Tammy Devlin reported the Risk Pool will abide by the new legislative (leave) mandates, and specific wording will be presented to the Board at the Summer Meeting in July 2009. She also reported on the vacant Administrative Assistant position. The Committee recommends changing the position title to Administrative Assistant and modifying the recruitment plan to reflect the position being budgeted as a full time position with initial employment starting at ½ FTE, and growing as needed.
- Risk Management: Chair Steve Bartel reported the Committee recommends the new exposures-related self-assessment tool be used in place of the older self-assessment tool. Harry Green moved, and Mark Wilsdon seconded, to replace the previous self-assessment tool. Motion passed by voice vote. The Committee voted to stay this year's assessment requirement, recommending that future assessments be due at the same time underwriting information is due at the end of January. Mr. Hill commented the timeline is not exactly the same, but the January timeline would allow time to compile the results for preview by the Risk Management Committee before each Spring Board Meeting as desired. He also strongly encouraged the counties to report their assessment information to their governing bodies.

The Committee has been looking into the Skid Car program with Jill Lowe's help; they now report that Spokane County will continue to provide the car for the eastern part of the state and the Pool will provide "accounting" services for the Westside cars. The Committee is also reviewing minimum insurance coverage recommendations for contracts, and recommending a broadened scholarship program that will provide other training opportunities to include e-training, books, etc., that will continue to be reviewed by Pool staff and include per county limits.

- Underwriting: Co-Chair Marilyn Butler reported for the Committee. In an item that was referred to the Committee from the November 2008 Board Meeting where San Juan County Prosecuting Attorney Randy Gaylord asked the Board to consider coverage for insured-initiated actions where the underlying matter is injunctive, the Committee recommended the Pool deny the request. Keith Goehner moved, and Larry Peterson seconded, to deny the request for coverage. Motion passed by voice vote.

The Committee has asked our broker to pursue information regarding modest environmental coverage, to be presented at the Summer Board Meeting. The Committee also recommended that no action be taken regarding broadening "office costs" within the meaning or application of the coverage form.

The WCRP policy had excluded coverage for rodeo participants until 1998-99, but for reasons unknown, this is no longer listed as being excluded. The Committee recommended that coverage for rodeo participants again be listed as being excluded in the coverage form. Larry Peterson moved, and Steve Clem seconded, to list rodeo participants as excluded from coverage by noting such under the section 5.G. of the coverage form. Motion passed by voice vote. Mr. Hill commented that responsibility should be placed on the proponents of the events, and recommended that counties review those contracts carefully.

The Committee noted the Pool was not fully complying with the coverage form provisions and RCW 4.96 regarding named individuals in lawsuits acting "within the scope" of their duties. The Committee would like the Pool to make an assumption of coverage unless notified by the county that the person is not acting "within the scope." They feel this would give a clearer direction to staff on how to proceed. The Committee would like this issue to be analyzed by coverage counsel, and then to be brought back to the Board in summer. Larry Peterson moved, and Harry Green seconded, to have this issue conceptually analyzed by coverage counsel with proposed language to be brought back to the Board this summer. Motion passed by voice vote.

Public Records Act coverage was discussed last year; the Committee agreed not to revisit unless given direction by the Board. Steve Clem felt small counties were being "dinged" for PRA coverage and would like the Committee to revisit the coverage issues, possibly establishing a sub-deductible for PRA coverage. Keith Goehner moved, and Steve Bartel seconded, to give the Committee authority to review PRA coverage and penalties. The motion passed by show of hands with 17 voting in favor and 6 against the motion.

Regarding SMO 7.5, the Committee wanted to remove the requirement to report annually on training for member counties' prosecuting attorneys' staffs. Steve Clem moved, and Jim Richardson seconded, to remove the annual reporting timeline. The motion passed by voice vote after a lively discussion.

Marilyn welcomed Ione George and Bob Koch to the Underwriting Committee.

RECESS: President Abernathy recessed the meeting at 10:40 a.m. and reconvened at 10:50 a.m.

STAFF REPORTS: Mr. Hill reported, 1) the State Department of Licensing seems to be pursuing full compliance with the insurance and bonding requirements associated with county auditors acting as licensing agents for the state; he is in communication with the DOL contacts seeking resolution of the situation, 2) Strategic Management Objectives are on the WCRP website (www.wcrp.info), 3) several counties still need to send the underwriting information to Sue Colbo for the Py2010 renewals, 4) the state audit will begin on March 30, and take a few weeks, 5) it is possible the State Risk Manager will do another field review, 6) WCRP is seeking AGRIP recertification, for which we need to formalize a Service Providers "Bill of Rights" during the summer meeting, and 7) Wahkiakum County has expressed interest in Pool membership and the Pool is waiting for equipment information before seeking the underwriters' approvals and price quotes.

Mr. Hill announced Spokane County has given a letter of conditional intent to withdraw from the Pool, effective September 30, 2010, so they may investigate other market opportunities.

Susan Looker reported ACE will visit on March 30th for a mini claims audit. She also reported that 1) Candy Drews has earned her AIC designation, which represents two years of work; 2) Mike Cook will attend the RIMS Annual Conference this year; and 3) Tammy Cahill was attending the PLRB/LIRB (Property Loss Research Bureau & Liability Insurance Research Bureau) 2009 Conference in Seattle. Susan welcomed Lisa Daly as the newest employee in the claims department, and she thanked Claire Thompson for her diligent training of Lisa.

Susan gave a summary of claims activity: 512 claims/suits are open. The Pool has received 825 claims, average per year, over the last 7 years. The members have already reported 200 claims for this year. There has been an increase in personnel claims, and an increase in the use of pre-defense review funds to deal with personnel issues.

Jill Lowe recognized county members who have completed Compact Certification: Lisa Young (Kittitas) and Don Ramsey (Pend Oreille) have completed Basic Compact Certification; Tammy Devlin (Thurston), Todd Barr (Mason), and Drew Woods (Columbia) have achieved Advanced Compact Certification. Certificates were awarded to all. Jill noted that the Pool has been providing Management & Supervisory Training in multiple locations around the state. Mark Wilsdon indicated Clark County will also provide the same training opportunity in April, July and November, for those who have not been able to get to the Pool classes.

The initial Phase II Assessment for Thurston County was completed in late 2008. Tammy Devlin reported the process took about three days and it was really helpful to get an overview of the county. There is some prep work that needs to be done prior to the assessment. These assessments are a requirement of our broker contract, and Jill noted even "bad" data gives the underwriters a more complete picture that can result in better rates.

Regarding the Skid Car program, Jill will send out an email for final "buy in" for use of the Westside cars. The Pool will act as "bookkeeper/banker" for maintenance costs and related fees.

Jill reported on the 5-year rolling claim trends. The predominant issues are roads, civil rights, personnel issues, and (new) firing issues. The Pool will offer classes to address these issues. One possibility would be to take the Management & Supervisory Training classes to the next layer of managers by offering a shorter class. Public Records Act training remains a priority to reach more county employees. Jill also will be looking at training for contracts.

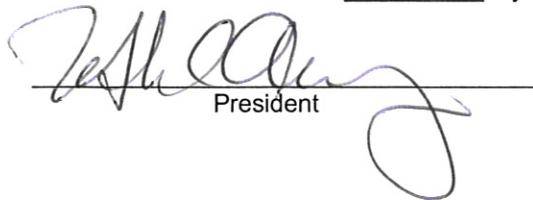
Mr. Hill reported for **David Goldsmith**, who is participating in a community building program in Guatemala during the conference. The Pool will begin the new round of 3-year compliance audits toward the end of 2009 in accordance with the Membership Compact. Mr. Hill also previewed the web pages for the new Property Inventory Management System that is nearly ready to launch. Counties will be able to enter the program and add/edit properties online. Mr. Hill commented it is now time for all counties to proof their inventories and valuations. The system will be launched at a later date, hopefully not later than early summer.

FUTURE MEETINGS:


- **Summer Conference:** The 2009 Summer Conference and Board Meeting will convene at The Enzian Inn, Leavenworth, WA, July 29-31, 2009.
- **Fall Conference:** Jim Richardson moved, and Mark Wilsdon seconded, to convene the 2009 Fall Conference and Board Meeting (in conjunction with the WCIF/WCIP semi-annual meeting) in the Tri-Cities during the first week of November, 2009. Motion passed by voice vote. Staff will make and confirm details.

ADJOURNMENT: With the meeting's business concluded, President Mark Abernathy adjourned the meeting by acclaim at 11:45 a.m.

MINUTES APPROVED this 31st day of July, 2009.



President

Attest: 

Secretary/Treasurer