

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

Friday, November 20, 2015
Skamania Lodge, Stevenson, WA

Board Members in Attendance

County	Appointment	Present	Name
Adams	Director	<input type="checkbox"/>	Jeffrey Stevens
	Alternate Director	<input checked="" type="checkbox"/>	Patricia Phillips
Benton	Director	<input type="checkbox"/>	Lexi Wingfield
	Alternate Director	<input checked="" type="checkbox"/>	Sandra Maine-Delepierre
	Alternate Director	<input type="checkbox"/>	Ryan Lukson
Chelan	Director, <i>Vice President</i>	<input checked="" type="checkbox"/>	Keith Goehner *
	Alternate Director	<input type="checkbox"/>	Cathy Mulhall
Clallam	Director	<input checked="" type="checkbox"/>	Rich Sill
	Alternate Director	<input type="checkbox"/>	James Jones
	Alternate Director	<input type="checkbox"/>	Mark Nichols
	Alternate Director	<input checked="" type="checkbox"/>	Tammy Sullenger
Columbia	Director, <i>Secretary/Treasurer</i>	<input checked="" type="checkbox"/>	W.A. "Drew" Woods *
	Alternate Director	<input type="checkbox"/>	Dwight Robanske
Cowlitz	Director	<input checked="" type="checkbox"/>	Clyde Carpenter *
	Alternate Director	<input checked="" type="checkbox"/>	Claire Hauge
Douglas	Director	<input checked="" type="checkbox"/>	Steve Clem *
	Alternate Director	<input checked="" type="checkbox"/>	Thad Duvall
	Alternate Director	<input checked="" type="checkbox"/>	Jordyn Giulio
Franklin	Director	<input checked="" type="checkbox"/>	Robert Koch *
	Alternate Director	<input checked="" type="checkbox"/>	Shawn Sant, arrived at 9:00 am
	Alternate Director	<input type="checkbox"/>	Tim Dickerson
Garfield	Director	<input type="checkbox"/>	Wynne McCabe
	Alternate Director	<input type="checkbox"/>	Jennie Bowman
	Alternate Director	<input type="checkbox"/>	Robert Johnson
Grays Harbor	Director	<input checked="" type="checkbox"/>	Vickie Raines
	Alternate Director	<input checked="" type="checkbox"/>	Dale Gowan
	Alternate Director	<input type="checkbox"/>	Wes Cormier
Island	Director	<input checked="" type="checkbox"/>	Jill Johnson *
	Alternate Director	<input type="checkbox"/>	Elaine Marlow
Jefferson	Director	<input type="checkbox"/>	Philip Morley
	Alternate Director	<input checked="" type="checkbox"/>	David Alvarez *
Kittitas	Director, <i>President</i>	<input checked="" type="checkbox"/>	Lisa Young *
	Alternate Director	<input type="checkbox"/>	Judy Pless
Lewis	Director	<input checked="" type="checkbox"/>	Paulette Young, left at 10:50 am
	Alternate Director	<input checked="" type="checkbox"/>	Gary Stamper, left at 10:50 am
	Alternate Director	<input checked="" type="checkbox"/>	Michael Stroyk, left at 10:50 am
Mason	Director	<input checked="" type="checkbox"/>	Tim Sheldon
	Alternate Director	<input checked="" type="checkbox"/>	Dawn Twiddy
	Alternate Director	<input type="checkbox"/>	Randy Neatherlin
	Alternate Director	<input type="checkbox"/>	Terri Jeffreys
Okanogan	Director	<input type="checkbox"/>	Sheilah Kennedy
	Alternate Director	<input type="checkbox"/>	Tanya Craig

Pacific	Director	<input checked="" type="checkbox"/>	Kathy Spoor
	Alternate Director	<input checked="" type="checkbox"/>	Lisa Ayers *
	Alternate Director	<input type="checkbox"/>	Mark McClain
Pend Oreille	Director	<input checked="" type="checkbox"/>	Mike Lithgow
	Alternate Director	<input type="checkbox"/>	Teresa Brooks
	Alternate Director	<input type="checkbox"/>	Alan Botzheim
San Juan	Director	<input checked="" type="checkbox"/>	Mike Thomas
	Alternate Director	<input type="checkbox"/>	Pamela Morais
Skagit	Director	<input checked="" type="checkbox"/>	Jessica Neill Hoyson
	Alternate Director	<input checked="" type="checkbox"/>	Donnie LaPlante
	Alternate Director	<input type="checkbox"/>	Arne Denny
	Alternate Director	<input type="checkbox"/>	Tim Holloran
Skamania	Director	<input checked="" type="checkbox"/>	Adam Kick
	Alternate Director	<input checked="" type="checkbox"/>	Doug McKenzie
	Alternate Director	<input checked="" type="checkbox"/>	Debi Van Camp
Spokane	Director	<input checked="" type="checkbox"/>	Steve Bartel *
	Alternate Director	<input type="checkbox"/>	Rob Binger
Thurston	Director	<input checked="" type="checkbox"/>	Sandra Romero
	Alternate Director	<input checked="" type="checkbox"/>	Tammy Devlin *
	Alternate Director	<input type="checkbox"/>	Jon Tunheim
Walla Walla	Director	<input checked="" type="checkbox"/>	Jesse Nolte
	Alternate Director	<input checked="" type="checkbox"/>	James Duncan
	Alternate Director	<input type="checkbox"/>	Sheila Eslinger
Whatcom	Director	<input type="checkbox"/>	Karen Goens
	Alternate Director	<input checked="" type="checkbox"/>	Dan Gibson
	Alternate Director	<input checked="" type="checkbox"/>	Nanette Kallunki
Yakima	Director	<input checked="" type="checkbox"/>	Joseph Brusic
	Alternate Director	<input checked="" type="checkbox"/>	Cindy Erwin
	Alternate Director	<input type="checkbox"/>	Don Anderson

* Denotes Executive Committee Member

Others in Attendance

County/Organization	Designation/Title	Name
Clallam	Civil Investigator	Tom Reyes
Island	Assistant Claims Manager	Lynette Goodell, left at 11:00 am
Mason	Clerk of the Board	Julie Almanzor
AJGRMS	Area Senior Vice President	John Chino
Manual D Romero Inc	Consultant / AJG Speaker	Manuel Romero
PricewaterhouseCoopers	Managing Director	Kevin Wick
Chandler Asset Management	SVP, Portfolio Strategist	Scott Prickett
	VP, Portfolio Strategist	Julie Hughes
WCRP Staff	Executive Director	Vyrle Hill
	Specialty Services	David Goldsmith
	Loss Control Coordinator	Jill Lowe
	Claims Manager	Susan Looker
	Accounting Officer	Sue Colbo
	Administrative Assistant	Stacey Spears

CALL TO ORDER / WELCOME: WCRP President Lisa Young called the 2015 Autumn Board of Directors Meeting to order Friday, November 20, 2015 at 8:30 am. She welcomed all in attendance. Around the room introductions took place. President Young confirmed a quorum (only Garfield and Okanogan Counties not represented).

AGENDA: Lisa Ayers moved to accept the agenda, Tammy Devlin seconded; the motion passed.

MINUTES: Paulette Young moved to approve the minutes of the July 23-24, 2015 Annual (Board of Directors) Meeting, Lisa Ayers seconded; the motion passed.

EXECUTIVE COMMITTEE'S REPORT: President Young noted the minutes from the August 18, 2015 and October 16, 2015 meetings were available in the notebook and asked if there were any comments or questions.

Lisa Ayers commented on the WCIF medical insurance plan options. Steve Bartel asked for staff input on the transfer of medical benefits, Executive Director Hill responded. Steve Bartel moved to approve a resolution requesting HCA review and a Government Function Attestation and to authorize the Executive Director to submit an application to the PEBB for the WCRP; and with HCA approval and before implementation of any change, delegating to the Personnel and/or Executive Committees the authority to specify the insurance coverages, e.g. medical, dental, vision, life and EAP that will be available for acquisition through PEBB and those through WCIF. Lisa Ayers seconded; the motion passed.

President Young asked Personnel Committee Chair Paulette Young to comment on the HRA VEBA plan for staff. Paulette Young stated the committee has discussed the VEBA plan with Executive Director Hill and, if authorized, will further pursue and implement the VEBA. David Alvarez moved to approve the VEBA proposal/resolution and delegate to the Personnel and/or Executive Committees the determination and submission of the plan specifics and the adoption documentation. Kathy Spoor seconded; the motion passed.

Executive Director Hill reported the consultant agreements with the Actuary, Producer/Broker of Record and the Claims Auditor expire December 31, 2015. Steve Bartel moved to extend the contracts with PricewaterhouseCoopers (Actuary) including updating the Capital Modeling Study, Arthur J. Gallagher (Producer/Broker of Record), and Strategic Claims Direction (Claims Auditing) through Calendar 2016. Vickie Raines seconded; the motion passed.

President Young presented information on the proposed update to the Personnel Policy to add a Payroll/Payday policy as recommended by the State Auditor. Drew Woods moved to forward the proposed Payroll/Payday Policy to the Personnel Committee for review and recommendation and to delegate to the Executive Committee the Board's authority to approve the Payroll/Payday Policy, Lisa Ayers seconded. Discussion took place. The motion passed.

EXECUTIVE DIRECTOR RECRUITMENT: President Young reported the Executive Committee met with consultant Greg Prothman regarding the Executive Director recruitment process. The Pool's Bylaws were reviewed and it was noted that it is the Executive Committee's duty to handle the recruitment process until a candidate is forwarded to the full Board for consideration. President Young reported three candidates were interviewed, and Derek Bryan is the Executive Committee's unanimous recommendation for the Executive Director position.

EXECUTIVE SESSION: Jesse Nolte moved to convene in executive session for 15 minutes under the appropriate statutory authorities to evaluate the qualifications of applicants for public employment; Vickie Raines seconded; the motion passed. Acting in accordance with RCW 42.30.110(1)(g) and recognizing that public discussion would impair the Board's ability to conduct its business effectively; **President Young moved the meeting into an executive session at 9:04 am with the directors and alternate directors. At 9:22 am President Young announced that the executive session was being extended for an additional 15 minutes.**

At 9:34 am President Young returned the meeting to regular (open) session with all of the earlier participants. Kathy Spoor moved to approve the Executive Committee's recommendation of Mr. Derek Bryan for the WCRP Executive Director, and to authorize President Young with search consultant Greg Prothman to negotiate the terms and conditions of an employment agreement, and finally to delegate to the

Executive Committee the Board's authority to approve such agreement once negotiated. Doug McKenzie seconded, the motion passed unanimously.

RECESS: President Young recessed the meeting at 9:37 am and reconvened at 9:52 am.

PRODUCER'S (BROKER) REPORT: John Chino of Arthur J. Gallagher Risk Management Services thanked the group for the one year contract extension. He then presented the Broker Services Annual Report and went over the accomplishments from last year. Mr. Chino reviewed the Broker Service Plan and the upcoming Loss Control Services for Py2016. Keith Goehner moved to accept the Broker's Annual Report as presented as satisfying the contract requirements, Lisa Ayers seconded; the motion passed.

Discussion took place regarding the Loss Control Services for Py2016. Mike Lithgow moved to request Arthur J. Gallagher to provide two additional Contracts Manual training sessions, Kathy Spoor seconded. Discussion took place. The motion passed. Mike Lithgow moved to request Arthur J. Gallagher to provide one Risk Management for Public Entities study class, Paulette Young seconded; the motion passed.

Discussion took place regarding Arthur J. Gallagher's proposed optional loss control services. Paulette Young moved to refer the discussion regarding the optional loss control services to the Risk Management Committee with the request that the Committee have a recommendation for the Board's consideration at the spring meeting, Lisa Ayers seconded; the motion passed.

ACTUARIAL REPORT: Kevin Wick with PricewaterhouseCoopers presented the preliminary Actuarial Reserve Review as of September 30, 2015. The total for net unpaid claims (reserves) is estimated at \$14.57M excluding ULAE, which includes \$2.78M for the \$100k SIR, \$11.55M for the "corridor deductible", and \$240k for the 10% quota share element. Mr. Wick then presented information on the historical distribution of unpaid claims, the calendar year changes in paid and incurred losses and the net ultimate loss by coverage year. Discussion took place. Steve Bartel moved to delegate to the Executive Committee the Board's authority for the formal approval of the independent actuary's final survey provided the changes are not substantial, Thad Duvall seconded; the motion passed.

DES-LGSIP (STATE RISK MANAGER) REPORT: As Shannon Stuber was unable to attend the meeting, Executive Director Hill reported on the recent amendment of WAC 200-100 to move non-profits out of the public entity pooling regulations and the new WAC 200-150 for non-profit pooling.

INVESTMENT COMMITTEE REPORT: Chair Woods noted the Chandler Asset Management full report was available in the meeting notebook. Scott Pricket presented a brief economic update to the group and Julie Hughes presented information on the Pool's portfolio holdings. Chair Woods reported on the recent Investment Committee meeting and noted the Committee authorized an additional \$5M to be invested with Chandler's assistance for a total of about \$11M.

STANDING COMMITTEE REPORTS

FINANCE: Chair Duvall thanked the Committee members and noted new members are welcome. He stated the purpose of the Committee is to review the financial policies of the Risk Pool. He had no other business to report at this time.

PERSONNEL: Chair Paulette Young recognized the Committee members and reported the Committee is working on a VEBA plan for staff and a Payroll/Payday Policy as recommended by the State Auditor. She also extended an invitation for others to join the Committee.

RISK MANAGEMENT: Chair Lithgow recognized the Committee members. He noted a Risk Management Annual Report was produced by Jill Lowe for the Committee, and the document was available in the meeting notebook. Training plans for Py2016 were presented, and he said the Committee will discuss the optional loss control services offered through Arthur J Gallagher.

UNDERWRITING: Chair Bartel recognized the Committee members, and noted the Memorandum of Liability Coverage (MLC) document was revised and updated by the Committee for Py2016. Issues

currently being discussed in the Committee include multi-member deductibles and UAV's (drones). Chair Bartel extended an invitation for others to join the Committee.

PY2016 JSILP/WCPP/CYBER

ASSESSMENT DELINQUENCIES: Executive Director Hill noted the Board specified interest charges on delinquent accounts at the Annual (Board of Directors) meeting, and detailed the delinquent payments. It was noted in the past that the Board has waived interest charges. Steve Bartel moved to waive the interest charges for the late Liability/Property/Cyber payments from Franklin, Kittitas, Mason, Pend Oreille, Walla Walla, Whatcom and Yakima Counties, Steve Clem seconded. Discussion took place. Steve Clem called for the question to close the debate; the question passed. Then the motion passed with Keith Goehner and Jill Johnson dissenting, Dan Gibson abstaining and the representatives from Franklin, Kittitas, Mason, Pend Oreille, Walla Walla and Yakima Counties recusing themselves for appearance of fairness.

DEFERRED REQUEST FROM CLARK COUNTY FOR REFUND OF UNEARNED PY2014 PREMIUM(S):

Executive Director Hill noted the legal actions on the Davis/Northrup matter with Clark County are ongoing, and that Clark County's request for a refund of unearned Py2014 premium was earlier deferred. Discussion took place. Vickie Raines moved to defer Clark County's request for a refund of unearned Py2014 premium until the legal actions are resolved, Kathy Spoor seconded. Discussion took place. The motion passed.

LEGISLATIVE PROPOSAL(S): None

RECESS: President Young recessed the meeting at 11:13 am and reconvened at 11:30 am.

STAFF REPORTS

Loss Control: Loss Control Coordinator Jill Lowe passed around the Helpline contact list and asked those in attendance to confirm their County's contacts. She then reported on the status of Risk Management Certifications and the locations and dates for upcoming training sessions. Ms. Lowe reviewed Elected Officials Training, WASPC training, Conference Training, AWC's Labor Relations Institute, Lexipol participation, and gave an update on Enterprise Risk Management.

Claims: Claims Manager Susan Looker noted as of October 1, 2015, the Memorandum of Liability Coverage is in effect and there is new terminology. The fees on the Northrup/Davis / Clark County matter are approximately \$1.5M so far and Executive Director Hill and Coverage Counsel Ashbaugh were dismissed as individuals. Briefs will be filed with the Supreme Court soon and amicus support is being considered by other Pools, King County and AGRiP. She then noted a claim from 2001 was recently re-opened, and that Clark County recently withdrew and waived its right to coverage on a claim that was likely to be resolved within its deductible limit.

Membership/Specialty Services: Specialty Services Representative David Goldsmith reported the Pool recently completed the rigorous re-application for AGRiP Advisory Standards Recognition and received an acknowledgement plaque at the recent AGRiP Conference. The plaque was presented to President Young.

Administrative & Financial Activities: Executive Director Hill thanked the Board and noted the Pool's financial turnaround over the last eleven years.


FUTURE WCRP CONFERENCES / BOARD MEETINGS: President Young announced the Spring Conference and Board Meeting will be held at the TRAC facility in Pasco March 23-25, 2016, and the Summer Conference and Annual (Board of Directors) Meeting will be held at The (Davenport) Grand in Spokane July 20-22, 2016. Discussion took place regarding the dates of the Autumn 2016 conference.

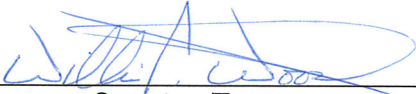
Jill Johnson moved to check with Great Wolf Lodge regarding availability November 30 – December 2 for the Autumn 2016 Conference; Vickie Raines seconded. Discussion took place. The motion passed with Steve Clem and Doug McKenzie dissenting.

Drew Woods moved to look into Semiahmoo for Spring 2017 and Walla Walla for Summer 2017, Lisa Ayers seconded; the motion passed.

With no further business to conduct, President Young adjourned the meeting at 11:59 am.

MINUTES APPROVED this 24th day of March, 2016.


President

Attest: 
Secretary/Treasurer