

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

MINUTES

Friday, July 30, 2021

Virtual

Board Members in Attendance

Name	Appointment		County
Patty Phillips	Alternate Director	<input checked="" type="checkbox"/>	Adams
Ryan Lukson *	Director	<input checked="" type="checkbox"/>	Benton
Kevin Overbay	Director	<input checked="" type="checkbox"/>	Chelan
Rich Sill	Director	<input checked="" type="checkbox"/>	Clallam
Marty Hall	Director	<input type="checkbox"/>	Columbia
Nicole Tideman	Director	<input checked="" type="checkbox"/>	Cowlitz
Thad Duvall	Director	<input checked="" type="checkbox"/>	Douglas
Shawn Sant	Alternate Director	<input checked="" type="checkbox"/>	Franklin
Justin Dixon	Director	<input type="checkbox"/>	Garfield
Vickie Raines *	Director	<input checked="" type="checkbox"/>	Grays Harbor
Jill Johnson	Director	<input checked="" type="checkbox"/>	Island
Phillip Hunsucker	Alternate Director	<input checked="" type="checkbox"/>	Jefferson
Lisa Young *	Director	<input checked="" type="checkbox"/>	Kittitas
Gary Stamper *	Director	<input checked="" type="checkbox"/>	Lewis County
Randy Neatherlin	Director	<input checked="" type="checkbox"/>	Mason
Tanya Everett	Director	<input checked="" type="checkbox"/>	Okanogan
Kathy Spoor	Director	<input checked="" type="checkbox"/>	Pacific
Teresa Brooks	Director	<input checked="" type="checkbox"/>	Pend Oreille
Mike Thomas *	Director	<input checked="" type="checkbox"/>	San Juan
Bonnie Haley	Director	<input checked="" type="checkbox"/>	Skagit
Adam Kick	Director	<input checked="" type="checkbox"/>	Skamania
Steve Bartel*	Director	<input checked="" type="checkbox"/>	Spokane
Gary Edwards	Director	<input checked="" type="checkbox"/>	Thurston
Jesse Nolte	Director	<input checked="" type="checkbox"/>	Walla Walla
Karen Goens *	Director	<input checked="" type="checkbox"/>	Whatcom
Cindy Erwin	Alternate Director	<input checked="" type="checkbox"/>	Yakima

* Denotes Executive Committee Member

Others in Attendance

Name	Designation/Title		County/Organization
Adam Morasch	(ALT, CA, RM, SO) Risk Manager	<input checked="" type="checkbox"/>	Benton
Joy Carossino	(ALT, CA, RM, SO) Risk Manager/Safety/Claims Coordinator	<input checked="" type="checkbox"/>	Grays Harbor
Lynette Goodell	(CA, RM, SO) Accounting Supervisor	<input checked="" type="checkbox"/>	Island
Dawn Twiddy	(ALT) HR/Risk Manager	<input checked="" type="checkbox"/>	Mason
Nichole Wilston	(CA, RM) Risk & Safety Compliance Mgr.	<input checked="" type="checkbox"/>	Mason
Chris Branch	(ALT) Commissioner	<input checked="" type="checkbox"/>	Okanogan
James Wolf	(ALT, CA, RM, SO) HR & Risk Manager	<input checked="" type="checkbox"/>	San Juan
Erik Pedersen	(ALT, PAO) Senior Civil DPA	<input checked="" type="checkbox"/>	Skagit
Tammy Devlin	(ALT, CA, RM) Risk Manager	<input checked="" type="checkbox"/>	Thurston
Carol Rehnberg	(ALT) Risk Analyst	<input checked="" type="checkbox"/>	Thurston
Shelly Peters	(ALT, CA, RM, SO) Human Resources/Risk Manager	<input checked="" type="checkbox"/>	Walla Walla
Donnie LaPlante	(ALT, RM, SO) Assoc. HR Manager	<input checked="" type="checkbox"/>	Whatcom
Vicki Alridge	Client Service Manager	<input checked="" type="checkbox"/>	Gallagher
Stephen Erni	Client Service Supervisor	<input checked="" type="checkbox"/>	Gallagher

Chase Jones	Area Vice President	<input checked="" type="checkbox"/>	Gallagher
John Chino	Senior Vice President	<input checked="" type="checkbox"/>	Gallagher
Julie McCallum	Vice President	<input checked="" type="checkbox"/>	Gallagher
Scott Prickett	Exec VP & Portfolio Strategist	<input checked="" type="checkbox"/>	CAM
Kevin Wick	Actuary	<input checked="" type="checkbox"/>	PwC
Craig Scukas	Director	<input checked="" type="checkbox"/>	PwC
Will Ashbaugh	Attorney	<input checked="" type="checkbox"/>	Legal Counsel
Derek Bryan	Executive Director	<input checked="" type="checkbox"/>	WCRP Staff
Erin Konrady	Senior Member Services Specialist	<input checked="" type="checkbox"/>	WCRP Staff
Chuck Boyd	Deputy Director – Risk & Claims	<input checked="" type="checkbox"/>	WCRP Staff
Kaylee Benedict	Member Services Specialist	<input checked="" type="checkbox"/>	WCRP Staff
Chloe Hakola	Admin & Accounting Specialist	<input checked="" type="checkbox"/>	WCRP Staff

* Denotes Executive Committee Member

Welcome, Roll Call, & Introductions: WCRP President, Vickie Raines, called the Board of Directors' Meeting to order Friday, July 30, 2021, at 9:03 AM. She welcomed all in attendance and confirmed a quorum through roll call.

Agenda: Lisa Young moved to accept the agenda as presented. Steve Bartel seconded; the motion passed.

Approval of Minutes: Lisa Young moved to approve the minutes of the March 26, 2021, Board of Directors' Meeting. Tanya Everett seconded. Kathy Spoor and Nicole Tideman both abstained from voting as they were not in attendance at the meeting. The motion passed.

Executive Committee Report: President Raines reported on noteworthy activities of the Executive Committee, to include an overview of the Executive Committee meeting held July 9, 2021. President Raines made note that the Executive Committee also met in executive session during their meeting to discuss potential litigation with a member, which was Lewis County. She noted that Gary Stamper (Lewis County) recused himself during that executive session. WCRP Executive Director, Derek Bryan confirmed that the minutes from that Executive Committee meeting will be corrected to show Mr. Stamper's recusal.

Executive Director Report: WCRP Executive Director, Derek Bryan, provided a report on administrative activities of the WCRP, to include a staffing/personnel update, WCRP membership, claims audits, Executive Committee and officer elections, October 1, 2021, renewals, Standing Committee action, consultant contracts, and an overview of the critical action items on the agenda. Mr. Bryan then provided an overview of the overall costs for the liability, property, and cyber programs, using the information available. Discussion took place and included the notice that both Garfield and Columbia counties will no longer be members of The Pool in the new Fiscal Year. Mr. Bryan did share that both Stevens and Klickitat counties have been inquiring about joining The Pool.

Executive Session: The Board of Directors was asked to convene into executive session pursuant to RCW 42.30.110(1)(i): "to discuss potential litigation."

President Raines called for Executive Session for approximately 30 minutes starting at 9:36 AM, and informed the attendees that it was related to Lewis County. President Raines excused all attendees, except for members of the Board of Directors, Alternate Directors, the Pool's Executive Director, the Pool's Deputy Director of Risk & Claims, and the Pool's legal counsel, Will Ashbaugh. Gary Stamper from Lewis County recused himself from participating in the executive session.

The Executive Session was extended for 10 minutes at 10:06 AM.

The Executive Session was extended for 5 minutes at 10:16 AM.

President Raines reconvened the regular session at 10:21 AM and other attendees returned. No action was taken by the Board.

Executive Committee and Officer Elections: President Raines announced that the Executive Committee terms for Lisa Young (Kittitas County), Gary Stamper (Lewis County), and Joe Brusic (Yakima County) expire September 30, 2021.

President Raines also noted that there are two positions made vacant by resignations and that Bonnie Haley (Skagit County) expressed interest in serving the vacated position with a term expiring September 30, 2023, and Tom Lannen (Skamania County) expressed interest in serving the vacated position with a term expiring September 30, 2022.

The Nominating Committee forwarded Lisa Young (Kittitas County), Gary Stamper (Lewis County), and Joe Brusic (Yakima County) as nominees for the expiring terms.

The Nominating Committee forwarded Bonnie Haley (Skagit County), and Tom Lannen (Skamania County) as nominees for the vacated terms.

President Raines called for nomination for the three expiring positions, and the two vacated positions.

Steve Bartel moved, and Tanya Everett seconded to affirm Lisa Young, Gary Stamper, and Joe Brusic for the expiring Executive Committee positions, with terms from October 1, 2021, to September 30, 2024; the motion passed.

Karen Goens moved, and Steve Bartel seconded to appoint Bonnie Haley to the vacated Executive Committee position to complete the vacated term through September 30, 2023; the motion passed.

Gary Stamper moved, and Mike Thomas seconded to appoint Tom Lannen to the vacated Executive Committee position to complete the vacated term through September 30, 2022; the motion passed.

President Raines called for nominations for Vice President/President-Elect with terms from October 1, 2021, through September 30, 2023, and Secretary/Treasurer with terms from October 1, 2021, through September 30, 2022.

Gary Stamper nominated Vickie Raines for the Secretary/Treasurer position, Lisa Young Seconded; President Raines asked if there were any nominations from the floor. There were no other nominations. President Raines called for a vote and the motion passed.

Lisa Young nominated Gary Stamper for the Vice-President/President-Elect position; Gary Edwards seconded. President Raines asked if there were any nominations from the floor. There were no other nominations. President Raines called for a vote and the motion passed.

Finance & Operations Report: Senior Member Services Specialist, Erin Konrady, reported on WCRP trainings and scholarship data to include historical overviews, scholarship funds awarded, and future member training opportunities.

Executive Director, Derek Bryan reported on the 2nd Quarter FY2021 financials, along with the results of the 2019-20 State Audit. Discussion took place to include President Raines updating the Board on the State Auditor's Office exit conference, and how well the audit turned out.

Steve Bartel moved, and Kathy Spoor seconded to approve the FY2021 2nd Quarter financials as presented; the motion passed.

Risk & Claims Report: Deputy Director of Risk & Claims, Chuck Boyd, provided a risk management update, and a report on recent claims activities, to include an overview of open claims along with a historical overview. Discussion took place regarding cyber coverage.

Independent Investment Advisor Report: Scott Prickett, of Chandler Asset Management, presented the Board with the investment report as of June 30, 2021, including an Economic Update and Account Profile review.

Broker/Producer Report & Presentation: John Chino, Julie McCallum, and Chase Jones from Gallagher provided a report to the Board on the proposed renewals of the liability, property, cyber and terrorism coverages. Discussion took place to include Vicki Aldridge's retirement as of October 1, 2021, and Stephen Erni moving into the role at that time.

Steve Bartel moved, and Philip Hunsucker seconded to select a Self-Insured Retention (SIR) of \$2 million and to select Chubb for the \$3 million excess of \$2 million layer; and Old Republic for the \$5 million excess of \$5 million layer; and Old Republic at 50% and AWAC at 50% for the \$10 million excess of \$10 million layer.

Discussion took place regarding renewal with AWAC and potential improved pricing that might be found elsewhere. Steve Bartel of Spokane County stated that he would support the Executive Director, Derek Bryan, to make final selection if better rate is found. President Raines asked that the motion be amended.

Steve Bartel moved, and Gary Edwards seconded to amend the above motion to include that The Board is deferring the selection to the Executive Director for the 50% for the \$10 million excess of \$10 million layer; the motion passed.

Steve Bartel moved, and Tanya Everett seconded to select a Pool property deductible of \$100,000 for the 2021-22 Fiscal Year, and to authorize the WCRP Executive Director to finalize the property placements with the various insurers for the October 1, 2021, renewal; the motion passed.

Kathy Spoor moved, and Thad Duvall seconded to renew the first and third-party terrorism coverage for the 2021-22 Fiscal Year as proposed; the motion passed.

The Board of Directors requested to hear the presentation from The Pool's actuary prior to making any motions on the cyber program renewal.

Independent Actuary Report: Craig Scukas and Kevin Wick, with PricewaterhouseCoopers provided the Board with a report on their liability, property, and cyber rating studies for FY2022.

At their July 9, 2021, meeting, the WCRP Executive Committee received the report from PwC, however, deferred the final rating selection to the full Board of Directors when more current information would be available.

The overall liability analysis for this year is driven by offsetting figures. with positive trending within our primary layer being offset by an increase in the excess and reinsurance costs. The result is a recommended overall liability rate increase for the upcoming 2021-22 year at 5%, which includes an additional \$1M budgeted toward continued fund balance growth.

The property insurance premiums, along with losses within the Pool's property deductible, lead to a recommended 10% increase in property rating. Discussion took place.

The cyber losses within what will now be the Pool's \$250K SIR, are estimated at \$350,000 for FY2021-22. While the cyber premium has not been finalized by the Broker, the Pool's Executive Director recommends funding the Cyber program at \$567,500, which includes \$350,000 for retained Pool losses and another \$217,500 for anticipated insurance premiums, a 50% increase over the expiring year's premium.

Executive Director Bryan also noted that the previous allocation of the cyber costs were divided evenly among the members, however, with the cost increasing, it is recommended that this be done using each counties annual operating budget, so that members are paying a share that more closely reflects their size and exposure. It's further recommended that this change to the operating budget allocation be accomplished gradually over time so that the change is more graduated.

Steve Bartel moved to select an overall liability base rate of \$1.129 per worker hour as proposed for the FY2021-22 with any increase or decrease in overall liability costs coming from or going into Fund Balance. Gary Edwards seconded. Discussion took place. The motion passed.

Steve Bartel moved to select an overall property base rate of \$0.173 per \$100 of Total Insured Value (TIV) for the FY2021-22 property program with any increase or decrease in overall property costs coming from or going into Fund Balance. Gary Edwards seconded. Discussion took place. The motion passed.

Jesse Nolte moved to collect \$567,500 for the WCRP's FY2021-22 Cyber Program renewals, using a 75/25 equal share to operating budget weighting method for member cyber assessments, with any increase or decrease in overall cyber costs coming from or going into Fund Balance. Gary Edwards seconded. Discussion took place. The motion passed.

Underwriting Committee Report: The WCRP Underwriting Committee Chair, Adam Kick, provided an update on the activities of the Underwriting Committee. At the July 9, 2021, Executive Committee Meeting, the Underwriting Committee presented an overview of the proposed changes to the Memorandum of Liability Coverage (MLC). The Board was asked to review and approve the proposed MLC. The Underwriting Committee also discussed the WCRP creating a Memorandum of Cyber Coverage (MCC) in the future. The Board of Directors were provided additional information for discussion. Discussion took place.

Adam Kick moved to approve the 2021-22 MLC as presented and proposed. Jesse Nolte seconded. The motion passed.

Risk Management Committee Report: Committee Chair, Rich Sill, provided a Risk Management Committee report, to include an update on the proposed 2021-22 Targeted Risk Management (TRM) Program. Following the WCRP Board of Directors approval of AINS 21 for the replacement of RMPE 352, The Institutes have changed the course title of AINS 21 to AINS 101. The Committee has recommended AINS 21 be replaced with AINS 101, and a new Risk Manager and Claims Administrator Certification Requirements document is included for review and approval.

Tanya Everett moved to approve the 2021-22 Targeted Risk Management (TRM) Program focus as presented and proposed. Lisa Young seconded; the motion passed.

Lisa Young moved to approve the Risk Manager and Claims Administrator certification requirements as proposed. Kathy Spoor seconded; the motion passed.

Personnel Committee Report: Committee Chair, Lisa Young, provided a Personnel Committee report, to include the proposed changes to the WCRP Organizational Chart and the proposed FY2021-22 Salary Schedule. Discussion took place.

Karen Goens moved to approve the WCRP Organizational Chart as proposed. Thad Duvall seconded; the motion passed.

Steve Bartel moved to approve the proposed WCRP salary schedule for FY2021-22 as presented. Gary Edwards seconded; the motion passed.

Finance Committee Report: Committee Chair, Thad Duvall, reported on the activities of the Finance Committee, including proposed changes to the Financial Management Policy and presentation of the proposed FY2021-22 Operating Budget.

At their July 9, 2021, Executive Committee meeting, the WCRP Executive Committee reviewed both the Financial Management Policy and the FY2021-22 Operating Budget, as recommended by the WCRP Finance Committee. Since that July 9, 2021, meeting, corrections to the total salaries and benefits were discovered and those changes are included in the Operating Budget being presented to the Board of

Directors. Discussion took place and it was requested that Mr. Bryan provide the Board with budgetary numbers for previous Fiscal Years to show typical increases.

Karen Goens moved to approve the financial management policy as proposed. Patricia Phillips seconded; the motion passed.

Steve Bartel moved to approve the FY2021-22 Operating Budget as presented. Patricia Phillips seconded; the motion passed.

Investment Committee Report: Committee Chair, Dawn Twiddy, provided a report from the Investment Committee.

Consultant Contracts: The WCRP Executive Director, Derek Bryan, provided an overview of the current contracts with consultants for discussion. Discussion took place.

Steve Bartel moved to authorize the WCRP Executive Director to sign a one-year contract extension with the Pool's Broker, Gallagher, and with the Pool's I.T. Consultant, Brightwire Networks, LLC. Gary Edwards seconded; the motion passed.

Jesse Nolte suggested the Pool review the cyber insurance language to be included in the next renewal with the Pool's I.T. Consultant, Brightwire Networks, LLC, to be sure it meets with our standards.

Thad Duvall moved to approve the five-year contract with Chandler Asset Management as presented. Kathy Spoor seconded; the motion passed.

Tanya Everett moved to approve the Master Engagement Agreement with PricewaterhouseCoopers, as presented, and authorize the WCRP Executive Director to enter an annual Statement of Work with PwC, during the term of the Master Engagement Agreement, for actuarial work needed and within the approved annual budget amount. Lisa Young seconded; the motion passed.

Upcoming Meetings and Conferences: President Raines referred the Board to the overview of the upcoming Executive Committee meetings, WCRP Conferences and Board of Directors' meetings. Discussion took place.

Motion ratifying the WCRP Executive Director's decision to hold the 2023 Spring Conference & Board Meeting at Hotel Murano in Tacoma, pursuant to the re-booking agreement following the previous cancellation due to COVID-19 restrictions. Discussion took place.

Lisa Young moved to ratify the WCRP Executive Director's decision to hold the 2023 Spring Conference & Board Meeting at Hotel Murano in Tacoma, pursuant to the re-booking agreement following the previous cancellation due to COVID-19 restrictions. Thad Duvall seconded; the motion passed.

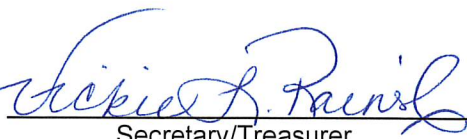
Gavel Exchange and Welcome Incoming President: President Raines addressed the WCRP Board of Directors for the final time during her 2020-21 term as WCRP President. Executive Director Bryan thanked President Raines for her service as President.

Adjournment: With no further business to conduct, President Raines adjourned the meeting at 2:01 PM.

MINUTES APPROVED this 25th day of March 2022.



President

Attest: 

Secretary/Treasurer