

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

Thursday-Friday, July 21-22, 2016  
The Davenport Grand Hotel, Spokane, WA

**Board Members in Attendance**

<b>Name</b>		<b>County</b>
Not Represented		Adams
Not Represented		Benton
Keith Goehner *	Director, <i>Vice President</i>	Chelan
Rich Sill	Director	Clallam
W.A. "Drew" Woods *	Director, <i>Secretary/Treasurer</i>	Columbia
Clyde Carpenter *	Director	Cowlitz
Steve Clem * (left at 10:50 am Friday)	Director	Douglas
Robert Koch *	Director	Franklin
Robert Johnson	Alternate Director	Garfield
Vickie Raines	Director	Grays Harbor
Elaine Marlow	Alternate Director	Island
Philip Morley	Director	Jefferson
Not Represented		Kittitas
Paulette Young	Director	Lewis
Dawn Twiddy	Alternate Director	Mason
Tanya Craig (left at 9:40 am Friday)	Alternate Director	Okanogan
Not Represented		Pacific
Mike Lithgow	Director	Pend Oreille
Mike Thomas	Director	San Juan
Jessica Neill Hoyson	Director	Skagit
Adam Kick	Director	Skamania
Steve Bartel *	Director	Spokane
Tammy Devlin *	Alternate Director	Thurston
James Duncan	Alternate Director	Walla Walla
Karen Goens	Director	Whatcom
Cindy Erwin	Alternate Director	Yakima

\* Denotes Executive Committee Member

**Others in Attendance**

<b>Name</b>	<b>Designation/Title</b>	<b>County/Organization</b>
David Alvarez *	Chief Civil DPA	Clallam County
Tom Reyes	Civil Investigator	Clallam County
Tammy Sullenger	HR Analyst	Clallam County
Claire Hauge	OFM Director	Cowlitz County
Thad Duvall	Auditor	Douglas County
Jordyn Giulio	Records/Risk Manager	Douglas County
Tim Dickerson (Friday only)	Chief Civil Deputy	Franklin County
Jennie Bowman	Risk Manager	Garfield County
Joy Carossino (Thursday only)	Safety & Claims Coordinator	Grays Harbor County
Chris Horner (left at 9:20 am Friday)	Deputy Prosecuting Attorney	Kittitas County
Gary Stamper (left at 9:50 am Friday)	Commissioner	Lewis County
Julie Almanzor	Clerk of the Board	Mason County
Albert Lin (left at 10:15 am Friday)	Civil DPA	Okanogan County
Donnie LaPlante	Sr. HR/Risk Analyst	Skagit County
Doug McKenzie	Commissioner	Skamania County
Debi Van Camp	Human Resources	Skamania County

Bud Blake (Friday only)	Commissioner	Thurston County
Will Ashbaugh (Friday from 9:40 – 10:00 am, telephonic)	Coverage Counsel	Hackett Beecher & Hart
Shannon Stuber	LGSI Program Director	State of Washington
Rebecca Wallinder (Friday only)	Sr. Property Underwriter	AIG
Mark Loveall (Friday only)	Underwriting Manager	AIG
Kathy Clemens (Friday only)	Client Director	AIG
Liz Miser	Area Vice President	Arthur J. Gallagher
Darin Puryear (Thursday only)	Area President	Arthur J. Gallagher
Kazumi Tripp	Sr. Client Service Manager	Arthur J. Gallagher
Tim Chace (Thursday only)	Director of Risk Control	Arthur J. Gallagher
Rich Vincelette	President	Berkley Public Entity Managers
Brian Whooley	SVP – Underwriter	Berkley Public Entity Managers
Richard Zak	Regional Underwriting Mgr.	Berkley Public Entity Managers
Scott Prickett (left at 9:30 am Friday)	Portfolio Strategist	Chandler Asset Management
Cinder Hart (Thursday only)	Account Executive	Environ
Kevin Wick (Thursday only)	Managing Director	PricewaterhouseCoopers
Craig Scukas (Thursday only)	Director	PricewaterhouseCoopers
Jennifer Ziegler	Policy Consultant	WSAC
Shelly Peters	HR/Risk Manager	Walla Walla County
Jeff Sawyer (Thursday only)	Civil DPA	Whatcom County

**CALL TO ORDER / WELCOME:** WCRP Vice President Goehner called the 2016 Annual Board of Directors Meeting to order Thursday, July 21, at 2:00 pm. He welcomed all in attendance. Around the room introductions took place. Vice President Goehner confirmed a quorum.

**AGENDA:** Vickie Raines moved to accept the agenda, Tammy Devlin seconded; the motion passed.

**MINUTES:** Thad Duvall moved to approve the minutes of the March 24-25, 2016, Board of Directors Meeting, Bob Johnson seconded; the motion passed.

**EXECUTIVE COMMITTEE REPORT:** Vice President Goehner noted the minutes from the June 17, 2016, and July 8, 2016, meetings were available and the Committee has made some recommendations that will be discussed during the Board meeting. Mr. Goehner reported that Executive Committee member David Alvarez recently changed employment from Jefferson County to Clallam County and that he is now an Alternate Director appointed from Clallam County. Steve Bartel moved to re-affirm David Alvarez's position on the Executive Committee through his current term effective 07/21/2016 and ending 9/30/2016, Clyde Carpenter seconded; the motion passed.

**BROKER/PRODUCER REPORT:** Liz Miser with AJGRMS reviewed member county participation, corridor loss development and losses valued up to \$5 million. 2016-17 renewal options from Berkley were presented for the \$1,900,000 excess of \$100,000 layer and the \$3M excess of \$2M layers. Options for the \$5M excess of \$5M layer, \$10M excess of \$10M layer and the optional \$5M excess of \$20M layer were presented and Ms. Miser noted the WCRP program was heavily marketed this year. Discussion took place regarding the options and pricing.

Ms. Miser reminded the group that last year the Pool selected a two-year renewal for the property program (WCPP) and the rate remains the same. AJGRMS needs an updated TIV for the property renewal in August. Ms. Miser noted both years have already paid for the property program, but an adjustment may be necessary based on the TIV when provided by the Pool.

Steve Clem moved to select Berkley for layers 1 and 2 with a Self-Insured Retention of \$100,000 and a corridor of \$4,350,000 and "Option 3" with BRIT and Old Republic for the \$5M excess of \$5M layer, Lexington for the \$10M excess of \$10M layer and Lexington for the \$5M excess of \$20M Optional Layer for the Casualty Program; Steve Bartel seconded. Discussion took place. The motion passed.

Ms. Miser then reported she cannot get a firm quote for the Cyber program until mid-August but the range for cyber coverage is likely \$110,000 to \$160,000 but will depend on activity on the current claims and may change if new claims are received. Tammy Devlin moved to accept the cyber program as presented with the premium not to exceed \$160,000, Philip Morley seconded; the motion passed.

Ms. Miser introduced Cinder Hart with Enquiron, the HR Helpline program that is provided through Berkley for Pool members. Ms. Hart reminded the group that Enquiron's services include legal advice, state and federal guideline resources, webinars, online sexual harassment training, and a handbook builder.

Ms. Miser then reported the other services provided by AJGRMS and Berkley include: loss control services, and a \$150,000 grant from Berkley to support loss control programs. She then reviewed the BRIT risk management services.

**PERSONNEL COMMITTEE REPORT:** Chair Paulette Young reported the Committee has been reviewing staff positions and staff organization. Executive Director Bryan gave background information on the proposed organization chart. He noted salaries and benefits have been on hold for staff and he has been working with the Personnel Committee to place staff on the salary matrix. The proposed 2016-17 budget includes a total amount for staff salaries and benefits but wages for each staff position have not yet been determined. Discussion took place. Paulette Young moved to approve the updated WCRP Staff Organizational Chart as presented, Vickie Raines seconded; the motion passed.

**FINANCE COMMITTEE REPORT:** Chair Duvall presented the proposed 2016-17 budget and explained the new budget format. He reviewed the proposed expenditures noting the lump sum for personnel salaries and benefits of \$1,254,981. Mr. Duvall reported the Executive Committee recommended approving the budget as presented. Discussion took place regarding the proposed budget. Steve Bartel moved to accept the budget as presented and with the adjustments necessary based on business conducted and program selections made during the annual meeting, Karen Goens seconded. Discussion took place. The motion passed.

**INDEPENDENT ACTUARY REPORT:** Kevin Wick with PricewaterhouseCoopers presented the Target Equity Study and spoke about determining capital targets. He reviewed alternative scenarios, change in retention levels and surplus vs. cash calls. Funding targets were discussed including the current target and the proposed target recommended by the Executive Committee noting a 1-in-200 year level is an industry standard.

Craig Scukas with PricewaterhouseCoopers reviewed historical JSILP Assessments, overall assessments per 1,000 worker hours and discussed rate stability. He then reviewed the projections for the 2016-17 program. Mr. Scukas noted the increase for the 2016-17 program is about 18%. Enacting rate stabilization as recommended by Executive Committee would mean about an 8% rate increase. Discussion took place regarding rate stabilization.

Steve Bartel moved to accept and approve the PricewaterhouseCoopers Actuarial Review of Loss Rates report as of March 31, 2016, and the Target Funding Study report as presented and to set the WCRP's funding target range for the low end at a 1-in-200 year event at the Pool's selected risk profile, with the high end at a 1-in-200 year event at a \$2 Million retention as recommended by the Executive Committee. Thad Duvall seconded; the motion passed.

**ADJOURNMENT:** Vice President Goehner recessed the meeting at 4:02 pm until Friday, July 22, at 8:30 am.

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**CALL TO ORDER / WELCOME:** WCRP Vice President Keith Goehner reconvened the 2016 Annual Board of Directors Meeting on Friday, July 22, 2016, at 8:30 am. He welcomed all in attendance and confirmed a quorum. Around the room introductions took place.

**EXECUTIVE COMMITTEE ELECTION:** Vice President Goehner announced Executive Committee terms for David Alvarez, Lisa Ayers, Steve Bartel and Drew Woods expire September 30, 2016. The Nominating Committee has forwarded a slate of six candidates for the Executive Committee positions: David Alvarez, Lisa Ayers, Steve Bartel, Karen Goens, Mike Thomas and Drew Woods. Each candidate was given the opportunity to address the group. Vice President Goehner asked for nominations from the floor, there were none. Steve Bartel moved to close nominations and conduct the election with the six candidates; Vickie Raines seconded; the motion passed. Vice President Goehner asked Thad Duvall to conduct the election and Mr. Duvall gave the voting instructions. Thad Duvall and Susan Looker were designated to count ballots. It was stated that results would be available later in the meeting and that the Officer elections would be conducted after the Executive Committee election results were announced.

**QUARTERLY FINANCIAL REPORT:** Accounting Officer Colbo reviewed the 3<sup>rd</sup> Quarter PY2016 Financials including the Statement of Revenues and Expenses, the Pool's Net Position and Year-To-Date Expenditures. Karen Goens moved to accept the 3<sup>rd</sup> Quarter Financials as presented, Tammy Devlin seconded; the motion passed.

**INVESTMENT COMMITTEE REPORT:** Chair Woods reviewed the June 2016 Investment Activities Worksheet and he stated the average returns for the LGIP, SCIP and Chandler investments. He noted no further money has been transferred to the portfolio managed by Chandler. Chair Woods reported the Committee met the previous day, and as the portfolio is stable, the committee decided to meet during the three WCRP conferences rather than hold monthly telephonic meetings, but will call additional meetings as needed.

**INDEPENDENT INVESTMENT ADVISOR REPORT:** Scott Prickett with Chandler Asset Management gave an update on current economic conditions. He then reviewed the Pool's Account Portfolio including investment objectives, performance objectives, strategy and portfolio characteristics including compliance and benchmarks. Mr. Prickett reported that \$16,194,857 is invested in the portfolio as of 6/30/2016. Purchase yields were discussed and he noted the current yield is 96 basis points.

**EXECUTIVE COMMITTEE ELECTION RESULTS:** Vice President Goehner announced that Steve Bartel, Drew Woods, David Alvarez and Mike Thomas were elected to the Executive Committee for 3-year terms beginning 10/01/16 through 9/30/19.

**OFFICER ELECTIONS:** Vice President Goehner announced that Tammy Devlin was the Nominating Committee's candidate for the position of Vice President / President-Elect with a 2-year term from 10/01/16 through 9/30/18. Thad Duvall moved to close nominations and cast a unanimous ballot electing Tammy Devlin as Vice President and President-Elect, Bob Koch seconded; the motion passed.

Vice President Goehner then announced that Jill Johnson was the Nominating Committee's candidate for the Position of Secretary/Treasurer with a term from 10/01/16 through 09/30/17. Karen Goens moved to confirm Jill Johnson as the nominee. Vice President Goehner asked if there were any nominations from the floor, Steve Bartel nominated Drew Woods. As there were no other nominations, Vice President Goehner again asked Thad Duvall to conduct the election with Mr. Duvall and Jill Lowe designated to count ballots.

**CLAIMS REPORT:** Claims Manager Looker gave an update on the Clark County case reporting that oral arguments were heard by the State Supreme Court in May. Lexington initiated mediation subject to confidentially provisions and she reported the mediation is ongoing. She then reported that \$1.7 million in legal fees has been paid-to-date on the case.

**RECESS:** Vice President Goehner recessed the meeting from 9:20 to 9:35 am.

**CLAIMS REPORT CONTINUED:** Claims Manager Susan Looker then gave a claims report detailing claim frequency, noting there are currently 320 open claims and about 50 open pre-defense reviews. She then reviewed claims by allegation code noting frequency and severity.

**OFFICER ELECTION RESULTS:** Vice President Goehner announced that Drew Woods was elected Secretary Treasurer.

**EXECUTIVE SESSION:** Philip Morley moved to convene in executive session under the appropriate statutory authorities to discuss pending litigation for an estimated 20 minutes, Clyde Carpenter seconded; the motion passed.

Acting in accordance with the WCRP Bylaws and RCWs 48.62.101(1) and 42.30.110(1)(i)(ii), and recognizing that public discussion would impair the Committee's ability to conduct its business effectively, **Vice President Goehner moved the Board of Directors into executive session with only Directors, Alternate Directors, Executive Director Derek Bryan, Claims Manager Susan Looker and Coverage Counsel Will Ashbaugh who joined the meeting telephonically at 9:40 am.**

**Vice President Goehner reconvened the Board meeting in regular session at 10:00 am with all previous attendees except as noted in the attendance and announced no actions were to be taken at this time.**

Claims Manager Susan Looker continued with the Claims Report. She reviewed employment claims, large losses (over \$100k), and provided a corridor update noting year W is the only year that the corridor has been penetrated. She presented a six-year snapshot illustrating the number of pre-defense reviews.

**UNDERWRITING COMMITTEE REPORT:** Chair Bartel reported the Committee is proposing updates to the Claims Handling Policies and Procedures and the Bylaws to reflect the change from JSILP to MLC. The proposed documents with revisions along with the proposed Memorandum of Liability Coverage (MLC) for 2016-17 were reviewed. Mr. Bartel then reported the Committee met Wednesday afternoon and discussed 4.96 language and coverage for drones. The Committee will conduct a survey regarding jail medical services in order to get a better understanding of the services that member counties are providing. Steve Bartel moved to approve the updated Claims Handling Policies and Procedures, the WCRP Bylaws and the 2016-17 Memorandum of Liability Coverage (MLC) as presented, Karen Goens seconded; the motion passed.

Steve Clem moved to allocate \$1 million from reserves to be used for rate stabilization with the balance of the expected increase to be collected from the WCRP membership, as recommended by the Executive Committee, Steve Bartel seconded. Discussion took place. The motion passed.

**RISK MANAGEMENT COMMITTEE REPORT:** Chair Lithgow reported the Committee recommended an 80/80/80 program for Lexipol reimbursement. Currently about 50% of member counties meet this requirement. The Pool will reimburse member counties for 80% of the cost for Law Enforcement and/or Custody if the county has issued 80% of the policies and 80% of the Daily Training Bulletins have been completed by assigned personnel. He then reported the language regarding training class cancellations has been changed to reflect current the current practice. Discussion took place regarding Lexipol and it was announced that Jill Lowe will send out an email explaining the new Lexipol program and requirements.

**LOSS CONTROL REPORT:** Loss Control Coordinator Jill Lowe announced that Gordon Graham will provide Jail Liability training on May 4, 2017 in Wenatchee, the training will be available via Webinar, however it cannot be recorded for later viewing. She then reported that the Pool has purchased two sets of training materials from NCIA regarding suicide detection and prevention in jails to share amongst the membership. The proposed 2016-17 training sessions were presented along with the remaining training sessions for 2015-16. Ms. Lowe reviewed new programs planned for 2016-17, the grants and scholarships program, and the 2017 Labor Relations Institute. She then announced Paulette Young with Lewis County recently completed her ARM-P and presented her with a certificate.

**STATE RISK MANAGER REPORT:** Shannon Stuber, the Washington State Local Government Self Insurance Program Director reported she recently met with Derek Bryan for her annual visit and a written report will be available soon. She spoke about the new requirement for reporting pension liability.

**EXECUTIVE DIRECTOR REPORT:** Executive Director Bryan reported he will be working with members on renewals for the 2016-17 Pool Year. He reminded the group that property values need to be updated in AMP. Mr. Bryan then reviewed the draft contract with Insurance Services Office (ISO) for services supporting compliance with the U.S. Treasury's Office of Foreign Asset Control (OFAC). Discussion took place regarding the authority to enter into Administrative Contracts. Philip Morley moved to approve the ISO contract as presented, Vickie Raines seconded; the motion passed.

Philip Morley then moved for the Executive Director to develop a policy regarding administrative contracts to be vetted by the Executive Committee and then brought to the Board at the Fall meeting, Rich Sill seconded; the motion passed.

Paulette Young moved to grant the Executive Committee authority to approve a contract for IT services at the Pool's headquarters, Philip Morley seconded; the motion passed.

**OFFICER REPORT:** Vice President Goehner encouraged members to get involved with the Pool's committees. He confirmed for the upcoming year that Mike Lithgow will remain as the chair of the Risk Management Committee, Steve Bartel will remain as chair of the Underwriting Committee, and Thad Duvall will remain as chair of the Finance Committee. Mr. Goehner reported the Personnel Committee needs new members and possibly a Committee chair. Vice President Goehner recognized staff and the Executive Director and stated Mr. Bryan is a great asset to the Pool and he looks forward to many years of working together. He then acknowledged Lisa Young for her service as President.

**UPCOMING MEETINGS AND CONFERENCES:** Vice President Goehner announced the Fall Conference will be held at Great Wolf Lodge in Grand Mound

**ADJOURNMENT:** With no further business to conduct, Vice President Goehner adjourned the meeting at 11:34 am.

MINUTES APPROVED this 2<sup>nd</sup> day of December, 2016.

Keith W. Goehner  
President

Attest: William A. Wood  
Secretary/Treasurer