

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE**

MINUTES

**6:00 p.m. Monday, June 21, 2004
9:00 a.m. Tuesday, June 22, 2004
Sheraton Tacoma Hotel, Tacoma**

ATTENDANCE:

President – Leon Long, Spokane County Risk Manager

Secretary – Craig Vejraska, Okanogan County Commissioner

Executive Committee –

Rose Elway, Grays Harbor County Director of Management Services/Budget/Insurance

David Goldsmith, Jefferson County Administrator

Vyrle L. Hill, Pacific County Administrative Officer

Steve M. Lowe, Franklin County Prosecuting Attorney

Barbara Razey, Kitsap County Risk Manager

Mike Shelton, Island County Commissioner

Si Stephens, San Juan County Auditor

Randall Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney

R. S. Zirkle, Yakima County Prosecuting Attorney

Broker – Mike Croke, Willis of Seattle

Risk Pool Staff - John Crawford, Executive Director

Alicia Johnson, Claims Manager

Rich Bodell, Programs Manager

WELCOME and ROLL CALL: President Leon Long called the meeting to order at 6:15 p.m. on Monday, June 21, 2004, took a roll call, and announced that a quorum was present.

Executive Session – Personnel: At 6:15 p.m., the chair conducted the meeting in executive session in accordance with RCW 42.30.110(g) to review the performance of a public employee. The Executive Session was concluded at 8:52 p.m.

President Leon Long recalled the meeting to order at 9:05 a.m. on Tuesday, June 22, 2004, took a roll call, and announced that a quorum was still present. Steve Lowe and Mike Shelton had excused absences.

Executive Session – Personnel: At 9:05 a.m., the chair conducted the meeting in executive session in accordance with RCW 42.30.110(g) to review the performance of a public employee. The Executive Session was concluded at 9:30 a.m.

APPROVAL:

Minutes: Ron Zirkle moved to approve the minutes of the March 19th meeting at SeaTac. The motion was seconded by Craig Vejraska and approved.

Rose Elway moved to approve the minutes of the April 20th meeting at Tumwater. The motion was seconded by Craig Vejraska and approved.

Engagement Letter: Si Stephens moved to approve the attorney engagement letter as presented. The motion was seconded by Ron Zirkle and approved.

Vouchers: Vyrle Hill moved to approve the vouchers (Administration: check numbers 12097 through 12273 totaling \$233,346.52 and transfers in the amount of \$11,192.37; and Claims: check numbers 14486 through 14712 totaling \$1,354,095.60), subject to item descriptions in subsequent voucher approval requests. The motion was seconded by Randy Watts and approved.

REPORTS, DISCUSSION and ACTION:

Board Spring Meeting: The minutes of the April 15th Board Spring Meeting were placed in the meeting packet.

Nominating Committee: Committee Chair Leon Long asked everyone to seek out directors and alternates who would be willing to be nominated to serve on the Executive Committee to fill either unexpired terms that are becoming vacant due to retirements or to fill full three year terms.

Personnel Committee: The minutes of the May 25th conference call of the Personnel Committee were placed in the meeting packet. Committee Chair Ron Zirkle described the work of the committee in revising job descriptions and developing a salary chart for Risk Pool staff. Si Stephens moved to accept the staff salary schedules as approved by the committee. The motion was seconded by David Goldsmith and approved.

Underwriting Committee: The minutes of the June 16th conference call of the Underwriting Committee were placed in the meeting packet. Ron Zirkle reported that the committee had received revised policy language from an environmental attorney, and the committee was still commenting on the final revision that was being circulated. Vyrle Hill moved to advance the exclusion to the Board, subject to further revisions. The motion was seconded by Rose Elway and approved.

Executive Session – Claims: At 10:10 a.m., the chair conducted the meeting in executive session in accordance with RCW 48.62.101, to discuss litigation and settlement of claims. Public discussion would impair the Risk Pool's ability to conduct its business effectively; and/or it was for the purpose of setting reserves. Two breaks were taken from 10:36 a.m. to 10:41 a.m. and from 11:25 to 12:03 a.m. and the Executive Session was concluded at 12:34 p.m.

President Leon Long appointed Randy Watts to the Litigation Management Committee and asked John Crawford to provide staff support.

Broker Report: Mike Croke presented reinsurance quotations showing a 3.3% overall increase in reinsurance. Mike will continue to discuss the quotations with the companies to refine the numbers for the Board Annual Meeting.

Replying to a comment about NY Attorney General Sptizer's focus on insurance industry practices, Mike commented that the AIG and reinsurance companies do not provide profit sharing rebates to brokerage firms.

Financial Report: Committee Co-chairs Vyrle Hill and Si Stephens reviewed Risk Pool finances and need for a retroactive assessment for the 1998-1999 excess layer. Vyrle moved to recommend the assessment of approximately \$1,754,000 for an excess layer claim loss and approximately \$350,000 for allocated loss adjustment expenses for a total of \$2,100,000, with collection to be deferred until approved by the Board, and with the amount to be reviewed at the 2005 Annual Board Meeting. The motion was seconded by Randy Watts and approved.

Vyrle Hill and Si Stephens also reviewed the current retroactive assessment and will recommend that early discounted pre-payments be calculated and credited without considering investment earnings.

With the assent of the Executive Committee, worksheets will be revised and resolution forms prepared for the Annual Board Meeting next month.

Programs Report: Rich Bodell summarized recent training and reported on training proposed within next year's budget.

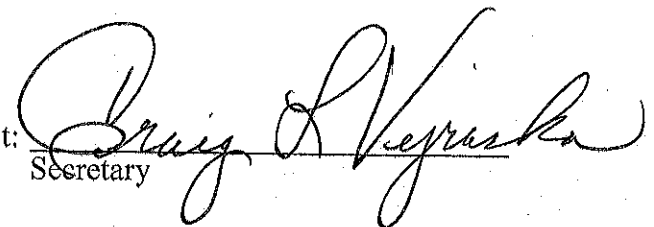
Budget: John Crawford presented a proposed administrative budget of \$1,056,888 for 2004-2005. It is an increase of \$47,784 (5%) over the current year.

With no further business, the meeting was adjourned at 3:35 p.m.

MINUTES APPROVED: _____



President

Attest: 

Secretary