

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE
MINUTES**

**11:00 A.M., Thursday, December 7, 2006
WCRP Headquarters' Conference Room
Tumwater, Washington**

ATTENDANCE:

President – Steve Clem (*teleconferencing*), Douglas County Prosecuting Attorney

Secretary/Treasurer – Keith Goehner, Chelan County Commissioner

Executive Committee Members –

Toni Gilbert, Clallam County Safety Training Officer

Neva Corkrum, Franklin County Commissioner

Mike Shelton, Island County Commissioner

Mark Abernathy, Kitsap County Risk Manager

Diane Oberquell, Thurston County Commissioner

Jay Winter, Walla Walla County Personnel/Risk Manager

Randy Watts, Whatcom County Chief Civil Deputy Prosecuting Attorney

Risk Pool Staff –

Vyrle Hill, Executive Director

Susan Looker, Claims Manager

David Goldsmith, Member Services Manager

Others –

Mike Croke, Broker (Willis of Seattle, Inc.)

Harry Green, RMC Chair (Lewis County Risk Manager)

Marilyn Butler (*teleconferencing at 11:20*), UWC Co-chair (Skamania County
Administrative Services Director)

Mark Johnson, Defense Counsel (Okanogan County)

Welcome and Roll Call: President Clem asked Secretary-Treasurer Goehner to preside over this meeting due to his teleconferencing status and his need to leave the meeting early. Keith called the meeting to order at 11:05 a.m. and noted that he could hear and visually confirm that a quorum of the Executive Committee was present or teleconferencing. Executive Director Hill asked that the Committee add to the agenda consideration of the Disposal of Assets Request No. 07-01. Diane Oberquell moved to approve the agenda with the addition placed immediately before the Broker's Report; the motion was seconded Mike Shelton and passed by voice vote.

Executive Session: Mike Shelton moved to enter an executive session in accordance with RCW 48.62.101 to review and discuss pending claims and litigation/appeals. The motion was seconded by Diane Oberquell and passed by voice vote. Recognizing that public discussion would impair the Pool's ability to conduct its business effectively, Secretary-Treasurer Goehner moved the meeting into an estimated 1-hour executive session at 11:07 am to review and discuss the Gillespie V. Okanogan County, C.W. Williams Construction v. Mason County, and Diem v. Mason County cases. Mr. Johnson was excused at 11:30 am following his presentation in the Gillespie matter. Upon reconvening the regular meeting at 12:08 pm, Randy Watts moved to effectuate the claims settlement recommendations that were discussed during the executive session. The motion was seconded by Diane Oberquell and passed by voice vote.

Recess: The meeting and teleconference was recessed at 12:10 pm for lunch. President Clem excused himself from the balance of the meeting. The meeting was reconvened at 12:42 pm with Marilyn Butler teleconferencing.

Claims Audit: Claims Manager Susan Looker reported that PricewaterhouseCoopers, L.L.P. has scheduled the independent biennial audit of the Pool's claims activities that they were under

contract to perform by year' end. Clarence Lennon would be onsite December 12-14 to conduct the field examination. She mentioned that she had discussed database accuracy concerns with Mr. Lennon. Inconsistent reporting by in-house assigned defense counsel was also discussed. Executive Director Vyrle Hill reported that he intended to prepare and distribute another, more direct letter to all member counties regarding compliance with the reporting requirements of the Claims Handling Policies and Procedures. Executive Committee members asked to be copied.

Member Services Division Report: MS Manager David Goldsmith informed the committee that three Member Compact compliance audits were completed, three more needed only to be presented, and three more were field complete and the report was being prepared. He noted that the audits were clarifying the need for a policy repository and for needed training.

David reported that he attended the new commissioners/councilpersons session December 6th and presented a risk management briefing to 21 new WSAC members. He also reported that after reviewing the results of the Board survey conducted during the Autumn Session recently, President Clem asked to include board development training and new member orientation during the Spring Session. Finally, David reviewed the recent marketing efforts that had been taken.

Executive Director's Report: Vyrle Hill reported that the Claims Representative and the Loss Control Coordinator positions had been advertised, and that applications had been received. He noted that the loss control applications had been screened, and that an interview committee that included representatives of the Risk Management Committee was being selected to interview the finalists. He also noted that Susan and the claims staff were screening the applications for the claims position.

Vyrle then reported on the November Riskmaster User's Group meeting. He noted that he thought the meeting was quite successful and that the group wanted to continue to meet regularly. They agreed to next meet at Skamania Lodge in late March in conjunction with the WCRP Spring Session. He also commented that the Riskmaster X installation and associated training led to delaying the "go live" until some noted bugs could be properly dealt with.

Finally, Vyrle reported that he and Mark Fukuhara, WCIF/WCIP Executive Director, had tentatively agreed to sponsor an Open House for the new facilities on February 1st while many of the county officials would be in the area for the Legislative Conference. He invited executive committee members to attend and encouraged their participation. He noted that the timing would set well for another Executive Committee meeting. The consensus opinion was to hold the next Executive Committee meeting again in the WCRP Headquarters' Conference Room on Wednesday, January 31, 2007.

Minutes: Mike Shelton moved to approve the minutes of the October 25, 2006 Executive Committee meeting held at the Red Lion Hotel at the Park in Spokane. The motion was seconded by Neva Corkrum and passed by voice vote.

Vouchers: Neva Corkrum moved to approve Voucher Approval Request No. 07-01, more specifically Administration check numbers 14376 through 14517 totaling \$6,457,679.26 with transfers of \$64,779.54 and Claims check numbers 18828 through 19010 totaling \$471,159.94. The motion was seconded by Diane Oberquell and passed by voice vote.

Quarterly Financial Reports: Randy Watts moved to approve the "pre-audit" quarterly financial reports for quarter four of Pool Year 2006. The motion was seconded by Toni Gilbert and, following a brief overview of the reports by Vyrle Hill wherein he noted that the Pool's Assets to Liability Ratio had improved to 1.72, the motion passed by voice vote.

Actuarial Reserve Review: Vyrle Hill presented the summary from the PwC draft report estimating ultimate losses and reserves as of September 30, 2006. He noted that reserves were estimated at \$8.4 million compared with \$10.4 million a year ago. Mike Shelton moved to approve without any conditions the Actuarial Reserve Review as of September 30, 2006 compiled by PricewaterhouseCoopers, L.L.P., and recommend that the Board of Directors confirm this action during its next meeting. The motion was seconded by Diane Obequell and passed by voice vote.

Claim Settlement Authorities: Claims Manager Susan Looker reported that no other authorities were needed at this time.

Susan also briefed the committee with the results (pending appeal) of the Broyles v. Thurston County case, a \$1.522 million jury award plus plaintiffs' attorneys' fees.

Professional Services Agreements: Mike Shelton moved to approve the proposed extension in the claims auditing services agreement with PricewaterhouseCoopers through December 2009, and to authorize the officers to sign to signify the Pool's approval. The motion was seconded by Randy Watts and passed by voice vote.

Disposition of Assets: Mike Shelton moved to approve Disposition of Assets Request No. 07-01; the motion was seconded by Diane Oberquell. Executive Director Hill noted that the listing included items associated with the Pool's headquarters relocation and the recent exchange server replacement. The motion passed by voice vote.

Broker's Report: Mike noted that their efforts have been directed to the several counties with early 2007 property insurance renewals. Quotes had been received and were being forwarded to Columbia and Okanogan Counties. Quotes were expected for Benton and Lewis Counties.

Finance Committee: Chair Mike Shelton had nothing to report.

Personnel Committee: Chair Jay Winter also had nothing to report.

Risk Management Committee: Chair Harry Green reported actions taken in response to the request for a model risk and claims management policy for member counties. He noted that he had circulated to his committee persons a copy of the Lewis County Risk Management Policy for review and comment. He said that only one response had been received and suggested using the Lewis County policy for the risk management components, but to await the completion of Spokane County's Claims Administration Policy presently under review for the claims management items. David Goldsmith asked what items addressed in the Membership Compact the Lewis County Policy included. Harry replied, most if not all.

Harry also asked if his committee could be furnished with copies of the compact compliance audits. It was agreed that David will forward copies through Harry.

Harry also commented that he's feeling presenting a 3-year loss control work plan at the Spring Session may be too premature.

Underwriting Committee: Marilyn Butler had nothing to report, but Randy Watts asked if the Executive Committee would authorize using some resources to have coverage counsel propose language so future coverage decisions would be based upon a look beyond the allegations to the actual merits of the case. The committee asked for an estimate of cost. Having none, Randy agreed to discuss the concept with coverage counsel and obtain an estimate for a later meeting.

Committee Member Reports: Nothing to report.

Upcoming Events: Committee members reviewed and discussed the calendar of activities. Committee members were reminded that the next committee meeting would be January 31, 2007 at the Pool's new headquarters in Tumwater where the Open House would occur the next afternoon (February 1st).

Several committee members expressed interest in attending upcoming conferences and training, including the RIMS 2007 Annual Conference April 29th through May 3rd (Diane), the PRIMA Conference with AGRiP Pooling Track June 11-13 (Keith, Toni and Randy), and the AGRiP Governance & Leadership Conference October 29-31 (Mike and Mark).

Adjournment: With the agenda completed, Secretary-Treasurer Goehner adjourned the meeting at 2:05 pm.

MINUTES APPROVED this 31st day of January, 2007.



President

Attest: 

Secretary/Treasurer