

WASHINGTON COUNTIES RISK POOL EXECUTIVE COMMITTEE MEETING MINUTES

10:00 A.M., Wednesday, May 28, 2008
Radisson Hotel Gateway Seattle, SeaTac, WA

ATTENDANCE:

President – Keith Goehner, Director – Chelan County Commissioner

Secretary/Treasurer – Mark Abernathy, Director – Kitsap County Risk Manager

Executive Committee Members –

Toni Gilbert – Clallam County Safety/Training Officer (teleconferencing)

Steve Clem – Douglas County Prosecuting Attorney

Neva Corkrum – Franklin County Commissioner

Rose Elway – Grays Harbor County Director of Mgmt. Services & Budget

Marilyn Butler – Skamania County Administrative Services Director

Steve Bartel – Spokane County Risk Manager

Randy Watts – Whatcom County Chief Civil Deputy Prosecuting Attorney

Vyrle Hill – WCRP Executive Director (*ex-officio*)

Risk Pool Staff –

David Goldsmith, Member Services Manager

Susan Looker, Claims Manager

Others –

Tammy Devlin, Chair – Personnel Committee (Thurston County Risk Manager)

Kevin Wick, Managing Director – PricewaterhouseCoopers LLP

Craig Scukas, Director – PricewaterhouseCoopers LLP

Michael Croke, Area Senior Vice President – Arthur J. Gallagher RMS, Inc.

Elizabeth Miser, Area Vice President – Arthur J. Gallagher RMS, Inc.

Call to Order, Welcome, Roll Call and Agenda: President Goehner called the meeting to order at 10:03 a.m. after verifying a quorum existed either in person or participating telephonically. He asked if there were any changes to the proposed agenda... Vyrle Hill noted that the item C title should reflect Q2-2008 and that an early-to-middle July date was needed for the next Executive Committee meeting. The agenda adjustments were noted and the meeting proceeded accordingly.

Minutes: Toni Gilbert moved for approval of the Executive Committee minutes as circulated of the March 27, 2008 meeting held at the Red Lion at the Park in Spokane; Mark Abernathy seconded, and *the motion passed by without dissent.*

Vouchers: Marilyn Butler moved for approval of Voucher Approval Request No. 08-04, more specifically check numbers 1692 through 1873 (administrative) and 25907 through 26186 (claims) totaling \$1,963,561.77 and transfers of \$85,808.91; Rose Elway seconded, and *the motion passed without dissent.*

Quarterly Financial Reports: Executive Director Hill provided an overview of the financial reports for the period January through March 2008, noting that 1) Net Assets (Members' Equity) had increased to more than \$6.1 million; 2) 31% of the supplemented administrative budget had been expended; and 3) the Assets to Liability Ratio from the SRM report was 1.72, better than a 90% Confidence Factor. Neva Corkrum moved for approval of the Q2-2008 financial reports with authorization if needed for the President to authenticate; Marilyn Butler seconded, and *the motion passed without dissent.*

Claims Settlement Authorizations: Randy Watts moved for approval of Settlement Confirmation No. 05.28-2008, more specifically Huss v. Spokane County; Rose Elway seconded, and *the motion passed without dissent.*

Actuary Report: PricewaterhouseCoopers' Kevin Wick and Craig Scukas presented a four-page (eight-slide) preview of the Actuarial Rating Review for Policy Year 2008-09. They reported having reviewed Projected Costs, Deductible Credits and Experience Ratings; noted the 2007-08 Program Costs estimate of \$18.3 million; explained how the Pool's Layer Costs are

estimated; expressed concern about the equity in the Deductible Credits; and discussed the Experience Rating process. The equity in distributing Administrative Costs was also discussed. Further review of this matter and related issues was referred to the Finance Committee.

Coverage Determination Appeal Hearing: At 11:05 a.m., President Goehner opened the hearing to consider Kitsap County's appeal of the Executive Director's coverage determination in *Patrick Drum et al v. Kitsap County* – United States District Court, Western District of Washington No. C07-5405.

Kitsap County Risk Manager Mark Abernathy presented argument on behalf of Kitsap County. Mr. Abernathy was asked and responded to questions from various committee members. Claims Manager Susan Looker presented argument on behalf of the Pool administration noting that the complaint was for declarative and injunctive relief. President Goehner closed the hearing, and then he recessed the meeting at 11:20 a.m. The meeting was reconvened at 11:27 a.m.

Executive Session: Randy Watts moved to convene in executive session; Neva Corkrum seconded, and *the motion passed without dissent*. Recognizing that public discussion would impair the Pool's ability to conduct its business effectively, and acting in accordance with the WCRP Bylaws and RCW 48.62.101, President Goehner excused all those present except for the Executive Committee members and Vyrle Hill and moved the meeting into an estimated 10-minute executive session at 11:28 a.m. to discuss the Drum v. Kitsap County coverage appeal.

After reconvening in regular session at 11:40 a.m. with all but the PwC representatives returning, Randy Watts moved to deny the coverage determination appeal from Kitsap County and uphold the staff's denial of coverage; the motion was duly seconded and *passed without dissent* with Mark Abernathy abstaining.

Steve Clem then moved to (1) record this matter as an IBNR event, (2) report the IBNR status to the appropriate re-insurer(s), (3) extend pre-defense resources to Kitsap County to the standard \$5,000 limit, and (4) direct the Pool's claims staff to review the county's related expenses incurred to determine the claim's beneficial costs if/when an amended (covered) claim is filed. Steve Bartel seconded, and *the motion passed without dissent* with Mark Abernathy once again abstaining.

Broker's Report: Liz Miser reported on the East Coast underwriting meetings she attended in mid-April along with Keith, Mark and Vyrle. From the meeting in Boston with Lexington's property representatives, she noted learning that the December 2007 incident was being viewed as catastrophic; that the insurer is looking for a partnership, not just an account; that potential coverage enhancements may include a \$5 million "Green Endorsement" sub-limit; and that property-related loss control services are being made available. She also commented on the liability program meeting in New York wherein several AIG account representatives noted the program was fairly rated.

Mike Croke reported on the property appraisal test project, and noted that a copy of the report would be forwarded to David Goldsmith. He deferred to RMC Chair Steve Bartel to report on the AJG-Pool exposures survey/assessment efforts.

Standing Committees' Reports

- **Finance:** Chair Steve Clem noted that the Committee would be working with the Executive Director and the actuaries to evaluate premium options in response to the earlier Rating Review discussion.
- **Nominating:** Chair (President) Goehner noted that nominees for next year's four open Executive Committee positions and the Pool's officers would be considered during the next Executive Committee meeting.
- **Personnel:** Chair Tammy Devlin noted nothing to report, but looking for needs to assist with.
- **Risk Management:** Chair Steve Bartel reported meeting with Jill and AJG's Tim Chace to complete and discuss the exposures assessment survey. He noted that it took approximately two hours to complete the survey. Steve also reported that the committee had agreed to

develop/update recommendations for specialty insurance coverage levels. He also announced the recent addition of Kitsap County's Tim Perez as another committee member.

- **Underwriting:** Co-chairs Marilyn Butler and Randy Watts announced that a teleconference would be scheduled soon to address the Dams/Levees concern and policy language for Public Records coverage.

Committeeperson Reports: Nothing reported.

Staff Reports:

- **Claims Manager** Susan Looker had nothing further to report.
- **Member Services Manager** David Goldsmith reported that county visitations were conducted last week in Pend Oreille, Douglas and Kittitas Counties. He also reported meeting with the Department of Licensing to obtain directions for securing drivers' abstracts since the authority starts August 1st. He further reported viewing and favorably discussing the Lexipol P&P system during last week's WASPC conference in Yakima. He mentioned that Lexipol expressed a willingness to consider and work with groups of 10-12 counties if not all the members were willing and interested in using the Lexipol system at this time. Finally, David mentioned that he has begun discussing with the firm that developed our electronic claims reporting software the development of a web-based electronic property database with schedule maintenance options.
- **Loss Control Coordinator** Jill Lowe was not available. Mr. Hill reported that this year's Management & Supervisory Training sessions had been concluded with great success. He also noted that two Accident Investigation sessions were being conducted, and that another round of Public Records trainings was expected later in the year.
- **Executive Director** Vyrle Hill called attention to the just completed 2007 Annual Report in today's packet. He also circulated a congratulatory letter from State Auditor Sonntag for 19 consecutive years without a finding, while noting the final PY2007 reports hadn't yet been published. Finally, Mr. Hill mentioned that LGSI Program Administrator Shannon Stuber had conducted a 4-year examination in April of PY2004-07 without findings and very favorable comments.

Future Meetings: The Committee agreed to meet again for the Annual Meeting preview on Wednesday, July 9, 2008 at the usual SeaTac location and the usual meeting time.

Executive Session: Steve Clem moved to convene in executive session to discuss the annual evaluation of Executive Director Vyrle Hill; Randy Watts seconded and *the motion passed without dissent*. With only the meeting adjournment remaining, President Goehner excused all those present except for the Executive Committeepersons, but asked Vyrle Hill to remain nearby. He then moved the meeting into an estimated 20-minute executive session at 1:06 p.m. for the performance evaluation discussion. At 1:17 p.m., Mr. Hill was asked to join the discussion.

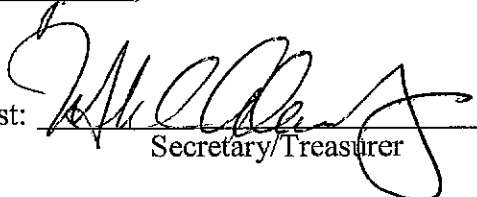
The meeting was reconvened in regular session at 1:29 p.m. with no actions being taken The committee presented a written performance summary for placement in the Executive Director's personnel file and briefly reviewed the same with Mr. Hill (*noted revisions approved during July 9, 2008 Executive Committee meeting*).

Adjournment: Steve Clem moved to adjourn the meeting; Randy Watts seconded and *the motion passed without dissent*. President Goehner adjourned the meeting at 1:30 p.m.

MINUTES APPROVED this 31st day of July, 2008.



President

Attest: 

Secretary/Treasurer