

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING MINUTES
10:00 A.M., Wednesday, July 9, 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

Diane Oberquell – Thurston County Commissioner

Jay Winter – Walla Walla County Personnel / Risk Manager

Randy Watts – Whatcom County Chief Civil Deputy Prosecuting Attorney

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

Risk Pool Staff –

Susan Looker – Claims Manager

Jill Lowe – Loss Control Coordinator

Others –

Kevin Wick, Managing 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 10:00 a.m. after verifying a quorum existed either in person or participating telephonically. He suggested two realignments in the proposed agenda... advancing item 6 before the Broker's Report, and the Claims Executive Session following the Broker's Report. Diane Oberquell moved for approval of the agenda with the adjustments suggested; Marilyn Butler seconded, and *the motion passed by without dissent.*

Minutes: President Goehner asked that the last paragraph of the minutes of the May 28, 2008 meeting reflect "[T]he committee presented a written performance summary for placement in the Executive Director's personnel file and briefly reviewed the same with Mr. Hill" in place of "with no actions being taken." Marilyn Butler moved for approval of the Executive Committee minutes of the March 27, 2008 meeting held at the Radisson Hotel Gateway in SeaTac with the revision suggested; Toni Gilbert seconded, and *the motion passed by without dissent.*

Vouchers: Rose Elway moved for approval of Voucher Approval Request No. 08-05, more specifically check numbers 1874 through 2010 (administrative) and 26187 through 26446 (claims) totaling \$3,384,079.86 and transfers of \$85,140.46; Diane Oberquell seconded, and *the motion passed without dissent.*

Claims Settlement Authorizations: Randy Watts moved to confirm approval of Settlement Confirmation No. 07.09-2008, more specifically Carey v. Mason County; Toni Gilbert seconded, and *the motion passed without dissent.*

Actuary Report: Managing Director Kevin Wick presented PricewaterhouseCoopers' Actuarial Review of Loss Rates for Pool Year 2009 (as of March 31, 2008) and Estimated PY2009 Loss Funding at Various Pool Retentions. The report projects an overall increase in the 2009 loss rate for the Pool's \$100,000 retention. Indicated General Liability and Employment Practices Liability rates have increased 16% and 19%, while Automobile Liability rates have decreased 20%. Weighted totals reflect increases of 16.6% and 0.8% for \$10,000 and \$25,000 deductibles, with a 3.2% decrease in the \$50,000 deductible category. Mr. Wick explained the Experience Rating analysis (Exhibit 1-4) in detail. Steve Clem moved to recommend acceptance of the

Actuarial Review of Loss Rates for PY2009; Diane Oberquell seconded, and *the motion passed without dissent*.

Mr. Wick then presented a Premium Calculation worksheet with an Alternative Administration Expense Allocation Method. The objective being to achieve better distribution of the Pool's overhead costs, especially those related to claims administration. Consensus was seemingly reached to modify the distribution formula to distribute half of the claims administration costs by exposures and the other half, along with the general administration and member services (including loss control) costs as in the past... by after deductible premiums. Feeling that more work and discussion was needed, it was agreed to refer this issue to/through the Finance Committee.

Recess: President Goehner called a short recess at 11:08 a.m. and reconvened the meeting at 11:20 a.m.

Executive Session: Jay Winter moved to convene in executive session; Rose Elway 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 Mr. Wick as not being pertinent, and moved the meeting into an estimated 15-minute executive session at 11:21 a.m. to discuss the Dills v. Thurston County claim.

After reconvening in regular session at 11:29 a.m. with all but Kevin Wick present, Marilyn Butler moved to support the Claims Manager's recommendation; Rose Elway seconded and *the motion passed without dissent* with Diane Oberquell abstaining.

Broker's Report: Mike Croke presented a summary of the JSILP renewal efforts-to-date: ACE (\$400M x \$100M) – \$1,635,000 with the Pool's "corridor" being \$1,825,000, the same as the present year; AIG (\$9.5MM x \$0.5MM) – \$2,062,000, a modest reduction from this year's \$2,171,063 premium; and Lexington (\$10MM Excess and \$5MM "optional" Excess) – \$295,923 and \$80,400, the same as the present year. He also reported that Lexington Insurance Company, the WCPP insurer, has proposed a minor reduction in the property program's average rate, from \$0.0978 to \$0.0995 per \$100 in scheduled property values. He cautioned, however, that the actual premium would be determined using the scheduled property values that won't be finalized by the counties for about another month. He then commented that ACE Public Entity has agreed for a third year to provide \$50,000 for the Pool's use in enhancing its loss control efforts, and that they have agreed to provide an additional \$50,000 to support Pool members' use of the LEXIPOL law enforcement policies and procedures system. Finally, he reported that he was discussing with AIG the possibility of participating in the LEXIPOL support effort.

Standing Committees' Reports

- **Finance:** Chair Steve Clem noted that he had nothing to report other than the Committee (telephonically) would attempt to address the premium calculation issue and other needed financial-related issues before the Annual Meeting. He mentioned that the Executive Committee would be responded to by e-mail with any suggestions.
- **Nominating:** Chair (President) Goehner (and Chelan County Commissioner) reported that the Executive Committee terms for him, Toni Gilbert, Rose Elway and Diane Oberquell were expiring September 30th. He noted that Mark Wilsdon (Clark County Risk Manager), F. Lee Grose (Lewis County Commissioner), Rose Elway (Grays Harbor County Management Services and Budget Director), Phil Bakke (Island County Commissioner) and Harry Green (Lewis County Risk Manager) had contacted him expressing interest in being considered as nominees for the Executive Committee positions. He further noted his reelection interest. Discussion followed regarding the residual makeup of the Committee and its desire to increase the elected official balance. Jay Winter moved to nominate Lee Grose and Neva Corkrum seconded. Marilyn Butler moved to nominate Keith Goehner and Jay Winter seconded. Randy Watts moved to nominate Rose Elway and Diane Oberquell seconded. Steve Bartell moved to nominate Phil Bakke and Diane Oberquell seconded. Steve Clem then moved to close the nominations and forward the names of the four as the Nominating

Committee's slate of Executive Committee nominees; Diane Oberquell seconded, and *the motion passed without dissent.*

Mr. Goehner then opened the nominations for the Py2009 Pool officers, first for President. Steve Clem moved to nominate Mark Abernathy and Randy Watts seconded. Steve Clem then moved to close the nominations and forward Mr. Abernathy's name as the Nominating Committee's nominee for Py2009 WCRP President; Diane Oberquell seconded, and *the motion passed without dissent.*

Mr. Goehner then opened the nominations for the Py2009 Secretary-Treasurer. Neva Corkrum moved to nominate Rose Elway and Diane Oberquell seconded. Diane Oberquell then moved to close the nominations and forward Mrs. Elway's name as the Nominating Committee's nominee for Py2009 WCRP Secretary-Treasurer; Mark Abernathy seconded, and *the motion passed without dissent.* It was noted that the Committee election results were needed initially to confirm Mrs. Elway's continued eligibility.

- **Personnel:** Mr. Hill reported that Chair Tammy Devlin had left word that she had nothing to report. He mentioned that there would likely be at least a couple of items for this committee to address during the next Pool Year. Claims Manager Susan Looker noted that the Claims Assistant position opening was being advertised with a July 21st closing date.

Recess: President Goehner called a brief lunch recess at 12:03 p.m. and reconvened the meeting at 12:16 p.m.

- **Risk Management:** Chair Steve Bartel reported that the members' exposures self-assessment had been conducted in about ten counties. He also reported the Committee had scheduled a long meeting in conjunction with the Summer Conference to discuss among other things: how to use or incorporate the assessments' results; suggestions or recommendations for insurance levels for member-contracted activities; and future Pool training topics.
- **Underwriting:** Co-chairs Randy Watts reported that during the recent teleconference, the Committee voted in response to the Board's Spring Meeting directive to recommend amending the JSILP coverage form with Idea 1... adding language specifically including Public Records Act penalties within the definition of Monetary Damages and thereby providing coverage for lawsuits filed under the Act. The suggested amendment being the addition of paragraph 1.A.6 that reads: "Monetary Damages shall include penalties imposed under Chapter 42.56 RCW, the Public Records Act."

Mr. Watts then reported that the Committee decided to table further discussion and action on the "Dams and Levees" issue. Also, he reported that the Committee would begin examining the development of a property manuscript similar in concept to the JSILP Coverage Form used for the WCRP liability program.

Committeeperson Reports: President Goehner, Jay Winter and Jill Lowe briefly reported on the AGRiP Spring Conference they all attended in mid-March.

Staff Reports:

- **Claims Manager** Susan Looker briefly reported on the very rewarding Swiss Re-supported training that she recently attended as its invitee. She also reported that Lisa Smego (Washington Insurance Commissioner's Office) had contacted her regarding the new requirement to regularly report the results of closed medical malpractice cases. Ms. Looker noted that additional information was being sought, and that she hoped to better report on this matter during the Summer or Autumn Conferences.
- **Loss Control Coordinator** Jill Lowe reported that the field reviews of the exposure assessments would be nearly completed by the Summer Session. She also presented a proposed e-mail retention policy for the Pool. Discussion followed regarding incorporating public records into the policy and the E-discovery procedure training from the Secretary of State's office she had anticipated having conducted for the Pool's membership.

- Member Services Manager David Goldsmith was not available, so Executive Director Vyrle Hill presented the Strategic Plan revisions being proposed to add responsible agent(s) and timelines to each Strategic Management Objective. Steve Clem suggested preparing a matrix that could be used for quick reference, like an index. Randy Watts moved to recommend approval of the revisions; Steve Bartel seconded, and *the motion passed without dissent*. Mr. Hill also reported on the member county visitations that had been conducted and the plans for completing this year's visitations and initial marketing visits to the non-member counties.
- Executive Director Vyrle Hill presented the Budget with Administrative Details and Staff Salary Schedule being proposed for Py2009. Discussion followed, mostly directed to assuring sufficient in-state travel allowances to maintain direct member contacts. It was agreed to direct to/through the Finance Committee the Budget and other financial-related matters needing Board action at the Annual Meeting, with Executive Committee members being kept informed.

Future Meetings: The Committee agreed to meet again during the Summer Session before the Annual Meeting to address the outstanding Annual Meeting issues.

Executive Session: Rose Elway moved to convene in executive session to examine a personnel matter with potential litigation; Marilyn Butler 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 determined those present being pertinent to this discussion, and moved the meeting into an estimated 15-minute executive session at 1:45 p.m.

The meeting was reconvened in regular session at 2:00 p.m. with no action taken.

Randy Watts shared a picture that he had taken for the Pool to present to reinsurer AIG. It was agreed that he, as past President, should make this presentation during the Annual Meeting.

Adjournment: There being no further business, President Goehner adjourned the meeting at 2:02 p.m.

MINUTES APPROVED this 31st day of July, 2008.

Keith W. Goehner
President

Attest: M. J. [Signature]
Secretary/Treasurer