

**MINUTES**  
**WASHINGTON COUNTIES RISK POOL**  
**EXECUTIVE COMMITTEE TELEPHONIC MEETING**  
**1:00 PM, Friday, June 25, 2010**

**PARTICIPATING:**

President – Jay Winter – Walla Walla County Personnel / Risk Manager

Secretary/Treasurer – Marilyn Butler – Skamania County Risk Manager

Executive Committee Members –

Keith Goehner, Director – Chelan County Commissioner

Steve Clem – Douglas County Prosecuting Attorney

Rose Elway – Grays Harbor County Director of Management Services & Budget

Lee Grose – Lewis County Commissioner

Andrew Lampe, Okanogan County Commissioner

Steve Bartel – Spokane County Risk Manager

Tammy Devlin, Thurston County 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

David Goldsmith – Member Services

Jill Lowe – Loss Control Coordinator

Producer –

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

**Call to Order, Welcome, Roll Call and Agenda:** President Winter called the meeting to order at 1:02 p.m. then conducted a roll call to verify that a quorum was participating. Other than Producer Croke asking to present his report as early as possible because he was returning to his office from a conference and Randy Watts mentioning he had a court appointment that will requires him to disconnect in a few minutes, there were no other changes to the preliminary agenda.

**Minutes:** Steve Clem moved for approval of the Executive Committee minutes of the March 12, 2010 meeting as drafted. Marilyn Butler seconded, and *the motion passed.*

**Vouchers:** Rose Elway moved for approval of Voucher Approval Request No. 10-03, more specifically check numbers 3716 through 4009 (administrative) and 29494 through 29931 (claims) totaling \$2,421,334.17 with transfers of \$136,307.10. Lee Grose seconded; and *the motion passed.*

**Producer's (aka Broker's) Report:** Mike Croke noted that 10 to 15 underwriters were presently considering quoting at least some of the Washington Counties Property Program renewal. He mentioned that they were looking for an 80/20 quota share by reducing the Lexington involvement. He also mentioned preliminary indications were leaning in favor of a "flat" renewal. He said they were exploring catastrophe coverage reductions, especially earthquake, as a premium reduction option.

Mr. Croke then mentioned meeting with underwriters from several highly-rated insurance companies about the renewal of the JSILP reinsurance and excess insurance program. He noted ACE is looking to increase its initial occurrence coverage limits to \$3 million, maybe even \$5 million, that Genesis is considering options excess of \$2.5 million, and that Lexington (presently \$8 million excess of \$2 million, is attempting to provide a "flat" renewal after adjusting for Kitsap County's departure.

Mr. Croke responded to several questions. When President Winter asked if there were any other liability renewal preliminary indications, Mr. Croke responded that there wasn't anything specific. He then noted that it was looking more like a "stable" renewal.

**Mike Croke and Randy Watts "signed off" and disconnected at 1:21 p.m.**

**Quarterly Financial Reports:** Executive Director Hill briefly reviewed the 2Q-2010 financial reports for the period January through March 2010, noting that 1) Net Assets had grown over \$120,000 during Py2010 to nearly \$8.3 million; 2) the Assets to Liability Ratio from the SRM report

grew to 2.23; and 3) only 41% of the operating (administrative) budget had been expended. Rose Elway moved to approve the report; Marilyn Butler seconded and the motion passed.

**Employment Agreement (Vyrle Hill):** It was noted for the record that the Second Amendment of the (Employment) Agreement with Vyrle Hill as Pool Executive Director was approved in accordance with the desires expressed by the Directors during the Spring Board Meeting.

**Claims Settlement Authorizations:** Tammy Devlin moved and Rose Elway seconded for approval of Settlement Confirmation No. 6-25-10, more specifically Siegler v. Mason County. The motion passed.

Claims Manager Susan Looker then requested settlement authority for the T.W. Clark et al v. Spokane County matter. Following a brief exchange to clarify and better understand the specifics of this request, Steve Clem moved to authorize the settlement authority requested with the understanding that the Pool and/or its reinsurers would share proportionally in any associated recoveries the county might obtain. Keith Goehner seconded, and the motion passed.

**Request for Early Withdrawal:** Keith Goehner moved to approve the request from Kitsap County to discontinue participation in the Washington Counties Property Program effective July 1, 2010 as outlined by Executive Director Hill (with a prorated refund factor of 0.252); Lee Grose seconded, and the motion passed without dissent.

### Standing Committees' Reports

- **Finance:** There were no comments made or concerns expressed about the Accountability and Financial Statements Audit Reports for Py2009 received from the State Auditor's Office.  
Co-chairs Steve Clem and Lee Grose noted the committee needed to meet telephonically, hopefully before the July 9<sup>th</sup> Executive Committee meeting, to preview the financial matters subject to Board action during the 2010 Annual Meeting.
- **Personnel:** Co-chair Tammy Devlin had nothing to report.
- **Risk Management:** Co-chair Steve Bartel noted the Risk Management Committee had met telephonically earlier in the week. He noted the committee has suggested some fairly significant reductions to the initial draft of the Py2011 Budget for the loss control / training program.
- **Nominating:** Executive Director Hill attempted to explain Randy Watts' concern regarding the size and makeup of the Executive Committee with Kitsap County's pending departure and the amendment to Bylaws Article 3 he was suggesting. After some discussion, Steve Clem moved to modify the proposed amendment to just specify an 11-person Executive Committee. Tammy Devlin seconded, and the motion passed without dissent.

President and Nominating Committee Chair Winter reported he had accepted Mark Abernathy's resignation from the Executive Committee to be effective July 23, 2010. He went on to report that the terms of Marilyn Butler, Steve Bartel, Andy Lampe and himself will expire October 1, 2010, and that all four along with Mark Wilsdon (Clark) and Bryan Harrison (Pacific) have expressed interest in the nominations for the committee positions. He noted the membership announcement included a window to inform the President, as the Nominating Committee Chair, of interest in being nominated for a position on the Executive Committee through July 8<sup>th</sup>, and then nominations could still be made from the floor during the Annual Meeting.

- **Underwriting:** Though Chair Randy Watts had not yet reconnected, Executive Director Hill reported that the committee met telephonically June 16<sup>th</sup> to preview suggestions being proposed to effectuate the recommendations from the Business Model Task Force that were conceptually approved during the Spring Meeting. This includes a rewrite of the Pool's Claims Handling Policies and Procedures ("CHP&P") and corresponding amendments to the Bylaws and Joint Self-Insurance Liability Policy Coverage Form ("JSILP"). Mr. Hill reported that staff wasn't able to complete the recompilation of the CHP&P and asked that the item be held over for the next meeting.

**Bylaws Article 8:** Rose Elway moved to recommend Board approval of the proposed changes to Bylaws Article 8; Steve Bartel seconded, and the motion passed without dissent.

**New Bylaws Article 10:** Steve Clem suggested changes to the title and content of the proposed new Bylaws Article 10; Keith Goehner questioned whether "repeated failures" shouldn't be better defined; Susan Looker suggested the inclusion of some non-waiver language; and Vyrle Hill suggested adding the Membership Compact to the list of enforceable documents. This item was held over for action during the next meeting as well.

**JSILP:** Lee Grose moved to recommend Board approval of the proposed changes to the JSLIP Coverage Form; Steve Bartel seconded, and the motion passed without dissent.

**Quantum Meruit (*unjust enrichment*):** Steve Clem questioned whether the Underwriting Committee shouldn't be asked to consider this potential coverage concern during the forthcoming year. There were no disagreements.

**Staff Reports:**

- **Member Services Manager David Goldsmith** reported that the Py2010 county visitations had begun with 17 visits already conducted including initial marketing visits with Ferry and Wahkiakum Counties. The feedback from these visits has been very good. He further noted the remaining 13 member visitations were scheduled along with marketing visits with Grant and Klickitat Counties, and initial communications with Stevens County. He also reported having attended the recent WSAC Joint District Conference and being scheduled to attend the WACO Annual Conference in October.
- **Claims Manager Susan Looker** had nothing more to report.
- **Loss Control Coordinator Jill Lowe** also had nothing more to report.
- **Executive Director Vyrle Hill** had nothing further to report at this meeting.

**Randy Watts reconnected at 2:27 p.m.**

**Officer and Committeeperson Reports**

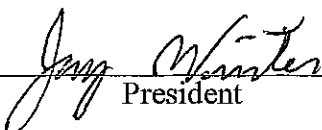
- Randy Watts briefly reported that he had attended the RIMS Annual Conference and would be making a short presentation on one significant topic during the upcoming Roundtable (Summer Conference).
- Keith Goehner reported that he had attended the PRIMA Annual Conference where he met several potential underwriters. He expressed being quite encouraged by what the Risk Pool was doing after attending a session about measuring the value to a pool's membership.
- President Winter reported that he would be initiating a performance review of Executive Director Hill later this summer and plans to use a 3-tiered assessment tool for this review.

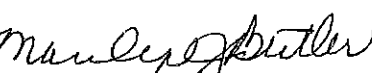
**Upcoming Meetings and Trainings:**

- Executive Director Hill noted the list of upcoming meetings and training opportunities and asked that he be contacted soon if there was interest in attending, especially those scheduled this summer and fall.

**Adjournment:** With no further business to come before the Committee, President Winter adjourned the meeting at 2:40 PM, but not before recapping the items outstanding and being held over for consideration during the next (July 9, 2010) meeting: Actuary Report(s); Nominations for Executive Committee and Py2011 Officers; Py2011 Budget, Salary Schedule and (Annual) Work Plan; Claims handling Policies and Procedures; and New Bylaws Article 10.

**MINUTES APPROVED** this 9<sup>th</sup> day of July, 2010.

  
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President

Attest:   
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Secretary/Treasurer