

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING**
Friday, July 11, 2014
Red Lion Hotel, 18220 International Blvd., SeaTac, WA

ATTENDANCE:

| Name | Relationship | 7/11 | Comment |
|-------------------|--|-------------------------------------|---|
| Tammy Devlin | President (2008-14) | <input checked="" type="checkbox"/> | |
| W.A. "Drew" Woods | Vice President (2012-16) | <input checked="" type="checkbox"/> | |
| Keith Goehner | Secretary/Treasurer (2005-14) | <input checked="" type="checkbox"/> | |
| Thad Duvall | Member (2012-15) | <input checked="" type="checkbox"/> | |
| Robert Koch | Member (2013-15) | <input checked="" type="checkbox"/> | Participated telephonically, left at 11:33 am |
| Dean Burton | Member (2012-14) | <input checked="" type="checkbox"/> | Left at 12:30 pm |
| David Alvarez | Member (2013-16) | <input checked="" type="checkbox"/> | |
| Lisa Young | Member (2012-15) | <input checked="" type="checkbox"/> | |
| Lee Grose | Member (2008-14) | <input checked="" type="checkbox"/> | |
| Lisa Ayers | Member (2013-16) | <input type="checkbox"/> | |
| Steve Bartel | Member (2008-16) | <input checked="" type="checkbox"/> | |
| Vyrle Hill | Executive Director (<i>ex-officio</i>) | <input checked="" type="checkbox"/> | |

OTHERS ATTENDING:

| Name | Relationship | 7/11 | Comment | County/Organization |
|-----------------|--------------------------------|-------------------------------------|--------------------|--------------------------|
| Will Ashbaugh | Coverage Counsel | <input checked="" type="checkbox"/> | Left at 9:20 am | Hackett Beecher & Hart |
| Bill Leedom | Retained Counsel | <input checked="" type="checkbox"/> | Left at 9:20 am | Bennett Bigelow & Leedom |
| Liz Miser | Producer/Area Vice President | <input checked="" type="checkbox"/> | | AJGRMS |
| Craig Scukas | Actuary/Director | <input checked="" type="checkbox"/> | Arrived at 9:20 am | PricewaterhouseCoopers |
| David Goldsmith | Staff/Specialty Services | <input checked="" type="checkbox"/> | | WCRP |
| Jill Lowe | Staff/Loss Control Coordinator | <input checked="" type="checkbox"/> | Arrived at 9:31 am | WCRP |
| Susan Looker | Staff/Claims Manager | <input checked="" type="checkbox"/> | | WCRP |
| Sue Colbo | Staff/Accounting Officer | <input checked="" type="checkbox"/> | | WCRP |
| Stacey Spears | Staff/Administrative Assistant | <input checked="" type="checkbox"/> | | WCRP |

Call to Order, Welcome and Roll Call: President Devlin called the session to order at 8:30 am and welcomed all those attending. She announced that a quorum existed with ten (10) of the eleven (11) Executive Committee members participating.

Agenda: Ms. Young moved and Mr. Burton seconded to approve the agenda; the motion passed.

Executive Session – Pending Litigation: Mr. Alvarez moved and Mr. Goehner seconded to convene in executive session under appropriate statutory authorities to consult with counsel; the motion passed. Recognizing that public discussion would impair the Committee's ability to conduct its business effectively and acting in accordance with the WCRP Bylaws and RCW 48.62.101 as well as RCW 42.30.110(1)(i)(iii), President Devlin moved the Executive Committee into an estimated 30-minute Executive Session at 8:35 am with Coverage Counsel Ashbaugh, Retained Counsel Leedom and the meeting attendees. **At 9:05 am President Devlin announced the Executive Session would be extended for 20 minutes. President Devlin reconvened in regular session at 9:20 am. No actions were taken.**

President Devlin recessed the meeting at 9:22 am for 10 minutes.

Consent Agenda: Mr. Grose moved and Mr. Alvarez seconded to approve the consent agenda; the motion passed. Included were:

- Minutes of June 27, 2014 Executive Committee meeting.
- Voucher Approval Request No. 14-04 (July 11, 2014), more specifically check numbers 8411 through 8514 (administrative payments) and checks 38318 through 38465 (claim payments) in the amount of \$978,595.80 and transfers in the amount of \$34,712.78.

Actuarial Services Report: Mr. Scukas presented the Actuarial Review of Loss Rates for Pool Year 2015. He noted they re-ran the numbers excluding Clark County experience as requested and stated the impact was not very material on the report. Mr. Scukas then reviewed the Estimated Pool Year 2015 Loss Funding At Various Pool Retentions report and he noted the removal of Clark County's experience did affect the results. Mr. Scukas then reviewed the Premium Calculation worksheet and noted the costs were based on the Liability Program Renewal Option 2 from the Producer. The Premium calculation worksheet was provided with rate stabilization included and without rate stabilization. Discussion took place regarding the rate stabilization fund, basis of assessments, the targeted fund balance and the reinsurance market.

Insurance Producer (Broker) Services Report: Ms. Miser presented the elements of the 2014-2015 Liability Program renewal recommendation. Her information included the current year's expiring program and two renewal options, Renewal Option 1 with a split corridor similar to the expiring program and renewal Option 2 with a single corridor in the Berkley layers. Pricing was provided for the two options, and she noted the significant changes from the expiring program are the single corridor in Renewal Option 2 and the addition of policy aggregates in the Lexington layers. Discussion and clarification took place regarding the two options. Mr. Scukas added that looking at past experience, there is not a significant difference between options 1 and 2, and he noted the assessments calculations that were previously discussed were based on Renewal Option 2.

Ms. Miser then presented information on the optional Property Program (WCPP) renewal. It was reported that the current composite rate of 0.1071 will be reduced to 0.1014 for the 2014-2015 Policy Year, this is approximately a 5% reduction.

Nominating Committee: President Devlin reported that Bryan Perry expressed interest in running for one of the open Executive Committee positions. Mr. Grose noted that Paulette Young also expressed interest. Discussion took place regarding turnover, commitment and attendance of Directors and Alternate Directors, as well as participation on the Standing Committees. Mr. Grose suggested that he and Mr. Goehner could speak at the next WSAC conference regarding Commissioner engagement with the Pool and other entities. It was agreed this was a good idea. Further discussion took place regarding the balance of Electeds and Appointededs on the Executive Committee.

President Devlin recessed the meeting at 11:43 am for a 15 minute lunch break.

Insurance Producer (Broker) Services Report continued: President Devlin returned the meeting to the Producer's Report as Ms. Miser had more information to add. She reported that with regards to the Property Program (WCPP), the insurers will likely agree to insure a total value for vehicles by county, rather than a schedule by vehicle. This is still in the works but it looks promising, and Lexington may create an endorsement to the policy that will refer to previous historical vehicle data that has already been provided.

Mr. Woods moved and Mr. Bartel seconded to forward the Actuarial Reports earlier presented (Actuarial Review of Loss Rates report, the Estimated Pool Year 2015 Loss Funding at Various Pool Retentions report and the Premium [Assessments] Calculation report) as well as the Liability Renewal Option 2 (single corridor) with Lexington Policy Aggregates Option 1 (Ten [10] times the occurrence limit) to the Board for approval with the Executive Committee's favorable recommendation. Discussion took place and Mr. Woods clarified his motion was to approve Liability Program Renewal Option 2 with the single corridor. The motion passed.

Nominating Committee continued: Mr. Bartel moved and Mr. Grose seconded to forward to the Board as the Nominating Committee's slate of candidates: Tammy Devlin and Keith Goehner for re-election to the Executive Committee as well as Bryan Perry and Paulette Young as candidates for the open Executive Committee positions; the motion passed.

Investment Committee: Chair Goehner had nothing to report.

Standing Committee Reports

- **Finance:** Chair Duvall noted the suggested changes to the Financial Management Policy were in the meeting notebook, and he stated that nothing had changed since the June 27, 2014 meeting. He then turned to the suggested changes on the Travel Policy and discussion took place regarding the two options presented as alternatives to section B1.a. Mr. Alvarez moved and Mr. Duvall seconded to forward to the Board for approval with the Executive Committee's favorable recommendation the first option presented to section B1.a. of the Travel Policy to allow two representatives per Member County to attend Board Meetings; the motion passed with 5 yes votes and 2 no votes with the presiding officer not voting.

Mr. Duvall asked Executive Director Hill to report on the Budget, Staff Salaries and Annual Work Plan. Mr. Hill gave an overview of the budget and noted it includes a \$120k improvement in Net Position. The budget includes the March 2014 reclassification of claims staff, a 1.2% COLA and Executive Director job-shadowing. Mr. Hill went over the changes to the administrative budget and the proposed work plan. It was noted that \$73,220 was being drawn from net position to phase out Clark County's ULAE, similar to the Kitsap County phase out and the amount will go down in subsequent years. It was also noted that Berkley has committed to \$150k for Loss Control Enhancements (this includes support for Lexipol's systems). Discussion took place regarding the proposed budget. Mr. Duvall moved and Mr. Grose seconded to forward the Budget as presented to the Board for approval with the Executive Committee's favorable recommendation; the motion passed.

- **Personnel:** Chair Young reported she just received the data for the Market Study of WCRP Compensation and Benefits. She will send this on to the rest of the Personnel Committee and noted the data is so new, there has not been a chance for review. The Committee does not have any action to propose for the Annual Meeting at this time.
- **Risk Management:** Ms. Lowe reported that Chair Perry had nothing further to report from the Risk Management Committee at this time.
- **Underwriting:** Chair Woods reported that he is hopeful the Committee can meet prior to the Annual Meeting in Spokane; they are waiting for policy language from Coverage Counsel Will Ashbaugh. Mr. Bartel moved and Ms. Young seconded to forward the JSILP as presented in the notebook to the Board for approval with the Executive Committee's favorable recommendation.

Staff Reports

- **Loss Control Coordinator Lowe** asked the Executive Committee members to welcome Tanya Craig from Okanogan County as it will be her first Board meeting. She also noted that it will be Cindy Erwin's first meeting as the Alternate Director from Yakima County. The Risk Management Basics webinar with John Chino will be held on August 11, 2014, and will be available on the Pool's website shortly after that date.
- **Specialty Services Representative Goldsmith** reported that two more member county visits were recently conducted.
- **Claims Manager Looker** reported the Claims Assistant position is vacant and she is looking to fill the position. Ms. Looker asked for direction from the Executive Committee with regards to working with the Clark County Prosecuting Attorney on claims. Discussion took place. Mr. Goehner moved and Mr. Grose seconded to authorize the Executive Director to send a notice to Clark County reminding them of the Pool's claim handling procedures, practices and options. Discussion took place and Ms. Looker noted there are about 14 current cases. The motion passed. Mr. Bartel then moved and Mr. Grose seconded to indemnify staff and associated board members in the event that they are named as individual parties in legal matters provided they were acting in good faith and in the scope of their duties; the motion passed.

- **Executive Director Hill** reported on the preliminary assessments for the Property Program (WCPP). Discussion took place regarding deductibles. Mr. Bartel moved and Mr. Woods seconded to forward the Property Program methodology to the Board for approval with the Executive Committee's favorable recommendation; the motion passed. Executive Director Hill then gave an update on the newly acquired office suite, and reported on the status of the proposed renovations for the Headquarters building. He noted that the HCA property appraisals are complete and have been sent to the counties.

Future Meetings: A brief discussion took place regarding locations for future meetings and it was noted that locations have not yet been determined for the 2016 Conferences.

President Devlin thanked everyone for their participation and adjourned the meeting at 1:22 pm.

MINUTES APPROVED this 12th day of September, 2014.



President

Attest: 

Acting Secretary/Treasurer