

**WASHINGTON COUNTIES RISK POOL  
EXECUTIVE COMMITTEE MEETING  
Friday, March 4, 2016  
Red Lion Hotel Seattle Airport  
18220 International Blvd., Seattle, WA**

**ATTENDANCE:**

Name	Relationship	03/04	Comment
Lisa Young	President (2012-18)	<input checked="" type="checkbox"/>	
Keith Goehner	Vice President (2005-17)	<input checked="" type="checkbox"/>	
W.A. "Drew" Woods	Secretary/Treasurer (2012-16)	<input checked="" type="checkbox"/>	
Lisa Ayers	Member (2013-16)	<input checked="" type="checkbox"/>	
Steve Bartel	Member (2008-16)	<input checked="" type="checkbox"/>	
David Alvarez	Member (2013-16)	<input checked="" type="checkbox"/>	
Jill Johnson	Member (2015-17)	<input checked="" type="checkbox"/>	
Clyde Carpenter	Member (2014-17)	<input type="checkbox"/>	Excused
Tammy Devlin	Member (2008-17)	<input checked="" type="checkbox"/>	
Steve Clem	Member (2004-12, 2015-18)	<input checked="" type="checkbox"/>	
Robert Koch	Member (2013-18)	<input checked="" type="checkbox"/>	
Derek Bryan	Executive Director ( <i>ex-officio</i> )	<input checked="" type="checkbox"/>	

**OTHERS ATTENDING:**

Name	Relationship	03/04	Comment	County/Organization
Thad Duvall	Finance Committee Chair	<input checked="" type="checkbox"/>	Left at 12:35 pm	Douglas County
Mike Lithgow	Risk Management Committee Chair	<input checked="" type="checkbox"/>	From 11:04 am – 11:58 am	Pend Oreille County
Kevin Wick	Actuary	<input checked="" type="checkbox"/>	From 8:31 am – 10:15 am	PricewaterhouseCoopers
Craig Scukas	Actuary	<input checked="" type="checkbox"/>	Left at 12:35 pm	PricewaterhouseCoopers
Liz Miser	Producer/Broker	<input checked="" type="checkbox"/>		Arthur J. Gallagher
David Goldsmith	Specialty Services Representative	<input checked="" type="checkbox"/>		WCRP
Susan Looker	Claims Manager	<input checked="" type="checkbox"/>	Left at 12:35 pm	WCRP
Sue Colbo	Accounting Officer	<input checked="" type="checkbox"/>		WCRP
Jill Lowe	Loss Control Coordinator	<input checked="" type="checkbox"/>	Left at 12:35 pm	WCRP
Stacey Spears	Administrative Assistant	<input checked="" type="checkbox"/>		WCRP

**Welcome, Roll Call & Introductions:** President Young called the meeting to order at 8:30 am. She welcomed everyone and confirmed that a quorum existed.

**Agenda:** Mr. Alvarez moved and Mr. Bartel seconded to approve the agenda; the motion passed.

**Approval of Minutes:** Ms. Devlin moved and Mr. Bartel seconded to approve the minutes detailed below; the motion passed.

November 19, 2015  
December 1, 2015  
December 10, 2015  
January 29, 2016

**Finance Committee Report:** Chair Duvall reported the Committee reviewed the Pool's purchasing requirements in the Financial Management Policy. The Committee has no recommendations to the Financial Management Policy at this time.

**Financial Report:** Accounting Officer Colbo reviewed the First Quarter PY2016 financials, including the statement of revenues and expenses, and changes in net position. It was noted the change in net position from FY-2014 to FY-2015 was primarily due to GASB 68. Discussion took place regarding GASB 68. Ms. Colbo then reported staff is requesting \$100k in Contingency Funds to be released, \$50k for Executive Director salary and \$50k for the PricewaterhouseCoopers Capital Modeling Update. Mr. Alvarez moved and Mr. Clem seconded to approve the transfer of \$100,000 in contingency funds, consisting of \$50,000 for Executive Director Salary and \$50,000 for PricewaterhouseCoopers Capital Modeling Update. Discussion took place. The motion passed.

Mr. Goehner moved and Ms. Ayers seconded to approve the First Quarter PY2016 Financials and Voucher Approval Request No. 16-03 as presented. Discussion took place. The motion passed.

Ms. Colbo then reported on the recent audit by the State Auditor's Office. The exit conference is scheduled for March 14, 2016. She expects four minor items to be discussed at the exit conference: minutes that did not reflect executive session start and stop times, a payroll policy, typos in the financial notes, and actuarial report changes to IBNR.

**Independent Actuary Report:** Mr. Scukas reported on the analysis of alternative retentions. He covered the Expected loss – Net of Deductible at various retentions. Discussion took place. Ceded Premium Compared to Ceded Loss Estimates was presented.

Mr. Wick then reported on Funding Adequacy and Capital Modeling. He reviewed the results of the 2012 Capital Modeling Study and the targets that were established at that time. Discussion took place. Mr. Wick then reviewed the process for the Capital Modeling Update and presented risk appetite considerations for the Pool to contemplate.

**Investment Committee Report:** Chair Woods stated minutes from the February meeting were available in the notebook. He reported the Investment Committee recently authorized moving \$5M from the Spokane investment pool to the U.S. Bank custodial account to be invested as directed by Chandler Asset Management. \$2.5M was previously transferred, the additional \$2.5M was transferred this week. \$16M is now invested as directed by Chandler Asset Management. Returns were discussed.

**President Young recessed the meeting from 9:52 – 10:15 am.**

**Claims Report:** Claims Manager Looker reported the Delgado and Farris claims were settled. She then reported \$1.564M has been paid to date on the Clark County case, noting the Pool may recover partial attorney fees. She reminded the group that Mr. Hill and Mr. Ashbaugh were dismissed from the case. Amicus briefs are being prepared and filed and oral arguments are set for May 10<sup>th</sup> with the Washington State Supreme Court. Discussion took place regarding WSAC support. A decision from the court is anticipated in fall of 2016 or early 2017. Mr. Alvarez moved and Mr. Clem seconded to approve Settlement Confirmation No. 2016-03-04; the motion passed.

**Underwriting Committee Report:** Chair Bartel reported that last year the Committee worked on the Memorandum of Liability Coverage. At their next meeting, the Committee will review the document and determine if any items need to be addressed. The Committee is planning to discuss for-profit activity coverage, claims that involve multiple Pool members with different deductibles, and reporting requirements for Cyber Coverage underwriting.

**Broker/Producer Report:** Liz Miser with Arthur J. Gallagher provided a Broker Service Plan Chart and reviewed the services provided by AJG. She then reviewed the Risk Pool Program Chart with a summary for the Liability, Property and Cyber programs. She reported the April marketing trip schedule is being finalized. Ms. Miser then provided a market update noting that Cyber Coverage is still new and developing, and the cyber market is seeing increases. Cyber audits and property coverage for vehicles were discussed.

**Risk Management Committee Report:** Chair Lithgow thanked the group for the recent Management & Supervisory training in Pend Oreille County. He reported the Committee met on February 19<sup>th</sup> which included a presentation on Enterprise Risk Management (ERM). Discussion took place regarding ERM. Ms. Lowe reported that Ned Newlin is now working with WASPC (Washington Association of Sheriffs and Police Chiefs) and will be a presenter at the Spring Conference roundtable. She then noted that employment training for jail commanders will be offered again this year. Ms. Lowe asked for input regarding Lexipol and discussion took place. The Committee will discuss the Lexipol issue further. Mr. Lithgow reported the Committee recommends the following optional loss control services from Arthur J. Gallagher: one additional Contracts Manual Training to take place in Wenatchee, an additional chapter for the Contracts Manual, Marshall and Swift Valuations and COPE information review, and RMPE training. Mr. Goldsmith noted that Marshall and Swift COPE data is built into the new AMP system and is added when appraisals take place. The Committee will research the COPE topic further.

**Loss Control Report:** Loss Control Coordinator Lowe reported grants and scholarships are being utilized by members.

**President Young recessed the meeting from 12:00 – 12:10 pm.**

**Personnel Committee Report:** Mr. Woods reported the Committee met to discuss the VEBA policy, medical/dental benefits, and a Payroll Policy. The VEBA policy has been deferred for now. Mr. Woods presented the recommended payroll policy. (At the November 20, 2015 Board of Directors Meeting, the Board voted to delegate to the Executive Committee the Board's authority to approve a Payroll/Payday policy.) Ms. Devlin moved and Mr. Alvarez seconded to accept the proposal from the Personnel Committee to add Subsection 4 under Section I, Compensation, to the Washington Counties Risk Pool's Personnel Policy; the motion passed.

**Specialty Services Report:** Mr. Goldsmith reported on the recent conversion from PIMS to AMP for the Property Program. He noted two webinar trainings recently took place for AMP users and feedback so far has been positive. He also explained the approval process within AMP. Mr. Goldsmith then announced that he submitted a letter of termination for his Personal Services Agreement with the Pool effective March 31, 2016. Mr. Goldsmith thanked the Executive Committee and stated he will attend the Spring Conference.

**Executive Director Report:** Mr. Bryan thanked Mr. Goldsmith for his service to the Pool. He then reviewed the plans for the New Directors Orientation that will be held at the Spring Conference. He reported that PEBB denied the Pool's application for medical benefits due to the underwriting score. WCIF has other plan options that are being researched. Mr. Bryan then reported upcoming tasks include the Spring Conference and Board Meeting planning, member visits, staff compensation and property appraisals.

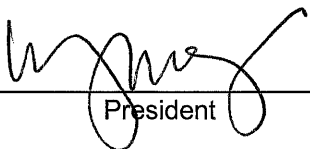
**Executive Session:** Ms. Devlin moved and Mr. Goehner seconded to convene in executive session with Mr. Bryan under the appropriate statutory authorities to review the performance of a public employee; the motion passed.


Acting in accordance with RCW 42.30.110(1)(g), and recognizing that public discussion would impair the Committee's ability to conduct its business effectively, **President Young excused all those present except Committee members and Mr. Bryan, and moved the Executive Committee into an estimated ten-minute executive session at 12:35 pm. At 12:45 pm, President Young extended the session for an additional five minutes. At 12:50 pm, President Young extended the session for an additional five minutes. At 12:55 pm, President Young extended the session for an additional five minutes.**

**President Young reconvened the regular session at 1:00 pm with all previous participants except as noted in the attendance and announced no actions were to be taken at this time.**

**Adjournment:** President Young thanked everyone for participating and adjourned the meeting at 1:01 pm.

MINUTES APPROVED this 17<sup>th</sup> day of June, 2016.

  
\_\_\_\_\_  
President

Attest:   
\_\_\_\_\_  
Secretary/Treasurer