

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING**
Friday, July 9, 2021
Virtual

ATTENDANCE:

Name	Relationship	Comment	Committee Member Since
Vickie Raines	President	<input checked="" type="checkbox"/>	2017
Joe Brusic	Vice President	<input checked="" type="checkbox"/>	2018
Dawn Twiddy	Secretary/Treasurer	<input type="checkbox"/>	Absent and excused 2018
Mike Thomas	Member	<input checked="" type="checkbox"/>	2016
Steve Bartel	Member	<input checked="" type="checkbox"/>	2008
Lisa Young	Member	<input checked="" type="checkbox"/>	2012
Ryan Lukson	Member	<input checked="" type="checkbox"/>	2021
Gary Stamper	Member	<input checked="" type="checkbox"/>	Left meeting at 9:35 AM; Returned at 10:30 AM 2019
Karen Goens	Member	<input checked="" type="checkbox"/>	2017
VACANT			Ronda Hollis resigned
VACANT			Philip Morley resigned
Derek Bryan	Executive Director (<i>ex-officio</i>)	<input checked="" type="checkbox"/>	

OTHERS ATTENDING:

Name	Relationship	Comment	County/Organization
Rich Sill	Risk Management Committee Chair	<input checked="" type="checkbox"/>	Clallam County
Thad Duvall	Finance Committee Chair	<input checked="" type="checkbox"/>	Douglas County
Adam Kick	Underwriting Committee Chair	<input checked="" type="checkbox"/>	Entered at 9:20 AM Skamania County
Jenifer Sliva	Deputy Director – Finance & Operations	<input checked="" type="checkbox"/>	WCRP Staff
Chuck Boyd	Deputy Director – Risk & Claims	<input checked="" type="checkbox"/>	WCRP Staff
Chloe Hakola	Admin & Accounting Specialist	<input checked="" type="checkbox"/>	WCRP Staff
Julie McCallum	Broker	<input checked="" type="checkbox"/>	Gallagher
John Chino	Broker	<input checked="" type="checkbox"/>	Entered at 10:20 AM Gallagher
Chase Jones	Broker	<input checked="" type="checkbox"/>	Gallagher
Craig Scukas	Actuary	<input checked="" type="checkbox"/>	Entered at 10:30 AM PwC
Kevin Wick	Actuary	<input checked="" type="checkbox"/>	PwC
Will Ashbaugh	Pool's legal counsel	<input checked="" type="checkbox"/>	Hackett, Beecher, Hart

Welcome, Roll Call & Introductions: President Raines called the meeting to order at 9:03 AM. She welcomed everyone and confirmed a quorum through roll call.

Agenda: Steve Bartel moved, and Lisa Young seconded to approve the agenda as presented. The motion passed.

Approval of Minutes: Mike Thomas moved, and Steve Bartel seconded to approve the minutes from the March 11, 2021, Executive Committee meeting; the motion passed.

Executive Director Report: Mr. Bryan provided a report on administrative activities of the WCRP, to include a staffing update and an overview of the critical action items on the agenda. Mr. Bryan then provided an overview of the overall costs for the liability, property, and cyber programs, using the information available. Mr. Bryan provided an update to The Executive Committee regarding WCRP's membership changes for the upcoming 2021-22 fiscal year, informing The Executive Committee that Garfield County and Columbia County will not renew their memberships in the coming year. Mr. Bryan also stated that he had a meeting with Klickitat County, who is currently comparing pricing of their current risk

pool to the WCRP. Discussion took place and members of The Executive Committee expressed interest in reviewing the prices that were offered to Garfield County and Columbia County by their new Pool. Mr. Bryan stated that he will make attempts to retrieve the information.

Executive Session: The Executive Committee was asked to convene into executive session pursuant to RCW 42.30.110(1)(i): "to discuss potential litigation."

President Raines called for Executive Session for approximately 20-30 minutes starting at 9:35 AM. President Raines excused all attendees, except for members of the Executive Committee, the Pool's Executive Director, the Pool's Deputy Director of Risk & Claims, and the Pool's legal counsel.

The Executive Session was extended for 10 more minutes at 10:05 AM.

The Executive Session was extended for 15 more minutes at 10:15 AM.

President Raines reconvened the regular session at 10:30 AM and other attendees returned. No action was taken by the Committee.

Executive Committee Nominations: President Raines announced that the Executive Committee terms for Lisa Young (Kittitas County), Gary Stamper (Lewis County), and Joe Brusic (Yakima County) expire September 30, 2021. She also reminded the Committee of the two vacancies, one with a term expiring September 30, 2022, the other expiring September 30, 2023.

The three Committee members have all expressed interest in continuing to serve on the Executive Committee. The Executive Committee is asked to forward three nominees to the Board of Directors for the elections to take place at the Board Meeting on July 30, 2021.

Steve Bartel moved, and Karen Goens seconded to forward Lisa Young, Gary Stamper, and Joe Brusic as nominees for the expiring positions, with terms from October 1, 2021, to September 30, 2024; the motion passed.

President Raines also noted that there are two positions made vacant by resignations and that Bonnie Haley (Skagit County) expressed interest in serving the vacated position with a term expiring September 30, 2023, and Tom Lannen (Skamania County) expressed interest in serving the vacated position with a term expiring September 30, 2022.

Karen Goens moved, and Mike Thomas seconded to recommend the Board of Directors appoint Bonnie Haley of Skagit County to the vacated Executive Committee position, to complete the vacated term through September 30, 2023; the motion passed.

Gary Stamper moved, and Joe Brusic seconded to recommend the Board of Directors appoint Tom Lannen of Skamania County to the vacated Executive Committee position, to complete the vacated term through September 30, 2022; the motion passed.

President Raines then noted that the nominations and appointments to Vice-President and Secretary/Treasurer for Fiscal Year 2021-22 will take place at the upcoming Board Meeting on July 30, 2021.

President Raines recessed the meeting from 10:39 AM until 10:45 AM.

Finance & Operations Report: Deputy Director of Finance & Operations Jenifer Sliva reported on the 2nd Quarter FY2021, along with the results of the 2019-20 State Audit. The Committee was also provided with Voucher Approval Request No. 21-03.

Lisa Young moved, and Joe Brusic seconded to approve the FY2021 2nd Quarter financials; the motion passed.

Lisa Young moved, and Gary Stamper seconded to approve Voucher Approval Request No. 21-03; the motion passed.

Risk & Claims Report: Deputy Director of Risk & Claims, Chuck Boyd, provided a report on risk management activities, including updates on new risk and claims staff, along with recent claims activities to include any significant pending claims, and any recent settlements. Mr. Boyd provided an overview of open claims along with a historical overview. Discussion took place.

Broker's Report: John Chino from Gallagher provided the Committee with an update on the upcoming renewals of the Liability, Property, Cyber and Terrorism coverages. Mr. Chino noted that while some of the layers have solid pricing available, they continue to work on final pricing for the \$10 million excess of \$10 million layer, along with finalizing the Cyber coverage pricing.

Steve Bartel moved, and Mike Thomas seconded to recommend the Board of Directors select a Self-Insured Retention (SIR) of \$2 million and to select Chubb for the \$3 million excess of \$2 million layer; and Old Republic for the \$5 million excess of \$5 million layer; and to defer the selection of the \$10 million excess of \$10 million layer to the Board of Directors at their July 30, 2021, meeting; the motion passed.

Steve Bartel moved, and Joe Brusic seconded to recommend the Board of Directors select a Pool property deductible of \$100,000 for the 2021-22 Fiscal Year, and to authorize the WCRP Executive Director to finalize the renewal of the WCRP Property Program following final pricing analysis; the motion passed.

Steve Bartel moved, and Lisa Young seconded to recommend the Board of Directors renew the first and third-party terrorism coverage for the 2021-22 Fiscal Year as proposed; the motion passed.

Steve Bartel moved, and Lisa Young seconded to recommend deferral of final selection for the WCRP Cyber Program to the Board of Directors at their July 30, 2021, meeting, following receipt of final pricing; the motion passed.

Independent Actuary Report: Craig Scukas and Kevin Wick of PwC presented a current overview of the work completed to date on their rating study for FY2022.

The overall liability analysis for this year is driven by offsetting figures. It was noted that the Pool continues to experience positive trending within our primary layer, while the excess and reinsurance costs are up significantly due to a couple of significant claims. The result is an overall liability rate increase for the upcoming 2021-22 year at 4%, which includes an additional \$1M budgeted toward continued fund balance growth.

The insurance premiums from all property insurers are still not final, however, the positive claims trends, both nationally and at the WCRP, are suggesting a modest 10% increase in property costs.

While the cyber coverage will be addressed by the Board of Directors at their upcoming meeting, PwC also noted that the actuarial projection for cyber costs at a \$250,000 SIR is projected at \$350,000 Discussion took place.

Mike Thomas moved, and Joe Brusic seconded to recommend the Board of Directors select an overall base rate of \$1.113 per worker-hour for the FY2021-22 liability program, with any increase or decrease in overall costs coming from or going into Fund Balance.

Mike Thomas moved, and Joe Brusic seconded to recommend the Board of Directors to select an overall base rate of \$0.173 per \$100 of Total Insured Value (TIV) for the FY2021-22 property program, with any increase or decrease in overall costs coming from or going into Fund Balance.

Steve Bartel abstained from the two above motions as he had left the meeting briefly and was not able to be present for the entire presentation.

Underwriting Committee Report: Committee Chair, Adam Kick, addressed the Executive Committee and noted that the Underwriting Committee had met on June 22, 2021, and reviewed changes recommended by staff the 2021-22 Memorandum of Liability Coverage. Mr. Kick asked Mr. Bryan to provide an overview of the recommended changes to the Memorandum of Liability Coverage. Discussion took place.

Steve Bartel moved, and Lisa Young seconded to forward the 2021-22 WCRP Memorandum of Liability Coverage to the WCRP Board of Directors for approval; the motion passed.

Risk Management Committee Report: Committee Chair, Rich Sill, provided the Executive Committee with an update on activities of the WCRP Risk Management Committee, which included a recap of the meeting that took place June 23, 2021. Chair Sill provided an overview of the proposed WCRP Targeted Risk Management Program for 2021-22, as well as a title change to a course option available for basic risk manager and claims administrator certification. Discussion took place.

Mike Thomas moved, and Steve Bartel seconded to recommend the WCRP Board of Directors review and approve the proposed WCRP Targeted Risk Management Programs for 2021-22; the motion passed.

Steve Bartel moved, and Mike Thomas seconded to recommend the WCRP Board of Directors review and approve the Risk Manager and Claims Administrator Certification Requirements as proposed; the motion passed.

Personnel Committee Report: Committee Chair, Lisa Young, addressed the Executive Committee regarding activities of the Personnel Committee, which included a review of changes being requested to the WCRP's Organizational Chart and to Salary Schedule. Ms. Young asked Mr. Bryan to provide an overview of the recommended changes. Mr. Bryan provided an overview and answered questions. Mr. Bryan also noted that the intent is to have the proposed WCRP Organizational Chart and Salary Schedule become effective immediately upon Board of Directors approval, to begin filling and posting positions. Discussion took place.

Joe Brusic moved, and Mike Thomas seconded to recommend the WCRP Board of Directors review and approve the proposed WCRP Organizational Chart; the motion passed.

Joe Brusic moved, and Mike Thomas seconded to recommend the WCRP Board of Directors review and approve the WCRP Salary Schedule as proposed; the motion passed.

Finance Committee Report: Committee Chair, Thad Duvall, provided the Executive Committee with an update on activities of the WCRP Finance Committee, which included a recap of the meeting that took place June 23, 2021. Chair Duvall provided an overview of the FY2021-22 WCRP Operating budget, and the proposed changes to the Financial Management Policy. Discussion took place.

Steve Bartel moved, and Karen Goens seconded to recommend the WCRP Board of Directors review and approve the proposed Financial Management Policy; the motion passed.

Steve Bartel moved, and Lisa Young seconded to recommend the WCRP Board of Directors review and approve the proposed FY2021-22 Operating Budget; the motion passed.

Consultant Contracts: Executive Director Bryan provided an overview of the four contracts with consultants that are up for renewal. In order to have some staggering in contract expiration dates, Mr. Bryan requested approval of one-year extensions of the current contract with the Pool's contracted broker, Gallagher, and the Pool's contracted I.T. Consultant, Brightwire Networks, LLC.

Mr. Bryan then requested approval of five-year contracts with the WCRP's contracted actuary, PricewaterhouseCoopers and the WCRP's investment consultant, Chandler Asset Management. Discussion took place.

Steve Bartel moved, and Lisa Young seconded to recommend the WCRP Board of Directors review and authorize the WCRP Executive Director to sign a one-year contract extension with the Pool's Broker, Gallagher, and with the Pool's I.T. Consultant, Brightwire Networks, LLC.; the motion passed.

Steve Bartel moved, and Joe Brusica seconded to recommend the WCRP Board of Directors review and approve the proposed five-year contract with Chandler Asset Management.; the motion passed.

Steve Bartel moved, and Karen Goens seconded to recommend the WCRP Board of Directors review and approve the Master Engagement Agreement with PricewaterhouseCoopers, as presented and authorize the WCRP Executive Director to enter into an annual Statement of Work with PwC, during the term of the Master Engagement Agreement, for actuarial work needed and within the approved annual budget amount; the motion passed.

Upcoming Meeting and Conferences: President Raines reminded members of the Committee of the upcoming Executive Committee and Board of Directors meetings, as well as upcoming WCRP Conferences.

Adjournment: President Raines thanked everyone for participating and adjourned the meeting at 1:02 PM.

MINUTES APPROVED this 4th day of March, 2022.



President

Attest: 

Secretary/Treasurer