

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING**

Friday, June 17, 2016

Red Lion Hotel Seattle Airport
18220 International Blvd., Seattle, WA

ATTENDANCE:

Name	Relationship	06/17	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"/>	Left at 2:00 pm
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	06/17	Comment	County/Organization
Paulette Young	Personnel Committee Chair	<input checked="" type="checkbox"/>		Lewis County
Craig Scukas	Actuary	<input checked="" type="checkbox"/>	Left at 1:20 pm	PricewaterhouseCoopers
Liz Miser	Producer/Broker	<input checked="" type="checkbox"/>		Arthur J. Gallagher
John Chino	Producer/Broker	<input checked="" type="checkbox"/>	Left at 1:00 pm	Arthur J. Gallagher
Susan Looker	Claims Manager	<input checked="" type="checkbox"/>	Left at 1:20 pm	WCRP
Sue Colbo	Accounting Officer	<input checked="" type="checkbox"/>		WCRP
Jill Lowe	Loss Control Coordinator	<input checked="" type="checkbox"/>	Left at 1:20 pm	WCRP
Stacey Spears	Administrative Assistant	<input checked="" type="checkbox"/>		WCRP

Welcome, Roll Call & Introductions: President Young called the meeting to order at 9:12 am. She welcomed everyone and confirmed that a quorum existed.

Agenda: Mr. Alvarez moved and Ms. Ayers seconded to approve the agenda with the addition of an executive session to discuss pending litigation during the Claims Report; the motion passed. President Young designated Mr. Clem and Mr. Alvarez as attorneys for the Pool.

Approval of Minutes: Ms. Johnson moved and Ms. Ayers seconded to approve the 03-04-2016 Executive Committee minutes; the motion passed.

Finance Committee Report: As Chair Duvall was not available, Executive Director Bryan gave the Finance Committee Report with Committee member Mr. Goehner. Noting it was a preliminary review and discussion, Mr. Bryan explained the budget format includes a Budget Summary that presents the overall budget for the Pool Year and a Budget Comparison Report that shows the detailed information. Staff and the Finance Committee worked together to provide the preliminary report and it was noted that salaries, benefits, and property appraisals are not yet included. It was reported that funds for property appraisals in Py2016 were not used and staff would like to use the Py2016 budgeted amount of \$52,600 with Py2017 funds. Discussion took place regarding how to reflect the carryover in the budget. Discussion then took place regarding legal expenses and Mr. Bryan's recommendation to retain legal counsel for the Pool. Pre-defense numbers were presented and discussed.

Financial Report: Ms. Colbo presented the 2nd quarter Py2016 financials, reviewing the Statement of Revenues and Expenses and the Statement of Net Position as of March 31, 2016, noting the Total Net Position was just over \$19M. Mr. Goehner moved and Mr. Bartel seconded to approve the 2nd quarter financials as presented; the motion passed. Mr. Alvarez then moved and Ms. Devlin seconded to approve Voucher Approval Request No. 16-04 as presented. Discussion took place regarding the voucher approval process. The motion passed.

Independent Actuary Report: Mr. Scukas gave a report on the Capital Modeling Study update, noting the purpose of the study is to update the Pool's target range. He reviewed the capital modeling process, overall results and alternative scenarios. Mr. Scukas also presented a Heatmap and spoke about the risks that Pools face and financial goals. Discussion took place regarding options for the Pool's funding target range.

Mr. Scukas then presented the Actuarial Rating Review for Policy Year 2016-17. PwC projects a 9.1% indicated cost rate increase in the Pool Layer and he reviewed the breakdown by General Liability, Employment Practices Liability and Automobile Liability. He then reported on the paid and incurred loss history in the \$0 to \$2 million layer noting payments and reserves are up. Pool Year 2015-16 assessments, projected losses by layer up to \$2 million, and underwriting adjustment factors were reviewed.

Investment Committee Report: Chair Woods reported minutes from the March 24 and May 6 meetings were available in the notebook. He noted the most recent report from Chandler Investments showed a 0.96% average purchase yield.

President Young recessed the meeting from 11:00 – 11:10 am.

Claims Report: Mr. Goehner moved and Mr. Bartel seconded to approve Settlement Confirmation No. 2016-06-17, Brent Vickers v. Pend Oreille County; the motion passed.

Ms. Devlin moved and Ms. Ayers seconded to convene in executive session under the appropriate statutory authorities to discuss pending litigation for an estimated fifteen (15) minutes; the motion passed.

Acting in accordance with the WCRP Bylaws and RCWs 48.62.101(1) and 42.30.110(1)(i)(ii), and recognizing that public discussion would impair the Committee's ability to conduct its business effectively, **President Young moved the Executive Committee into executive session with only Committee members, Executive Director Derek Bryan and Claims Manager Susan Looker at 11:13 am. At 11:28 am President Young announced the executive session would be extended for an additional fifteen (15) minutes. At 11:43 am President Young announced the session would be extended for an additional fifteen (15) minutes.**

President Young reconvened the Executive Committee meeting in regular session at 11:58 am with all previous attendees.

Mr. Clem moved and Mr. Bartel seconded to grant settlement authorization to Claims Manager Looker as requested in executive session on the Clark/Northrup matter. Discussion took place. With 9 yes votes and Ms. Johnson opposed, the motion passed.

President Young recessed the meeting from 12:05 – 12:18 pm.

Underwriting Committee Report: Chair Bartel reported the Committee will meet on July 20 at the Pool's Summer Conference to discuss RCW 4.96 language. The Committee is working with coverage counsel Mr. Ashbaugh on this topic.

Broker/Producer Report: Liz Miser with Arthur J. Gallagher reported on the liability program renewal and provided a handout illustrating losses by layer. Ms. Miser reported it was a great marketing trip this spring, but there is some concern from the re-insurers as losses are up. Ms. Miser does not have solid numbers at this time but significant increases are possible along with a change in the SIR and/or the corridor program. AJG is working with potential re-insurers on the program structure, including a possible corridor in the \$5M xs \$5M layer. Ms. Miser hopes to have solid numbers by the July 8 Executive Committee meeting. The Committee requested analysis from PwC regarding the options when pricing for the liability program is available from AJG. Deductible options were discussed.

Ms. Miser noted last year the WCPP (Property Program) was renewed for two years with no rate changes this year, member counties will need to update their property program values for year two.

Ms. Miser reported she is looking for a flat renewal on the Cyber Program but any new claims or movement on the three existing claims might change the pricing.

Ms. Miser then reported that carriers are looking at coverage regarding drones and the Pool may want to consider discussing the definition of drones.

Risk Management Committee Report: As Chair Lithgow was not available, Ms. Lowe gave the report. She stated the Committee has discussed Lexipol and recommends an 80/80/80 program. The Pool will reimburse member counties for 80% of the cost for Law Enforcement and/or Custody if the county has issued 80% of the policies and 80% of the Daily Training Bulletins have been completed by assigned personnel. Currently about 50% of member counties meet the proposed requirement. The issue of reimbursement was discussed and it was determined the reimbursement plan would be acceptable. Ms. Lowe then reported the procedure for No-Show Fees for training classes will be updated based on the Committee's recommendation that a \$50 fee may be assessed for registrants that do not show up for a training class or don't notify the Pool of cancellation at least one business day prior to the training. Invoices will be sent to the county risk manager.

Loss Control Report: Loss Control Coordinator Lowe reported the Jails 101 class will be offered in Moses Lake and Tacoma and this training seems to be in high demand.

Personnel Committee Report: Ms. Devlin moved and Mr. Alvarez seconded to convene in executive session under the appropriate statutory authorities to review the performance of a public employee for an estimated twenty (20) minutes; 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 moved the Executive Committee into executive session with only Committee members, Executive Director Derek Bryan and Personnel Committee Chair Paulette Young at 1:20 pm. At 1:40 pm, President Young announced the executive session was being extended for an additional twenty (20) minutes.**

President Young reconvened the Executive Committee meeting in regular session at 2:00 pm with all previous participants except as noted in the attendance.

Ms. Ayers moved and Ms. Johnson seconded to accept the new organizational chart as presented by the Personnel Committee and forward same to the full board for approval with the Executive Committee's favorable recommendation; the motion passed.

Ms. Johnson moved and Mr. Goehner seconded to table the financial piece of the Personnel Committee's recommendation until the July 8 Executive Committee meeting; the motion passed.

Executive Director Report: Executive Director Bryan reported things are going well. Plans are underway for the Pool's Summer conference and it was noted that PwC is going to give a workshop before the board meeting on Thursday. Member visits are being conducted with constructive discussions taking place. Mr. Bryan noted that staff has had concerns with the service being received from the Pool's IT support consultant.

Upcoming Meetings: The next Executive Committee meeting is scheduled for July 8, staff will confirm Committee member availability.

Adjournment: President Young thanked everyone for participating and adjourned the meeting at 2:12 pm.

MINUTES APPROVED this 8th day of July, 2016.

Karl W. Goehner
President

Attest:

William A. Wood
Secretary/Treasurer