

**WASHINGTON COUNTIES RISK POOL
EXECUTIVE COMMITTEE MEETING**

Friday, July 08, 2016
Red Lion Hotel Seattle Airport
18220 International Blvd., Seattle, WA

ATTENDANCE:

Name	Relationship	07/08	Comment
Lisa Young	President (2012-18)	<input checked="" type="checkbox"/>	
Kelth Goehner	Vice President (2005-17)	<input checked="" type="checkbox"/>	
W.A. "Draw" Woods	Secretary/Treasurer (2012-16)	<input checked="" type="checkbox"/>	Out from 12:43 -12:50 pm
Lisa Ayers	Member (2013-16)	<input type="checkbox"/>	Excused
Steve Bartel	Member (2006-16)	<input checked="" type="checkbox"/>	Left at 1:00 pm
Jill Johnson	Member (2015-17)	<input checked="" type="checkbox"/>	
Clyde Carpenter	Member (2014-17)	<input checked="" type="checkbox"/>	
Tammy Devlin	Member (2008-17)	<input checked="" type="checkbox"/>	
Steve Clem	Member (2004-12, 2015-18)	<input checked="" type="checkbox"/>	Telephonic, left at 12:24 pm
Robert Koch	Member (2013-18)	<input checked="" type="checkbox"/>	Telephonic, left at 12:30 pm
Derek Bryan	Executive Director (<i>ex-officio</i>)	<input checked="" type="checkbox"/>	

OTHERS ATTENDING:

Name	Relationship	07/08	Comment	County/Organization
David Alvarez	Executive Committee member through June 25, 2016	<input checked="" type="checkbox"/>	Telephonic, left at 9:18 am	Clallam County
Paulette Young	Personnel Committee Chair	<input checked="" type="checkbox"/>	Telephonic from 11:40 am – 12:47 pm	Lewis County
Thad Duvall	Finance Committee Chair	<input checked="" type="checkbox"/>	Arrived at 9:56 am	Douglas County
Will Ashbaugh	Coverage Counsel	<input checked="" type="checkbox"/>	Left at 10:00 am	Hackett Beecher & Hart
Kevin Wick	Actuary	<input checked="" type="checkbox"/>	Arrived at 10:15 am	PricewaterhouseCoopers
Craig Scukas	Actuary	<input checked="" type="checkbox"/>		PricewaterhouseCoopers
Liz Miser	Producer/Broker	<input checked="" type="checkbox"/>		Arthur J. Gallagher
Susan Looker	Claims Manager	<input checked="" type="checkbox"/>	Telephonic, left at 10:00 am	WCRP
Sue Colbo	Accounting Officer	<input checked="" type="checkbox"/>		WCRP
Jill Lowe	Loss Control Coordinator	<input checked="" type="checkbox"/>		WCRP
Stacey Spears	Administrative Assistant	<input checked="" type="checkbox"/>		WCRP

Welcome, Roll Call & Introductions: President Young called the meeting to order at 9:00 am. She welcomed everyone and confirmed that a quorum existed.

Agenda: Mr. Goehner moved and Ms. Johnson seconded to approve the agenda with the addition of a report from the Underwriting Committee; the motion passed.

Approval of Minutes: Ms. Johnson moved and Ms. Devlin seconded to approve the 06-17-2016 Nominating Committee Minutes and the 06-17-2016 Executive Committee minutes; the motion passed.

Discussion took place regarding Mr. Alvarez's position on the Committee as he is no longer with Jefferson County and is now employed by Clallam County. It was noted that Clallam County has appointed Mr. Alvarez as an Alternate Director. It was the consensus of the group that the Board should be asked to consider re-affirming Mr. Alvarez's appointment to the Committee, through his current term, at the Summer Board Meeting. Mr. Alvarez exited the meeting at 9:18 am.

Underwriting Committee Report: Chair Bartel reviewed the Committee's recommended changes to the Bylaws and Claims Handling Policies and Procedures due to the change from JSILP to MLC. Ms. Devlin moved and Mr. Bartel seconded to accept the recommended changes to the Bylaws and the Claims Handling Policies and Procedures as presented and forward both documents to the Board for approval with the Executive Committee's favorable recommendation; the motion passed.

Claims Report: Ms. Devlin moved and Mr. Goehner seconded to convene in executive session under the appropriate statutory authorities to discuss pending litigation for an estimated ten (10) 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 Bryan, Claims Manager Looker and Coverage Counsel Ashbaugh at 9:19 am. At 9:29 am President Young announced the executive session would be extended for an additional fifteen (15) minutes. At 9:44 am President Young announced the session would be extended for an additional ten (10) minutes.

President Young reconvened the Executive Committee meeting in regular session at 9:58 am with all previous attendees except as noted in the attendance.

Mr. Bartel moved and Ms. Devlin seconded to approve the letter as presented by Coverage Counsel Ashbaugh in executive session. Discussion took place. The motion passed with Mr. Goehner and Ms. Johnson opposed.

Broker/Producer Report: Liz Miser with Arthur J. Gallagher reported on the liability program renewal options for PY2017 noting the options from Berkley include a \$100k SIR with a higher corridor, or a \$250k SIR with the same corridor as the expiring program. Ms. Miser then reviewed options for the higher layers noting some of the pricing was still to be determined. Discussion took place and Ms. Miser reviewed the marketing efforts currently taking place.

Ms. Miser then reported the property program is entering the second year of a two-year renewal and the Pool has a rate guarantee. She will need an updated statement of values for the renewal. She then reported it is too early for a firm quote on the cyber program, however Ms. Miser does expect a flat renewal unless there are new claims received or there is movement on the existing cyber claims. She then reviewed the services and grants provided by Berkley Public Entity Managers and Arthur J. Gallagher.

President Young recessed the meeting from 10:20 – 10:30 am.

Independent Actuary Report: Mr. Wick reviewed the capital modeling study update and spoke about the Pool's fund balance. Funding targets were reviewed and discussed. Mr. Woods moved and Mr. Goehner seconded to recommend to the Board to set a target range for the low end at a 1-in-200 year event at the Pool's selected risk profile and for the high end a 1-in-200 year event at a \$2 Million retention. Discussion took place. The motion passed.

Mr. Scukas presented the rating calculations. He reviewed historical Assessments noting that 2010 was the last rate increase and about \$1 million in surplus was used for rate stabilization at that time. He then reviewed assessment rates per 1,000 worker hours noting 4-5 years of flat rates until 2017. Mr. Scukas reviewed the preliminary options for the liability program compared to the PY2016 rates, noting Option 1 is about a 16% increase and most of the increase is in the re-insurance layer. Discussion took place regarding the liability program options and rate stabilization.

Mr. Clem moved and Mr. Bartel seconded to recommend to the Board an allocation of \$1M from reserves be used for rate stabilization with the rest of the increase paid by the membership. Discussion took place. The motion passed with 6 yes votes and Mr. Woods, Ms. Devlin and Mr. Goehner opposed.

Mr. Bartel moved and Ms. Johnson seconded to recommend to the Board the Berkley Public Entity option #1 with a \$100,000 SIR and a Loss Corridor of \$4,350,000 for the liability program renewal. Discussion took place. The motion passed.

Mr. Bartel then moved and Mr. Goehner seconded to delay a recommendation on the \$5M excess \$5M layer and \$10M excess \$20M layer and \$5M excess of \$20M (optional limits) layer in order for the broker to continue to explore all renewal options for the liability program. The motion passed.

President Young recessed the meeting from 12:30 – 12:40 pm.

Personnel Committee Report: Chair Paulette Young reminded the group that at the last meeting the Committee recommended approving the revised organizational chart for staff but the funding was tabled until today's meeting. Executive Director Bryan explained the funding for staff salaries and benefits was included in the budget that will be presented by the Finance Committee. As there were no questions for Chair Young, she exited the meeting.

Finance Committee Report: Chair Duvall reviewed the PY2017 Budget noting that the personnel salaries and benefits were included as a total amount, but without specific salaries for individual staff members. The Personnel Committee and Executive Director Bryan will work on job descriptions, salaries and benefits, not to exceed the total amount in the budget of \$1,254,981. Discussion took place regarding budget expenditures. Ms. Johnson moved and Ms. Devlin seconded to forward the PY2017 budget as presented to the Board for approval with the Executive Committee's favorable recommendation; the motion passed.

Executive Director Report: Executive Director Bryan reported that last year the Broker/Producer, Actuary, and Claims Auditing contracts were extended by the Board of Directors for one year and expire December 31, 2016. All three contracts need to go out for RFP. He noted the Claims Audit will take place later this calendar year. The Pool's Bylaws regarding the execution of contracts were discussed. Mr. Bryan reported the Pool is participating in a staff development leadership program with other Pools around the state.

Upcoming Meetings: President Young announced the Summer Conference and Annual Board Meeting will be held at the Davenport Grand in Spokane in July and the Autumn Conference will be held at Great Wolf Lodge in Thurston County. Mr. Goehner stated he would like to talk about committee involvement from member counties at the Summer Conference.

Adjournment: President Young thanked everyone for participating and adjourned the meeting at 1:23 pm.

MINUTES APPROVED the 27th day of September, 2016.



(Vice) President

Attest:



Secretary/Treasurer