

WASHINGTON COUNTIES INSURANCE FUND/POOL
COMBINED BOARD MEETING MINUTES

Wednesday, March 21, 2007
Red Lion Hotel
Richland, Washington

BOARD MEMBERS PRESENT:

Dwight Robanske, Columbia County Commissioner, WCIF Chair
Mac McDowell, Island County Commissioner, WCIF Vice Chair
Alan Crankovich, Kittitas County Commissioner
Dean Burton, Garfield County Commissioner
Dave Carey, Walla Walla County Commissioner, WCIP Vice President
George Trott, Wahkiakum County Commissioner
Jerry Finch, Whitman County Commissioner
Jon Kaino, Pacific County Commissioner
Ken Oliver, Pend Oreille County Commissioner
Richard Graham, Lewis County Commissioner
Belinda Price, Olympic Area Agency on Aging, WCIP President
Paul Eichenberg, Spokane Library District
Rich Park, Timberland Regional Library

Absent: Max Benitz, Benton County Commissioner
Kathleen Johnson, Cowlitz County Commissioner
Sandy Ward, Behavioral Health Resources

OTHERS PRESENT:

Larry Larson, Island County Alternate
Laura Merrill, Pend Oreille County Alternate
Nadya DeGrande, Cowlitz County Alternate
Mark Fukuhara, WCIF Executive Director
Krista Whitaker, WCIF Director of Benefits & Sales
Lorene Satran, WCIF Finance & Benefits Administrator
Cotton Sears, Raymond James Financial Services
Lisa Hogland, Moss Adams LLP
Debra Young, Zenith Administrators
Enid Layes, Blue Skies
Keelin Curran, Stoel Rives

I. OPENING OF MEETING, INTRODUCTIONS & WELCOME

Chair Dwight Robanske opened the WCIF Board meeting at 8:30 am and President Belinda Price opened the WCIP Board meeting immediately thereafter. Everyone present introduced themselves.

The WCIF and WCIP Boards went into executive session at 8:40 am.

II. EXECUTIVE SESSION RE: WCIF STAFF TERMINATIONS & GRAYS HARBOR PDA LAWSUIT

Discussions were held regarding the terminations of Rita Fanning and Mark Fukuhara as well as on the lawsuit against Grays Harbor PDA.

A recess was taken at 10:30 am to attend the Insurance Advisory Committee meeting. The WCIF and WCIP Board meeting was reconvened at 1:30 pm.

Motion was made by Paul Eichenberg and seconded by Jon Kaino that the role of the WCIP Board be clarified vis-à-vis the WCIF regarding matters such as the hiring of the Executive Director.

There was discussion regarding the hiring process in 2002, who the Executive Director reports to and whether a change in the WCIF and/or WCIP by-laws may be required to address the action described by the motion.

Motion was amended by Dave Carey to have a committee investigate changes to the by-laws and report back its recommendations to the WCIP and WCIF Boards. Paul Eichenberg accepted the amended motion. Motion carried unanimously.

There was discussion on the hiring process, options for handling things in the interim and other matters. The WCIF Executive Committee had a conference call regarding this matter and had received a draft contract for consulting services. A copy of the draft contract between Aon Consulting and WCIF was distributed for review in the evening and discussion in the future.

Motion was made by Dave Carey and seconded by Jon Kaino to create a Search Committee to handle the recruitment for Executive Director. Motion carried unanimously.

After some discussion, it was agreed that Dwight Robanske, George Trott, Belinda Price and Paul Eichenberg would serve on the Search Committee. The committee members agreed to meet after the Board meeting and develop an action plan for recruitment of the WCIF Executive Director.

III. WCIP MEDICAL CLAIMS AUDIT – Lisa Hogland, Moss Adams (see written reports)

Lisa Hogland of Moss Adams distributed copies of the final report and gave a presentation providing an overview of the approach, findings and recommendations from the WCIP claims audit. The final report incorporated Zenith Administrators' comments and/or actions. Overall, the audit found that although Zenith Administrators' did much of the processing manually rather than have claims adjudicated electronically, the accuracy and quality of claims processing was good. We are at risk for problems in the future if there is a change in key claims processing personnel, major changes in benefits, or continue to have significant growth in enrollment. Debra Young from Zenith Administrators briefly explained actions taken to address issues raised in the audit.

IV. APPROVAL OF MINUTES

The WCIF Board of Trustees and the WCIP Board of Directors reviewed the draft minutes for the meeting held on November 16, 2006.

Motion was made by Dwight Robanske and seconded by Dean Burton that the WCIF minutes for November 16, 2006 be approved as submitted. Motion carried unanimously.

Motion was made by Dave Carey and seconded by Paul Eichenberg that the WCIP minutes for November 16, 2006 be approved as submitted. Motion carried unanimously.

V. EXECUTIVE DIRECTOR REPORT (see written reports)

Mark Fukuhara went over his written reports and provided the following updates: explained the intent to possibly limit growth in enrollment for 2008 to ensure that the increase in work load is handled smoothly; went over the legislative update provided by WSAC and discussed the reasoning for changing upcoming meetings scheduled for the fall. After discussion on several possible changes, there was consensus to combine the August and September Board meetings by having the WCIF, WCIP and IAC meet on August 16. In addition, the ACE Meetings were rescheduled for September 11 and 13. As a result, the 2008 benefit and rate information will be distributed by mid-September which will give participating employers sufficient time to make decisions regarding any benefit changes effective January 1, 2007. This will also facilitate decision making by new employers and allow scheduling of open enrollment sessions to be conducted earlier as well.

VI. BENEFITS CONSULTANT REPORT (see written reports)

John Garner explained that much of his report was given at the IAC Meeting earlier in the day. He reviewed the preliminary 2006 annual financial summary by carrier and explained that a full report would be given at the August Board meeting. John also explained the key drivers of increased costs and potential benefit changes to be considered for 2008.

VII. INVESTMENT MANAGER REPORT (see written report)

Cotton Sears gave an overview of an updated financial report regarding investments with Raymond James. Investments are in compliance with investment policies and are doing well. Raymond James will be inviting two WCIF staff to visit the headquarters in Florida with other key customers in September 2007. Mark Fukuhara mentioned that approximately \$300,000 and \$1,000,000 will be added to WCIF and WCIP investment portfolios respectively.

VIII. WCIF/WCIP FINANCIAL REPORTS (see written reports)

Mark Fukuhara gave an overview of the WCIF and WCIP financial reports for the period ending December 31, 2006. Mark explained that problems with the financials were uncovered and being addressed by engaging assistance from Trina Bannister of WSAC and an accountant from Bliss and Klein, our CPA firm that handles our taxes and other matters. The state auditor had been originally scheduled to conduct the WCIF and WCIP audits at the end of February but had been rescheduled to May 2007. Mark also explained the need to have additional signors for our bank accounts

Motion was made by George Trott and seconded by Dwight Robanske to accept the preliminary unaudited WCIF financial statements for the period ending 12/31/2006 as submitted. Motion carried unanimously.

Motion was made by Paul Eichenberg and seconded by Dave Carey to accept the preliminary unaudited WCIP financial statements for the period ending 12/31/2006 as submitted. Motion carried unanimously.

Motion was made by Dean Burton and seconded by Richard Graham to add Lorene Satran and Cherie Sablan as additional signors of WCIF bank accounts. Motion carried unanimously.

Motion was made by Richard Graham and seconded by Jerry Finch to add Lorene Satran and Cherie Sablan as additional signors of WCIP bank accounts. Motion carried unanimously.

IX. MARKETING AND WELLNESS UPDATE (see written reports)

Krista Whitaker went over her written report on marketing activities. Rescheduling the ACE meetings from October to September will facilitate employer decisions on benefit choices and allow earlier scheduling of open enrollment meetings.

Lorene Satran went over her written report on wellness grants and also gave an update regarding wellness incentives.

X. NEW BUSINESS OR ANNOUNCEMENTS

Enid Layes, strategic planning facilitator from Blue Skies gave a brief overview and assigned homework for everyone to do in the evening in order to facilitate the planning session the next morning. *Note: the strategic planning was not conducted the next morning due to an executive session.*

Mark Fukuhara reminded everyone that the next Board meeting was rescheduled to be on August 16 in SeaTac which will be a joint WCIF and WCIP Board Meeting as well as with the IAC. The meeting will begin at 8 am and is expected to end around 3 pm.

XI. ADJOURNMENT

The meeting was adjourned at 4:35 pm.

MINUTES APPROVED August 16, 2007 by WCIF and WCIP Boards

Dwight Robanske, WCIF Chair

Mac McDowell, WCIF Vice Chair

Belinda Price, WCIP President

Dave Carey, WCIP Vice President