

WASHINGTON COUNTIES INSURANCE FUND
BOARD OF TRUSTEES MEETING MINUTES

Thursday, August 17, 2006
Radisson Hotel
SeaTac, Washington

BOARD MEMBERS PRESENT:

George Trott, Wahkiakum County Commissioner, WCIF Chair
Dwight Robanske, Columbia County Commissioner, WCIF Vice Chair
Dean Burton, Garfield County Commissioner
Mac McDowell, Island County Commissioner
Alan Crankovich, Kittitas County Commissioner
Richard Graham, Lewis County Commissioner
Pat Hamilton, Pacific County Commissioner
Dave Carey, Walla Walla County Commissioner
Jerry Finch, Whitman County Commissioner

Absent: Max Benitz, Benton County Commissioner
Jeff Rasmussen, Cowlitz County Commissioner
Ken Oliver, Pend Oreille County Commissioner

OTHERS PRESENT:

Larry Grove, Lewis County Alternate
Larry Larson, Island County Alternate
Dean Cummings, Pend Oreille County Alternate
Paul Eichenberg, Spokane Library District
Shannon Inzunza, Asotin County Human Resources Director
Rosie Rumsey, Franklin County Human Resources Director
Frank Brock, Franklin County Commissioner
Greg Hering, Mason County Human Resources Director
Mark Sigler, Grays Harbor County
Mark Fukuhara, WCIF Executive Director
Rita Fanning, WCIF Deputy Director
Krista Whitaker, WCIF Benefits Manager
John Garner, Garner Consulting, Benefits Consultant
Gerti Reagan Garner, Garner Consulting, Benefits Consultant

I. OPENING OF MEETING

Chair George Trott opened the WCIF Board meeting at 9:33 am. Introductions were made by everyone present.

II. APPROVAL OF MINUTES

The WCIF Board of Trustees reviewed the draft minutes for the meeting on March 16, 2006.

Motion was made by Dean Burton and seconded by Dave Carey that the WCIF minutes for March 16, 2006 be approved as submitted. Motion carried unanimously.

III. EXECUTIVE DIRECTOR REPORT (see written reports)

Mark Fukuhara announced items not included in his written reports: 1) scheduled to move into our new office on September 20 and will be finalizing a date for an open house with October 17 as a possible date; 2) mentioned that a proposal was made to Klickitat County for an effective date of 11/1/2006; 3) explained that next month's joint WCIF/WCIP Board Meeting on September 14 will include agenda items that if approved will impact the budget; 4) management for the WCIF retirement plan was moved from Met Life to Raymond James Financial Services; 5) some of the additional income from our handling of administrative services for the WSAC L&I retro pool is being used to fund being a Gold Sponsor at WSAC's annual meeting in September; 6) the Association of Washington Cities generously allowed us to apply the cost of sponsorship to fund 10 of our administrators to attend their Wellness Summit in early October; and 7) the November 16 WCIF Board Meeting in Kennewick will be expanded to be a joint Board meeting with the WCIP Board because we have decided to also have a separate WCIP budget for 2007.

IV. FINANCIAL REPORTS (see written reports)

Rita Fanning explained key aspects of the State Auditor Office (SAO) Audit Report for the year ending December 31, 2005 which was a clean report for the WCIF. Rita also gave an overview of the unaudited WCIF Financial Statements for the period ending June 30, 2006 which showed a net income of \$205,051 and operating expenses of \$369,515 which is 43.2% of the annual budget.

Motion was made by Pat Hamilton and seconded by Dwight Robanske to accept the WCIF financial reports as submitted. Motion carried unanimously.

V. UPDATE ON WELLNESS GRANTS (see written reports)

Krista Whitaker gave an overview of Wellness Grants awarded for 2006.

VI. RECOMMENDATIONS FOR 2007 RENEWAL AND NEW PRODUCTS (see written reports)

Mark Fukuhara gave an overview of the WCIF staff's recommendations for WCIF benefit changes and rates for 2007, no longer offering Willamette Dental plans, and adding two new plan offerings: Long Term Disability from Standard Insurance and Flexible Spending Account administration from Zenith Administrators.

Motion was made by Dave Carey and seconded by Dean Burton to approve the 2007 WCIF renewal recommendations as presented in written materials by WCIF staff. Motion carried unanimously.

VII. EXECUTIVE SESSION REGARDING EXECUTIVE DIRECTOR PERFORMANCE & SALARY

Motion was made by Jerry Finch and seconded by Dean Burton for the WCIF Board to go into executive session to discuss the Executive Director's performance and salary. Motion carried unanimously.

The WCIF and WCIP boards went into executive session at 11:35 am and returned to regular session at 12:00 noon.

Motion was made by Mac McDowell and seconded by Pat Hamilton to adjust the Executive Director's annual salary to \$120,000 effective retroactively to 3/1/2006. Motion carried unanimously.

VIII. New Business or Announcements

Mark Fukuhara explained that the next meeting on September 14 will begin at 9:30 with the IAC with presentations on the decisions and rates approved today as well as short presentations on new products by representatives of Standard Insurance and Zenith Administrators. After breaking for lunch, we will have a joint WCIF and WCIP Board Meeting which is expected to end around 2:30 pm.

IX. ADJOURNMENT

The meeting was adjourned at 12:05 pm.

MINUTES APPROVED September 14, 2006 by WCIF Board

George Trott, WCIF Chair

Dwight Robanske, WCIF Vice Chair