

March 17, 2005

**WASHINGTON COUNTIES INSURANCE FUND/POOL
COMBINED BOARD MEETING**

Thursday, March 17, 2005
Red Lion at the Park
Spokane, Washington

THOSE PRESENT:

Dwight Robanske, Columbia County Commissioner
Lisa Heinrich, Columbia County Benefits
Robert Koch, Franklin County Commissioner
Dean Burton, Garfield County Commissioner
Peggy Laughery, Garfield County HR
Mac McDowell, Island County Commissioner
Dick Toft, Island County HR Director
Alan Crankovich, Kittitas County Commissioner
Larry Grove, Lewis County Alternate
Pat Hamilton, Pacific County Commissioner
Dave Carey, Walla Walla County Commissioner
Jerry Finch, Whitman County Commissioner
Paul Eichenberg, Spokane County Library
Jena Thrasher, Timberland Regional Library
Alex Duncan, Timberland Regional Library
Bea Price, Olympia Area Agency on Aging
Pat Bailey, Sunnyside Valley Irrigation
Kitty Wallace, Outgoing WCIF Executive Director
Mark Fukuhara, WCIF Incoming Executive Director
Rita Fanning, WCIF Deputy Director
Krista Whitaker, WCIF Benefit Specialist
Frank Campbell, WCIF Marketing Executive
Aaron Pollock, Marsh USA, Benefits Consultants

OPENING OF MEETING: Commissioner Jerry Finch opened the WCIF Board meeting at 8:30 am. Commissioner Dave Carey opened the WCIP Board meeting immediately thereafter.

MINUTES.

APPROVAL OF WCIF MINUTES of January 20, 2005. Motion was made by Dean Burton and seconded by Pat Hamilton that the minutes be approved as written. Motion carried.

APPROVAL OF WCIP MINUTES of January 20, 2005. Motion was made by Paul Eichenberg and seconded by Jena Thrasher that the minutes be approved as written. Motion carried.

FINANCIAL REPORT. Rita Fanning presented the WCIP Tracking Report which indicated an ending balance in excess of approximately \$2 million as of 3/2/05. She also reported on reserve status for both organizations and large claims for the self insured pool.

AUDIT AND RISK MANAGEMENT REPORTS. Rita reported that WCIF/WCIP is in the middle of an exam by the Washington State Auditor's office (SAO). The Washington State Office of Risk Management (ORM) also evaluates the self insured pool annually. SAO audits will be mailed to the respective boards mid-year. The WCIP audit will be mailed to the entire WCIP membership in line with the bylaws.

Jena Thrasher remarked on the need for promotion of the WCIF/WCIP Reward Program which provides a cash incentive for employees to look for errors in their medical bills. Dean Burton suggested that a flyer be distributed at the April ACE Committee meeting. A payroll stuffer was also suggested.

STAFFING ISSUES. Incoming Executive Director Mark Fukuhara recognized the service of two WCIF employees. Rita Fanning was promoted to Deputy Director in 2003 with no change in salary range. In his opinion, she is overdue for an adjustment to Range 14. Krista Whitaker has stepped up to assume all of the duties (except marketing) of former Benefit Manager, Terri Luther, in addition to her prior responsibilities as Benefit Specialist II. Mark's recommendation for Krista was to be promoted to Benefit Manager with an adjustment to Range 7.

Motion was made by Pat Hamilton and seconded by Dave Carey that both promotions and salary adjustments be approved retroactively to January 1, 2005. Motion carried.

WCIP WITHDRAWAL AND ASSESSMENT UPDATE. The board went into executive session on this agenda topic.

RETIREE COVERAGES. Kitty Wallace discussed the possibility of offering the AffOURdable medical plan to WCIP retirees. The lower cost of the AfFOURdable Plan could be quite attractive to healthier retirees. She also announced that retiree dental coverage from Washington Dental Service will be implemented with a special Open Enrollment for an effective date of July 1, 2005.

Motion was made by Bea Price and seconded by Paul Eichenberg to offer the WCIP AffFOURdable plan to retirees effective immediately. Motion carried.

MARKETING REPORT. Frank Campbell discussed a number of prospects with whom he has made recent contact: Adams, Klickitat, Okanogan, Skagit and Skamania Counties, four library systems, Columbia Hospital and the Port of Everett. His biggest hurdle is existing client/broker relationships; many prospective employers are reluctant to make a change.

PARADIGM SHIFT – BROKERS AS PARTNERS. Mark Fukuhara asked the board to consider the possibility of partnering with brokers rather than treating them as adversaries. Mark expressed a need for a presence in Eastern Washington to improve our service and accessibility for our customers there. He commented that two brokers serve a number of Eastern Washington counties. The first has already been approached and would be willing to send business to the WCIF/WCIP for a commission. The second broker (Ward Sandberg of Benefax, Inc.) has agreed to meet with Mark and staff on March 18, 2005. Mark asked for the boards' approval to negotiate an agreement for serving Eastern Washington and to allow the payment of commission to brokers who bring new business to the WCIF/WCIP.

Motion was made by Dwight Robanske and seconded by Paul Eichenberg to proceed in negotiating with local brokers to bring new business to the WCIF/WCIP. Final decisions about commission arrangements are subject to board approval. Motion carried.

LOOKING AHEAD TO 2006 – Mark Fukuhara presented a list of possible plan changes that he will be analyzing for presentation to the membership for the 2006 renewal:

WCIP - Increase Routine Physicals Coverage to \$500 and offer incentive program

WCIP – Increase Lifetime Max on all medical plans to \$2 million

WCIP - Adjust RX copays to promote generic drugs

WCIP – Eliminate Value Plan

WCIP – Establish high deductible Plan for Health Savings Accounts

WCIF/WCIP – Mental Health as any other disease

LIFE, DENTAL, VISION, EAP – Change age limits to 25 AND

Eliminate fulltime student requirement

DENTAL – Offer alternative to Willamette Dental

Consider self insuring dental and vision

BANK OF AMERICA SIGNATURE AUTHORIZATIONS. Rita Fanning asked for a motion from both boards having to do with bank signature authorizations.

Motion was made by Pat Hamilton and seconded by Dwight Robanske to approve Mark Fukuhara and Krista Whitaker as co-signors on the WCIF bank accounts. Motion Carried.

Motion was made by Paul Eichenberg and seconded by Jena Thrasher to approve Mark Fukuhara and Krista Whitaker as co-signors on the WCIP bank accounts. Motion Carried.

SPECIAL ANNOUNCEMENTS. WCIP Director Jena Thrasher announced her plans to retire from Timberland Regional Library at the end of May. She asked that Alex Duncan be considered as her replacement until the September 2005 elections, and the pool board agreed. The boards wished Jena well.

Dean Burton presented Kitty Wallace with a City of Pomeroy cap and a handmade wooden grasshopper pull toy; one he crafted himself. He thanked Kitty for her years of service and Kitty thanked the board for their support over the past nineteen years.

ADJOURNMENT. Meeting was adjourned at 9:45 am in order to convene the Insurance Advisory Committee meeting.

MINUTES APPROVED AUGUST 18, 2005 (WCIP) and SEPTEMBER 15, 2005 (WCIF)

/s/

Jerry Finch, Chair WCIF
Dave Carey, President WCIP

/s/

George Trott, WCIF Vice Chair
Paul Eichenberg, WCIP Vice President

WCIF/WCIP BOARD MEETINGS IN 2005:

Thursday, August 18, 2005 – Rate Setting - SeaTac

Thursday, September 15, 2005 – Insurance Advisory Committee and both boards –SeaTac

Thursday, November 17, 2005 – Kennewick – Both boards