

October 1, 2003

**WASHINGTON COUNTIES INSURANCE FUND  
BOARD OF TRUSTEES MEETING**

**MINUTES**

Wednesday, October 1, 2003  
Doubletree Hotel Seattle Airport  
WACO/WSAC Fall Legislative Conference

**THOSE PRESENT:**

Dwight Robanske, Columbia County Commissioner  
Executive Chair - Mac McDowell, Island County Commissioner  
Sue Miller – Franklin County Commissioner  
Chair Counsel - Dean Burton, Garfield County Commissioner  
Richard Graham, Lewis County Commissioner  
George Trott, Wahkiakum County Commissioner  
Jerry Finch, Whitman County Commissioner

Aaron Pollock, Benefits Consultant Marsh USA  
Kitty Wallace, WCIF Executive Director  
Rita Fanning, WCIF Deputy Director  
Terri Luther, WCIF Benefit Manager

**OPENING OF MEETING:** Commissioner Mac McDowell opened the meeting at 7:30 am and welcomed all board members

**APPROVAL OF MINUTES of September 18, 2003.** Motion was made by Rich Graham and seconded by Dean Burton to approve the minutes of September 18, 2003. Motion carried.

**FINANCIAL REPORT.** Rita Fanning reviewed reserve status and indicated that the trust fund reserves are at \$2,612,012 as of June 30, 2003. That balance remains after \$1,000,000 was transferred to the WCIP and the Regence Retro Call was paid in full at \$397,125.

**SELF INSURED POOL UPDATE.** Kitty Wallace reported that the pool is continuing to do very well. The Incurred But Not Reported (IBNR) liability will be at \$2.6 million by the end of 2003 and satisfies the requirements of the state throughout 2004. Kitty also reported that a good contingency reserve continues to build and the pool bank balance remains in excess of \$1.2 million.

She remarked that several employers have confirmed that they will be leaving the pool on December 31, 2003. The impact of their leaving will be discussed in the 2004 budget portion of the agenda.

In regard to members who have already withdrawn, the complaint against Snohomish Health District for \$380,000 will be filed the middle of October. The pool has received a letter from Asotin County's attorney stating that they do not think they owe the assessment of \$179,000. The WCIP attorney will be sending a demand letter for payment to Asotin County's legal counsel in mid-October.

**2004 BUDGET PROPOSAL.** Rita Fanning provided an Income Summary for 2004 based on expected reductions in administration fee due to withdrawal of members from the medical pool. She reviewed the 2004 Salary and Benefits as outlined by the 1999 Salary Study approved by the WCIF Board. The salary schedule is upgraded each year by a CPI approved by the board, and CPI for the Seattle area is presently at 2.2%.

Motion was made by Dean Burton and seconded by Rich Graham to approve 90% of the Seattle CPI (1.98%) for 2004. Motion carried.

Rita then reviewed the Step Increase portion of the Salary Schedule and listed those WCIF staff who are line for step increases in July 2004. Three employees are in line for an annual step increase. One employee is in line for a two year step increase.

Commissioner Robanski asked if evaluations are done for each employee and how they are approved for step increases. Kitty Wallace responded that she does annual employee evaluations in January of each year and step increases are not automatic. If a staff member is not performing satisfactorily, they are not given a step increase.

Motion was made by Rich Graham and seconded by Sue Miller to approve the one year step increases for Terri Luther, Krista Robinson and Carole Cordero. Motion carried.

Motion was made by Sue Miller and seconded by Dwight Robanske to approve the two year step increase for Leanna Olive. Motion carried.

Rita Fanning reviewed the remainder of the 2004 budget and pointed out the areas that have substantial savings. One savings is in the area of employee benefits. Kitty explained that total benefits costs are governed by the number of dependents enrolled by staff members. In that area, there will be a savings of over \$9,000 in 2004.

Other savings were found in the Equipment Reserve account. There is now enough in the reserve for purchase of a new staff vehicle and there is no need for further monthly deposits.

Total budget for 2004 is proposed to be \$662,073 which is one tenth of a percent increase over the 2003 budget.

Motion was made by Rich Graham and seconded by Jerry Finch to approve the 2004 Budget as presented. Motion carried.

**ELECTIONS TO THE WCIF 2004 BOARD.** Mac McDowell pointed out that Wes Johnson of Mason County will be leaving the WCIF/WCIP in 2004, leaving the Chair position for WCIF vacant. Commissioner Max Benitz had asked Commissioner McDowell to assume the chair in 2004 and Commissioner McDowell stated that he was willing to serve.

Motion was made by Dean Burton and seconded by Jerry Finch that Richard Graham be nominated for Chair of the WCIF Board in 2004. Motion carried and Mac McDowell announced Richard Graham elected by affirmation of the board.

**2004 MEETING SCHEDULE.** Mac McDowell noted that the November 9, 2004 date as shown on the proposed calendar was incorrect. It was determined the date should be November 4, 2004. Kitty will correct the calendar.

Motion was made by Rich Graham and seconded by Dean Burton that the March meeting of the full membership be held in Yakima. Motion carried.

ADJOURN. Meeting was adjourned at 8:50 am.

**MINUTES APPROVED (Date)**

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Max Benitz, Chair

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Wes Johnson, Vice Chair

**FUTURE MEETINGS IN 2004:**

Thursday, March 18, 2004 – Red Lion Gateway Yakima  
8:00 TO 9:30 – WCIP Board  
9:30 to Noon – Insurance Advisory Committee  
12:30 to 2:00 – WCIF Board

Tuesday, June 22, 2004 – WSAC Summer Convention/Tacoma (Time to be determined..)

Thursday, September 16, 2003 – 2005 Renewal Meeting/Radisson Hotel at SeaTac  
8:00 TO 9:30 – WCIP Board  
9:30 to Noon – Insurance Advisory Committee  
12:30 to 2:00 – WCIF Board

Thursday, November 4, 2004 – 9:00 am to Noon - Red Lion at Columbia Center/Kennewick