

WASHINGTON COUNTIES INSURANCE FUND/POOL
BOARD MEETING MINUTES
Friday, June 14, 2013
Cedarbrook Center
SeaTac, WA

BOARD MEMBERS PRESENT:

Mike Karnofski, Cowlitz County Commissioner
Brad Miller, Ferry County Commissioner
Dean Burton, Garfield County Commissioner
Helen Price-Johnson, Island County Commissioner, WCIF Chair
Obie O'Brian, Kittitas County Commissioner
Bill Schulte, Lewis County Commissioner
Lisa Ayers, Pacific County Commissioner
Karen Skoog, Pend Oreille County Commissioner
Jim Johnson, Walla Walla County Commissioner
Marilyn Neumiller, North Central Regional Library, WCIF Vice Chair
Will Rietzel, Housing Authority of Kittitas County
Greg Knight, Rural Resources Community Action
Paul Eichenberg, Spokane County Library District, WCIP Vice President
Randy Rollins, Spokane Housing Authority
Don Dashiell, Stevens County Commissioner
Rich Park, Timberland Regional Library, WCIP President
Blair Brady, Wahkiakum County Commissioner

ABSENT:

Shon Small, Benton County Commissioner
Dwight Robanske, Columbia County Commissioner

OTHERS PRESENT:

Melina Wenner, Benton County Alternate
Lexi Wingfield, Benton County
Lisa Ronnberg, Columbia County Alternate
Melanie Bacon, Island County Alternate
Larry Grove, Lewis County Alternate
Jon Kaino, WCIF Executive Director
Terri Luther, WCIF Director of Benefits and Sales
Kathi Rauch, WCIF Finance Director
Kimberly Beahler, WCIF Senior Account Executive
Lisa Sbai, WCIF Account Executive
John Wallen, DiMartino & Associates
Natalie Bell, DiMartino & Associates
Marcus Morrell, DiMartino & Associates
Mark Hruska, Premera Blue Cross
Jen Diaz, Premera Blue Cross
Jim Hirst, Group Health

I. OPENING OF MEETING

WCIF Chair Helen Price-Johnson opened the WCIF (Washington Counties Insurance Fund) Board meeting at 8:02a.m. President Rich Park opened the WCIP (Washington Counties Insurance Pool) Board meeting immediately thereafter. Everyone present introduced themselves.

II. CHANGES OR ADDITIONS TO AGENDAS

No changes were made to the meeting agenda.

III. APPROVAL OF MINUTES

The WCIF Board of Trustees and WCIP Board of Directors reviewed the draft minutes for the meeting held on March 7, 2013.

Motion made by Blair Brady and seconded by Randy Rollins that the WCIF/P minutes for March 7, 2013 be approved. No further discussion. Motion carried unanimously.

IV. EXECUTIVE DIRECTOR REPORT

Jon Kaino introduced DiMartino & Associates, the new consultant for WCIF.

Staffing Update

Jon Kaino announced the hiring of Lisa Sbai as Account Executive and the promotion of Kimberly Beahler to Senior Account Executive. The WCIF is now fully staffed.

Board Access on Website

Jon Kaino and Kimberly Beahler provided the Board information regarding a new secure board access portal on the WCIF website. Content and log on instructions were described to the Board.

Social Security Refund

Jon Kaino reminded the Board that in 2007, the State Auditor determined that WCIF was a public entity and WCIF staff was enrolled in the state PERS retirement plan. Later, the Washington State Department of Retirement Systems (DRS) performed an audit and found that WCIF employees did not take the required vote on whether to continue to participate in Social Security when first eligible for enrollment in the state PERS retirement system. In 2012, employees voted not to contribute to Social Security and Social Security refunds were given to the employer and employees for contributions made back to 2008.

In March of this year, it was brought to the attention of WCIF by DRS, and another similarly situated group, that the employer contribution also should have been refunded to the employees. After consulting with an attorney and WCIF Chair, Helen Price-Johnson, it was determined that the employer contribution, estimated at around \$143,000, should be distributed back to the employees. Kathi Rauch explained that the employee portion previously refunded had already been taxed, but the employer contribution was still taxable income to the employees, and therefore, was required to be distributed through payroll.

Jon Kaino noted that the impact of this could be seen on the budget under salaries and wages as well as under payroll expenses. Blair Brady, Wahkiakum County Commissioner, asked if this would mean the board would need to approve an adjustment to the budget. Jon explained that no supplement to the budget was necessary, but the Board should be aware that actual expenditures in those categories will likely exceed the budgeted amount.

Skamania Settlement

Jon Kaino reported that the Skamania County issue was settled as discussed in the Board's Executive Session at the March Board meeting.

Consultant Agreement

Jon Kaino advised the board that a contract had been negotiated with DiMartino & Associates that will save WCIF about \$40,000 annually and provide more services. It was then explained how this savings was achieved and what the board would see on the budget.

WCIF Chair Helen Price-Johnson commented that she supports the increased transparency in consulting fees.

Amended Trust Agreement

Jon Kaino requested a board motion to approve moving forward with the process for the adoption of the amendments to the Trust Agreement and Bylaws. The two substantive changes proposed are the removal of references to WCIP and the reduction of the WCIF Executive Committee from seven members to five.

Adoption of the amendments requires 30 days notice to all WCIF participating employers prior to Board action. If approved, WCIF will mail copies of the amendments to all employer groups. No objection by members within 30 days after Board action consents agreement to the amendments. Once the Board approves moving forward with the amendment process, all WCIF members will receive the required notice and the Board can take action at the August meeting.

Motion made by Paul Eichenberg and seconded by Brad Miller to approve moving forward with the adoption process for the amendments to the Trust Agreement and Bylaws. No further discussion. Motion carried unanimously.

WCIP Termination Resolution

Jon Kaino presented WCIF/WCIP Joint Resolution 2013-01 for consideration by both the WCIP Board of Directors and the WCIF Board of Trustees. The resolution calls for formal termination of the WCIP effective September 30, 2103 under the terms and conditions as specified in the resolution. Jon advised that the resolution was reviewed and approved by our attorney and recommended that each Board take separate action and approve the resolution.

Motion made by Will Rietzel and seconded by Brad Miller representing the WCIP Board of Directors to approve WCIF/WCIP Joint Resolution 2013-01. No further discussion. Motion carried unanimously.

Motion made by Jim Johnson and seconded by Blair Brady representing the WCIF Board of Trustees to approve WCIF/WCIP Joint Resolution 2013-01. No further discussion. Motion carried unanimously.

V. SERVICE CALL AND MARKETING REPORT

Service Calls

Terri Luther reported that annual service calls are on track to be finished in the next 4-5 weeks.

Marketing Update

Terri Luther updated the board on WCIF's participation at a recent WSAC conference and the marketing opportunities that have opened up as a result. Jon Kaino and Terri Luther have appointments to meet with Asotin and Whitman counties. Among other groups WCIF is working with are Mason County, Grays Harbor County, Pierce County Library District, and several smaller entities.

Terri also reported that WCIF is in the process of working with a design firm in Olympia in an effort to rebrand WCIF with a new logo.

Health Care Reform Seminar

Terri reported that on July 18, 2013, WCIF will be hosting a Health Care Reform Seminar at the Yakima Convention Center in Yakima, WA. WCIF intends to use this seminar as an opportunity to educate our members on health care reform issues as well as to market to new groups. The primary purpose of the meeting will be to focus on HR staff level issues, but there will also be some executive level information.

The Board was encouraged to invite WCIF eligible groups to attend this meeting. Also, WCIF will be sending out formal invitations to prospective groups. The electronic flyer will be emailed to the board members for distribution.

VI. WCIF & WCIP FINANCIAL REPORTS

Reports for period ending 3/31/13

Jon Kaino provided a brief summary of the WCIF and WCIP financial reports to the Board.

WCIF is running as expected with the exception of the expenditures related to the Social Security refund as discussed earlier. Jon noted that even with those unanticipated costs, the Fund continued to show net earnings.

WCIP no longer has any active plans, so there is no premium income but the Pool is running as expected as we move toward formal termination. Jon was asked to explain the \$74,000 listed as uncollectible and the amount shown under Professional services. He explained that these are both in response to the Lincoln County decision and resulting settlement.

Motion made by Greg Knight and seconded by Paul Eichenberg to approve the WCIP financials. No further discussion. Motion carried unanimously.

Motion made by Randy Rollins and seconded by Dean Burton to approve the WCIF financials. No further discussion. Motion carried unanimously.

VII. 2014 PRELIMINARY RENEWAL PRESENTATION

DiMartino Associates, Premera Blue Cross, Group Health, and WCIF Staff jointly presented the preliminary information for the 2014 renewal. John Wallen of DiMartino Associates provided the "2014 Preliminary Renewal Presentation" power point. The power point provided information on health care reform impacts, claims data, and other statistical analysis, Mark Hruska and Jim Hirst provided commentary on utilization data for Premera and Group Health respectively.

John Wallen summarized trending information and along with Jon Kaino, provided a preliminary recommendation that the Board consider several changes in the 2014 renewal. Changes presented and discussed included:

1. Standardizing existing plans
2. Expanding the number of plans offered
3. Expanding the number of rate bands

The Board acknowledged that they were willing to consider these recommendations as part of the 2014 renewal and directed WCIF staff to work with DiMartino Associates and the WCIF Executive Committee to prepare the final renewal recommendation for presentation to the Board at the August 16, 2013 Board meeting.

VIII. NEW BUSINESS ANNOUNCEMENTS

The next scheduled Board meeting will be a joint WCIF/WCIP Board Pre-Workshop meeting held on August 15, 2013. It will be held at the Cedarbrook Center in SeaTac scheduled from 3:00 p.m. – 5:00 p.m. The next regular scheduled Board meeting will be held on August 16, 2013. It will be a joint WCIF & WCIP Meeting held at the Cedarbrook Center in SeaTac from 8:00 a.m. to 2:00 p.m.

Jon Kaino asked the Board for a motion to approve the WCIF staff recommendation of covering onsite biometric testing through the Live Well at WCIF wellness program. The costs covered by WCIF would be a \$15 biometric filing fee (the \$12 filing fee for faxes would be waived) and the cost of travel expenses for groups in rural areas. Lab costs will be billed directly to Premera and Group Health. Groups would be responsible for covering fees related to low attendance, non-member participation, and late cancellation.

Marilyn Neumiller and Rich Park were elected to 1 year terms at the November 2011 meeting. Rich Park's term needs to be extended in order for him to assume his position as President and Paul Eichenberg was not a member of the WCIP board when elected as the 2013 VP so he needs to be elected in order to assume his position as Vice President. Assuming the 6 non-county members make that choice, 7 of the 10 positions on the WCIP Board will be filled.

Of the 3 vacant positions, at least 2 must be county representatives.

Rotating off in 2013 is Marilyn Neumiller as she was elected to a 1 year term, Bill Schulte, as he completed his term but will still be on the Executive Committee as immediate Past President, and Lisa Marsyla, Alan Crankovich, and Malcolm Friedman as they no longer serve on the WCIF Board.

Motion made by Marilyn Neumiller and seconded by Will Rietzel on behalf of the WCIP to appoint Paul Eichenberg and Rich Park to the WCIP Board for 2013. Motion carried unanimously.

Motion made by Bill Schulte and seconded by Dwight Robanske on behalf of the WCIF to appoint three representatives to the WCIP Board to include Blair Brady, Lisa Ayers, and Obee O'Brien to complete the term through 2013. Motion carried unanimously.

The Board went into Executive Session for ten minutes beginning at 11:25 a.m.

The Board reconvened from Executive Session at 11:35 a.m.

Motion by Bill Schulte and seconded by Obee O'Brien authorizing Jon Kaino to settle the litigation with Skamania County. Motion carried unanimously.

IV. NEW BUSINESS AND/OR ANNOUNCEMENTS

The next scheduled Board meeting will be a joint IAC, WCIF and WCIP Board Pre-Workshop meeting held on June 13, 2013. It will be held at the Cedarbrook Center in SeaTac and is tentatively scheduled from 1:00 p.m. – 5:00 p.m. The next regular scheduled Board meeting will be held on June 14, 2013. It will be a joint WCIF & WCIP Meeting held at the Cedarbrook Center in SeaTac and is scheduled from 8:00 a.m. to 2:00 p.m.

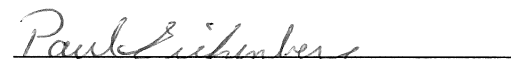
The meeting adjourned at 11:26 a.m.

MINUTES APPROVED June 14, 2013 by WCIF and WCIP Boards


Helen Price Johnson, WCIF Chair


Marilyn Neumiller, WCIF Vice Chair


Rich Park, WCIP President


Paul Eichenberg, WCIP Vice President