

WASHINGTON COUNTIES INSURANCE FUND  
BOARD MEETING MINUTES  
Thursday, November 6, 2014  
TRAC Center  
Pasco, WA

**BOARD MEMBERS PRESENT:**

Marilyn Neumiller, North Central Regional Library, WCIF Chair  
Obie O'Brien, Kittitas County Commissioner, WCIF Vice Chair  
Helen Price Johnson, Island County Commissioner, WCIF Executive Chair  
Brad Miller, Ferry County Commissioner  
Dean Burton, Garfield County Commissioner  
Bill Schulte, Lewis County Commissioner  
Lisa Ayers, Pacific County Commissioner  
Randy Rollins, Spokane Housing Authority  
Don Dashiell, Stevens County Commissioner  
Jim Fields, Vera Water and Power  
Blair Brady, Wahkiakum County Commissioner  
Karlyn Shannon, Washington State Association of Counties  
Michael Largent, Whitman County Commissioner

**ABSENT:**

Shon Small, Benton County Commissioner  
Dwight Robanske, Columbia County Commissioner  
Mike Karnofski, Cowlitz County Commissioner  
Karen Skoog, Pend Oreille County Commissioner  
Greg Knight, Rural Resources Community Action Council  
Rich Park, Timberland Regional Library  
Jim Johnson, Walla Walla County Commissioner

**OTHERS PRESENT:**

Lexi Wingfield, Benton County Alternate  
Lisa Ronnberg, Columbia County Alternate  
Melanie Bacon, Island County Alternate  
Larry Grove, Lewis County Alternate  
Brenda Boltz, Rural Resources Community Action Council Alternate  
Rick Homchick, Timberland Regional Library Alternate  
Lucy Schwallie, Walla Walla County Alternate  
Jon Kaino, WCIF Executive Director  
Terri Luther, WCIF Director of Benefits and Sales  
Kathi Rauch, WCIF Finance Director  
Janée Knigge, WCIF Wellness Coordinator  
John Wallen, DiMartino Associates  
Molly McHugh, DiMartino Associates

**I. OPENING OF MEETING**

WCIF Chair Marilyn Neumiller opened the WCIF (Washington Counties Insurance Fund) Board meeting at approximately 8:05 AM and everyone present introduced themselves.

## II. CHANGES OR ADDITIONS TO THE AGENDA

Motion made by Blair Brady and seconded by Lisa Ayers that the 990 Tax form review be added to the agenda. No further discussion. Motion carried unanimously.

## III. APPROVAL OF WCIF MEETING MINUTES FROM August 14, 2014

Motion made by Dean Burton and seconded by Randy Rollins that the WCIF minutes for August 14, 2014 be approved. No further discussion. Motion carried unanimously.

## IV. EXECUTIVE DIRECTOR REPORT

Jon Kaino announced that 3 Board members will be leaving the Board at the end of 2014 or early in 2015. Dean Burton will be retiring at the end of the year and Rich Park and Marilyn Neumiller will be retiring in 2015. Marilyn will continue to serve on the Board until her retirement in June 2015. Also it was noted that Rick Homchick was elected by the IAC to fill Rich Park's position on the Board (Rich will be Rick's alternate until his retirement).

Gifts were presented to the retiring Board members in recognition of their years of service on the Board.

### 2015 Meeting Schedule

Jon Kaino presented a revised 2015 meeting schedule that combines the west ACE with the IAC meeting in September. Jon noted that the meeting content is similar at these meetings and combining them would save several thousand dollars and would provide the renewal information more efficiently.

Motion made by Blair Brady and seconded by Dean Burton that the September IAC/West ACE meetings be combined and that the 2015 meeting schedule be approved with that change. No further discussion. Motion carried unanimously.

### Report on the 2013 State Audit Exit Conference held 10/27/2014

Jon Kaino reported that the State audits for the 2013 fiscal year are complete and that everything went well. WCIF did not receive a finding or management letter. Several Board members participated in the Exit Conference via conference call or in person and the full audit reports are available on the WCIF website.

### Trust Agreement Amendments

Jon reviewed the proposed amendments to the WCIF Trust Agreement and Bylaws and noted that the redline version had been approved by the WCIF Executive Committee and sent out to the full Board prior to the meeting. The amendment process was also discussed and it was clarified that the amendments would become effective on January 1, 2015 if approved.

Motion made by Brad Miller and seconded by Obie O'Brien to approve the amended Trust Agreement and Bylaws. The amendments clean up some language and clarify that authority to accept new groups into WCIF will be granted to WCIF staff. The updates also move authority to dissolve the Trust to the WCIF Board of Trustees. Some discussion. Motion carried unanimously.

### Medicare Supplemental Renewal

Jon Kaino presented the rates for the 2015 renewal for the Medicare Supplemental Plans administered through Benistar. The rate increases are approximately 5.5% for both plans.

Motion made by Blair Brady and seconded by Randy Rollins that the Medicare Supplemental Renewal for 2015 be approved as presented. No further discussion. Motion carried unanimously.

### Vehicle Replacement

Jon Kaino requested approval to replace the Ford Edge prior to year end. The Edge currently has over 120,000 miles and approval would allow WCIF the ability to take advantage of year end vehicle discounts.

Motion made by Dean Burton and seconded by Brad Miller that the WCIF Board approve the purchase of a replacement company car by the end of 2014. No further discussion. Motion carried unanimously.

### OIC Rate Filing Update

Jon Kaino reported that the 2014 WCIF rate filing has not yet been approved by the Office of the Insurance Commissioner (OIC). WCIF is awaiting a letter of approval as promised by the OIC. Jon advised that if the rate filing is not approved, it is possible WCIF may need to take legal action to defend our current rating structure.

### P&C Insurance Renewal – Cyber Liability

Jon stated that WCIF has added a policy for electronic coverage protection (Cyber Liability). If WCIF is hacked or there are security breaches, this policy will cover that exposure. The overall premium is still lower than the previous year due to a reduction in the D&O and E&O policy premium.

## V. WELLNESS PROGRAM UPDATE

### Wellness Grant Update

Janée Knigge reported that groups have been submitting reimbursements for their wellness grant programs. To date, \$15,000 has been reimbursed and \$36,000 has not yet been submitted. There are several groups planning to submit at the end of the year.

### Participation Report

As of 10/31/14, 30 groups have reached at least 40% participation, 10 groups are around 30%, and nine groups are around 20%. WCIF anticipates a minimum of 40 groups will reach 40% participation or higher.

### 2015 Wellness Program

WCIF is looking at new portal options for 2015. The new options will be presented to the Executive Committee prior to the full Board meeting in March.

The Board discussed what they might like to see in the 2015 wellness program, including looking at a new wellness portal. There was general agreement that the program structure should remain relatively the same as employees are already familiar with the program.

## VI. MARKETING REPORT

Terri Luther reported that WCIF has received several proposals for 2015 coverage through WCIF. One group is sold to date. A hospital district with 117 employees will be joining WCIF in 2015.

WCIF has been receiving an average of three proposals per week from brokers, networking, and conferences.

WCIF staff requested the Board consider opening up the WCIF 200 plan to new groups only, particularly for fire fighter groups. After discussion, the Board determined that WCIF staff should present a strategy for opening the WCIF 200 plan at the March Board meeting. Staff will be working with DiMartino Associates to develop a comprehensive strategy on WCIF plan designs as we move forward. The strategy will specifically address the future of the Premera 200 Plan and potential impact to all plans from the Cadillac Tax. This report will be presented to the Board at the March meeting.

## VII. WCIF FINANCIAL STATEMENT FOR PERIOD ENDING 9-30-2014

The Board reviewed the 3rd quarter financial statements. Jon Kaino stated that overall, the budget is performing better than anticipated and there is a surplus projected in the 2014 budget.

Motion made by Helen Price Johnson and seconded by Obie O'Brien to approve the WCIF 3<sup>rd</sup> quarter 2014 financial reports. No further discussion. Motion carried unanimously.

The Board reviewed the 990 tax return for WCIF for 2013. It was noted that the additional employees and higher salaries shown on the return were due to the reimbursement of Social Security contributions that occurred in 2013.

## VIII. 2015 WCIF BUDGET RECOMMENDATION

Jon Kaino and Kathi Rauch presented the proposed 2015 WCIF Budget. Jon noted that the budget includes the new Deputy Director position and a reduced administration fee for Group Health as discussed at the Wednesday workshop.

Motion made by Blair Brady and seconded by Brad Miller to approve the 2015 WCIF Budget as presented. No further discussion. Motion carried unanimously.

## IX. UTILIZATION REPORT / UPDATE

John Wallen and Molly McHugh of DiMartino Associates presented a PowerPoint recapping the 2015 renewal. The presentation also provided a refresher on terminology and analyzed experience and utilization data. The report concluded with summary of trends to watch for in 2015.

## X. ELECTION OF WCIF OFFICERS AND EXECUTIVE COMMITTEE MEMBERS FOR 2015

Jon Kaino opened the discussion by stating that the Board needed to elect a vice chair for 2015. Obie O'Brien will be the 2015 WCIF Chair and Marilyn Neumiller will move to the WCIF Executive Chair position. In addition, Randy Rollins' at large position on the Executive Committee is also up for election.

Chair Marilyn Neumiller opened the floor for nominations for WCIF Vice Chair for 2015. Dean Burton nominated Bill Schulte for Vice Chair. No other nominations were offered and Bill Schulte was elected by unanimous voice vote.

Chair Marilyn Neumiller opened the floor for nominations for the "at large" position on the Executive Committee. Blair Brady nominated Randy Rollins. No other nominations were offered and Randy Rollins was elected by a unanimous voice vote.

Jon Kaino then summarized the 2015 officers and Executive Committee members as follows:

Chair: Obie O'Brien  
Vice Chair: Bill Schulte  
Executive Chair: Marilyn Neumiller

Executive Committee: Chair Obie O'Brien, Vice Chair Bill Schulte, Executive Chair Marilyn Neumiller, at large member Randy Rollins, and at large member Jim Johnson.

#### XI. NEXT MEETING

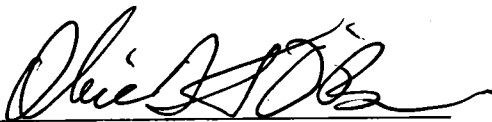
Pre Meeting Workshop and WCIF Board of Trustees Meeting  
March 11 and 12, 2015 at the TRAC Center in Pasco

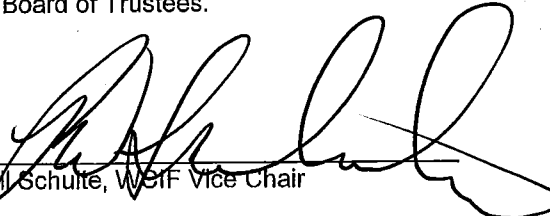
#### XI. ADJOURNMENT

Motion made by Brad Miller and seconded by Dean Burton to adjourn the meeting.

Marilyn Neumiller adjourned the meeting.

MINUTES APPROVED March 12, 2015 by the WCIF Board of Trustees.

  
Obie O'Brien, WCIF Chair

  
Bill Schulte, WCIF Vice Chair