

WASHINGTON COUNTIES INSURANCE FUND  
BOARD MEETING MINUTES  
Thursday, November 10, 2016  
Marcus Whitman Hotel  
Walla Walla, WA

BOARD MEMBERS PRESENT:

Dwight Robanski, Columbia County Commissioner  
Helen Price Johnson, Island County Commissioner  
Obie O'Brien, Kittitas County Commissioner, WCIF Executive Chair  
Bill Schulte, Lewis County Commissioner, WCIF Chair  
Greg Knight, Rural Resources Community Action Council  
Randy Rollins, Spokane Housing Authority  
Don Dashiell, Stevens County Commissioner, WCIF Vice Chair  
Blair Brady, Wahkiakum County Commissioner  
Jim Johnson, Walla Walla County Commissioner  
Karlyn Shannon, Washington State Association of Counties  
Michael Largent, Whitman County Commissioner  
Darline Charbonneau, Yakima Valley Libraries

ABSENT:

Shon Small, Benton County Commissioner  
Mike Karnofski, Cowlitz County Commissioner  
Brad Miller, Ferry County Commissioner  
Wynne McCabe, Garfield County Commissioner  
Shannon Moore, Northshore Fire Department  
Steve Rogers, Pacific County Commissioner  
Karen Skoog, Pend Oreille County Commissioner  
Jim Fields, Vera Water and Power

OTHERS PRESENT:

Lisa Ronnberg, Columbia County Alternate  
Chresta Larson, Cowlitz County  
Bob Johnson, Garfield County Commissioner Alternate  
Melanie Bacon, Island County Alternate  
Larry Grove, Lewis County Alternate  
Rachel Patrick, Pacific County Alternate  
Spencer Shanholtzer, Pend Oreille County Alternate  
Amanda Carpentier, Spokane Housing Authority Alternate  
Sue Harnish, Stevens County Alternate (via conference call)  
Shelly Peters, Walla Walla County Alternate  
Jon Kaino, WCIF Executive Director  
Kathi Rauch, WCIF Finance Director  
Terri Luther, WCIF Deputy Director  
Kimberly Beahler, WCIF Senior Account Executive  
Janée Mandery, WCIF Wellness Coordinator  
John Wallen, DiMartino Associates  
Molly McHugh, DiMartino Associates  
Nicole Horgan, Vivacity

## I. OPENING OF MEETING, WELCOME AND INTRODUCTIONS

WCIF Chair Bill Schulte opened the Washington Counties Insurance Fund (WCIF) Board meeting at 8:30AM and everyone present introduced themselves.

## II. CHANGES OR ADDITIONS TO THE AGENDA

No changes to the agenda.

## III. APPROVAL OF MINUTES FROM AUGUST 12 & 23, 2016 MEETINGS

Motion made by Michael Largent and seconded by Blair Brady that the WCIF minutes for August 12 & 23, 2016 be approved. No further discussion. Motion carried unanimously.

## IV. EXECUTIVE DIRECTOR REPORT

### Delta Dental Rate Stabilization Reserve (RSR) Agreement Update

Jon Kaino reported that he has been working with DiMartino to get language related to the RSR written into the Delta Dental contract. Due to the fact that WCIF agreed to leave funds in the RSR in exchange for a rate pass in 2017, the contract change will need to be postponed until next year when reserve funds are no longer encumbered. Currently, there is about \$590,000 in the fund, but that amount may be lower by year end dependent on claims experience.

### Creditable Coverage Confirmation

Jon stated that all 2017 WCIF medical plans met the qualifications to be considered Creditable Coverage for Medicare Part D prescription coverage. For groups offering WCIF medical, notices were sent to employers for distribution to all employees.

### Medicare Supplemental Renewal

Jon presented the 2017 Medicare Supplemental Renewal with the following premium increases:

High Plan: From \$406 to \$424 (4.4% increase)

Low Plan: From \$285 to \$295 (3.5% increase)

Motion made by Randy Rollins and seconded by Dwight Robanski to accept the Medicare Supplemental plan renewal of 4.4% on the high plan and 3.5% on the low plan. No further discussion. Motion carried unanimously.

### Consultant Agreement Renewal Proposal

Motion made by Obie O'Brien and seconded by Randy Rollins to approve the recommended \$500 per month increase in the DiMartino contract, effective April 1, 2017. No further discussion. Motion carried unanimously.

## V. 2017 WCIF WELLNESS PROGRAM PROPOSAL

Janée Mandery presented a recap of the 2016 wellness program. There was an overall increase in program participants and 56 of the 85 eligible groups met 40% participation and will receive a premium rate reduction in 2017.

The 2017 Proposed Program will emulate the program structure in 2016 with some modifications. The program will offer similar incentives as well as year-round wellbeing opportunities including: onsite health screenings, wellness grants, activity challenges, wellness champions, and the "For Your Benefit" newsletter.

Motion made by Blair Brady and seconded by Bob Johnson to accept the 2017 Wellness Program proposal, with the understanding that there is flexibility and may be some movement of the program dates. No further discussion. Motion carried unanimously.

## VI. MARKETING REPORT

Terri Luther reported that WCIF has received 26 proposals and counting. WCIF is seeing growth in the ancillary lines among some existing groups and continues to receive proposals. Also, there are a few large proposals as well as other marketing opportunities still upcoming.

## VII. WCIF FINANCIAL STATEMENTS FOR PERIOD ENDING 9-30-2016

### 3<sup>rd</sup> Quarter Financials

Jon Kaino presented the September 30, 2016 financial reports. WCIF is operating well through the first three quarters of the year. The revenue is slightly above projections, and expenditures are slightly below, but we anticipate being on budget by the end of the year, as we generally have higher expenditures (such as wellness grants and marketing) in the fourth quarter.

Motion made by Michael Largent and seconded by Helen Price Johnson that the WCIF 3<sup>rd</sup> Quarter Financials be approved. No further discussion. Motion carried unanimously.

Jon reminded the Board that he had sent out the Form 990 Return for their review prior to the meeting. This form requires Board review and approval prior to filing.

Motion made by Blair Brady and seconded by Dwight Robanski to approve the Form 990. No further discussion. Motion carried unanimously.

### State Audit Update

Jon stated that the State Audit exit conference was held on November 3, 2016. There were no findings or management letters. Kathi Rauch was acknowledged and thanked for her work.

## VIII. 2017 WCIF RENEWAL RECAP

DiMartino presented the 2017 renewal recap along with an updated report on plan experience.

## IX. 2017 WCIF BUDGET PROPOSAL

Jon Kaino presented the proposed 2017 WCIF Budget and reviewed and explained the differences from the current budget. He stated that the WCIF Executive Committee had reviewed and recommends approval of the 2017 WCIF Budget Proposal as presented. Some discussion ensued.

Motion made by Michael Largent and seconded by Obie O'Brien to approve the 2017 WCIF Budget Proposal as presented. No further discussion. Motion carried unanimously.

## X. PRESENTATION ON SELF-FUNDING

DiMartino presented the advantages and disadvantages of self-funding medical plans.

Advantages include:

- Improved cash flow
- Ability to hold funds until needed (including claims, terminal liability, etc.)
- Keep savings if expenses are below projected budget
- Exempt from State Premium tax, Federal Insurer tax, and the High Risk Pool Assessment

Challenges/Disadvantages include:

- Fiduciary responsibility
- Plan responsible for all expenses up to Stop Loss limits
- Subject to oversight by the State Risk Manager
- Some current groups (non-profits) may not be eligible for WCIF under self-funding

The presentation also covered the topic of reserve requirements and how to build and maintain reserves to create plan longevity.

After some discussion, the board was asked for their feedback as to whether they wanted to continue to do additional research on self-funding. The Board indicated that they would like to see further evaluation of moving to self-funded plans.

## XI. WCIF BOARD AND EXECUTIVE COMMITTEE ELECTIONS

Jon Kaino provided a review of the Board Officers and Executive Committee and stated that the Vice Chair and two Executive Committee Members would need to be elected for 2017.

Election of Vice Chair:

Randy Rollins and Jim Johnson were nominated for the position of Vice Chair, but Jim Johnson declined the nomination.

Motion made by Helen Price Johnson and seconded by Bob Johnson to elect Randy Rollins as WCIF Vice Chair effective January 1, 2017. No additional nominations were made. Motion carried unanimously.

Election of Executive Committee Members:

Two positions are vacant on the Executive Committee. A two year term previously held by Randy Rollins, and a one year term to fill the seat of the Executive Chair, Bill Schulte, who is retiring.

Motion made by Helen Price Johnson and seconded by Obie O'Brien to nominate Jim Johnson to the two year term on the WCIF Executive Committee. No additional nominations were made. Motion carried unanimously.

Motion made by Michael Largent and seconded by Obie O'Brien to nominate Blair Brady to the one year term on the WCIF Executive Committee. No additional nominations were made. Motion carried unanimously.

At the conclusion of the elections, Jon Kaino summarized the 2017 WCIF Officers and Executive Committee as follows:

WCIF Executive Chair: vacant    WCIF Chair: Don Dashiell    WCIF Vice-Chair: Randy Rollins

WCIF Executive Committee: Don Dashiell, Randy Rollins, Jim Johnson, Blair Brady, Karlyn Shannon

## XII. NEXT MEETING

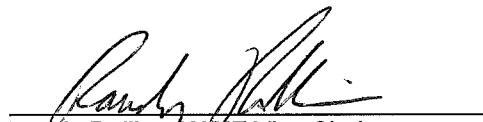
March 8 and 9, 2017 at the Marcus Whitman in Walla Walla, WA.

## XI. ADJOURNMENT

Bill Schulte adjourned the meeting.

MINUTES APPROVED March 9, 2017 by the WCIF Board of Trustees.

  
Don Dashiell, WCIF Chair

  
Randy Rollins, WCIF Vice Chair