

PRESENT

Executive Board Members:

Jason Thompson, Marysville SD
Krestin Bahr, Eatonville School District
Dr. Ron Spanjer, Blaine SD
Diana Reaume, Quillayute Valley SD
Dr. Mark Anderson, Spokane Public Schools
Lydia Sellie, Edmonds SD
Thomas Jay, Skykomish SD
Kathi Weight, Steilacoom Historical SD
Clairmonte Cappelle, PSED Worker's Compensation Trust
Jerry McDermott, NEWESD 101 (Ex-Officio)
Gavin Hottman, ESD 112 (Ex-Officio)
Michelle Dearlove, ESD 123 (Ex-Officio)
Lisa Matthews, NWESD 189 (Ex-Officio)

Others:

James Marta, James Marta & Co.
Loy Dale, SWRMIC
Charles Leitch, Patterson, Fobes, Buchanan & Leitch
Megan Starks, Patterson, Fobes, Buchanan & Leitch
Travis Irving, Perkins & Co.
Deanne Woodring, Government Portfolio Advisors
Richard Staudt, Seattle PS

Staff:

Deborah Callahan
Charles Upchurch
Bob Fulmer
Dana Grandey
Gerald Martens
Dawn Mayes
Kenneth Curtis
Suzanne Bissett

ABSENT:

Erin Murphy, Bainbridge Island SD
Monica Hunsaker, OESD 114 (Ex-Officio)
Tom Fleming, ESD 105 (Ex-Officio)
Chuck Hole, Board Treasurer
Shannon Stuber, State Risk Manager

I. Call to Order

J. Thompson called the meeting to order at 9:00 am.

J. Thompson welcomed everyone and apologized for not being present at yesterday's board retreat and asked if it would be appropriate to have a quick recap from yesterday or at a later time. J. Thompson welcomed the presenters for today and those who won't be here, including Shannon Stuber, State Risk Manager, who is ill and will not be here today, C. Kogut with PWC who presented yesterday and is ill and traveling home today. He welcomed Travis Irving with Perkins & Assoc. and Deanne Woodring with GPA and we are expecting guests R. Staudt with SPS and L. Dale, with SWRMIC.

Congratulations to board member L. Sellie who is moving from Northshore SD to Edmonds SD. She is remaining on the Board.

II. Consideration of Agenda

J. Thompson said there was a request to move the Member Withdrawals, (Item XIII. F. Member Withdrawals) to 11:00 am to accommodate people who need to leave early.

D. Reaume moved to approve the agenda with that amendment, seconded by L. Sellie.

Motion carried.

III. Consent Agenda

R. Spanjer made a motion, seconded by K. Bahr to approve the Consent Agenda (Minutes for November 1, 2018 Executive Board Meeting and November 2, 2018 Annual Meeting, 2018 and Pool Expenditures & Claims Payments, and Treasurer's Report). **Motion carried.**

IV. Officer Elections

J. Thompson opened the floor for nominations for the Chair and Vice Chair Executive Board Officer positions.

K. Bahr nominated D. Reaume for Board Chair, accepted and seconded by M. Anderson.

Motion carried.

K. Weight nominated T. Jay to serve as Vice Chair, accepted and seconded by K. Bahr.

Motion carried.

D. Callahan recognized J. Thompson and thanked him on behalf of Staff and the board for his year of service as the Board Chair.

J. Thompson transferred the Chair to D. Reaume.

V. Executive Session – Claims

Executive Session for Claims began at 9:10 a.m., estimated to last 45 minutes. Executive Session ended at 10:15 a.m.

L. Sellie made a motion to request settlement authority for the following claims: 30699, 33302, 30967, 29934, 30757, 32403, 33044, 29626, and also for ratification of authority of claims: 27868, and 17457. K. Weight seconded the motion. **Motion carried.**

VI. Executive Session – Executive Director Mid-Year Evaluation

Executive Session immediately moved into the Executive Director Mid-Year Evaluation at 10:15 a.m., estimated to last 45 minutes, returning to regular open session at 11:05 a.m.

VII. Member/Public Comments

D. Reaume noted L. Dale has requested a public comment when we speak about Member Withdrawal.

No other public comment.

VIII. Executive Director Report

Member Withdrawal

B. Fulmer said there were two entities to discuss, Walla Walla PS (WWPS) and ESD 105.

Walla Walla Public Schools

WWPS requested an extension of time from the deadline time of January 25, 2019 to January 31, 2019 to decide to stay or leave. The Board agreed to grant the extension. B. Fulmer will send a letter to WWPS tomorrow stating the Board has approved their extension to January 31, 2019. Board approved.

ESD 105

D. Reaume said L. Dale had requested public comment.

L. Dale said SWRMIC approved ESD 105 for membership, before the Christmas break, and it was unanimous to accept them. Prior to that, SWRMIC had done their due diligence and underwriting to see what kind of member ESD 105 would be and what would their rate structure look like. He said from their vantage point, they don't see them as leaving WSRMP because they would be joining SWRMIC who is still a member of WSRMP. He envisions on September 1, 2019 they come on board to SWRMIC and that would be transparent to WSRMP and they would no longer sit on WSRMP Executive Board.

IX. Presentation – Financial Audit Report

Travis Irving with Perkin & Associates presented their Financial Audit findings.

Clean audit. There are no significant accounting policy changes, the financials are clear and consistent; no problems with management; no corrections or misstatements; and they did not see any material weaknesses or issues. Management was very cooperative with the audit.

T. Jay made a motion, seconded by M. Anderson to accept the independent auditor report.

Motion carried.

X. Q1 Financial Report

J. Marta with Marta & Company presented the Q1 Financials.

- Total Assets are \$98.9M
- Total Liabilities are \$75.9M
- Net Position at \$22.5M, 90% confidence level
- Primary and Secondary asset tests are met

L. Sellie moved to approve the Q1 Financials, seconded by J. Thompson. **Motion carried.**

XI. Presentation – Investment Policy Review

Deanne Woodring with Government Portfolio Advisors presented on two items: 1) a new Investment Strategy for 2019 and 2) new updates to the Investment Policy.

R. Spanjer made a motion to approve the Investment Strategy updates, seconded by T. Jay.

Motion carried.

K. Weight made a motion to approve the Investment Policy updates, seconded by M. Anderson.

Motion carried.

XII. Presentation - Solvency Report

C. Kogut from Milliman, Inc. presented the Q1 Solvency Report at the January 28 retreat where a quorum of the board had an opportunity to ask questions.

M. Anderson made a motion to approve the Q1 Solvency Report, seconded by T. Jay. **Motion carried.**

XIII. Executive Director Report

D. Callahan delivered the Executive Director's Report.

Targeted Strategies

D. Callahan gave an update on the progress of the two 18-month Targeted Strategies: 1) Ensure Stable Financial Strategies and 2) Reduce Student Sexual Abuse in our Schools. In June, the strategies will end and we will want to establish a new set of Targeted Strategies. D. Callahan will bring recommendations for the next round of Targeted Strategies.

SAPAC

C. Upchurch gave an update on the progress of the Sex Abuse Prevention Advisory Committee (SAPAC) and its work on the Care Team Model.

D. Reaume said maybe we can do a survey monkey asking members do they have a support team or care team, do they have a model, are they utilizing something else, and do they have a process, so we can see what the differences are?

K. Bahr said we may be creating forms that may or may not be applicable or could be redundant to what districts are already doing. Our Care Team Model should help, but not duplicate.

C. Upchurch and D. Callahan agreed these are great suggestions and we will survey the membership for support plans already in use.

Claims Update

D. Grandey presented an overview on the claims at the board retreat.

Risk Services Report

G. Martens gave an update on the Member Benefit Review (MBR) and Risk Services team.

K. Bahr asked about measles: would it make sense to have a Risk Alert broadcast? L. Sellie said she would appreciate a Risk Alert with a list of resources. G. Martens said he will send something out this week.

Contracts/RFPs and Notification to the Board

D. Callahan asked three questions on contracts: 1) does the Board grant the Executive Director the authority to sign contracts with vendors without board approval and 2) does the Executive Director inform the Board only when we have to go out to RFP, and 3) shall we move to longer-term contracts, such as a five-year contract with extensions?

D. Reaume said, as to longer term contracts, we should follow the statutes and have a policy that reflects that. As to RFP's, she doesn't think the Board needs to sit in on an interview for a vendor. The Board's goal is to give support and approve the policy, so the Executive Director can make the right decisions. The Executive Director should put required contracts on the Consent Agenda as they come forward.

D. Callahan said she will follow up with the State Risk Manager to better understand the statute. This spring is appropriate to go out for RFP for the broker and investment advisor and then set the correct time duration on the contracts going forward.

AGRiP Spring Conference 2019

One board member is attending AGRIP Spring Conference in St. Louis.

Hotel Interurban

Board members liked the rooms and would like to continue staying there.

Planning and Board Calendar

In April, we will continue the financial program analysis because we will have motions to approve rates. The broker will be here to talk about reinsurance indications. The Executive Director's annual evaluation will be done, and D. Reaume will send out the paperwork in advance of the meeting. Denise Altheimer with PSESD will bring the AGRIP salary survey for Executive Directors/CEO's and will recommend the Executive Director move to a new salary structure.

XIV. Board Initiatives

Executive Board Self-Assessment

Staff will summarize the results and send them out to the Board between now and next board meeting.

Claims Update

So that the board can better track progress on the goal to "reduce litigated case inventory by 15%," staff will remove the Bard case from the numbers. (The Bard case numbers will be displayed separately).

Budget Projections

Staff will submit a budget with a break out in more detail for reinsurance costs (3-4 years of cost history).

Earthquake Coverage

D. Callahan will investigate what the FEMA threshold is for earthquake.

Risk Alert

Staff will send out a Risk Alert on the measles outbreak.

Hotel Accommodations

Staff will attempt to negotiated parking prices for the future.

SAPAC

D. Reaume asked Staff to do a survey monkey to members to understand what members currently use for a Care Team Model.

K. Bahr suggested that Staff sit in on a Level 1 or Level 2 Threat Assessment meeting. Consider rolling out a Sex Abuse addendum to the Threat Assessment protocol.

Contracts

D. Callahan will ask Shannon Stuber what are the allowable timelines for extending a contract with a vendor? What are the rules for contracting with a minority or gender owned firm, do we have to post that?

Claims Authority – Policy OE6.12

Staff will do a statistical analysis on values of claim settlements to determine if the current authority of \$250,000, granted in 1995, is still sufficient or should be raised, and if so, to what?

XV. Meeting Adjournment

At approximately 2:15 p.m. the meeting was adjourned.

The foregoing is a true and correct copy of the minutes of the January 29, 2019 Board meeting of the Board of Directors as approved by the Executive Board.



Deborah Callahan, Executive Director