

**SOUTHWEST WASHINGTON RISK MANAGEMENT INSURANCE COOPERATIVE  
EXECUTIVE COMMITTEE MEETING  
MINUTES**

April 27, 2021 Via Zoom

Members Present:

Scott Westlund, Chair, Kelso School District  
Michael Green, Woodland School District  
Joseph Castilleja, Mabton School District  
Ann Varkados, Centerville/Lyle School Districts

Others Present:

Tim Merlino, ESD 112  
Marnie Allen, ESD 112  
Gavin Hottman, ESD 112  
Shaun Mettler, ESD 112  
Peggy Sandberg, ESD 112  
Denise Heindel, ESD 112  
Kevin Wick, PWC  
Jordan He, PWC  
Karen Graham, AJG

Members Absent:

Jeff Snell, Camas School District

Chair Scott Westlund called the meeting to order at 10:01 am and determined a quorum existed.

Michael Green moved to approve the Agenda. Joey Castilleja seconded. Motion passed.

Michael Green moved to approve the Consent Agenda, which includes Minutes from the January 13, 2021 Executive Committee meeting; Open Claims Report as of April 20, 2021; Month-End Financial Reports as of February 28, 2021 and Administrative Expenditures through February 28, 2021. Joey Castilleja seconded. Motion passed.

Kevin Wick reviewed the Risk Cooperative's losses by coverage year and expected program costs for FY 2021-2022. He noted that the loss experience is better than anticipated and loss estimates have decreased by \$500,000. He provided three rating options for next year: 5% rate increase with \$48,000 increase to fund balance, 10% rate increase with \$246,000 increase to fund balance or 15% rate increase with \$446,000 increase to fund balance.

Karen Graham, Executive Vice President of Arthur J Gallagher spoke about the state of the insurance market. She noted large accounts experiencing economic uncertainty due in part to global pandemic, civil unrest, and catastrophic weather events. She further discussed the seriousness of mental health issues and the rise in cyber ransom attacks.

Shaun Mettler noted that the administrative budget for 2021-2022 decreased by 8.4%. Ann Varkados moved to approve the 2021-2022 Administrative Budget for a total budget of \$651,153. Michael Green seconded. Motion passed.

Shaun Mettler reviewed the Risk Cooperative's actuarial recommendation for the Capital Target Range. Joey Castilleja moved to approve option #1, lower bound 1-in-200 year level (\$8.4m), upper bound 2 times 1-in-200 year level (\$16.8m). Michael Green seconded. Motion passed.

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Michael Green and Scott Westlund both moved to increase base contribution rates by 15% and applying PricewaterHouseCoopers recommendation to move toward rate increases per line of coverage. Joey Castilleja seconded. Motion passed.

Chair Scott Westlund adjourned the meeting at 11:33 am.