

CHARTING OUR COURSE

Activities of WSTIP's Committees and Board



WSTIP Activity Report

March 25, 2010 ~ Executive Committee Meeting

March 25, 2010 ~ Work Session

March 26, 2010 ~ Quarterly Board Meeting

This Activity Report is an effort to keep all Board Members informed on recent and ongoing WSTIP activities. Feel free to pass this information on to any and all interested parties.

To view the supporting materials for these meetings go to <http://board.wstip.org> and select the March 2010 Board Meeting.

The Executive Committee of the Washington State Transit Insurance Pool (WSTIP) held a meeting on March 25, 2010, at Skamania Lodge, in Stevenson, Washington. Executive Committee members in attendance were: Mark Carlin, Grays Harbor Transit (Vice-President); Jamie Collier, Clallam Transit (At-Large Representative); Ben Foreman, Intercity Transit (Treasurer); Tom Hingson, Everett Transit (President); Ed McCaw, Valley Transit (Secretary); Ken Mehin, Yakima Transit (Medium System Representative); Jim Plaster, Spokane Transit (Past President); and Jeff Ristau, Community Transit (Large System Representative). Board members in attendance were: Van Church, Jefferson Transit (10:00 am); Kathy Cook, Mason Transit; Patricia Dunn, Whatcom Transportation Authority; Ernie Graichen, Twin Transit; Emmett Heath, Community Transit; Staci Jordan, Island Transit; Dale O'Brien, Skagit Transit; Tim Russ, Pacific Transit; Rod Thornton, Pullman Transit; Allen Walch, Ben Franklin Transit (10:00 am). Guests in attendance were: Rick Steddom, Alliant Insurance Services. Staff in attendance were: Anna Broadhead, Member Services Assistant; Tracey Christianson, Member Services Manager; Christian DeVoll, Risk Management Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Andrea Powell, Information Systems Specialist, and Jerry Spears, Deputy Director.

Call to Order

President Hingson called the meeting to order at 8:30 am, and asked for changes to the agenda as a sign-in sheet was passed around the room. Hatten requested that item number 7 regarding HR Sentry be moved to the Board agenda for March 26, 2010, as discussion item pending further information. McCaw moved to accept the agenda. Mehin seconded the motion and the agenda was accepted.

Consent Agenda

Plaster asked to have the text *decease and desist* changed to say "cease and desist" on page 3 of the minutes. The Executive Committee and Board members present discussed various payments. Hatten explained behind tab 4 of the consent agenda were the policies that the Policy Review Committee had made no changes to but wanted to re-confirm. Carlin explained they would be reviewing the Finance policies at the June meeting, and Governance policies will be at the Annual Meeting. Ristau asked why they required re-confirmation. Hatten said even if there is no change we still need to present them

because we are supposed to review them once per year and we can have the minutes reflect that review. Hingson said we are muddling our way through this new era, and in any case we need to report back to the Board that the policies have been reviewed. Ristau said there is no point; resolutions didn't need to be re-approved each year.

Franz said there is no right or wrong way to do the review, the Governance Policy Committee is suggesting we re-affirm these. If he was a member of the Executive Committee he would want to see the policy even if no changes were requested. Hatten said with reviewing a section a quarter perhaps with concurrence of the committee chair a memo listing the policies that have been reviewed would be sufficient, staff can write the report for the committee chair.

Ristau moved to remove Item 4 (Governance Policy Review: Re-adopt policies without changes ... Contractors and Suppliers, Non-Member Intergovernmental Procurement, Records Retention Policy, and Management Succession) from the Consent Agenda. McCaw seconded the motion and it passed.

McCaw moved to approve the consent agenda which included revised minutes of February 25, 2010, Executive Committee meeting, February 2010 Administrative voucher approval of \$202,653.30*, and February 2010 Claim voucher approval of \$309,311.18**.

*Check Numbers 21404 through 21477 in the amount of \$114,110.82. Internet transfers of \$41,078.00 for the 02/15/10 payroll and \$40,654.28 for the 02/28/10 payroll from the WSTIP Administration Account to the WSTIP Payroll Account at US Bank. Internet and ACH payments for staff credit cards and consulting services total \$6,810.20. **Total voucher approval, including February 2010 staff payroll and Internet and ACH Payments is \$202,653.30.**

Check Numbers 1070 through 1162 in the amount of \$309,785.78. **Total voucher approval is \$309,311.18.

Collier seconded the motion and it passed.

Items Removed From Consent Agenda

Hatten gently reminded Hingson that as a point of order the Governance Policy Review needed to be discussed. Hingson said the Governance Policy Review: Re-adopt policies without changes... do you wish to further discuss this item. McCaw said our Governance Policy Committee is a standing committee and he is very comfortable with the committee submitting a report rather than re-affirming each policy. Hingson stated that the recommendation is to have the committee report back as needed to the Board as to whether a policy needs to be changed.

Plaster had a question regarding Item 7, on the Contractors and Suppliers policy. He wanted to know how the Pool procured adjusting services. Spears explained the process. Hatten reminded the Executive Committee that the broker review will be due in 2011. Ristau asked about actuarial services. Hatten said the Pool hasn't solicited any RFP but has looked at group purchase options in the past. We will continue our relationship with the actuary until we have a reason to pull out, we know what other pools in the state are paying, we do review our rate and it seems to be market rate.

Hingson re-stated that future policies which do not require changes will be signed by the committee chair as they report out.

Discussion Items

WSTIP Property Policy – Hatten explained in 2009 when the Pool purchased property coverage switching from PEPiP to Governmental Entities Mutual, we used the PEPiP policy as our own draft property policy, and now need to finish the work. Franz, Hatten and Steddom have been doing a review of the draft property coverage document, are doing some clerical amendments, clearing up language and ensuring the Pool's interests are protected.

Steddom said the PEPiP policy was a one size fits all policy, Franz and he were making it WSTIP specific including adjusting for coverage WSTIP purchases such as earthquake and flood insurance, but the insurance content really remains the same.

Franz said this is largely an effort to re-format the old PEPiP plan; it's not in its final form as we still need to integrate the declaration page into the coverage. This is really what we have been using for a number of years, he would like everyone to take a hard look at this coverage document and remove things we don't need like we did with the General Liability (GL) and Public Officials Liability (POL), to make them much more readable.

Hatten said this is advisory to the Executive Committee and if any changes are made it will require Board approval. Franz said at some point he will ask that the Board approve the document. Foreman asked why now. Hatten explained the Pool was readying itself for the July 1 property insurance renewal. Plaster said he appreciates the work being done but would like a brief summary that is easier to read. Steddom, Hatten, and Franz will synthesize the information and try to make it easier to understand. Hingson said you have that on page 1 and 2. Steddom said he has summary forms and that it is no trouble to provide one.

Hatten summarized stating that the broker will prepare a summary, and staff will bring the property coverage document back at the May meeting for approval from Executive Committee to present to the Board in June for ratification.

Claim Settlement Procedures – Carlin explained the committee's recommendation to change the authority of the Executive Director from \$60,000 to \$100,000 for first and third party claims bodily injury claims, public official's liability, and property damage claims. Also recommended was settlement authority up to \$250,000 upon approval by the President. Plaster felt that settlement authority should remain at \$60,000 with \$100,000 resting with the President. Russ stated that he felt it seemed a bit used car salesman-like having to go track down the President to settle a claim. Ristau said historically the threshold has been 10 percent of the Pool's Self Insured Retention (SIR), so \$100,000 is not out of line.

After a lengthy discussion, President Hingson asked everyone in attendance to write down a number of the amount of authority they felt the Executive Director should have. Results of the poll were 11 people felt 100,000, one for \$70,000, one for \$60,000 Executive Director \$125,000 President.

Carlin explained that anything over \$60,000 the Executive Director will bring it to the attention of the Executive Committee. Hatten said we will amend the policy giving the Executive Director authority to \$100,000 for both first party and third party claims, and create a "1c" to state that the Executive Director will report quarterly. This policy will return at the April Executive Committee Meeting with recommended changes.

Loss Prevention Policy – Christianson spoke about the policy and explained it will be a topic for discussion at the member representative meeting prior to the Board meeting and suggested further comments wait until after those discussions. Franz said he felt the policy was different than his marching orders from the last meeting. He felt that if the Executive Committee is up to the task of creating mandatory best practices it would not require a Bylaw change, although if you want to make it a task for the Board it would require a change to the Bylaws. Christianson said if a Bylaw change is required this policy will not move forward until after the June meeting, and encouraged everyone to attend their member representative meetings in the morning.

Assessment Allocation – Carlin explained how the Assessment Allocation policy will allow each individual to see how your system's assessment was derived. If you look at the financials, and follow this policy you will arrive at the number even if you are not a finance person. Spears walked attendees through how Spokane Transit's allocation was reached for 2010. Hingson suggested removing the word "associate member" and replacing it with something else. Ristau said he had comments that could be made offline regarding item 12 to be consistent with 11. If you have questions regarding the Assessment Allocation policy, contact any member of the Policy Review Committee, Hatten or Spears.

Duties of Elected Executive Committee Member Representatives and Elected Officers – Carlin said the changes made to the policy were to add duties for the past president and at-large member representative, and removed the duty of the President to create individual board member development plans. Collier felt by striking "e" it would affect other policies. This policy will be reviewed at the April Executive Committee meeting.

Management Succession Plan (Committee Creation) – Christianson said under the current Management Succession Plan policy a committee was supposed to be created, which means a committee needs to be appointed and a charter needs to be written. Hingson said it sounds like new work for the committee.

The Executive Committee took a 10 minute break at 9:52 am. The meeting resumed at 10:02 am. Church and Walch joined the meeting at 10:00 am.

Action Items

Meeting Schedule Revision – Hatten explained WSTA is holding a leadership retreat on May 27-28, which is causing a conflict with the scheduled meeting on May 27th so staff has proposed three alternatives:

- Alternative 1 May 26, at 1:00 pm in Walla Walla
- Alternative 2 May 28, at 1:00 pm in Walla Walla (note Friday of Memorial Day weekend)
- Alterantive 3 May 20, at 10:00 am in Olympia

After a quick show of hands the committee decided to move their meeting to May 20, in Olympia. Hingson encouraged participation at the WSTA Leadership Retreat.

Year-end Actuarial Study – Spears briefly went over the year-end actuarial study saying the actuary does this study every year. Language has been added to be in compliance with the new WACs. ***Collier moved to accept the Year-end Actuarial Study. Plaster seconded the motion and it passed.***

New Governance Policies

[Policy on Legacy Resolutions](#) – Franz stated this policy was presented to the Executive Committee in February. Ristau asked if there was a list of resolutions this was repealing. Collier said there was, and that she would try to find it. **Collier moved to recommend approval of the Policy on Legacy Resolutions to the Board for approval. McCaw seconded the motion and it passed with Ristau in opposition.**

[Protocol for Meetings](#) – Franz explained the Executive Committee had reviewed the policy in February and staff and the members of the Policy Review Committee had made some changes in synonyms. There was a discussion on the word **consensus** and what it meant, after the discussion it was decided to scratch the words that had been scratched and leave them as they were. Hingson requested a motion.

Ristau moved to approve the Protocol for Meetings policy with addition of the word “annual” in front of work plan. McCaw seconded the motion and it passed.

[Expense Reimbursement Policy](#) – Hatten suggested revising the policy to not require receipts for expenses less than \$25, and explained other revisions in the policies were to clarify current practices. **Collier moved to accept the expense reimbursement policy with the addition of the word “in” in front of excess in section 1b. Plaster seconded the motion. Discussion:** Attendees of the meeting discussed the intent of various sections of the policy, and how General Counsel, versus staff, versus the Board travel is approved. Carlin called the question. **The motion failed with two members voting yes as written, and 2 voting no.** Hingson said he expects to see this policy at the April Executive Committee Meeting. Ristau asked Foreman to review the policy with the Policy Review Committee, Foreman agreed.

[Subrogation Policy](#) – Carlin explained to the Executive Committee changes were in red. Hatten said this is only required for members who participate in the property program. **Collier moved to approve the Subrogation Policy. Plaster seconded the motion and it passed.**

Executive Session

The Executive Committee went into Executive Session at 11:03 for 10 minutes pursuant to RCW 48.62.101 for 10 minutes to discuss a matter relating to a claim. The Executive Committee came out of Executive Session at 11:13 am. The Executive Committee authorized specific settlement authority on a claim matter.

Sub-Committee Reports

Hatten said at the Executive Committee retreat in January we discovered that the Pool needs a way of documenting committees, what their duties are, who the chair is, whether it is standing or has a specific length of time. Hingson asked the attendees to spend five minutes and briefly review the charters, and explained that the committees will be seeking volunteers during the Board meeting.

[Re-Branding Committee](#) – Committee members are: Hingson (chair); Smith, Mehin, and Christianson (staff).

[Governance Policy Committee](#) – Committee members are: Carlin (chair), Graichen, Hatten (staff), Franz (staff). McCaw volunteered as secretary and incoming vice-president to be on this committee.

[Legislative Committee](#) – Committee members are: Carlin, and Hatten (staff).

Cyber Liability Committee – Committee members are: Ristau (chair), and Spears (staff),

Underwriting Committee – Committee members are: Collier (chair), and Hatten (staff),

Audit Committee – Committee members are: Foreman (chair) and the entire Executive Committee.

Recap of Meeting

Hingson noted a few things had been approved and forwarded to the Board for approval, we have a guest presentation later this afternoon, and the committee reviewed the work plan. Our next meeting is April 29th in Olympia. Hatten reminded committee members that he will not be in attendance as he is going to see the most beautiful granddaughter in the world (Maya).

Adjournment

McCaw moved to adjourn the meeting at 11:55 am. Plaster seconded the motion and it passed.

March 25, 2010 ~ Work Session

The Washington State Transit Insurance Pool Board of Directors held a work session on March 25, 2010, at Skamania Lodge in Stevenson, Washington. Board members in attendance were: Terence Artz, Pierce Transit; Mark Carlin, Grays Harbor Transit (Vice-President); Van Church, Jefferson Transit; Jamie Collier, Clallam Transit (At-Large Representative); Kathy Cook, Mason Transit; Patricia Dunn, Whatcom Transportation Authority; Ben Foreman, Intercity Transit (Treasurer); Kim Gates, Asotin County PTBA; Ernie Graichen, Twin Transit; Emmett Heath, Community Transit; Tom Hingson, Everett Transit (President); Staci Jordan, Island Transit; Ed McCaw, Valley Transit (Secretary); Ken Mehin, Yakima Transit (Medium System Representative); Dale O'Brien, Skagit Transit; Jim Plaster, Spokane Transit (Past President); and Jeff Ristau, Community Transit (Large System Representative); Tim Russ, Pacific Transit; Rod Thornton, Pullman Transit; Allen Walch, Ben Franklin Transit; and Greg Wright Grant Transit. Guests in attendance were: David Scott, K & L Gates; Rick Steddom, Alliant Insurance Services. Staff in attendance were: Anna Broadhead, Member Services Assistant; Tracey Christianson, Member Services Manager; Christian DeVoll, Risk Management Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Andrea Powell, Information Systems Specialist, and Jerry Spears, Deputy Director.

The work session started at 1:15 pm and attendees heard presentations regarding the accounting software project, IRM happenings, the Washington State Transit Portal, current trends in cyber liability, and the pollution policy.

The presentations are available on the board website at <http://board.wstip.org> under the March Quarterly meeting Work Session.

March 26, 2010 ~ Quarterly Board Meeting

The Washington State Transit Insurance Pool Board of Directors held a Board meeting on March 26, 2010, at Skamania Lodge in Stevenson, Washington. Board members in attendance were: Terence Artz,

Pierce Transit; Mark Carlin, Grays Harbor Transit (Vice-President); Van Church, Jefferson Transit; Jamie Collier, Clallam Transit (At-Large Representative, (9:04 am)); Kathy Cook, Mason Transit; Patricia Dunn, Whatcom Transportation Authority (9:04 am); Ben Foreman, Intercity Transit (Treasurer); Kim Gates, Asotin County PTBA; Ernie Graichen, Twin Transit; Emmett Heath, Community Transit; Tom Hingson, Everett Transit (President); Staci Jordan, Island Transit; Ed McCaw, Valley Transit (Secretary); Ken Mehin, Yakima Transit (Medium System Representative); Dale O'Brien, Skagit Transit; Jim Plaster, Spokane Transit (Past President); Jeff Ristau, Community Transit (Large System Representative); Tim Russ, Pacific Transit; Paul Shinnors, Kitsap Transit; Rod Thornton, Pullman Transit; and Allen Walch, Ben Franklin Transit. Guests in attendance were: Geri Beardsley, WSTA; and Rick Steddom, Alliant Insurance Services. Staff in attendance were: Anna Broadhead, Member Services Assistant; Tracey Christianson, Member Services Manager; Christian DeVoll, Risk Management Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Andrea Powell, Information Systems Specialist, and Jerry Spears, Deputy Director.

Call to Order

President Hingson called the meeting to order at 9:00 am. ***Mehin moved to accept the agenda. Foreman seconded the motion and it passed.***

Consent Agenda

Walch moved to approve the minutes of the December 11, 2009, Board meeting. Plaster seconded the motion and it passed.

Dunn and Collier arrived at 9:04 am.

Staff Reports

Executive Staff Report – Hatten highlighted portions of the Executive Staff report. Christianson and Spears asked if anyone had questions regarding their sections of the report, and none were asked.

General Counsel's Report – Franz asked if anyone had questions regarding his report. There were none.

Broker's Report – Steddom gave a brief update on the state of the insurance market, and asked if anyone had any questions regarding his written report. There were none.

Committee Reports

McCaw reported on behalf of small systems. He said they had a lively discussion regarding what consensus meant and whether best practices should be standards or guidelines or a combination of both, and who has the authority to create best practices. He said the consensus of the group was while there are some core values that relate to all agencies, which could be mandatory best practices, but felt they should be what their name is industry standards and guidelines, we will try to achieve but not mandatory. If there are practices that are mandatory then it will require a Board decision, because it could impact operations.

Ristau reported on behalf of the large systems. He said they too discussed the meaning of consensus, but their discussion centered on the authority the Board already have regarding contributions and assessments. Experience rating is a result of loss experience but that in and of itself does give a true picture. You can have a period of bad losses and a period with poor experience; with Board approval we

could set up an additional element within the contribution which could be a multiplier that is determined by your degree of compliance with the best practices, this would not require a change to the Bylaws. He also talked about developing incentives. Hatten said it sounded like they were talking about underwriting during their discussion as well and perhaps they would like to discuss with the underwriting committee, and Ristau agreed. Franz asked if they felt the Executive Committee or the Board should have the authority to create mandatory best practices. Ristau said that would be a Board decision.

Mehin reported on behalf of the medium systems. He said their discussion echoed the discussions the small and large systems had, only they had a four prong approach for incentives as a grant program, if you participate in the best practices and reduce your loss/experience rates you get X amount; if you participate in best practices and your loss/experience rate goes up you get a lesser amount of X; if you don't participate in best practices your loss/experience rate doesn't change you wouldn't receive anything, and if you didn't participate in best practices and your loss/experience rate increased you would be given a higher assessment. The Executive Committee would recommend to the Board that the member be given the assessment.

Hingson said what if you are just lucky? This plan won't recognize those who are luckier than others. Hatten said the underwriting committee will be able to use this information. Hingson said this discussion is a great segue to Collier looking to populate the underwriting committee.

Action Items

Camera Initiative Sub-Committee Presentation – Heath went through the report of the Camera Initiative Sub-Committee. **Foreman moved to accept the recommendations of the camera initiative sub-committee. O'Brien seconded the motion and it passed with a round of applause.**

Governance Policy on Legacy Resolutions – Franz said he is completely satisfied with this policy and by approving this policy you will be removing all resolutions except the ones with continued viability. Collier presented a list of resolutions that were being repealed. The list was discussed briefly and Collier, Franz, and staff fielded questions. **Collier moved to accept the Policy on Legacy Resolutions. Plaster seconded the motion and the motion passed.**

Budget Development Policy – Hatten explained this policy was passed by the Executive Committee at their meeting in October, and requires Board approval. There was discussion regarding how to make the policy clearer and eliminate some confusion, and whether the term payroll meant wages and benefits or just wages. Spears said it is intended as total compensation including benefits and allowances. Foreman said he wants to see clarity on number 3e. Spears said he would clarify with a memo. **Collier moved to accept the Budget Development Policy with the following changes: 1) Item 4: eliminate the number 1 after September; 2) Item 3a: add the word "total" after estimated and before vehicles; 3) Item 7: eliminate 7a and re-letter b to a, and c to b. Carlin seconded the motion and it passed.**

Guest Speaker

Hingson introduced an impromptu guest speaker Mr. John Miles. Miles spoke about service animals on buses and service animals in training; as well as fielded questions regarding service animals from attendees.

Discussion

Chartering of Committees – Hingson said that the Executive Committee is looking for volunteers to serve on the following committees: Re-branding Committee, Governance Policy Committee; Legislative Committee; Cyber Liability Committee; Underwriting Policy Committee; and Audit Committee.

Re-branding – Artz, Cook, Hingson (chair), Mehin, Smith and Christianson (staff).

Governance Policy – Carlin (chair), Franz (staff) Graichen, Hatten (staff), and McCaw

Legislative – Carlin, Hatten (staff), Mehin, O'Brien, and Russ. (Chair to be determined)

Cyber Liability – Church, Plaster, Ristau (chair), Shinnors, and Spears (staff).

Underwriting – Collier (chair), Foreman, Hatten (staff), McCaw, and Shinnors.

Audit – Executive Committee and Foreman (chair).

HR Sentry – Hatten said he presented HR Sentry to the WSTA Human Resources Committee as a resource that can assist human resource managers in keeping current with all state laws, and guidelines. Committee members have been reviewing the product for about a month. WSTIP is conducting a survey of the users, but at this time there isn't enough information to make a recommendation on how to participate in the program. He hopes to have a more in depth review for the April Executive Committee Meeting.

WSTA Update – Beardsley thanked everyone for allowing her to give a presentation the prior evening during dinner, thanked those who have responded to WSTA's request for data, and told those who hadn't responded yet to take as much time as needed because she understands how busy they are; and possibility of WSTIP, WSDOT, and WSTA only asking for information one time while apologizing for asking for the same data more than once. She thanked WSTIP for all of the efforts on the portal.

Member Updates

Each member present gave updates on what was happening at their transit agency.

Adjournment

Carlin moved to adjourn the meeting at 12:01 pm. McCaw seconded the motion and it passed.