

# CHARTING OUR COURSE

Activities of WSTIP's Committees and Board



## WSTIP Activity Report June 24, 2010 ~ Executive Committee Meeting June 25, 2010 ~ Work Session June 25, 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 meeting go to <http://board.wstip.org> and select the June 2010 Quarterly Board Meeting.

### June 24, 2010 ~ Executive Committee Meeting

The Washington State Transit Insurance Pool Executive Committee held a meeting at the Inn at Port Gardner in Everett, Washington, on June 24, 2010. Executive Committee Members present 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); Jeff Ristau, Community Transit (Large System Representative); and Chris Smith, CUBS (Small System Representative). Board Members present were: Ernie Graichen, Twin Transit; Stephanie Guettinger, Columbia County Public Transportation (8:56 am); Staci Jordan, Island Transit; Dale O'Brien, Skagit Transit; Tim Russ, Pacific Transit (9:17 am); Rod Thornton, Pullman Transit; and Allen Walch, Ben Franklin Transit. Guests in attendance were: Barb Savary, Island Transit; Rick Steddom, Alliant Insurance Services; and Eric Svaren, Groupsmith. WSTIP staff present were: Anna Broadhead, Member Services Assistant; Tracey Christianson, Member Services Manager; Ron Franz, General Counsel; Al Hatten, Executive Director; Joanne Kerrigan, Administrative Assistant; and Jerry Spears, Deputy Director.

### Call to Order

President Hingson called the meeting to order at 8:30 am, and asked if there were any changes to the agenda. Collier requested that a fifth discussion item be added to give staff direction on the development of the 2011 budget document. Hingson allowed the request.

### Consent Agenda

The Executive Committee discussed the minutes from the prior teleconference meeting, and talked about several administrative and claims vouchers. ***Ristau moved to approve the minutes of the May 20, 2010 teleconference meeting, Administrative Vouchers and Checks\*, and the Claim Vouchers and Checks\*\*.*** ***Carlin seconded the motion and it passed.***

\* Check numbers 21600 through 21649 in the amount of \$37,063.56. Internet transfers of \$35,170.32 for the 05/15/10 payroll and \$35,616.30 for the 05/31/10 payroll from the WSTIP Administration Account to the WSTIP Payroll Account at US Bank, internet and ACH payments for staff credit cards, travel/expense

reimbursements and consulting services total \$12,894.71. Total voucher approval, including May 2010 staff payroll and internet and ACH Payments is \$120,744.89.

\*\* Check numbers 1307 through 1402 in the amount of \$745,375.72. Total voucher approval is \$745,375.72.

## **Discussion Items**

*2010-2011 Property Coverage Document (approved for action by Board on 6/25 on 05/20)* – Plaster announced that Spokane Transit is planning to join the property program at WSTIP, and thanked Hatten and Steddom. Plaster asked Steddom to explain how this coverage document interfaces with GEM's policy. Steddom said this document is tailor made for WSTIP members, and explained limits and coverages. Hatten added that on page 11 we need to add some language back in that was inadvertently deleted. ***Ristau moved to forward the property coverage document on for Board approval including the language clarifying the relationship between earthquake and other coverage. McCaw seconded the motion and it passed.***

*Vanpool Best Practices Advisory* – Christianson explained she was presenting these best practices pursuant to the loss prevention policy which states the Best Practices need to be presented to the Executive Committee. The Best Practices for Vanpool Programs is a slightly modified version of the Best Practices (originally adopted in 1996). The vanpool group made very minor revisions over the last two years and these are now ready for presentation. However, Christianson noted a new Appendix on Child Riders will likely be added next month. Christianson is meeting with Carolyn Newsome from Intercity Transit to receive the suggestions regarding child riders, and will present that piece of the best practice at the July Executive Committee meeting.

*Board Education: Risk Solvency Conference* – Christianson said this conference was a result of trying to put together a Risk Management 101 class (on the Executive Committee work plan). She approached Washington Cities Insurance Authority and Enduris about putting together educational pieces for their Boards and they were very interested. So the three pools approached the State Risk Managers Office and they said it's a great idea but we think you should focus on Risk Solvency rather than just Risk Management. The three pools incorporated this guidance and are planning a conference on conference on Risk Solvency on September 30. Staff would like the Executive Committee and Board members to attend, and asked for a consensus about the reimbursement of travel expenses as a Board education piece. ***Plaster moved to approve expenses for this educational item on risk solvency for all Board members to attend. Collier seconded the motion. . DISCUSSION:*** There was a lengthy discussion ranging from how the conference would be beneficial, eligibility of RTAP funds, how the regulator uses the ratios, the range of experience we have on our Board of Directors. Hingson said he would talk about this education opportunity at the Board meeting on June 25. ***The motion passed.***

*Executive Director & General Counsel Evaluation* – Hingson explained that at the previous Executive Committee the topic of a 360 evaluation for Hatten and Franz was discussed and he explained why he felt it would be a useful tool. Collier concurred and further described the results of a 360 evaluation, and how valuable it is for the person receiving feedback. Hatten said his prior evaluations have revolved around the organization and not so much at himself, whereas the 360 evaluation is much more about himself including how he is working with individuals and collaboratively as the Executive Director of the Pool. Franz said his evaluations have been much different, in Executive Session with the Executive Committee and Board, he felt he could benefit from this type of review. Svaren asked what is driving this review. Hingson said before we go any further we should talk about the money. Svaren gave a price

estimate of \$10,000 to complete a 360 evaluation of Hatten and Franz. Hingson said this may not be something we do each year but still believes this could be a useful tool and thought the committee should move forward with this, explaining this isn't a paper exercise it's a relationship exercise. Russ was not in favor. Hatten noted that GEM is currently doing a 360 evaluation of their Executive Director and the cost estimate they received was \$15,000 for one person. Svaren explained the process of how the 360 would work.

Hingson requested the Executive Committee go into Executive Session pursuant to RCW 42.30.110 at 9:58 am for 15 minutes, to discuss the evaluation of personnel. The Executive Committee came out of Executive Session at 10:19 am.

*Budget Discussion* – Collier asked staff to prepare a document for the July meeting for issues relating to the budget they would like guidance from the Executive Committee on. Hatten said that senior staff will be meeting to discuss the budget, based on data collected from members we are estimating a 15% decrease in exposures which may result in some significant recommendations from staff regarding the operations side. More will come regarding the budget in the next few months.

### **Sub-Committee Reports**

*Re-Branding Committee* – The Re-Branding Committee will meet immediately following the Board meeting in the Weyerhaeuser Room at Everett Station on June 25, 2010.

*Governance Policy Committee* - No report.

*Legislative Committee* – No report.

*Cyber-Liability Committee* – Ristau reported the committee completed its charter and will be providing a recommendation to the Executive Committee in 2011 on how to address cyber liability. The committee will be meeting in early August to focus on gap analysis in WSTIP coverages and what coverage is available. The second task they are working on is a legal review of what steps to take if you do have a theft of information whether it's medical, bank accounts, social security numbers, etc. The committee may propose a best practice related to information technology. Hatten said the next committee meeting will be August 26 or earlier. Spears will be talking to the State Risk Managers Office to see if they can provide some practices we may want to engage in.

*Underwriting Committee* - Collier said the committee completed its charter, we are going to focus on the experience part of the assessment policy and develop an educational piece on how it functions and bring it forward at the September meeting. We will invite Kevin Wick to attend and brief the Board on how the experience rating is developed.

*Audit Committee* – No report.

### **Re-Cap/Review**

Hingson recapped the meeting, a lot of time was spent on the General Counsel/Executive Director evaluation and he plans on spending time at the Board meeting giving the Board names of reviewers in the 360 so the Board can understand it's bigger than us. No decision has been made as to whether they are moving forward with the 360 evaluation or not. He informed everyone that a shuttle was available to

and from the golf course. Hatten said if you are not participating in the golf tournament feel free to go visit the simulator at Everett Station in the Dan Snow Training room.

### **Adjournment**

***Carlin moved to adjourn the meeting at 10:49 am. Multiple people seconded and the motion passed.***

### **7<sup>th</sup> Annual “Claim” Jumper Invitational**

The 7<sup>th</sup> Annual “Claim” Jumper Invitational was a huge success. Thank you to all the sponsors and participants. Photos are available on the Board website (<http://board.wstip.org>) under pictures select the June 2010 Board and Golf.

### **June 25, 2010 ~ Work Session**

The Washington State Transit Insurance Pool Board of Directors held a Work Session on June 25, 2010, at the Weyerhaeuser Room in Everett Station, in Everett, Washington. Board Members present were: Terence Artz, Pierce Transit; Lynn Bourton, Link Transit; Mark Carlin, Grays Harbor Transit (Vice-President); Van Church, Jefferson Transit; Kathy Cook, Mason Transit; Nick Covey, Link Transit; Patricia Dunn, Whatcom Transportation Authority; Ben Foreman, Intercity Transit (Treasurer); Kim Gates, Asotin County PTBA; Ernie Graichen, Twin Transit; Stephanie Guettinger, Columbia County Public Transportation; 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; Smith, CUBS (Small System Representative); Rod Thornton, Pullman Transit; Allen Walch, Ben Franklin Transit; and Greg Wright, Grant Transit. Guests in attendance were: Barb Savary, Island Transit; Clint Wetzel, Clallam Transit; Cathy Reineke, Risk Ready, LLC; and Rick Steddum, Alliant Insurance Services. WSTIP 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; Joanne Kerrigan, Administrative Assistant; and Jerry Spears, Deputy Director.

DeVoll updated the Board on the projects that are happening under Integrated Risk Management, reported to date 93 site visits had been completed, 23 best practice assessments completed and 42 serious losses reviewed.

Reineke explained the workers compensation pilot project that is also part of Integrated Risk Management. She has been working with three agencies, Ben Franklin, Link and Clallam, regarding their workers compensation experience. Also as part of this project, WSTIP is offering four workers compensation classes, one in Everett, Richland, Vancouver, and Olympia.

### **June 25, 2010 ~ Quarterly Board Meeting**

The Washington State Transit Insurance Pool held a Quarterly Board meeting at the Weyerhaeuser Room, at Everett Station in Everett, Washington on June 25, 2010. Board Members in attendance were:

Terence Artz, Pierce Transit; Lynn Bourton, Link Transit; Mark Carlin, Grays Harbor Transit (Vice-President); Van Church, Jefferson Transit; Kathy Cook, Mason Transit; Nick Covey, Link Transit; Patricia Dunn, Whatcom Transportation Authority; Ben Foreman, Intercity Transit (Treasurer); Ernie Graichen, Twin Transit; Stephanie Guettinger, Columbia County Public Transportation; Emmett Heath, Community Transit; Tom Hingson, Everett Transit (President); 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; Smith, CUBS (Small System Representative); Rod Thornton, Pullman Transit; Allen Walch, Ben Franklin Transit; and Greg Wright, Grant Transit. Guests in attendance were: Barb Savary, Island Transit; Clint Wetzel, Clallam Transit; and Rick Steddom, Alliant Insurance Services. WSTIP 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; and Jerry Spears, Deputy Director.

### **Call to Order**

President Hingson called the meeting to order at 11:02 am, and welcomed Clint Wetzel from Clallam Transit. Hingson gave a brief history of Everett Station and the murals throughout the building. Hatten stated he would like to get a picture as 23 out of 24 members are represented. Hingson called for changes to the agenda. ***Walch moved to accept the agenda. Jordan seconded the motion and it passed.***

### **Consent Agenda**

***Thornton moved to approve the minutes of March 26, 2010, Quarterly Board Meeting. Graichen seconded the motion and it passed.***

### **Financial Reports**

Spears asked for questions and comments. There were no questions or comments.

### **Staff Reports**

*Executive Staff Report* – Hatten talked briefly about the upcoming property renewal, the end of the Property Liability Advisory Board (PLAB), and upcoming Board Education conferences. Christianson pointed out Risk Profiles and Annual Reports were handed out as well as corporate wear for those who ordered it. If you did not order corporate wear, but would like to please let Broadhead know as soon as possible. She also noted that several Best Practice Development projects are going on and thanked the properties that are assisting. The last thing is the Executive Committee approved travel for those of you who wish to attend the Risk Solvency Conference on September 30, if you want to attend please let Christianson know.

*General Counsel's Report* – There were no comments regarding General Counsel's report.

*Broker's Report* – Steddom gave a brief update of market conditions, updated the Board on Kemper, and talked about the effect of the oil spill in the Gulf.

### **Committee Reports**

*Executive Committee Report* – Hingson said the Executive Committee met yesterday and there is one item from that meeting that will be brought forward regarding the 2010-2011 Property Coverage

Document, he said they talked about General Counsel and Executive Director 360 evaluation, and that perhaps that isn't the direction to go this year, but to expect a survey with specific questions regarding Hatten and Franz's performance. Hatten asked Hingson to elaborate on the Property Coverage Document. Hingson said the previous motion was to restore something that was inadvertently deleted.

*Small membership meeting* – Thornton said the small systems seem to be doing alright.

*Medium membership meeting* - Mehin reported they discussed the number of transit stations and how Everett station has 44,000 square feet and 36,000 square feet of leasable space.

*Large membership meeting* – Ristau said the large agencies talked about anticipated budget for 2011, and the priority for the group is to maintain stability of rates to ensure the long term stability of the Pool. No suggestion of looking at changes in the approach for contributions regarding the operating budget.

Mehin said the medium group also discussed a possible employee pool and is hoping the WSTA Human Resources Roundtable can help with that. Some agencies are laying-off workers while others are trying to hire. Hingson said when you have an opening you look inside then you post outside. Bourton said at the last WSTA HR Roundtable that idea was discussed. Email Bourton if you would like more information. Spears gently reminded everyone that RiskMaster is a giant database and you can use it as a tool to evaluate hiring risks.

#### **Action Items**

*2010 – 2011 Property Coverage Document* – **Walch moved to approve the 2010-2011 Property Coverage Document. Carlin seconded the motion. Discussion:** Plaster wanted everyone to keep in mind that this coverage document only covers six percent (6%) of our earthquake exposure and would like to continue looking for a higher level of earthquake coverage. **Motion passed.**

*Assessment Allocation Policy* – Hatten said this policy was presented to the Executive Committee at their April meeting, and needs Board approval. **Smith moved to approve the Assessment Allocation Policy. Foreman seconded the motion and it passed.**

#### **Member Updates**

Each member present gave an update of what was happening at their respective agencies. Hatten took a group photo; the photos are available on the Board website (<http://board.wstip.org>) click on June 2010 Board and Golf under pictures on the left hand side of the screen.

#### **Adjournment**

Hingson adjourned the June 25, 2010, Quarterly Board meeting at 12:18 pm.