

# CHARTING OUR COURSE

Activities of WSTIP's Committees and Board



## WSTIP Activity Report July 29, 2010 ~ Executive Committee 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 July 2010 Executive Committee Meeting.**

The Washington State Transit Insurance Pool Executive Committee held a meeting on July 29, 2010, at the WSTIP office in Olympia, Washington. 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, Community Urban Bus System (CUBS), (Small System Representative) arrived 10:08 am. Board members in attendance were: Barb Savary, Island Transit. WSTIP Staff in attendance were: Anna Broadhead, Member Services Assistant; Tracey Christianson, Member Services Manager; Ron Franz, General Counsel; Al Hatten, Executive Director; and Jerry Spears, Deputy Director. Guests in attendance were: Kevin Wick, PriceWaterhouseCoopers, LLC.

### **Call to Order**

President Hingson called the meeting to order at 10:06 am and asked if there were any changes to the agenda. Hatten requested an additional discussion item related to the WSDOT Public Transportation Conference and reimbursement of expenses. Foreman said he would like to speak during the Treasurer's Report. ***Collier moved to accept the agenda as amended. Mehin seconded the motion and it passed.***

### **Consent Agenda**

***Collier moved to accept the consent agenda which included the minutes of the Executive Committee from June 24, 2010, the June 2010 Administrative Vouchers and Checks\*, and the June 2010 Claims Vouchers and Checks.\*\* Carlin seconded the motion.*** Committee members asked and received feedback about two of the checks. ***The motion passed.***

\*Check Numbers 21650 through 21698 in the amount of \$40,366.66. Internet transfers of \$35,242.06 for the 06/15/10 payroll and \$39,595.33 for the 06/30/10 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 \$3,429.81. **Total voucher approval, including June 2010 staff payroll and internet and ACH payments is \$118,633.86.**

\*\*Check Numbers 1403 through 1496 in the amount of \$356,347.13. **Total voucher approval is \$356,347.13.**

### **Staff Reports Q&A**

***Treasurers Report*** – Foreman reported that Hatten, Spears, Leslie Williamson, and he met with Shawn Meyers the interim Thurston County Treasurer. There is approximately \$550 million in investments at TCIP, and about \$50 million of that is WSTIP and Intercity Transit. Meyers is running for election and doesn't really have a long term strategy, however, she did work for the previous treasurer as the investment manager. She is maintaining status quo and getting to know her staff. She would like to bring some of the longer term investments to shorter terms. Hatten said we will be monitoring the situation closely.

*Balance Sheet* – Hingson called for questions relating to the Balance Sheet. Plaster asked about the deferred revenue account and Spears explained it is member contributions.

*Income and Expense Statement* – The committee discussed several line items on the income and expense statement.

*Risk Master Report* – Ristau stated it appeared the claims frequency was increasing. Spears said the first half of the year we had very few claims but this past month the claims have picked up. Pierce has also had increased claims activity. Ristau requested Spears add a footnote to show WSTIP claims without Pierce for 2010. Collier said it would be nice so they can compare historically where we are at for the year. Spears gave the updated claims numbers without Pierce. Spears said overall claims are down 20 to 30 percent.

*Comparative Balance Sheet & Income and Expense Statement* – Hatten asked if the committee felt they needed to accept the reports as submitted. Collier said her clerk of the Board is very active in the clerks association says you do not need to formally accept, once it has been delivered that's it. Franz advised that it really isn't essential historically the Pool hasn't required the board to do so. Hingson said as long as it is on the agenda, discussed by the board and we all agree should be adequate.

*Executive Staff Report* – Hatten said in your packets is a copy of the GEM Executive Director Evaluation process. He informed the committee that he had been re-elected chair of the GEM Board at the meeting in Boulder, Colorado. He also talked about the upcoming 2011 insurance renewals, the Workers Compensation Reform Bill 1082, Underground Storage tank renewal notices, and a possible third-party liability health insurance network.

Christianson updated the committee about the APTA Risk Management Conference, the multiple best practice documents that were included in the packets and thanked all the volunteers that reviewed the documents and gave wonderful feedback. She also said she was hoping to have more information regarding the ADR monitoring but she now feels that the State Board of Technical Colleges may not be the best avenue.

Spears said that he and Hatten had met with the C-Tran and their Risk Management team, Arlene Doern, Laura Merry and Julie DeBoever. Doern will be retiring at the end of the year after 34 years of public service. He said they have expressed interest and are gathering data, they may require a transition similar to Pierce Transit. They have a very large fixed route program similar to Intercity, they run about \$370,000 to \$380,000 per year in claims. Hatten said we have impressed upon C-Tran if we come in they need to sell it to their Board. Ristau asked if Spears was going to submit a quote to C-Tran. Spears said he would within the week. Hatten said possibly in September they may be seeking approval to join from the Board. Ristau asked if Spears while developing the budget if he was including C-Tran or not. Spears said he will be preparing the budget assuming they will, but not be full members until 2012. Spears updated the committee on claims matters, and the information technology security audits.

For more information regarding the Executive Staff Report please go the Board website (<http://board.wstip.org>) and select the July 2010 Executive Committee Meeting.

### **Executive Session**

The Executive Committee went into executive session at 11:23 for 20 minutes pursuant to RCW 48.62.101 to discuss claim settlement matters. The committee came out of executive session at 11:39 am giving staff specific settlement authority.

The Executive Committee broke for lunch at 11:39 am and the meeting resumed at 11:55 am.

### **Discussion**

Wick asked if he could present so he could go to another appointment the committee obliged.

*Experience Rating Model* – Wick talked about each of his recommendations in his report and answered questions from the Executive Committee. After a lengthy discussion and debate, the committee asked

him to provide them with data for the groups of small, medium, and large, and the effect of capping at different levels instead of just \$250,000 and use the 2010 allocations as the sample to see what it would have looked like. He will also prepare charts that show the effect of a large lightning strike claim on each group. Hatten said he will compare losses in comparison to contributions paid by group, small, medium, and large and submit it to the Executive Committee. Collier suggested changing the Risk Profiles to show three years as the experience rating so they are receiving consistent information.

Wick left at 1:12 pm.

*2011 Budget Discussion* – The Executive Committee gave staff direction as to how they would like to see the budget developed.

*ED/GC Evaluation Survey* – Hingson noted the prior meeting executive session regarding the Executive Director and General Counsel's evaluations. Hingson said he came away from that meeting understanding the Board did not support the costs associated with a 360 evaluation. However, the Board is still interested in something comprehensive. Hingson has worked with our consultant, Eric Svaren to construct a comprehensive evaluation and using Survey Monkey. Svaren will survey each Board member, collect the results and compile them into something useful for both the Executive Director and General Counsel. Hingson said he is not capable of receiving the feedback because of computer access issues due to city policies. Hingson wanted to know if staff should be surveyed as well. Smith felt that different questions would need to be asked of staff. Hatten asked about frequency. Several committee members felt quarterly would be a good start.

*New Board Member Orientation* – Hatten reminded the Executive Committee that there are several new Board members who need orientation and asked them to review the policy. Hingson asked if Hatten was seeking direction. Hatten said yes. Collier said the operative word is under number 4 on the policy is may participate. If the President says yes you may be oriented then we will find a mentor and do the orientation. Savary said she would benefit from orientation so she doesn't ask questions that waste your time. Hatten asked if we are to reimburse them. Foreman said he would advocate to not pay, Ristau said currently we are only paying for the director not the alternate. Christianson said yes but for example if Collier is on the Executive Committee, and Weed is the director if they both attend we would end up paying for them both. Collier said when they wrote the policy they were envisioning the new representative attending the Executive Committee meeting held in conjunction with the quarterly Board meeting.

*Vanpool Best Practices: Child Rider Appendix* – Christianson presented the Child Rider Appendix which is a new addition to the Vanpool Best Practices presented last month. Ristau asked if the Vanpool Best Practices are mandated and Christianson said no Best Practices are recommendations.

*HR Best Practices: Reduction in Force* – Christianson reported her pleasure in presenting the Best Practice relating to Reduction in Force. She asked everyone to look at page two and thanked everyone for their help. She noted this was part of the Executive Committee work plan and it is now complete. She will be distributing to all the General Managers and Human Resources of the members.

*Initiative 1082 Workers Compensation Reform* – This topic was discussed during the Executive Staff Report.

*Amtrak ADA Notice Letter* – Christianson said Link, Everett, and Skagit have all received this letter. It sounds like some sort of ADA civil action, and WSTIP is offering to do ADA reviews at the members who have rail stations under Best Practices. Savary asked if Christianson had talked to anyone at the WSDOT rail office and suggested she call Jeff Schultz.

*HB 2986 Implementation of Non-Voting Union Member on Board* – Due to lack of time this topic was not discussed.

*WSDOT Public Transportation Conference Expense Reimbursement* – Hatten said the WSDOT Public Transportation Conference is September 20-22, 2010, at the Red Lion Inn at the Park in Spokane, Washington. Our meeting will be taking place the afternoon of September 22 at the Red Lion Inn at the Park. The question for the Executive Committee is whether WSTIP wants to reimburse Board members for one or two nights lodging. We have budgeted for a full Board meeting and travel expenses. Hingson said travel is travel, and his recommendation was to pay two nights lodging. Please note if you are planning to attend the WSDOT conference please make your own hotel reservations. If you are just planning to attend the quarterly Board meeting; talk to Broadhead and she will help with your reservations.

#### **Sub-Committee Reports**

The subcommittee reports were skipped due to lack of time.

#### **RECAP**

The recap was skipped due to lack of time.

#### **Adjournment**

Collier moved to adjourn the July 29, 2010, Executive Committee meeting at 2:10. McCaw seconded the motion and the motion passed.