

CHARTING OUR COURSE

Activities of WSTIP's Committees and Board



WSTIP Activity Report December 9, 2010 ~ Executive Committee Meeting December 9, 2010 ~ Work Session December 10 2010 ~ Annual 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 December 2010 Annual Meeting.

December 9, 2010 ~ Executive Committee Meeting

The Washington State Transit Insurance Pool Executive Committee held a meeting at the Holiday Inn, in Renton, Washington, on December 9, 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, Community Urban Bus System (CUBS), (Small System Representative). Board Members in attendance were: Terence Artz, Pierce Transit; Sara Crouch, Jefferson Transit; Ernie Graichen, Twin Transit; Staci Jordan, Island Transit; Dale O'Brien, Skagit Transit; Tim Russ, Pacific Transit; Jim Thoeke, Ben Franklin Transit; and Rod Thornton, Pullman Transit. Guests in attendance were: Matt Hendricks, Hendricks & Bennett (Executive Session only); Diane O'Regan, C-Tran; Rick Steddom, Alliant Insurance Services; Shannon Stuber, State Risk Managers Office (10:56 am). 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; Andrea Powell, Information Systems Specialist; Jerry Spears, Deputy Director.

Call to Order

President Hingson called the meeting to order at 10:02 am, stating that the Executive Committee would go immediately into Executive Session for 30 minutes. A roll call sheet was passed around the room.

Executive Session

The Executive Committee went into Executive Session at 10:03 am pursuant to RCW 48.62.101 for 30 minutes. The Executive Committee came out of Executive Session at 10:33 am and extended the Executive Session for an additional 10 minutes. Executive Session ended at 10:43 am after a roll call vote on the settlement matter. The Executive Committee authorized staff specific settlement authority.

Consent Agenda

Hatten asked to add under staff reports a recommendation from the legislative committee, and will include an action item. ***Collier moved to accept the Minutes from October 28, 2010, the October 2010 Administrative Checks and Vouchers*, and the October 2010 Claims Checks and Vouchers.***** ***McCaw seconded the motion.*** Executive Committee Members asked questions regarding several of the checks. ***The motion passed.***

*Check Numbers 21889 through 21969 in the amount of \$147,269.52, internet transfers of \$35,748.91 for the 10/15/10 payroll and \$38,922.71 for the 10/31/10 payroll from the WSTIP Administration Account to the

WSTIP Payroll Account at US Bank. Internet and ACH payments for staff credit cards and travel/expense reimbursements total \$12,889.09. Total voucher approval, including October 2010 staff payroll and Internet and ACH payments is \$234,830.23.

**Check Numbers 1748 through 1839 in the amount of \$635,285.86. Total voucher approval is \$635,285.86.

Staff Reports

Legislative Committee Update – Hatten said there has been discussion concerning language to RCW 48.62, and the issuance of a cease and desist order to a pool in eastern Washington. In order to prevent future cease and desist orders a group of pool directors has been working with the State Risk Managers Office to add enforcement criteria in the current RCWs as to how Pools are to be reviewed and monitored. Everything is being done in a good faith effort to strive for compliance and to ensure our industry is protected. If there are pre-solvency concerns the regulator can take immediate action. We don't want the legislature to take control. Hatten passed out a copy of the proposed language which is a proactive step on our behalf. The new legislation would require the State Risk Manager to issue an annual operation certificate to all pools. We would like to ask WSTA to add this to their legislative agenda. There is no name or bill number or title associated with it at this time. We want general managers to say they are behind this 100 percent as a pooling community. Hatten asked the Executive Committee to authorize the Executive Director approach WSTA's sub-committee to add the regulatory condition to the RCW. **Ristau moved to authorize Hatten to present to WSTA's sub-committee to add regulatory conditions to the RCW. Smith seconded the motion.** Discussion: Franz said we have had it good, and it is unfortunate but makes a lot of sense. Ristau asked about the annual certificate of operation process. Hatten said we already submit quarterly and annual reports to the State Risk Managers Office, once they receive the audited financials, and if we meet the requirements then they will issue the certificate. Stuber arrived at 10:56 am. Plaster said he wanted to make sure he understood the essence of it was more a financial standard we are promoting, its not going to make us an insurance company and its all about accountability and meeting financial standards. Hatten said yes it maintains credibility of pooling in our state. Stuber is here representing the Risk Managers office and is supporting this action; it has to be a strong cohesive effort. Hingson asked why WSTA was appropriate to carry it forward. Hatten said their role will be to ask their membership to contact their legislators, the cities and counties will be doing the same. He also said the other Pools in the state are engaging in an Interlocal Agreement for a lobbyist, public pooling needs to have its own voice. Plaster asked why the amendment to make the State Risk Manager the attorney in fact. Stuber said the State Risk Manager has always been your attorney in fact, if there is a dispute between a member and the pool it is served upon the State Risk Manager. **Hingson called for a vote and the motion passed.**

Action Items

HVAC Contract - Hatten said we have many issues with the heating and cooling in the building, some zones are completely inoperable, there is the issue of return air, little fresh air comes into the building, and we have at least one piece of equipment that is 35 years old and incompatible with other equipment. Staff issued a request for proposal for maintenance and HVAC repair, and this request is to award the contract. The result of the RFP was a contract with Mechanical and Control Services for \$46,000 plus tax. This request exceeds the Executive Director's limit plus staff is requesting an additional amount for potential change orders. **Smith moved to authorize Executive Director to sign the contract for an amount not to exceed \$60,000. Collier seconded the motion.** Discussion: Smith asked about the scope of work. Christianson said one bid was incredibly low and the other was very high. We had a mechanical engineer come in and tell us what we needed to do to bring the building up to code. The lowest bid wouldn't have worked. The high bid was to replace everything and allow for monitoring from anywhere. The two middle of the road bids came up with the same scope of work, and prevailing wages so we chose the lower of the two bids. Ristau said the first bidder should be listed as unresponsive. **Hingson called for a vote and the motion passed.** Ristau noted that \$35,000 would remain in the building reserve fund.

Training Coalition Board Appointment – Christianson asked the Executive Committee to appoint J. Michelle Swope to the Training Coalition Board, and thanked Dave Finnell from Intercity Transit for his service on the Board. **Carlin moved to appoint J. Michelle Swope to the Training Coalition Board. Smith seconded the motion and it passed.**

Governance Policies

Carlin explained the work the Governance Policy Committee had completed throughout the year and how they reviewed one policy section a quarter. He explained the committee was trying to make all the policies consistent many of the changes were to change the word Director or Board Member to Member Representatives, and other minor changes to the policies. There was a brief discussion about the policies. ***Collier moved to adopt all the changes to the policies brought forward in the memo (Audit Committee, Duties of Elected Executive Committee Members, Governance Policy, New Member Representative Orientation, and Nominations and Elections Policy), and the Executive Committee will discuss at their retreat the continuance of the Board Development Policy. McCaw seconded the motion and it passed.***

Discussion Items

Best Practices for Hiring – Christianson presented the Best Practices for Hiring. Christianson thanked the agencies who shared personnel to review the best practices and those who amended forms so we could use them as samples. This document will be posted in the portal, and staff will mail and email the document to all human resource managers, general managers, and Board members. Hingson asked if anything came out that we really should be doing that some may not be. Christianson said the interesting thing was the veteran's preference and how to give them preference if they ask for it.

Executive Committee Retreat – Hatten said the Executive Committee will be having a retreat at the Cedarbrook Lodge on January 20-21, 2011. He has contacted Eric Svaren and has a list of topics to discuss. Collier said she would like to discuss workers compensation, and it could potentially have a payoff as large as IRM. Hatten said WSTA can review and initiate something and possibly contract back to WSTIP for assistance. Stuber said educational services and hospital districts can run workers compensation and possibly with an amendment you could add it. Plaster said when he audited school districts they were very successful with their workers compensation and it may be something to look at during the retreat, and start encouraging earlier rather than later.

Losses Between \$60,000 and \$100,000 – Spears said this report was a request of the Board after raising the Executive Directors authority from \$60,000 to \$100,000. The Committee discussed the various claims that were settled between \$60,000 and \$100,000.

Recap

Hingson asked for everyone to introduce themselves.

Adjournment

Hingson said it was his last meeting to preside over and it gave him great pleasure to dismiss the group seven minutes early. ***Plaster moved to adjourn the meeting at 11:53 am. Hingson seconded by telling everyone who was in favor to go have lunch. The motion passed.***

December 9, 2010 ~ Work Session

The Washington State Transit Insurance Pool Board of Directors held a Work Session on December 9, 2010, at the Holiday Inn in Renton, Washington. Member representatives in attendance were: Terence Artz, Pierce Transit; Lynn Bourton, Link Transit; Mark Carlin, Grays Harbor Transit (Vice-President); Jamie Collier, Clallam Transit (At-Large Representative); Sara Crouch, Jefferson Transit, Ben Foreman, Intercity Transit (Treasurer); Kim Gates, Asotin County PTBA; Ernie Graichen, Twin 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; Chris Smith, Community Urban Bus System (CUBS), (Small System Representative); Jim Thielke, Ben Franklin Transit; and Rod Thornton, Pullman Transit. Guests in attendance were: Steve Clancy, Geneva Financial Services, Inc.; James McIntire, Washington State Treasurer; Michael Miller, ADA Consultant; Diane O'Regan, C-Tran; Regina Stark, Office of State Treasurer; and Rick Steddom, Alliant Insurance Services. Staff in attendance were: Brenda Barnett,

Receptionist; Anna Broadhead, Member Services Assistant; Tracey Christianson, Member Services Manager; Christian DeVoll, Risk Management Specialist; Marisa Espinoza, Finance Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Andrea Powell, Information Systems Specialist; Jerry Spears, Deputy Director.

Welcome

Hingson welcomed all the participants of the Work Session.

Discussion Items

Camera Best Practice – Christianson introduced Clancy who gave a presentation on the Camera Best Practice. For more information regarding the Camera Best Practice feel free to contact Christianson.

C-Tran Presentation – Diane O'Regan, Controller, from C-Tran gave an overview of C-Tran, and talked about their plans for the future.

State of the Coalition – Christianson delivered the state of the coalition presentation outlining the activities of the Washington State Transportation Training Coalition.

Services Available by the Web – Powell, Christianson, Barnett, and Spears talked about services available on the Washington State Transit Portal. If you have questions about the portal please feel free to contact any WSTIP staff member.

ADA Train Station Reviews - Michael Miller talked about the reviews he had completed on behalf of WSTIP for Members who have train stations.

James McIntire, Washington State Treasurer – McIntire talked about the Washington State Treasurers office and the economy.

December 10, 2010 ~ Annual Board Meeting

The Washington State Transit Insurance Pool Board of Directors held their annual meeting on December 10, 2010, at the Holiday Inn in Renton, Washington. Member representatives in attendance were: Terence Artz, Pierce Transit; Lynn Bourton, Link Transit; Mark Carlin, Grays Harbor Transit (Vice-President); Jamie Collier, Clallam Transit (At-Large Representative); Nick Covey, Link Transit; Sara Crouch, Jefferson Transit; Ben Foreman, Intercity Transit (Treasurer); Ernie Graichen, Twin 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; Chris Smith, Community Urban Bus System (CUBS), (Small System Representative); Jim Thoeke, Ben Franklin Transit; and Rod Thornton, Pullman Transit. Guests in attendance were: Diane O'Regan, C-Tran; 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; 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. He asked to have each Executive Committee Member Representative give an update on their Member Representative meetings, during the Committee Reports. Hatten reminded everyone he wanted a class photo, and the meeting would not adjourn until after the photo.

Consent Agenda

Collier moved to accept the consent agenda which consisted of minutes from September 22, 2010. Foreman seconded the motion and it passed.

Financial Reports

Spears asked if anyone had questions regarding the financials. Ristau asked why the value of GEM is \$1.1 million now when we only invested \$750,000. Hatten responded by saying the increased value was due to the performance of GEM. Foreman asked if that was proper accounting. Spears said he had vetted it with the auditors and the state risk manager's office. GEM has been performing quite well. Plaster felt that the 32 percent increase was interesting. Steddom said it would make sense if GEM had a good loss year. Hatten said the equity position of the Pool has the individual members' proportional share. **Collier moved to accept the financial reports. Plaster seconded the motion and it passed.**

Staff Reports

Executive Staff Report – Hatten went through his sections of the Executive Staff report fielding questions from Board Members. There were no questions on Christianson's or Spears' portion of the report.

2010 Activity Report – Hatten explained the 2010 activity report was the accomplishments of staff in 2010. Hatten, Christianson, and Spears fielded questions from Board members.

General Counsel's Report – Franz answered questions relating to his report.

Broker Report – Steddom gave an update of the overall insurance market, current trends, recommended switching from Underground Storage Tanks (UST) to Above Ground Storage Tanks (AST), and updated the Board on Kemper.

Trend Analysis Report – Spears went through the slides of his trend analysis report, and responded to questions from the Board.

Committee Reports

Member Representative Meeting Reports – Ristau reported that the large member group talked about where the Pool should go from here now that we have achieved market saturation, the quality of services provided in safety and training and hiring practices. Some discussion regarding a WSTIP University idea where you can send a staff person for a week for a series of classes to be WSTIP certified someone such as a risk manager. Talked about WSTIP's facility and how the building is currently at capacity, and how the Executive Committee will be talking about the facility during their retreat. Possibility of WSTIP exploring Workers Compensation as a third party administrator, and also touched on labor contract issues and continuing development of best practices. Hingson said he would add the training program concept topic for the Retreat similar to something the public school transportation professionals do. Mehin said the Medium members talked about several issues, including more communication with attorneys, want to look at all services WSTIP offers and see if some should be taken away or if more should be added, implementation of cameras on busses, and workers compensation. Smith said his group talked about market saturation and member retention, continuity of membership and preservation of the Board's culture, continue to reduce membership exposure with programs such as IRM, Workers Compensation, and how the economy will be an indicator of what we should be doing in the coming year.

Executive Committee Report – Hingson said most of you were at the Executive Committee meeting yesterday, we settled a case rather than take it to trial, took action on the HVAC contract, training coalition board appointment, and approved five governance policies. We had discussions regarding best practices for hiring, the upcoming retreat, and the effect of raising the Executive Director's authority to \$100,000 from \$60,000, some claims came in well under the benchmark.

Legislative Sub-Committee Report – Hatten reported the legislative sub-committee had met the prior day and the Executive Committee had authorized Hatten to approach the WSTA legislative sub-committee to support this bill.

Action Items

C-Tran Membership Application – Hatten said staff had evaluated C-Tran's membership application and it is the staff's recommendation to accept their application and welcome them as a WSTIP member

effective January 1, 2011. He gave a brief background of the Pool's marketing attempts for C-Tran for the past 20 years, and said we have a letter of intent from C-Tran to join the Pool effective January 1, 2011. C-Tran's Board of Directors will be meeting on December 14, 2010, and will vote to sign the Interlocal Agreement and assign a member representative. **Collier moved that C-Tran be admitted as the Pool's 25th Member, on January 1, 2011, contingent on action by C-Tran on Tuesday, December 14, 2010. Ristau seconded the motion.** Discussion: Plaster asked if their deductible was one million. Hatten said no first dollar coverage. Ristau asked about operation of light rail. O'Regan said Tri-Met will operate light rail. **Hingson called for a vote and the motion passed.**

2011 Budget – Spears went through the categories of the budget and fielded questions from Board members. **Foreman moved to adopt the budget as presented for an amount of \$11,857,758. Mehin seconded the motion and the motion passed.**

2011 Member Allocations – Spears explained behind Tab 14 is how the budget will be divided amongst members. **Russ moved to approve the member allocations as presented in the amount of \$10,899,470. Foreman seconded the motion.** Discussion: Artz asked if their ballot measure in February fails, and we significantly reduce fixed route service how soon Pierce would receive a credit. Hatten said we won't know the actual mileage reduction until 2012 so if it were a significant amount you would receive a credit in 2013. **Hingson called for a vote and the motion passed.**

2011 Executive Committee and Officer Elections

Carlin explained the election process and staff passed out ballots reminding everyone to put their names on their ballot. Carlin called for nominations from the floor for Secretary, Large System Representative, Medium System Representative, Small System Representative and At-Large Representative. Hearing none Carlin closed the ballots. Nominees for Secretary were: Foreman and Mehin. Foreman was announced as the 2011 Secretary (12 votes).

Nominees for the Large Member Representative were Artz and Plaster. Nominees for Medium Member Representative were: Bourton, Collier, and Mehin. The only nominee for Small Member Representative was Smith. After votes were counted Plaster (15 votes), Bourton (13 votes), and Smith (20 votes) were announced as member representatives.

The nominees for At-Large Representative were Artz, Collier, and Mehin. After votes were counted, Mehin (12 votes) was announced as the At-Large Representative.

The WSTIP 2011 Executive Committee is as follows: **Mark Carlin**, President; **Ed McCaw**, Vice President; **Ben Foreman**, Secretary; **Tom Hingson**, Past President; **Jim Plaster**, Large Member Representative; **Lynn Bourton**, Medium Member Representative; **Chris Smith**, Small Member Representative; **Ken Mehin**, At-Large Representative.

Hingson passed the gavel to Carlin and reflected on 2010. He thanked everyone for their participation and for taking time to get extra education. He was glad WSTIP was able to provide the learning opportunities; it was a great year for him and hoped it was good for each Board member too. Carlin thanked everyone for their interest in serving on the Executive Committee. Graichen thanked Hingson for his leadership and a round of applause sounded. Carlin said he was excited for 2011, and asked everyone to gather around the Christmas tree for a Board photo. (Board photos are on the Board website in the picture libraries). Hatten thanked Collier for her years of service to the Executive Committee, and even though she isn't on the Committee in 2011 he is sure we will hear her thoughts and position, another round of applause sounded.

Member Updates – Several people left, but the few who remained gave updates of the current happenings at their agency.

Adjournment

Carlin adjourned the meeting at 11:10 am.