


WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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Minutes of the
WSTIP Board Meeting
March 29, 2019
Holiday Inn & Suites ~ Bellingham

Board Members Present	
Amy Asher, RiverCities Transit	Agustin Ortega, Medium Member Representative, Yakima Transit
Geri Beardsley, Community Transit	Aaron Rollins, Twin Transit
Lynn Bourton, Link Transit	Paul Shinnars, Past President, Kitsap Transit
Danette Brannin, Secretary, Mason Transit Authority	Shonda Shipman, Vice-President, Whatcom Transportation Authority
Matthew Branson, Ben Franklin Transit	Pete Stark, Whatcom Transportation Authority
Mike Burress, Community Transit	Wayne Thompson, Pullman Transit
Amy Cleveland, Pierce Transit	Lynda Warren, Large Member Rep, Spokane Transit
Suzanne Coit, Treasurer, Intercity Transit	
Sara Crouch, Jefferson Transit	Guests Present
Rich Evans, Pacific Transit	Jason Hovde, Pierce Transit
Kevin Gallacci, Clallam Transit	Brenda Lamb, Link Transit
Jenny George, Asotin County PTBA	Joanne Kerrigan, AGRiP
Brandy Heston, Grant Transit	Josh Nylander, Whatcom Transportation Authority
Tom Hingson, At-Large Member Rep, Everett Transit	Reginald Reese, Pierce Transit
Staci Jordan, President, Island Transit	Lilian Vanvieldt, Alliant Insurance Services
Jesse Kinney, Valley Transit	Brian White, Alliant Insurance Services
Joe Macdonald, Skagit Transit	
LeeAnn McNulty, Mason Transit Authority	WSTIP Staff Present
Ken Mehin, Grays Harbor Transit	Cedric Adams, Claims Manager
Laura Merry, C-Tran	Anna Broadhead, Board Relations
Steve Mertens, Columbia County Public Transportation	Tracey Christianson, Executive Director
Dale O'Brien, Skagit Transit	Chris DeVoll, Transit Risk Specialist
David Ocampo, Columbia County Public Transportation	Rick Hughes, General Counsel
	Laura Juell, Risk and Training Coordinator
	Andrea Powell, Administrative Services Manager
	Christine Rouse, Application Support Specialist

Call to Order

President Jordan called the meeting to order at 9:00 am. She welcomed all participants as a sign in sheet was passed around the room. Jordan called for changes to the agenda, hearing none she asked for a motion to approve the agenda. **Ortega moved to approve the agenda. Coit seconded the motion and the motion passed.** Shipman introduced Pete Stark and Josh Nylander from Whatcom Transportation Authority. Cleveland introduced Jason Hovde and Reggie Reese from Pierce Transit. Jordan reminded everyone Ocampo is the interim general manager at Columbia County Public Transportation. Jordan congratulated and thanked Cleveland

who had completed *Behind the Curtain* reminding everyone that one of the strategic plan goals is to have 75% of member representatives including alternates complete the series. Cleveland received her prize.

Discussion

Member Representative Meeting Report and Discussion

Hingson reported for the small group as the At-Large Member Representative. He said he really enjoyed the meeting as the small systems have some interesting stuff going on, three of the agencies are looking for new general managers (Columbia, Twin and Valley). Heston said Grant is also looking but are a medium member. Smaller agencies are having to reduce service due to lack of drivers, impacts of snow days, and some member receiving new buses. He also shared that Pullman had a consultant come out for a reasonable fee to see if there were ways to streamline routes to make them more efficient, if you would like more information on that topic reach out to Thompson. Ortega reported the medium group discussed struggles within their agencies, several changes taking place, and the need for drivers. Warren said the large group talked about the Open Public Meetings Act (OPMA) and Public Records Act (PRA), they feel Clerks for the Board receive training but think more people should be trained. The group wants to know what happens if the Pool doesn't meet the target ratios, feel *Behind the Curtain* does not need to be updated for each President, and would like more terms included in the glossary of definitions. The group also discussed change in their organizations including building renovations. Pierce Transit is standardizing their training and Community is working on their Safety Plan ahead of the July 2020 deadline.

Executive Committee Retreat Report Out

Jordan noted the retreat report out was informational for those who were not in attendance, the first night was personality types and how we work together as a group, the second day we tackled topics and assigned tasks to committees. She encouraged new Board members to attend next year.

Governance Policy: Target Ratios Policy and Recommended Ratios

Powell reminded everyone the revised policy and ratios were included as a supplemental packet to the Executive Committee. Shinnars asked if there were questions about the ratios or the policy. Warren asked what happens if the Pool doesn't meet its target ratio. Powell said the policy says the Executive Committee is tasked with directing the Staff to bring the ratio back into alignment. Shinnars pointed out the expense ratio is a carryover from the previous policy but rather than taking gross contribution it is net contribution to be consistent with the other ratios. **Ortega moved to adopt the Target Ratios Policy. Brannin seconded the motion and the motion carried.**

OPMA and PRA Coverage Discussion

Christianson said Staff asked for stronger clearer exclusions in the Public Officials Liability Coverage Document regarding Open Public Meeting Act (OPMA) and Public Records Act (PRA) as we have never covered these claims in the past. Some Members were interested in covering the defense of these claims. Staff need to know the extent of interest in this topic, currently there is a strong exclusion but could be removed or a separate piece added. Included in the packet are ways this could be funded, what coverage are you trying to provide, how much risk do you want to take on. The coverage will likely need to stay under our self-insured retention (SIR) as the reinsurers likely will not want to take this on. Shinnars said the Coverage Review Committee had asked the other Pools and no other Pool in Washington covers OPMA or PRA claims, the Emerging Risks and Opportunities Committee looked at this a couple years ago but did not want to pursue it. Cleveland added that being new to transit the PRA claims may not have hit yet but they can become frequent and costly, not just with penalties and fines, but also in public perception with the media. She is supportive of adding this coverage and of promoting training regarding OPMA and PRA. Hughes said he looked at jury verdicts and most of these cases settle before trial but both OPMA and PRA allow the prevailing party to recover costs of attorney fees, which can be costly. He

feels smaller agencies are more at risk and gave an example of one of his public clients.

Christianson clarified that the topic she is proposing is for defense only as fines and penalties are meant to be personal, reminding that coverage is a Board decision. Jordan asked for a raise of hands as to whether the topic should be fleshed out at the Emerging Risks and Opportunities Committee or the Executive Committee and, by show of hands, the Executive Committee will tackle this topic.

Property Coverage Renewal

White and Vanvieldt reported on the global status of the property insurance market. Preparations for the July 1 property (buildings and contents) and auto physical damage (APD) coverage are well underway. Members should expect a cost increase for these coverages. There is diminished capacity within the market as there have been several bad loss years on the property side, the Pool has good loss history for property but will still see increases. As a reminder they first look at property values and trend those using Marshall & Swift, before applying the rate increase. Auto physical damage will also see a rate increase but not as significant as the property program. White will have a better sense of rates in about 45 days and is in communication with staff regarding the renewal. What are some cost containment strategies, should we take on more risk ourselves, should we look at lower earthquake and flood limits or higher deductibles? Shipman asked White to prepare some pricing bands with lower risk projections, and higher limits on earthquake for the May Executive Committee meeting so we don't have to make a quick decision in June.

Short break from 10:12 am to 10:30 am.

Pierce Transit Collision Avoidance Warning System

Christianson asked Kerrigan to update the Board on the status of the Collision Avoidance Warning System project. Kerrigan updated everyone on the status of the project as well as the differences between the IDEA Grant (prior study) and the current one with Pierce Transit and the Federal Transit Administration.

Pierce Transit Lytx DriveCam Project Report

Hovde and Reese updated the Board on the status of the DriveCam project and some lessons learned. They answered questions from the group. To review the presentation, please [click here](#).

Financial Reports

Draft Year-End 2018 Financials, January 2019 Treasurers Report, Statement of Revenues & Expenses, Statement of Net Position and Thurston County Investment Portfolio, Claim Liability Report, and Comparative Statement of Revenues & Expenses, and Comparative Statement of Net Position

Powell said the draft 2018 year-end financials without Governmental Entities Mutual, Inc. (GEM) numbers and January 2019 financials are included in the packet. We may move funds from Thurston County Investment Pool (TCIP) to Local Government Investment Pool (LGIP) as LGIP has a better rate of return and asked if anyone had questions. There were no questions.

Staff Reports

Executive Staff Report

Christianson welcomed new staff members Rouse (3/1) and Branson (4/1), thanked Kerrigan for her ongoing support and help with the Collision Avoidance Warning System Project. Powell said Marisa Espinoza, Finance Specialist had accepted a new position at Department of Enterprise Services. Jordan asked about the topic of public records requests included in the Staff report. Powell said they seem to be ramping up in frequency as we

have already had seven requests this year to date. Shinnars said he was surprised to see from the financials that the surplus (net position) isn't really growing. Christianson said we aren't doing as well as hoped, we keep having large losses which erode surplus. Powell reminded everyone that data collection is ongoing for property coverage, if you haven't returned the information please do so. We have collected mileage, employee and vehicle counts. Alliant has asked for this information early this year due to the state of the property insurance market. Christianson noted that Juell had applied for and received WSDOT grant funds for our training programs. Adams gave a brief update on open and recently closed claims; litigated claims counts are down as are claim counts overall. He urged everyone to send their claims personnel to the Claims Coordinators Conference April 30 and May 1 at the Crowne Plaza - SeaTac. He also reported closing 129 claims and collecting \$160,000 in subrogation funds for the month of February.

General Counsel's Report

Hughes said his report is included in the materials. The bulk of his time he is preparing for and attending various meetings, reviewing contracts/policies, and training.

Broker's Report

White and Vanvliet gave an update on the state of the insurance market.

Action Items

Minutes – December 7, 2018

Warren moved to approve the minutes from December 7, 2018. Ortega seconded the motion and the motion passed.

Election/Appointment of Small Member Representative

Jordan explained that Wojcik-Damers had left Twin Transit, leaving a vacancy on the Executive Committee which the Bylaws state must be filled at the next Board meeting. **Hingson moved to appoint Kinney as the Small Member Representative. Crouch seconded the motion and the motion passed with a round of applause.**

Member Updates and Guest Feedback

Skipped due to time.

Adjournment

Jordan adjourned the meeting at 12:03 pm.

Submitted this 28th day of June 2019

Approved: 
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Danette Brannin, Secretary