



Minutes of the  
Executive Committee Meeting  
May 23, 2019  
WSTIP Office ~ Olympia, WA

| Executive Committee Members Present  | Staff Present  |
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| Staci Jordan, President, Island Transit<br>Shonda Shipman, Vice-President, Whatcom Transportation Authority<br>Danette Brannin, Secretary, Mason Transit Authority<br>Lynda Warren, Large Member Rep, Spokane Transit<br>Agustin Ortega, Medium Member Rep, Yakima Transit<br>Jesse Kinney, Small Member Rep, Valley Transit (virtually)<br>Tom Hingson, At-Large Member Rep, Everett Transit<br>Paul Shinnors, Past President, Kitsap Transit<br>Suzanne Coit, Treasurer, Intercity Transit | Cedric Adams, Claims Manager<br>Matthew Branson, Member Services Manager<br>Anna Broadhead, Board Relations<br>Tracey Christianson, Executive Director<br>Rick Hughes, General Counsel<br>Laura Juell, Training and Risk Coordinator<br>Andrea Powell, Administrative Services Manager |
|  | Guest Present  |
|  | Brian White, Alliant Insurance Services  |
| Board Members Present  |  |
| Geri Beardsley, Community Transit (virtually 9:55 am)<br>Amy Cleveland, Pierce Transit (virtually)<br>Joe Macdonald, Skagit Transit  | Briana Malmquist, Valley Transit (virtually)<br>Lowell Nee, Valley Transit (virtually)   |

#### Call to Order

President Jordan called the meeting to order at 9:01 am she welcomed everyone as a roll call sheet was passed around the room. Jordan asked if there were any changes to the agenda hearing none she asked for a motion. **Shinnors moved to approve the agenda as presented. Brannin seconded the motion and the motion passed.** A verbal roll call also took place as there were several virtual attendees.

#### Consent Agenda

Minutes – April 25, 2019, April 2019 Administrative Vouchers/Checks<sup>i</sup>, April 2019 Claims Vouchers/Checks<sup>ii</sup>

Jordan asked if there were any items to remove from the consent agenda. There were no items removed from the consent agenda. **Warren moved to approve the consent agenda. Shipman seconded the motion and the motion passed.**

#### Action Items

##### Public Officials Liability Coverage Document

Christianson said included in the materials are the matrix, and the Coverage Review Committees final version of the Public Officials Liability Coverage document, staff are requesting the Executive Committee recommend approval of this revised coverage document to the Board. There is a pending issue regarding Open Public Meeting Act (OPMA) / Public Records Act (PRA), at the last Executive Committee meeting, the Executive Committee recommended that it remain an exclusion. There will be two discussion items on the agenda in June one regarding the OPMA/PRA issue, and the other is this coverage document as written. **Shinnors moved to recommend the Board adopt the newly revised Public Officials Coverage Document. Brannin seconded the motion and the motion passed.**

Coit asked about language on page 12 and 13 regarding timeframe of reporting claims or suits. Shinners said the committee discussed timeframes extensively and recommend leaving the language as it now reads.

#### Property Coverage Document

Christianson said staff are requesting the Executive Committee recommend adoption of the Property Coverage Document with revisions suggested by Alliant at the March Work Session/Board meeting. Property coverage renews on July 1. Jordan asked staff to look at Section 5 on page 5 B as there is a typo. Staff will revise. **Shipman moved to recommend adoption of the Property Coverage Document with revisions to the Board. Brannin seconded the motion and the motion carried.**

#### Governance Policy – Member Guest Program

Christianson noted the policy had been discussed at the previous meeting, requested revisions had been made. **Hingson moved to adopt the Member Guest Program Policy. Ortega seconded the motion and the motion passed.**

#### Governance Policy – Coverage Appeal Process

Hughes explained this policy had been discussed at the previous meeting, requested revisions had been made, and this policy could be adopted now or after the Public Officials Coverage Document is adopted. **Hingson moved to adopt the Coverage Appeal Process policy. Shinners seconded the motion and the motion passed.**

#### Governance Policy – Accounting & Internal Controls

Powell said this policy was also discussed at the previous meeting, requested revisions had been made, reminding the committee if they adopt this policy it will repeal the previous Accounting, Internal Controls, and Pool Treasurer policies. Also, included with these materials is a spreadsheet outlining internal controls process. Suzanne shared a printed 11x17 version the internal controls spreadsheet with attendees in the room. The committee discussed internal controls and roles of staff. **Ortega moved to adopt the Accounting & Internal Controls Policy. Shipman seconded the motion and the motion carried.**

#### Discussion Items

##### Property Coverage Renewal and Earthquake Options

White said included in the packet is a letter he prepared with five options. He gave a history lesson on the status of the insurance market, his best estimate in March was an increase of 7.5% to 12% plus but now it is looking like an increase of 15% to 18%. An additional trend factor is increased property values overall with the Pool's property values up 14%. He then went through each of the options proposed and why he would or would not recommend each option. The committee discussed each option in depth.

Option 1 – not interested.

Option 2 – not interested.

Option 3 – not interested.

Option 4 – Christianson said she is squeamish about this option but if there were significant savings, greater than \$15,000 - \$20,000 then possibly. The committee also discussed Parametric earthquake option as a supplement. Christianson will send out information if it becomes appetizing.

Option 5 – Possibly when the market is softer.

White said the Auto Physical Damage (APD) on the road coverage has become valuable as we've had three losses and received replacement cost. Values for this policy have increased 8% but the inland marine market remains stable. The carrier increased our limit to \$1,350,000 per occurrence. Warren said they will be looking at 60-foot electric buses which may exceed that limit. Christianson said to let her and White know so they can work on increasing the limit if needed in the future.

Beardsley joined the meeting at 9:55 am. The committee took a short break at 10:05 am and resumed their meeting at 10:22 am. White left the meeting during the break.

Christianson explained the Committee had asked staff provide all prior background materials for the Burdett vs. Community Transit case which had been sent out to Executive Committee members earlier in the week. Christianson asked if there were questions before going into Executive Session that the committee wanted Beardsley to answer. Committee asked Beardsley questions, to which she responded. Jordan excused non-committee members, staff, and virtual attendees except Kinney were disconnected at 10:30 am.

#### Executive Session

The Executive Committee went into Executive Session at 10:30 am for 60 minutes pursuant to RCW 42.30.110 (1) (i) to discuss with legal counsel representing the agency litigation in which a member acting in an official capacity is a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. *The committee took a short break to gather lunch from 11:30 am to 11:45 am.* President Jordan extended the session multiple times for an additional 2 hours and 22 minutes. Executive Session ended at 2:07 pm. The Committee requested information from Beardsley and Christianson at various times during the Executive Session.

In open public meeting. ***Shinners moved to authorize the Executive Director specific settlement authority at mediation only on a 50-50 basis. Mediation to occur no later than July 10, 2019. If mediation is unsuccessful, continuation of defense is contingent on Community Transit providing a video recreation showing proof sufficient to the Executive Committee that a 15-minute pre-trip time is adequate for the work of their employee no later than the July 2019 Executive Committee regular meeting. If no video is provided by the July 2019 Executive Committee regular meeting, or the video provided by Community Transit is found insufficient by the Executive Committee, coverage will cease the day after the Executive Committee meeting. Hingson seconded the motion. The motion passed with Shipman voting no.***

#### Discussion Items (cont)

##### 2019 Executive Committee Work Plan

Topic was postponed.

##### Action Items for Strategic Plan

Topic was postponed.

##### Staff Benefits

Topic was postponed.

Staff Report

Executive Staff Report

Adams reported a Community Transit double-decker bus had caught fire in December, was a total loss with no injuries, it will show up in our Auto-Physical Damage (APD) loss history.

Sub-Committee Reports

Governance Policy Committee

No report, meeting cancelled due to time.

Board Development Committee

Hingson said the committee had an excellent meeting and is planning an interactive learning session at the next Quarterly Board meeting. Jordan reminded everyone of out of state travel opportunities available.

Emerging Risks and Opportunities Committee Report

No report.

Underwriting Committee

No report.

Coverage Review Committee

No report.

Recap and Adjournment

Jordan said the Committee recommends adopting the Public Officials Liability and Property Coverage Documents, several governance policies were approved, the committee make a recommendation regarding OPMA/PRA to the Board in June, topics postponed during this meeting will be added to the June agenda. Coit added that she'd received the draft financial statements from the CPA and the CPA had missed GASB 75. Shinners suggested making the CPA attend continuing education classes as part of the contract. Hingson said Everett Transit had been awarded \$1.6 million from Volkswagen mitigation. ***Hingson moved to adjourn the meeting at 2:19 pm. Shipman seconded the motion and the motion passed.***

Submitted this 27th day of June 2019.

Approved:   
D36D241317C2410...  
Danette Brannin, Secretary

<sup>i</sup> Check numbers 28448 through 28541 in the amount of \$129,964.39; internet and ACH payments for staff credit cards, travel/expense reimbursements and professional/misc. services total \$7,935.84; transfer of \$47,968.92 for the 05/15/2019 payroll; transfer of \$55,125.71 for the 05/31/2019 payroll; transfer of \$15,954.18 for May Staff benefits. Total voucher approval is \$256,949.04.

<sup>ii</sup> Check numbers 12190 through 12292 in the amount of \$431,270.91. Total voucher approval is \$431,270.91.