



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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Minutes of the
Executive Committee Meeting
June 27, 2019
Springhill Suites ~ Kennewick

Executive Committee Members Present	Staff Present
Staci Jordan, President, Island Transit Shonda Shipman, Vice-President, Whatcom Transportation Authority Danette Brannin, Secretary, Mason Transit Authority Lynda Warren, Large Member Rep, Spokane Transit Agustin Ortega, Medium Member Rep, Yakima Transit Jesse Kinney, Small Member Rep, Valley Transit Tom Hingson, At-Large Member Rep, Everett Transit Paul Shinnars, Past President, Kitsap Transit	Cedric Adams, Claims Manager Matthew Branson, Member Services Manager Anna Broadhead, Board Relations Tracey Christianson, Executive Director Chris DeVoll, Transit Risk Consultant Rick Hughes, General Counsel Laura Juell, Risk and Training Coordinator Andrea Powell, Administrative Services Manager Christine Rouse, Application Support Specialist
Board Members Present	
Geri Beardsley, Community Transit Emily Bergkamp, Intercity Transit Lynn Bourton, Link Transit Nick Covey, Link Transit Sara Crouch, Jefferson Transit Scott Deutsch, C-Tran Jenny George, Asotin County PTBA Brandy Heston, Grant Transit Bill Kessler, Pierce Transit Joe Macdonald, Skagit Transit	Briana Malmquist, Valley Transit Dunyele Mason, Clallam Transit LeeAnn McNulty, Mason Transit Authority Ken Mehin, Grays Harbor Transit Laura Merry, C-Tran Steve Mertens, Columbia County Public Transportation Lowell Nee, Valley Transit Wayne Thompson, Pullman Transit
Guests Present	
Darla Brown, Columbia County Public Transportation Brenda Lamb, Link Transit Magan Waltari, Whatcom Transportation Authority	Brian White (broker), Alliant Insurance Services Kevin Wick (actuary) PricewaterhouseCoopers

Call to Order

President Jordan called the meeting to order at 9:00 am she welcomed everyone as a roll call sheet was passed around the room. She asked everyone to introduce themselves as there were several new faces and let everyone know there were cards circulating for Mike Buress who is retiring. Jordan asked if there were any changes to the agenda and hearing none she asked for a motion. **Brannin moved to approve the agenda as presented. Warren seconded the motion and the motion passed.**

Consent Agenda

Minutes – May 23, 2019, May 2019 Administrative Vouchers/Checksⁱⁱⁱ, May 2019 Claims Vouchers/Checksⁱⁱⁱ

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

Action Items

Technology Grant Application: Kitsap Transit

Branson talked about the purpose of the technology grant, the review process, and Kitsap Transit's grant application. Shinnners and Branson fielded questions regarding the project. ***Kinney moved to accept the grant application with a recommendation for the Board to approve. Brannin seconded the motion and the motion passed.*** Shinnners thanked the Staff, Executive Committee and Pierce Transit for the model to work from.

Discussion Items

2019 Executive Committee Work Plan

Jordan asked if there were any questions on the 2019 work plan. Christianson explained this is a living document which gets updated monthly. There were no questions.

Governance Policy – Capital Funding Philosophy

Ortega explained the Underwriting Committee had combined a few policies to create the capital funding philosophy. Christianson said one of the policies being replaced is the Financial Target Policy. Ortega asked if everyone had had a chance to review the policy. The committee is trying to make sure the roadmap clarifies the self-insured retention (SIR) goal and how to get there moving forward. Jordan asked if not to exceed 10 percent should be included in the policy. Christianson said it is under number four in the policy but should be discussed. Shinnners said he understands what the committee is trying to accomplish but we are trying to achieve surplus level to allow us to move to \$5 million SIR. It is a two-part question, how much does it take to operate and fund WSTIP, and how much would we like to contribute to surplus. He would like to see the policy tweaked to maintain five percent for admin/reinsurance but funding loss reserves has been between seven and ten percent.

Brannin suggested defining the 10 percent to what is within our control versus what is out of our control. Wick reminded the Executive Committee that the Pool cannot control the insurance market and the Pool cannot control losses. Since the Pool can't control all these factors there certainly will be times where the Pool will have more than the cost of inflation type of increase. He continued by saying that costs for losses are rising making future loss projections higher. However, the Pool must be funded. So, the Executive Committee and Board must decide what percentage is reasonable. The Pool has been funding to build up the fund balance, but the cost of claims took away that build up resulting in not building the margins the Pool wanted. He continued to say at some point the rates will plateau and the Pool will return to cost of living increases. However, right now, there is a gap that needs to be addressed. Christianson said in the previous Strategic Plan we had a five percent goal and the contribution to surplus has varied over the last five years. Five percent doesn't seem right, and yet ten percent isn't right either.

Shinnners suggested removing number four and placing it in the budget development policy to ensure the Pool has surplus funding available for the components. He wants to make sure our funding is sufficient for the current SIR, and within the philosophy keep the long-term \$5 million SIR goal always trying to prepare to jump to the next \$500,000 increment. Shipman agreed with Shinnners. Christianson asked if the Executive Committee wanted to send the policy back to the Underwriting Committee or keep it as a task for themselves. Christianson reminded the Executive Committee that the Capital Funding Philosophy is a Board policy so it will need to be submitted to the Board for action. Jordan said the Executive Committee will work on the policy before presenting it to the Board.

Action Items for Strategic Plan

Branson said staff identified action items for the Strategic Plan, there are a lot of things to accomplish in 2019, such as completing Partnering in Prevention for all members, working on a compliment training to the Passenger

Assistance Service and Safety (PASS), and round two of the Operator Development Course (ODC). Hingson thanked staff for focusing on the ODC as its time to update and focus on the technologies available to train adults. Shipman suggested revising 4b. Branson said that will be amended with the changes to the Capital Funding Philosophy.

Governance Policy – Actuarial Policy

Shipman said the Governance Policy Committee had been busy reviewing policies, the committee has minimal changes, incorporates the Capital Funding Philosophy, and Target Ratios. **Warren moved to adopt the Actuarial Policy. Ortega seconded the motion and the motion passed.**

Governance Policy – Budget Development Policy

Shipman explained the changes to the Budget Development Policy. President may schedule a budget workshop. Christianson said this happens every September and this is formalizing it. Warren said this policy will change if the capital funding piece moves over. Jordan suggested holding this policy until the revisions to the Capital Funding Philosophy have been made.

Governance Policy – Succession for Executive Director

Shipman said changes to this policy included defining senior manager and added language stating the Executive Director will maintain a business continuity plan. Christianson said we have a draft plan as required by Association of Government Risk Pools (AGRiP), staff have reviewed it, and will present it if the committee wishes. Branson said the plan is actionable immediately. The committee asked to add 1h to present the business continuity plan to the Executive Committee. **Hingson moved to adopt the Succession for Executive Director Policy as amended (1h). Ortega seconded the motion and the motion passed.**

The Executive Committee took a short break from 10:00 am to 10:15 am.

Sub-Committee Reports

Governance Policy Committee

Shipman said the committee had reviewed several policies and is working on the next group of policies.

Board Development Committee

Hingson explained the Board Development Committee met in April and May, planned the Work Session for later today, reviewed feedback from the March Board meeting and reminded everyone the importance of filling out the feedback survey after each meeting. There were a few Board members who attended the PRIMA conference in Orlando, and they will be talking to you during the Member Representative Meetings today, please consider attending and out of state conference as we do have a Board development goal in the strategic plan of 60% of members attending an out-of-state training.

Emerging Risks and Opportunities Committee Report

Brannin stated that the Emerging Risks and Opportunities Committee met on April 24 at the WSTIP office and brought Matthew up to speed on topics the committee is currently working on which include wage and hour claims, fitness for duty, pre-employment and Commercial Driver License (CDL) medical requirements/assessments, the shrinking pool of drivers, and expanding PASS or complimenting it with additional training.

Underwriting Committee

No verbal report.

Coverage Review Committee

Beardsley said the committee has almost finished their work on the Public Officials Liability Coverage Document which will be discussed at the Work Session as we want to make sure everyone is comfortable with the language changes and have begun looking at the General Liability Coverage Document.

Data Governance Committee

Powell reported this committee is looking for a chair as Mike Burress was the prior chair and committee members if you have staff who would be interested or are interested yourself please contact her. The Committee has been working as an ad hoc virtual committee. Any member or committee member will send in a question or possible problem, we look to see what our options are for providing a solution, Rouse puts together a proposal and sends it back to the committee before implementation. There is a handout to be discussed at the Member Representative Meeting.

Presentation/Discussion Items

2018 Year-End Actuarial Report

Wick presented the 2018 Year-End Actuarial Report, trends he is seeing, and fielded questions from Board members. To view the PowerPoint presentation, [click here](#). To view the 2018 Year-End Actuarial Study, [click here](#).

Executive Session

There was no Executive Session.

Recap and Adjournment

Jordan reminded everyone to sign the cards for Mike Burress, lunch is at noon, the Member Representative Meetings would begin at 1:00 pm and the Work Session will begin at 2:00 pm. ***Jordan adjourned the meeting at 11:14 am.***

Submitted this 25th day of July 2019.

Approved: 
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Danette Brannin, Secretary

ⁱ 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 \$15,051.34; 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 \$264,064.54.

ⁱⁱⁱ Check numbers 12293 through 12450 in the amount of \$702,302.20. Total voucher approval is \$702,302.20.