



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION
PO Box 11219 | Olympia, WA 98508 | 360-786-1620 | www.wstip.org

**Minutes of the
WSTIP Board Meeting
September 27, 2019
Confluence Technology Center ~ Wenatchee**

Board Members Present	
Amy Asher, RiverCities Transit Geri Beardsley, Community Transit Lynn Bourton, Link Transit Danette Brannin, Secretary, Mason Transit Authority Joe Clark, Twin Transit Suzanne Coit, Treasurer, Intercity Transit Nick Covey, Link Transit Sara Crouch, Jefferson Transit Scott Deutsch, C-Tran Rich Evans, Pacific Transit (left at 10:27 am) Kevin Gallacci, Clallam Transit Jenny George, Asotin County PTBA Brandy Heston, Grant Transit Authority Tom Hingson, At-Large Member Representative, Everett Transit Staci Jordan, President, Island Transit Bill Kessler, Pierce Transit Jesse Kinney, Small Member Representative, Valley Transit Joe Macdonald, Skagit Transit Dunyele Mason, Clallam Transit Ken Mehin, Grays Harbor Transit Steve Mertens, Columbia County Public Transportation Dale O'Brien, Skagit Transit	David Ocampo, Columbia County Public Transportation Paul Shinnars, Past President, Kitsap Transit Shonda Shipman, Vice-President, Whatcom Transportation Authority Jim Thoeke, Ben Franklin Transit Wayne Thompson, Pullman Transit
	Guests Present
	Jayme Brook, Jefferson Transit
	Brenda Lamb, Link Transit
	Angie Peters, Valley Transit
	Bruce Sackron, Central Transit
	Magan Waltari, Whatcom Transportation Authority
	Brian White, Alliant Insurance Services (broker)
	WSTIP Staff Present
	Cedric Adams, Claims Manager
	Matthew Branson, Member Services Manager
	Anna Broadhead, Board Relations
	Tracey Christianson, Executive Director
	Chris DeVoll, Transit Risk Specialist
	Rick Hughes, Legal Counsel
	Andrea Powell, Administrative Services Manager
	Christine Rouse, Application Support Specialist

Call to Order

President Jordan called the meeting to order at 9:01 am. She welcomed all participants as a sign-in sheet was passed around the room. Jordan congratulated Amy Cleveland, Laura Merry, and David Ocampo for completing *Behind the Curtain* and distributed their prize. Jordan called for changes to the agenda noting she added the Large Member Representative Appointment and Central Transit Application for Membership and asked for a motion to approve the revised agenda. **Hingson moved to approve the agenda. Shipman seconded the motion and the motion passed.**

Discussion

Member Representative Meeting Report and Discussion

Kinney reported the small group had great discussions regarding the budget, Self-Insured Retention (SIR), and coverage. Shipman said the medium group spent quite a bit of time discussing advertising, the SIR, the cyber deductible. She noted that as a group they are uncomfortable with vanpool personal use. Gallacci cited the rideshare RCW and the sales tax exemptions as reasons for not allowing personal use. Hingson said the large group also talked about advertising and while profitable some had discontinued advertising programs. They also discussed the SIR, cyber deductibles, the Public Officials Liability and General Liability Coverage Documents. There are big projects happening at several agencies as well as labor negotiations and talked about the effect I-976 may have on transit. He finished by saying the large group would like to nominate Geri Beardsley as the Large Member Representative.

Large Member Representative Appointment

Covey moved to appoint Geri Beardsley as the Large Member Representative on the Executive Committee for the remainder of the year. Macdonald seconded the motion and the motion carried (round of applause).

Technology Grant

Branson requested the Board authorize the Technology Grant through 2025, carry any unspent grant funds forward, and amend the approval process so the Executive Committee could award funds. The Board spent quite a bit of time talking through the options on how to carry the unspent grant funds forward rather than rolling the funds into surplus. Jordan suggested breaking the topic into three separate motions. **Mason moved to establish the Technology Grant Program as a continuing program from 2020 to 2025 with funding to be determined every year. Macdonald seconded the motion and the motion passed. Crouch moved to amend the award process, so the Executive Committee is the final approver. Asher seconded the motion and the motion passed. Kinney moved to establish a reserve special fund for the technology grant whereby excess funds from year to year roll over into the account not to exceed \$500,000 annually. Mehin seconded the motion and the motion passed.**

Contribution to Surplus

Christianson said each year the Board gets to decide how much money is contributed to surplus noting the Board can accept the actuary's recommendation and budget for a \$3.5 million contribution to surplus for 2020. However, if the Board wants a different amount then staff need to know now as we are building the budget. The Board discussed the actuary's recommendation, the SIR and how building the surplus now would help if the SIR had to increase in future years, and how I-976 may impact the funding for 2021 and beyond. General consensus was to accept the actuary's recommendation and to build the budget with a \$3.5 million contribution to surplus.

The Board took a break at 10:04 am and the meeting resumed at 10:17 am.

Governance Policy – Policy Governance Defined and Explained

Shipman said the Governance Policy Committee is recommending grammatical changes to this policy. **Crouch moved to accept the revisions to the Policy Governance Defined and Explained policy. Mehin seconded the motion and the motion passed.**

Governance Policy – Core Values

Shipman noted the word principles was changed to core values in the policy. **Mehin moved to accept the revisions to the Core Values policy. Thompson seconded the motion and the motion passed.**

Governance Policy – Capital Funding Philosophy

Branson said the philosophy focuses on building net position to reach our target ranges and to be poised for increases in SIR. **Macdonald moved to adopt the Capital Funding Philosophy. Covey seconded the motion and the motion passed.**

Financial Reports

June 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 financials from the previous quarter are included in the packet and asked for questions. She pointed out there are now four closed years on the claims liability report, and that the returning bond will be deposited into Local Government Investment Pool (LGIP) as it currently has a better rate of return than the Thurston County Investment Pool (TCIP). Christianson explained the Treasurer's office had recently visited the Executive Committee. During this inverted curve cycle, the best place for the funds from the bond is in the LGIP. This is not to say Thurston County Treasurer hasn't or isn't a great partner. In fact, it was Thurston County who recommended this course of action.

Staff Reports

Executive Staff Report

Christianson said the Pool had been asked to participate in an amicus brief associated with public records, she sent the request to Hughes and Jordan who agreed the Pool should participate, so our name will be associated with the group. Powell reported a clean audit and the auditor's management letter felt we are doing a good job with separation of duties for a small staff. Rouse continues visits to members for Origami customizations. She also included the deductible options memo in the packet from the question asked at the June Board meeting and property appraisals are beginning to come back. Branson pointed out that Pierce Transit would be at the December meeting to brief the Board on their Collision Avoidance Warning System and Lytx Drive Cam projects, he appreciates the time he's been able to spend with Members talking about Partnering in Prevention and the connections he's been able to make with the leadership teams. Training classes are scheduled and WSTIP is hosting a safety plan review workshop in October. DeVoll updated the status of the Operator Development Course, the course is being completely re-written and will have our people and branding. Every WSTIP Member will receive a copy. Adams reported on recent open and closed claims activity, hiring Robyn Galindo as the Claims Specialist, and collecting \$87,000 in subrogation for the prior month.

Evans left the meeting at 10:27 am.

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 gave an update on the state of the insurance market.

Action Items

Minutes – June 28, 2019

Mehin moved to approve the minutes from June 28, 2019. Deutsch seconded the motion and the motion

passed.

Cyber Liability Deductible Buy Down

Christianson said the Executive Committee recommends the cyber liability buy down but did not make a recommendation as to which of the three options. **Shipman moved to accept the cyber liability buy down Option 2 (\$10,000 SIR for all Pool members, for additional premium of \$22,500 plus 2.1% Washington State surplus lines taxes and fees). Thompson seconded the motion. Discussion:** White asked if it would be effective October 1 or January 1. Christianson said October 1. The Board discussed why the Cyber was being removed from the General Liability (GL). Christianson explained it was covered under Property coverage but the deductible was \$50,000 so we added a cyber section under the GL which has no deductible to cover the gap but never collected money to cover the cost, the Coverage Review Committee recommended removing the cyber language from the GL, so the Executive Committee asked for deductible buy down options. Shinnors explained from a member perspective it doesn't make sense but if you put on your "Pool hat" it's the right thing to do to shift the coverage to the purchased Cyber Liability policy. Beardsley felt the deductible should be \$5,000 so that it was consistent with the current property deductible. **Shipman withdrew her motion.**

Covey moved to accept Option 1 (\$5,000 SIR for all Pool members, for an additional premium of \$32,000 plus 2.1% Washington State surplus lines taxes and fees). Macdonald seconded the motion and the motion passed with Kessler voting in opposition.

2020 Liability Self-Insurance Retention Selection

Christianson said included in the packet is pricing for a \$2 million SIR vs a \$2.5 million SIR for 2020 meaning GEM would increase their coverage from \$2.5 million to \$3.0 million for 2020. The actuary recommended going to the \$2 million SIR during his presentation the prior day. **Shinnors moved to accept the \$2 million SIR for 2020. Thaelke seconded the motion and the motion passed.**

Underground Storage Tank Policy Renewal

Christianson explained the Underground Storage Tank policies renewed on September 25, but White was able to get the carrier to extend the policy until October 1, 2020, so next year she won't have to bind coverage before the meeting. She has already bound coverage but is requesting the Board approve the coverage. Although individual members premiums may have changed, the total premium stayed close to expiring. **Deutsch moved to bind the Underground Storage Tank policy. Covey seconded the motion and the motion passed.**

Public Officials Liability Coverage Document

Christianson said the Coverage Review Committee and Executive Committee have spent extensive time on this policy and are now ready for adoption. Shinnors asked why exclusion O was being removed. Christianson said it was a duplicate of exclusion N. Shinnors had one small correction Exclusion E and F should end with the word "decision". **Thaelke moved to adopt the Public Officials Liability Coverage Document as amended. Brannin seconded the motion and the motion passed with a round of applause.** Christianson thanked the Coverage Review Committee for all their hard work.

Central Transit Application for Membership

Jordan said the Executive Committee had reviewed the Central Transit application for membership and recommend approval. Jordan asked Hughes to explain the process for admitting new members. Hughes explained the new member would need to apply, the Executive Director would determine a fee, the Executive Director would then forward the application to the Executive Committee, who then forwards the application to the

Board. The approval would be memorialized by the new member signing the Interlocal Agreement (ILA) and agreeing to any conditions the Board may request. Yesterday the Executive Committee recommended approval with recommendations that the new member participate in the Driver Record Monitoring program (if the DOL/WSTIP contract allows), an understanding that WSTIP is secondary coverage attaching at \$11 million, the contract between City of Ellensburg and Hope Source be amended with regards to indemnity, and should the operation of Central Transit change from contractor to in-house operation changing the liability the Pool can reconsider membership. Mason asked if the Pool was overriding the Minimum Contribution Policy. Branson said no they have two modes and at least 200,000 miles. Christianson said she assessed a cost at her discretion, and they are similarly sized and priced to Asotin County Public Transportation. Jordan asked for a motion. **Hingson moved to accept Central Transit into the Pool with the conditions above to be included in the Interlocal Agreement and submit to Central Transit for their acceptance. Mehin seconded the motion and the motion passed.** Members present for the vote were: Asotin, Ben Franklin, Clallam, Columbia County, Community, C-Tran, Everett, Grant, Grays Harbor, Intercity, Island, Jefferson, Kitsap, Link, Mason, Pierce, Pullman, RiverCities, Skagit, Twin, Valley, and Whatcom. Members absent Pacific, Spokane, and Yakima. Christianson said Central Transit wouldn't be a member until January 1 so long as their Board (city council) accepts the ILA and conditions.

Member Updates and Guest Feedback

Sackron appreciated the opportunity to attend and realizes how much he doesn't understand about WSTIP and Pooling but sees a great group of people who work well together. Peters echoed what Sackron said and appreciated the great conversations. Jordan reminded them they aren't alone and it takes a while to fully understand. Crouch reminded everyone there are issues with the Department of Enterprise Services (DES) contract for bus purchases, this topic was discussed at the WSTA Finance Committee meeting. Christianson thanked Bourton for hosting the dinner at her home, and White for providing beverages.

Adjournment

Hingson moved to adjourn the meeting at 11:26 am.

Submitted this 6th day of December 2019

Approved: 
DocuSigned by:
Danette Brannin, Secretary