



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

Minutes of the  
 Executive Committee Meeting  
 July 23, 2020  
 WebEx

Executive Committee Members Present	Staff Present
Shonda Shipman, President, Whatcom Transportation Authority Danette Brannin, Vice-President, Mason Transit Authority Jesse Kinney, Secretary, Valley Transit Geri Beardsley, Large Member Rep, Community Transit Brandy Heston, Medium Member Rep, Grant Transit Authority Sara Crouch, Small Member Rep, Jefferson Transit Jenny George, At-Large Member Rep, Asotin County PTBA	Cedric Adams, Claims Manager Matthew Branson, Member Services Manager Anna Broadhead, Board Relations Tracey Christianson, Executive Director Rick Hughes, General Counsel Laura Juell, Training and Risk Coordinator Andrea Powell, Administrative Services Manager Karey Thornton, Accounting and Payroll Specialist.
Board Members Present	
Jeff Lubeck, Ben Franklin Transit Betsy Dunbar, Central Transit	David Ocampo, Columbia County Public Trans Ken Mehin, Grays Harbor Transit

#### Call to Order

President Shipman called the meeting to order at 9:02 am welcoming everyone to the virtual meeting. Verbal roll call took place. Shipman asked if there were any changes to the agenda hearing none, she asked for a motion to accept the agenda. **Jordan moved to approve the agenda. Kinney seconded the motion and the motion passed.**

#### Consent Agenda

Minutes – June 25, 2020, June 2020 Vouchers and Electronic Payments as noted below:

					Total
Claims Vouchers	Numbers:	85300646	-	93500728	\$ 563,050.73
Administrative Vouchers	Numbers:	93001311	-	93001343	\$ 251,036.36
Electronic Payments	Dates:	06/01/2020	-	06/30/2020	\$ 115,134.37
					\$ 929,221.46

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

#### Discussion Items

##### 2020 Executive Committee Work Plan

Christianson explained the work plan had been updated to sunset the underwriting structure review based on discussions at the previous meeting. Shipman thanked Branson and his team for the work they did on the surveys and top five Best Practices.

### Top Five Best Practices

Brannin explained one of the strategic priorities in the Strategic Plan was to identify the top five Best Practices to impact the loss trends. The top five are: Accident and Event Prevention and Remediation, Operator Training & Instructor Certification, Digital Recording Systems on Fleet Vehicles, Mobility Device Securement, and tied at five are Rural and Urban Bus Zones, Boarding and Alighting, and Hiring (including fitness for duty, attendance issues, hiring/firing separate from reduction in force ). Shipman asked if staff could provide data specific to each agency to show us where are losses are. Branson said yes, the data is all in Origami. Jordan said there is a report already made in Origami. Shipman asked staff to send each agency their loss trends. Mehin and Beardsley want to accept the top five Best Practices. Shipman said we will officially accept these as our top five and send the data out to the Members. She thanked staff for their work. Branson said he appreciated Shinners questions which really lead to the next step in this project. Next year when we distribute the Risk Profiles, we will be able to incorporate this information as well.

### Executive Director Evaluation Survey

Shipman reminded the attendees this topic was carried over from the previous month, there is a requirement in the Bylaws and in policy that an evaluation of the Executive Director be completed. Last month a survey was shared which will be sent out to Board Members. There was a suggestion to also get feedback from external partners. Included in the packet are the two surveys: the proposed one for external partners and the one for the Board. The external partner survey questions which is a modified version of the Board one, because external partners interactions are different than our interactions with the Executive Director. Shipman asked if there were partners missing from the list. Committee members felt the list was inclusive and had no changes. Shipman said the survey will come out in August/September, we will review the results in September and enter contract negotiations. Christianson's contract ends at the end of the year, each year we will do evaluation but not contract negotiations. **Jordan moved to accept the Executive Director Evaluation Surveys. Brannin seconded the motion and the motion passed.**

### Communicable Disease Endorsement Claim(s)

Christianson said as discussed at the Board meeting in June the APIP/PEPIP excess property insurance policy had a communicable disease endorsement (July 1, 2019 through June 30, 2020). It is not in the policy which renewed July 1, 2020 which is effective through June 30, 2021. Christianson talked about the interplay between the WSTIP Property Coverage Document which rules our \$250,000 Self-Insured Retention (SIR) and the excess property insurance policy. In the WSTIP Property Coverage Document, there must be direct physical loss to property to trigger the coverage. In Christianson's opinion it is unlikely the Property Coverage Document would cover the Communicable Disease Endorsement loss, and even if it is triggered, the most the Pool would pay is the one \$250,000 SIR apportioned to the Members making a claim. This is not a formal coverage opinion or denial. She encouraged committee members to start thinking about what the Pool is going to do as we try to help our Members place this claim. She has reached out to coverage counsel Curt Feig (email included in packet) who discussed the current status of insurance lawsuits on similar topics. Business income losses related to the pandemic is not a great argument, however traditionally Washington State courts are very pro-insured. Given the shared aggregate in the Communicable Disease Endorsement, the Pool Members may get little to nothing. However, at some point we need to decide what we are going to do about our SIR, and confirm which Members are going to participate in the claim.

Shipman asked when the decision will need to be made. Christianson said the placeholder claim has been filed. She thinks we need to have at least three months of loss revenue in order to make a good claim, we are still under government authority which means we can continue to show expenses, the loss

will end when we get to phase four. Shipman said but we all won't reach that phase at the same time. Christianson said you may have sales tax losses, but you also have cost savings with reduced service. Shipman said some agencies are receiving Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and possibly Federal Emergency Management Agency (FEMA) funds. Several attendees said at this time they are okay and want to wait before committing to anything. Christianson said she would add this topic to the work plan.

#### Property Coverage Document

Christianson said we adopted a Property Coverage Document last month with minor changes such as "you/your" became "Member," "we/us" became Pool to make this review easier. The Coverage Review Committee (CRC) spent a lot of time reviewing the Property Coverage Document and dealt with philosophical issues. After discussions with coverage counsel the committee decided to not recommend definitions for some things as to give greater flexibility. Disputes over value is something less than an appeal, thank you Hughes for your guidance in this section. The committee also looked at the exclusions and the coverage summary page. We are asking the Executive Committee to review the revised Property Coverage Document and provide feedback to Christianson or Adams, once the feedback is received the CRC will review/incorporate feedback, and then we would like to send the document out to the membership to share with their legal counsels. Once the feedback is received from membership/legal counsels then the CRC would review/incorporate feedback, with a goal to have this document adopted by the Board before their July 1, 2021 property renewal. Shipman thanked Beardsley and the CRC on the work they had completed. She also asked staff to send a reminder to provide feedback and add to the August EC agenda as a discussion item.

#### Bylaws

Brannin said the Governance Policy Committee (GPC) had been working on the Bylaws for the entire year trying to make sure the Bylaws are reflective of our practices today. We now have draft Bylaws which we want everyone to review and give feedback on the changes. The next steps are the EC will need to recommend approval to the Board at either the September or December meetings. Christianson said there were two major goals in the re-write, provide direction on how vacancies are filled within the EC, and coverage determination process. We spent a lot of time clarifying and ensuring what we do today is reflected in the Bylaws. She cautioned that the red-line version is hard to read and recommends reading the draft Bylaws. Jordan asked if the section regarding Executive Director performance should have a timeframe (how often). Christianson said the GPC talked about putting timing in there, but it is covered in the Executive Director Evaluation policy which can be changed easier than changing the Bylaws. Crouch appreciated the clarity and the format changes. Shipman asked if the EC wanted more time for feedback or if it could be sent to the Board. Christianson said she would like to send the Bylaws to the Membership for feedback so that potential change could be incorporated prior to the September Board meeting. Shipman asked is anyone was opposed to the Bylaws being sent to the Membership. No one was opposed and the Bylaws will be sent out to the Membership.

#### Governance Policy: Purchasing Policy

Branson said there were significant changes to this policy so much that the red-line version was not presentable. He highlighted the repackaged changes in yellow. Changes included creating a large purchases category, increased Executive Director purchasing authority to \$75,000, further defines contracting, and updated the purchasing card narrative. Brannin thanked Branson for the great work on the policy. Kinney felt increasing the purchasing authority from \$25,000 to \$75,000 was the right thing to do. **Jordan moved to adopt the Purchasing Policy. Heston seconded the motion and the motion passed.**

Short break from 10:07 am. The meeting resumed at 10:20 am.

### 2021 Operations Budget

Christianson said the Budget Development policy states staff are to ask the EC for feedback and if there are items they think should be included in the budget. Staff have started the 2021 operations budget, which is the part of the budget that funds the activities of the Pool. Branson talked about the Strategic Plan items that may be incorporated into the budget for 2021. He asked the EC if \$250,000 should be set aside for the Technology Grant in 2021. Committee members were in support of funding the technology grant. Christianson said she would like to re-establish the Deputy Director position, staff will begin cost-sharing health benefits in 2021, we are not anticipating a general wage increase this year, as a reminder wage increases follow Intercity Transit's wage increases for non-represented positions and we have not reached out to them yet, and are having discussions about whether general leave should be budgeted or not. Currently the Pool does not budget for general leave cash-outs. Branson said the Pool budgets for 100% of wages but not for cash-outs. The committee had a discussion as to how they budget for general leave at their agencies. Beardsley asked if the auditor had a recommendation regarding general leave. Christianson said they hadn't asked but would. Brannin asked about the Deputy Director position and Christianson disclosed her thoughts on what the position would do, which has a lot of finance management elements. Crouch asked what the salary survey entailed and if \$3,000 was enough. Christianson said the salary and benefits survey for all positions of the Pool, we do a lot of the data collection for the consultant who then compiles the report. Shipman asked Christianson to check with Intercity regarding the general wage increase. Christianson said she would and asked the EC members to please reach out to her or Branson if they had items they want to see included in the budget.

### 2021 Assessment Payment Options

Branson said at the June meeting there was an inquiry about how Members pay assessments and if they could be paid on a monthly basis. He said historically when the organization started payments were due at the beginning of the year as that is when most of the purchased insurance renews and it would have caused cashflow issues had payments not been received in January. Now cashflow isn't such a big thing for the Pool. He outlined three options for assessment payments included in the packet. The EC discussed the options and requested staff develop a policy that lays out when assessment payments are due and how exceptions would be handled on a case by case basis. This topic will return at the August EC meeting.

### Member Satisfaction Survey Results

Branson said the completed surveys were part of the Strategic Plan 1. The results are easy to read and give good perspective. Staff will incorporate the feedback for the website and ASK Transit surveys into the website, Member Services Department will use the member satisfaction survey results, and the Board Development Committee will use the Member Governance Survey. These surveys will occur again in late 2021. Shipman thanked Branson and felt the information was valuable.

### Executive Session

The Executive Committee went into Executive Session at 11:15 am to discuss Ooh! Media vs. Spokane Transit Authority/E. Susan Meyer for 20 minutes pursuant to RCW 42.30.110 (1) (i) to discuss with legal counsel representing the agency litigation or potential litigation in which a member acting in an official capacity is or is likely to become a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. The committee came out of Executive Session at 11:35 am. No action was taken.

## Staff Reports

### Executive Staff Report

Christianson hoped everyone had the chance to watch John Mitchell's presentation. If you didn't get a chance to see it, the webinar is posted on the WSTIP website. The September Board meeting will be a virtual event, the President sent out notice regarding meetings for the rest of the year with a survey regarding possible in-person Annual Meeting attendance. For Members who purchase Underground Storage Tank (UST) coverage it will be renewing on October 1, and there will be a short questionnaire for you to return. Grays Harbor Transit removed some tanks and replaced them with new tanks and received a return of premium. Optional limits for cyber responses are due, many members purchased extra limits. The actuary has our June 30 loss data and 2021 exposure (estimates) collections have begun. Governmental Entities Mutual (GEM) has added two highly esteemed pools, and Christianson will attend the GEM Board meeting on Friday. Powell reported a clean audit for 2019. Branson said the Member Services department is looking at how training is provided and are developing alternative formats for how training can be distributed. DeVoll will be providing Reasonable Suspicion training in an online format as part of this initiative. Adams gave an update on open and recently closed claims, subrogation, and noted there are currently more first-party than third-party claims coming in.

### Sub-Committee Reports

#### Governance Policy Committee

Brannin said the committee had finished its review of the Bylaws, reviewed the Purchasing policy, and have completed their work for the year unless new policies are brought forward.

#### Board Development Committee & Risks and Opportunities Committee

No report.

#### Coverage Review Committee

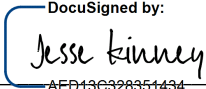
Adams said Christianson had talked about the Property Coverage Document changes the committee recommended. The committee is currently looking at the Uninsured/Underinsured Motorist (UIM) / Third-Party coverage in the General Liability Coverage Document and will be proposing clarifying language. The committee will meet again on October 26.

### Recap and Adjournment

Shipman quickly recapped the meeting, roll call, accepted the agenda, approved the consent agenda, discussed the work plan, accepted top five Best Practices and Executive Director surveys, Executive Committee members will provide feedback on Property Coverage Document and Bylaws prior to the August Executive Committee meeting, Purchasing policy was approved, 2021 Operations Budget and Assessment payment options discussed with a potential exception to payment policy, and reviewed the Member Satisfaction Surveys.

Shipman adjourned the meeting at 11:56 am.

Submitted this 27th day of August 2020.

Approved:   
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Jesse Kinney, Secretary