



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  
 May 27, 2021  
 Hybrid Zoom / WSTIP Office

Executive Committee Members Present	Staff Present
Danette Brannin, President, Pierce Transit Jesse Kinney, Vice-President, Valley Transit Scott Deutsch, Secretary, C-Tran Geri Beardsley, Large Member Rep, Community Transit Brandy Heston, Medium Member Rep, Grant Transit Authority David Ocampo, Small Member Rep, Columbia County Public Transportation Jenny George, At-Large Member Rep, Asotin County PTBA Shonda Shipman, Past President, Whatcom Transportation Authority	Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Rick Hughes, General Counsel Laura Juell, Training and Risk Coordinator Joanne Kerrigan, Member Services Manager Joel Lambert, Claims Associate Brandy Rhodes, Administrative Assistant Karey Thornton, Accounting and Payroll Specialist
Board Members Present	
Jeff Lubeck, Ben Franklin Transit Betsy Dunbar, Central Transit Ken Mehin, Grays Harbor Transit Staci Jordan, Island Transit Justin Brockwell, Link Transit LeeAnn McNulty, Mason Transit Authority	Amy Cleveland, Pierce Transit Bill Kessler, Pierce Transit Amy Asher, RiverCities Transit Elizabeth Halili, RiverCities Transit Tabitha Hayden, RiverCities Transit Monique Liard, Spokane Transit Authority
Guests Present	
Kevin Wick (actuary), PwC Nicole Muegge, Thurston County Treasurer's Office	Kara Turner, Turner HR Services
Executive Session Only Participants	
John Riseborough (attorney), Paine Hamblen E. Susan Meyer, Spokane Transit Authority Ron Van Wert (attorney), Etter, McMahon, Lamberson, Van Wert & Oreskovich	Andrew Wagley (attorney), Etter, McMahon, Lamberson, Van Wert & Oreskovich Seann Mumford (attorney), Menke, Jackson & Beyer

## Call to Order

President Brannin called the meeting to order at 9:04 am welcoming everyone to the hybrid meeting. Verbal roll call took place. Brannin asked if there were any changes to the agenda, hearing no changes, she asked for a motion to accept the agenda. **Deutsch moved to approve the agenda. Shipman seconded the motion and the motion passed.**

## Consent Agenda

Minutes – April 22, 2021, April 2021 Vouchers and Electronic Payments totaling \$3,942,967.95

				Total
Claims Vouchers	Numbers:	93501427	- 93501490	\$ 476,811.64
Administrative Vouchers	Numbers:	93001679	- 93001725	\$ 3,298,968.26
Electronic Payments	Dates:	04/01/2021	- 04/30/2021	\$ 167,188.05
				\$ 3,942,967.95

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

## Discussion / Potential Action Items

### 2021 Executive Committee Work Plan

Christianson said work is being done on work plan items which are topics for discussion on the agenda today. There were no questions regarding the Work Plan.

### Salary Survey

Christianson introduced Kara Turner, Turner HR Services, explaining that WSTIP does a salary and benefits survey every three years and the results of the survey will come back to the EC. Turner was happy to see familiar faces in the meeting, shared her background, explained she had completed surveys for WSTIP in 2005, 2008, 2012, 2018. Turner outlined the timeline for 2021. She will present the results of the survey in July. Turner asked if there were questions. Shipman asked if due to the pandemic she expected the comparables to be wildly different. Turner said by being consistent and completing survey every three years it should not, but she warned that in future years recruitment may be a factor. Christianson said several pools have had staff turnover from retirements, but she is not sure how the retirements will impact the wages and benefits. *(Turner left the meeting at 9:15 am).*

### Thurston County Treasurer Presentation

Branson introduced Nicole Muegge from the Thurston County Treasurer's Office (TCTO). Muegge explained the WSTIP and TCTO banking relationship, investment philosophy, how WSTIP's investments are performing, and fielded questions from the EC. The presentation slides are included in the packet. *(Muegge left the meeting at 9:58).*

*The EC took a short break at 9:58 am and resumed the meeting at 10:03 am.*

### Capital Adequacy Assessment

Branson introduced Wick, who provided information on the Capital Adequacy Assessment (previously known as Capital Funding Study). Wick went through his presentation explaining where the Pool is at in relation to the goals set by the Board and industry standards, his recommendations were to increase lower bound to 1 in 200-year event, and upper bound to two 1 in 200-year events and set a single target range with guidelines if range is not being met over a reasonable period of time. Wick's slides are included in the EC packet.

## Governance Policy - Capital Funding Philosophy

Christianson said the Governance Policy Committee asked Wick to look at the Capital Funding Philosophy once the Capital Adequacy Assessment was complete to incorporate his recommendations into the policy. Jordan suggested changing capital funding study on page 3 to capital adequacy assessment for consistency throughout the document. Christianson asked what the EC thought about increasing the bounds from 1 in 100-year event to 1 in 200-year event. Kinney said to keep with current trends we should move our bounds to match. Brannin likes that it ties the \$5 million SIR goal to the bounds. Shipman liked the conservativeness of the policy. Brannin asked if the EC wanted to send the policy back to the GPC or on to the Board for discussion. **Deutsch moved to forward the Capital Funding Philosophy with Jordan's edit to the Board in June. George seconded the motion and the motion passed.** If you have questions, comments, or concerns regarding the Capital Funding Philosophy or Capital Adequacy Assessment reach out to Branson.

## Learning Management System (LMS) Progress Update

Kerrigan said staff are working on the Strategic Plan goal of procuring a LMS to help achieve efficiencies, manage risk and control costs associated with training and Member engagement. Staff have completed surveys, the Risk and Opportunities Committee has provided input, staff have watched demos with potential vendors and feel there are good LMS options available. She asked if anyone had any qualms about moving forward. Kerrigan said we did send out an ASK but only had 11 responses to date, four Members have an LMS, seven of the 11 had no LMS. Committee members expressed support of moving forward.

*The EC took a short break from 11:06 am to 11:12 am. Wick left the meeting.*

## Staff Report

### Executive Staff Report

Christianson gave an update on the upcoming insurance renewals. The good news first... Auto-Physical Damage (APD) excess appears to be around a six percent increase although she was unsure if major provisions of the policy were retained (such as replacement cost and auto acquisition). The not so good news is Property, Boiler Machinery, and Cyber is estimated at a startling 38% rate increase. The increase has nothing to do with our loss history but more about the losses worldwide and the escalation of lumber prices, which means our properties are likely undervalued. There will be lower limits for Course of Construction (from \$25 million to \$15 million) and acquisition of vacant buildings will be a mere \$5 million. The news is even worse for the Cyber. Ransom limits will be reduced to \$750,000, we may be able to keep our deductible buy-down (\$100,000 to \$5,000) but may lose the extra limits most Members purchased last year. We will likely see cyber exclusions in other policies such as boiler machinery. For example, if hackers were to hack into your HVAC system it would not be covered by property but rather by cyber. She has met with Munich RE which is our \$10 million layer between \$5 and \$15 million and may try to bind the liability policy early so that we know we at least have \$15 million in coverage. Branson will try to figure out what the property increase is on a per Member basis, as well as run what if scenarios of increasing the SIR for property coverage and if we lose the cyber buy down. Shipman asked if there was any news on the pollution policy. Christianson said we have received the binder but are waiting for the Pollution Policy. She will send an email to the Board regarding status of the insurance market and upcoming renewal. She hopes we will have a renewal package at the June meeting.

*Executive Session participants joined the meeting.*

## Executive Session

The Executive Committee went into Executive Session at 11:35 am to discuss two claims for 50 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. 2. Or another permitted purpose for Executive Session pursuant to RCW 42.31.110 (1). The committee came out of Executive Session at 12:25 pm. ***Kinney moved to approve settlement authority requested by staff for the Columbia County case. Deutsch seconded the motion and the motion passed. Ocampo abstained from the vote.***

## Staff Report

### Executive Staff Report (continued)

Branson reported the financial audit fieldwork had wrapped up and expects to have the exit conference the week of June 7. Please let him know if you'd like to attend. He is working with Alliant to schedule property appraisals. Kerrigan said work has begun on two Best Practices: Vanpool and Technology Environment, the Trainer's Showcase is scheduled for October 26-27, reminded attendees of the Origami office hour every Wednesday at 10 am and encouraged Members to attend if they can. Adams gave an update on open and recently closed claims, subrogation, and open litigated claims.

## Sub-Committee Reports

### Governance Policy Committee (GPC)

Kinney reported the GPC had met on May 19 and reviewed the Capital Adequacy Assessment presentation with Wick and spent time discussing the Capital Funding Philosophy policy. He thanked the EC for agreeing to forward the Capital Funding Philosophy onto the Board for the June Board meeting. The committee (Kinney, Deutsch and Brannin) will meet again on June 2 to tackle the remaining policies.

### Board Development Committee (BDC)

George said the BDC had reviewed feedback from the March Board meeting and while we appreciate the videos, we have asked staff to see if the presenters can be more concise. Meals being provided for attendees is appreciated but not necessary. We are hoping to have a small group facilitation training in June and are working on the Member Representative Meeting and Work Session topics.

### Risks and Opportunities Committee (ROC)

No report, the next meeting is June 10.

### Coverage Review Committee (CRC)

Beardsley said the CRC met on May 13, discussed Law Enforcement Liability and our recommendation is going to be to keep an eye on the topic but not change our coverage regarding it at this time. The other topic the CRC is considering is Contract Liability and if you have not responded to the survey regarding employees driving their personal vehicles, please do so. The committee will be meeting again in July.

## Recap and Adjournment

Brannin stated the EC had covered a lot of topics: salary survey is starting, great report from Muegge we should all look into banking with our counties. Wick presented the Capital Adequacy Assessment and shared thoughts regarding our capital needs long-term. Wick will present in June at the Board meeting.

The EC has passed the Capital Funding Philosophy onto the Board for discussion and approval. There is an RFP going out for the LMS. There is bad news regarding property renewal 38% rate increase is shocking. The EC gave staff specific authority limits for Goodell vs. Columbia County, and received update on Ooh Media. Staff reported that property appraisals are being scheduled for some Members, two Best Practices are under review, and the Trainer's Showcase is scheduled. Lastly, we heard from all the standing committees on the work they have been doing since our last meeting.

***Kinney moved to adjourn the meeting at 12:42 pm. Deutsch seconded the motion and the motion passed.***

Submitted this 24th day of June 2021.

Approved:    
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 Scott Deutsch, Secretary