



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
 June 23, 2022
 Courtyard by Marriott - Everett & Zoom

Executive Committee Members Present	Staff Present
Jesse Kinney, President, Valley Transit Scott Deutsch, Vice President, C-Tran Monique Liard, Large Member Rep, Spokane Transit Joe Macdonald, Medium Member Rep, Skagit Transit David Ocampo, Small Member Rep, Columbia County Public Transportation Paul Shinnars, At-Large Member Rep, Kitsap Transit Danette Rogers, Past President/Acting Secretary, Pierce Transit Suzanne Coit, Treasurer, Intercity Transit.	Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Brandy Clark, Administrative Assistant John Cushing, Claims Specialist Rick Hughes, General Counsel Todd Iddings, Safety and Risk Advisor Laura Juell, Training and Risk Coordinator Joanne Kerrigan, Member Services Manager Christine Rouse, Application Support Specialist Karey Thornton, Accounting and Payroll Specialist
Board Members Present	
Jenny George, Asotin County PTBA Jeff Lubeck, Ben Franklin Transit Betsy Dunbar, Central Transit Andy Rowson, Clallam Transit Tom Hingson, Everett Transit Brandy Heston, Grant Transit Ken Mehin, Grays Harbor Transit Jana Brown, Intercity Transit Staci Jordan, Island Transit Nicole Gauthier, Jefferson Transit Miranda Nash, Jefferson Transit	Justin Brockwell, Link Transit Shawn Larson, Link Transit Amy Asher, Mason Transit Authority LeeAnn McNulty, Mason Transit Authority Pattie Goedker, Pacific Transit Karen Thesing, Pierce Transit Wayne Thompson, Pullman Transit Elizabeth Halili, RiverCities Transit Jim Seeks, RiverCities Transit Angie Peters, Valley Transit Shonda Shipman, Whatcom Transportation Authority
Guests Present	
Brian White (broker), Alliant Insurance Services	Brenda Lamb, Link Transit

Call to Order

President Kinney called the meeting to order at 9:01 am welcoming everyone to the hybrid meeting. Verbal roll call took place. Guests and new Board members were introduced. Kinney asked if there were any changes to the agenda, hearing no changes, he asked for a motion to accept the agenda. **Deutsch moved to approve the agenda. Liard seconded the motion and the motion passed.**

Public Comment on Consent Agenda, Discussion, Potential Action Items

Kinney asked for public comment. No public comments were received.

Consent Agenda

Minutes – May 26, 2022, May 2022 Vouchers and Electronic Payments totaling \$795,753.17

				Total
Claims Vouchers	Numbers:	93502278	- 93502391	\$ 600,330.82
Administrative Vouchers	Numbers:	93002160	- 93002192	\$ 94,970.33
Electronic Payments	Dates:	05/01/2022	- 05/31/2022	\$ 100,452.02
				\$ 795,753.17

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

Discussion / Potential Action Items

2021 Executive Committee Work Plan

Christianson said the 2022 work plan had been updated, the Coverage Review Committee is working on contract liability, the Investment Committee will continue to work on the investment strategy throughout 2022. Upcoming will be the Executive Director Evaluation. There were no questions regarding the Work Plan.

Governance Policies

Christianson said the Governance Policy Committee (GPC) had reviewed several policies and had five policies on the agenda for approval with minor changes, but even minor changes need to be approved and the policies re-signed.

Electronic Signatures

Christianson explained the change to the Electronic Signatures policy was to add two-factor authentication if available. **Deutsch moved to accept Electronic Signatures policy as presented. Macdonald seconded the motion and the motion passed.**

Property Inventory and Surplus

Christianson noted the revised definition of personal property and the location change of real property in the definitions. Branson explained that real property is included in the definition of personal property therefore it is listed before. **Rogers moved to accept Property Inventory and Surplus policy as presented. Macdonald seconded the motion and the motion passed.**

Purchasing

Christianson stated the change to this policy was to include the Vice-President as authorized to approve Executive Director expenses if the Treasurer isn't available. **Liard moved to accept Purchasing policy as presented. Deutsch seconded the motion and the motion passed.**

Claims Management

Christianson explained the changes to the Claims Management Policy included references to interconnected policies. **Deutsch moved to approve the Claims Management Policy as presented. Liard seconded the motion and the motion passed.**

Expense Reimbursement

Christianson said the change to the Expense Reimbursement Policy was to include the Vice-President to

approve Executive Director expenses if the Treasurer is unavailable similar to the Purchasing Policy. **Deutsch moved to approve the Expense Reimbursement Policy as presented. Macdonald seconded the motion and the motion passed.**

Non-Transit Risk

Kerrigan explained the Non-Transit Risk policy is designed to reduce risk exposure to Members and the Pool for Non-Transit Risks (community groups, book clubs, anyone who may be using your facilities for an event). The Risk and Opportunities Committee (ROC) is suggesting we remove section 2c, which states:

Notwithstanding the insurance requirement of paragraph 2b above, a Member may allow the occasional use of its premises or facilities by community organizations for community purposes without the requirement of insurance.

The reason is to deter risk and event insurance is relatively cheap and easy to secure. We are saying now if you want to use our premises you need to bring insurance with you. Attendees discussed various scenarios where if the risk wasn't transferred it could impact the Pool. Hughes said he could provide language to Members who do not have the indemnification language already in their facility agreements. Alliant can provide special event policies. **Macdonald moved accept the ROC recommendation to remove paragraph 2c from the Non-Transit Risk Policy and approve the policy. Deutsch seconded the motion and the motion passed.**

Board Development Committee (BDC) Recommendation to Buy Pooling Basics

Branson said the BDC has the responsibility to review training programs for the Board. Currently, Board Members receive *Behind the Curtain*, however, AGRiP has taken their Pooling Basics (normally Sunday of the AGRIP Governance Conference) and turned it into a comprehensive self-paced Learning Management System course. The BDC members reviewed the course and feel it would be beneficial for all Board members. Branson said the cost is normally \$450 per person, but we can bulk purchase for current Board Members at \$6,500. Staff will then repackage *Behind the Curtain* to make it WSTIP specific. Shinnors, Macdonald, Ocampo, and Liard all shared their feedback. **Shinnors moved to approve purchasing Pooling Basics for all Board Members. Deutsch seconded the motion and the motion passed.**

Executive Session

There was no Executive Session.

Sub-Committee Reports

Nominations and Elections Committee (GPC)

In accordance with Section 6 of the Nominations and Elections Policy, the Nominations and Elections Committee presents the following candidates for the position of Treasurer. The Committee has determined the individuals meet the criteria set forth in RCW 48.62.111 and serve a financial role within their agency. The nominees for the Treasurer in alphabetical order by Member are as follows: **Danette Rogers, Pierce Transit, Monique Liard, Spokane Transit**. Please note nominations will not be accepted from the floor which is in accordance with the Nominations and Elections policy. Rogers withdrew her name as a candidate. Kinney thanked Deutsch for the report.

Governance Policy Committee (GPC)

Deutsch reported the GPC had met, reviewed several policies with no revisions, and six policies with revisions which were accepted earlier during this meeting. The GPC consists of the officers (Deutsch, Kinney and Rogers) and will be meeting again on July 13 in person to wrap up work on the Bylaws and any other remaining policies. Kinney thanked Deutsch for the report.

Board Development Committee (BDC)

Shinners reported the BDC reviewed the feedback from the March Board meeting. There were some comments in the feedback about the videos and Work Session being redundant which Staff are working on, the BDC also recommended AGRiP Pooling Academy be purchased for all Board Members, which the EC approved. Kinney thanked Shinners for the report.

Risks and Opportunities Committee (ROC)

Deutsch said the ROC met in June. Committee members are: Scott Deutsch (Chair), Joe Macdonald, Ken Mehin, LeeAnn McNulty, Michael Schmieder, Heather Stafford, Emily Bergkamp, Monique Liard, Shawn Larson, Don Burr, and Lowell Nee. He explained the committee talks about things that may impact the Pool going forward, new risks, and tools we can use to mitigate the risk. The ROC reviewed Origami's Environmental and Health Safety (EHS) Module with our Origami representative Roger Adino, and Alex Zastrow from King County Metro. Metro shared how they are using the module and some of the dashboard capabilities. The module emphasizes safety and process management, environmental tracking and logging, and occupational health including industrial hygiene. This is a large budget item, but there was about half of the committee who thought it might be a good way for WSTIP to potentially work together with onboarding this type of system for the good of all members. Some Members have implemented TrackIt as an alternative to EHS.. The ROC would like to have a Work Session topic regarding this module at a future meeting. This module can also track the Material Safety Data Sheets (MSDS) information. The ROC also recommended that paragraph 2c be removed from the Non-Transit Risk Policy to further mitigate risks. Cyber coverage is becoming a roadblock; therefore we have presentations from CISA and AON in the Work Session. ROC also discussed infrastructure bill requirements which are different based on the size of the agency safety committee makeup, pandemic planning, visibility out of the front of the bus and reduction of operator assaults. The committee shared what they are doing to address these points. They also discussed third party testing and the potential for WSTIP to have a role in approaching DOL about a group class or some type of help in meeting Member needs for a more immediate response. We also encourage use of the Learning Management System (LMS). Kinney thanked Deutsch for the report.

Coverage Review Committee (CRC)

Thesing reported the CRC had a short meeting on June 21. We discussed and finalized our recommendation to the EC, Board, and Membership on occupants not covered by workers' compensation and not transit passengers in personal, rental, and agency vehicles. Based on CRC discussion and EC feedback, we included personal vehicles in the proposed limits of \$100,000 Property Damage and \$300,000 Bodily Injury that we previously recommended changes for rental and agency vehicles. We will be sending draft Coverage Documents as well as examples out to the membership for comments. We will then present the Document back to the EC to pass on to the Board. Staff will continue to work on Contract Best Practices to include sample indemnification language, facility use agreements, and tools to help Members manage/transfer risks. Kinney thanked Thesing for the report.

Investment Committee

Coit Reported the Investment Committee met on June 14. Committee Members: Suzanne Coit, Danette Rogers, Monique Liard, Paul Shinnars, Ken Mehin, Amy Asher, Jim Seeks, Michael Wagner. Staff Liaisons: Tracey Christianson and Matthew Branson.

Acronyms:

OST – Office of the State Treasurer

SMA – Separately Managed Accounts

LGIP – Local Government Investment Pool (OST)

TCIP – Thurston County Investment Pool

A work plan item for the Investment Committee was to review investment programs offered by governmental entities. The Committee received a presentation from the Washington State Office of the State Treasurer (OST).

The OST program is called SMA (Separately Managed Accounts). OST began the 2018 pilot program with Pierce County. In 2019 OST received legislative approval to add additional governments to the SMA program. There are currently eight (8) governments in the SMA with total of nearly \$1B invested. The portfolios of those eight (8) agencies range in size from \$15M to \$300M. An agency must invest at least \$15M to participate in the SMA program and stay in the program for at least 3 years.

The SMA program is set up to mirror OST's Core investment program. All investments are made according to OST's investment approach and strategy, meaning SMA participants do not provide input into the investment process. All SMA portfolios are essentially smaller versions of the State's Core program.

For fees, OST charges 2-4 basis points depending on the size of the investment portfolio. One basis point is 100th of 1% or .0001. To put that in real terms, 2-4 basis points on \$20,000,000 would result in an annual investment management fee of \$4,000-\$8,000. OST is covering the costs of the SMA program with this fee, they are not earning a profit. SMA participants are sent reports to give them a perspective on how their investments are performing.

The SMA program is intended to invest in a longer-term duration. The current effective investment duration is 2.25 years. There are no restrictions on withdrawals, but OST asks for 6 months to 1 year notice. There is a risk of loss (market risk) if withdrawals are done abruptly. OST recommends being conservative at the beginning deciding the amount to deposit. It takes 4 to 6 months to implement a new portfolio as OST makes investment purchases for the agency.

OST's LGIP program has a blended investment duration of about 90 days and the TCIP program finished 2021 with a weighted duration of 2.13 years. The SMA program and the TCIP program are close in their investment durations. Again, the SMA funds are not as readily available to us like they would be in the LGIP and TCIP.

To recap the SMA program is intended for longer term investments, a minimum of \$15 million is required to participate with the initial SMA term being 3 years. Unplanned withdrawals can result in a loss.

In conclusion, evaluating available investment options was one of our Committee's workplan items. The SMA program is an option, if WSTIP wants something separate or in addition to the TCIP or LGIP. Up next, in July, the Committee meets with the actuary to review WSTIP's capital needs to understand how much money WSTIP could potentially invest long-term. Kinney thanked Coit for her report.

Recap and Adjournment

Kinney recapped the meeting, roll call, guest and new Board member introductions took place, accepted the agenda, approved the consent agenda, reviewed the work plan, approved changes to six governance policies, approved the purchase of Pooling Basics for all Board members, there was no Executive Session, and received reports from the sub-committees. Kinney reminded the group the Work Session will begin at 11:00 am. ***Deutsch moved to adjourn the meeting at 10:17 am. Macdonald seconded the motion and the motion passed.***

Submitted this 28th day of July 2022.

Approved:  4070BE642543479...
Danette Rogers, Acting Secretary/Past President