



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
 August 25, 2022
 SeaTac Conference Center & Zoom

| Executive Committee Members Present | Staff Present |
|---|--|
| Jesse Kinney, President, Valley Transit Scott Deutsch, Vice President, C-Tran Monique Liard, Treasurer/ Large Member Rep, Spokane Transit Joe Macdonald, Medium Member Rep, Skagit Transit David Ocampo, Small Member Rep, Columbia County Public Transportation Paul Shinnery, At-Large Member Rep, Kitsap Transit Danette Rogers, Past President/Acting Secretary, Pierce Transit | Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Rick Hughes, General Counsel Todd Iddings, Safety & Risk Advisor Laura Juell, Training & Risk Coordinator Joanne Kerrigan, Member Services Manager Karey Thornton, Accounting & Payroll Specialist |
| Board Members Present | |
| Jenny George, Asotin County PTBA Jeff Lubeck, Ben Franklin 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 Karen Thesing, Pierce Transit |

Call to Order

President Kinney called the meeting to order at 9:00 am welcoming everyone to the hybrid meeting. Verbal roll call took place. Christianson introduced Jana Brown from Intercity Transit, and noted Todd Iddings was joining from Pullman. Kinney asked if there were any changes to the agenda. Hearing no changes, he asked for a motion to accept the agenda. **Liard moved to approve the agenda. Macdonald 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 – July 238, 2022, July 2022 Vouchers and Electronic Payments totaling \$ 2,879,106.06

| | | | | Total |
|-------------------------|----------|------------|--------------|-----------------|
| Claims Vouchers | Numbers: | 93502486 | - 93502521 | \$ 429,087.75 |
| Administrative Vouchers | Numbers: | 93002209 | - 93002264 | \$ 2,296,365.42 |
| Electronic Payments | Dates: | 07/01/2022 | - 07/31/2022 | \$ 153,652.89 |
| | | | | \$ 2,879,106.06 |

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

Discussion / Potential Action Items

2022 Executive Committee Work Plan

Christianson said the 2022 work plan had been updated quarter three work will begin and depending on discussion later today a Technology Grant task may be added. There were no questions regarding the Work Plan.

2023 WSTIP General and Administrative Budget

Branson explained how the WSTIP Budget components are put together: The Loss Fund is determined by the actuary, the insurance costs come from the broker, and the General and Administrative Budget is the staff and Board's piece. We collected and have sent estimated miles and employee counts to the actuary and they are working to determine the loss fund, we have also submitted this information to the broker and are awaiting quotes for purchased insurance. He explained that unlike a transit agency budget where your revenue determines the expenses, WSTIP must collect the expenses and then determine the revenue. Branson and Christianson fielded questions regarding the general wage increase (GWI) which is budgeted at 8.3% to follow the US Bureau of Labor Statistics Consumer Price Index: West Region CPI-U 12 month change as of July 2022. Christianson noted the next salary and benefits survey would be conducted in 2023 for a 2024 implementation. Kinney inquired if we are moving to a two-year cycle permanently or just for this next review. Branson indicated the Executive Committee (EC) moved to the two-year cycle for 2024 due to the unanticipated challenges of the pandemic on the economic environment, however, it would return to a three-year cycle after 2024. Christianson explained increases in the travel and Board meeting expenses as the cost of hotels has increased significantly. Branson explained the difference between Technology Grant and Technical Assistance in the Member Services budget area. Christianson noted the switch to Zoom phones makes the line item for communications look weird at -100% as we won't be collecting a communications payment from WSTA in 2023 as they are on their own Zoom account now.

Overall, the 2023 budget is 5% more than the 2022 budget which had 0% increase over the 2021 budget. Christianson asked if there were further questions or directions from the EC Members. Macdonald and Kinney felt the initial budget looks great. Liard is concerned about budgeting for strategic initiatives which may come from the retreat in January. Christianson said if initiatives come from the retreat, we will figure out how to make it work within the budget as the Member Services budget is very general. Macdonald asked about third-party testers. Christianson said the Risk and Opportunities Committee (ROC) is working on this topic and will likely feed recommendations to the EC via the retreat. With no other changes noted from the EC, staff indicated they would forward the budget as presented to the actuary for inclusion in the rate and allocation work.

Technology Grant

Kerrigan gave a brief history of the Technology Grant, changes that came out of the 2022 EC retreat, whether the funds should remain to pilot new technology or be open to other projects. Deutsch shared his agency has run into roadblocks with the manufacturers, difficulty with union buy in, and felt perhaps the funds could be used to fund projects that reduce risk in cyber or another area. The EC discussed perhaps changing the grant funds to have more of a loss prevention/risk reduction focus, tiered award system, fairness, cyber risks, and cameras including possibility of retrofitting older vehicles to include the outside cameras. Rogers shared that at Pierce Transit they had no preventable accidents for the first time in 16 years. Kerrigan shared our reinsurance partner Munich Re also has funds to help with reducing losses in

the amount of \$5,000 for 2023, but they want to pay the vendor directly and are not interested in cyber projects. Christianson reminded the group the funds are available and are reflected in the net position of the Pool, currently Members are well funded after the pandemic, you have equipment but are lacking people to provide service. Most (85%) of our claims are auto-liability related and that is what the funds were set aside to reduce. The ROC will discuss the Technology Grant at their next meeting, explore a tiered system, which may or may not allow cyber related projects in relation to the Best Practices. If you have questions, comments, or need more information relating to this topic please reach out to Kerrigan.

The Executive Committee took a short break from 10:15 to 10:25 am. Mehin left the meeting.

2023 General Liability (GL) Coverage Document

Thesing explained how the Coverage Review Committee (CRC) had reviewed the GL Coverage Document brought it to the EC for discussion, sent it out for comment to the Board, no comments were received, and highlighted proposed changes to the 2023 GL Coverage Document. She requested the EC send the proposed 2023 GL Coverage Document to the Board with a do pass recommendation. Deutsch asked if Endorsement #1 should be reconsidered. Christianson explained why the endorsement was added and said that the CRC could review the endorsement when reviewing the GL Coverage Document next year unless anyone felt it was urgent. EC Members agreed the topic could wait until the next review. **Macdonald moved to recommend the Board adopt the 2023 General Liability Coverage Document as presented. Rogers seconded the motion and the motion passed.**

Investment Committee Charter

Branson said the Investment Committee (IC) charter states the Executive Committee (EC) will appoint the IC chair. The IC is recommending revising the charter to make the Treasurer the chair of the committee. **Deutsch moved to approve the revisions to the Investment Committee charter making the Treasurer the chair of the committee. Macdonald seconded the motion and the motion passed.**

Executive Director Performance Review

Kinney outlined his plan for the Executive Director Performance Evaluation which will include a survey for Board Members, and interviews with Staff. Christianson will provide Kinney with the survey questions from the previous two years. Kinney and the officers will review the survey questions and develop the 2022 questions. Kinney will work with Broadhead to set up time with Staff for interviews.

Executive Session

There was no Executive Session.

Staff Reports

Executive Staff Report

Christianson informed the EC the quote from Munich RE arrived, the total cost was 9.4% more than expiring, and she is proceeding with binding coverage as authorized by the Board at the June Board meeting. She expects the quote from GEM to arrive after September 1, and quotes for the other two layers of coverage will likely not arrive until closer to the December meeting. Economist John Mitchell will be joining us at the September meeting remotely. Branson reported a clean audit exit conference, the audit was completed in a timely fashion, and the audit team appreciated his video explaining the materials. He noted Member estimates have been sent to the actuary so they can do their part of the budget to develop the loss fund, realizing the miles and employee counts are still being impacted by the

pandemic. He reminded everyone they should have received login credentials for Pooling Basics, if you have not, please reach out to him or Broadhead. Kerrigan said the Pool has received a Technology Grant request which the Risk and Opportunity Committee (ROC) will review during their September meeting, Iddings has been meeting with Members reviewing compliance with Best Practices, WSTIP and BFT are hosting a TSI class, please go to their website to register. She is working with WSTA on the third-party tester issue with Department of Licensing. In cyber news she's working on an agreement with AON for a pilot project with three Members and WSTIP. The Technology Catalog has been finalized, posted on website, and distributed in TransACTION and reminded participants of the ongoing Origami office hours with Christine on Wednesdays. Adams gave an update on open and recently closed claims, subrogation, and open litigated claims.

Sub-Committee Reports

Board Development Committee (BDC)

No report, the next meeting for BDC follows this meeting.

Risks and Opportunities Committee (ROC)

No report, the next meeting for the ROC is September 8.

Coverage Review Committee (CRC)

No report.

Investment Committee (IC)

Liard said the IC met with PricewaterhouseCoopers (PwC) on August 17. Committee Members: Monique Liard, Danette Rogers, Paul Shinnors, Ken Mehin, Amy Asher, Jim Seeks, Michael Wagner. Staff Liaisons: Tracey Christianson and Matthew Branson. The IC discussed cash flow and risk tolerance and modeling with PwC. They discussed the impact of putting \$15, \$20, or \$25 million into a separately managed account and the fees and investment income. If you have questions please reach out to Liard or Branson.

Recap and Adjournment

Kinney recapped the meeting, roll call, accepted the agenda, approved the consent agenda, reviewed the work plan, discussed the 2023 WSTIP operations budget, discussed the Technology Grant fund, recommend approval of the 2023 General Liability Coverage Document to the Board, approved the Investment Committee Charter, discussed the plan for Executive Director Performance Review, received the Executive Staff report and reports from the sub-committees.

Deutsch moved to adjourn the meeting at 11:20 am. Macdonald seconded the motion and the motion passed.

Submitted this 22nd day of September 2022.

Approved: 
4070BE642643479...
Danette Rogers, Acting Secretary/Past President