



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

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**Minutes of the
WSTIP Board Meeting
September 23, 2022
Confluence Technology Center & Zoom**

Board Members Present	
Jenny George, Asotin County PTBA	Monique Liard, Treasurer/Large Member Rep, Spokane Transit
Jeff Lubeck, Ben Franklin Transit	Jesse Kinney, President, Valley Transit
Betsy Dunbar, Central Transit	Angie Peters, Valley Transit
Andy Rowison, Clallam Transit	Shonda Shipman, Whatcom Transportation Authority
Cyndie Eddy, Community Transit	
Scott Deutsch, Vice-President, C-Tran	
Tom Hingson, Everett Transit	Guests Present
Brandy Heston, Grant Transit	Brian White (broker)
Ken Mehin, Grays Harbor Transit	Brandon Hilby, Everett Transit
Jana Brown, Intercity Transit	Fran Draxon Pierce Transit
Staci Jordan, Island Transit	Mark Veach, Pierce Transit
Nicole Gauthier, Jefferson Transit	Magan Waltari, Whatcom Transportation Authority
Miranda Nash, Jefferson Transit	
Paul Shinnars, At-Large Member Rep, Kitsap Transit	WSTIP Staff Present
Justin Brockwell, Link Transit	Cedric Adams, Claims Manager
Shawn Larson, Link Transit	Matthew Branson, Deputy Director
Amy Asher, Mason Transit	Anna Broadhead, Board Relations
Pattie Goedker, Pacific Transit	Tracey Christianson, Executive Director
Amy Cleveland, Pierce Transit	Rick Hughes, General Counsel
Danette Rogers, Secretary/Past President, Pierce Transit	Todd Iddings, Safety & Risk Advisor
Karen Thesing, Pierce Transit	Laura Juell, Risk & Training Coordinator
Wayne Thompson, Pullman Transit	Joanne Kerrigan, Member Services Manager
Tabitha Hayden, RiverCities Transit	Christine Rouse, Application Support Specialist
Joe Macdonald, Medium Member Rep, Skagit Transit	Karey Thornton, Accounting & Payroll Specialist

Call to Order

President Kinney called the meeting to order at 9:00 am. Verbal roll call took place. Kinney asked if there were any guests to introduce other than the ones in attendance during the EC or Work Session. Kinney asked if there were any changes to the agenda, Christianson asked to add a discussion/potential action item to the agenda requesting authority to bind the crime coverage if the proposal is 12% or less than expiring. Kinney agreed, adding Crime Coverage as Discussion Item 8 and asked for a motion to accept the agenda. **Jordan moved to accept the agenda as amended. George seconded the motion and the motion passed.** Behind the Curtain prizes were awarded with a round of applause.

Public Comment on Consent Agenda, Discussion, Potential Action Items

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

Discussion

Q&A Work Session Video – Tech Grant Final Report Pierce – Drone for Training

Kerrigan introduced Fran Draxon and Mark Veach from Pierce Transit, stating the video and this Q&A Session fulfil the requirements of the Technology Grant they were awarded for their Drone they are using for Training. Draxon and Veach fielded questions from Board members regarding the licensing and purchasing of the drone, and the features they found helpful. You can watch the video [here](#), if you have questions regarding the project, please reach out to Kerrigan.

Member Representative Meeting Report and Discussion

Liard, Macdonald, and Shinnars gave updates on each group's discussion. Each group talked about the pre-recorded Work Session videos, the actuarial study, the proposed 2023 General Liability Coverage Document, proposed Bylaw changes, the 2023 proposed budget, and what was happening around their agencies.

Kinney thanked each Member Representative for their report.

Governance Policies – Bylaws

Deutsch shared the Bylaws require a 30 day notice to the Board before action can be taken on them, he asked if there were any questions from the video or the small group discussions. The Bylaws will be an action item at the Annual meeting in December. There were no comments or questions.

Governance Policy – Policy on Legacy Resolutions

Christianson thanked Deutsch for leading the Governance Policy Committee this year, she explained this Legacy Resolution Policy was one thing she wanted to fix for several years, because when the Pool went from Resolution to Policy governance, the committee at the time ran out of gas, and left these few resolutions. Staff researched (thank you Branson) to see if the resolutions could be repealed or if they need to be converted into a policy. Of the resolutions listed the only one that needed to stay was Service of Legal Process Against the Pool should WSTIP be sued in our own name. The RCW and WAC states the State Risk Manager is the Pool's attorney for the limited application of receiving service of legal process against the Pool. The GPC drafted the Service of Legal Process Against the Pool Policy to replace the resolution, and the EC adopted the policy so this policy can now be repealed.

Thesing moved to repeal the Policy on Legacy Resolutions. Deutsch seconded the motion and the motion passed.

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, the EC recommends adoption and highlighted proposed changes to the 2023 GL Coverage Document. There was a lengthy discussion about coverage with regards to travel that included friends and/or family, various scenarios of how coverage would apply. Christianson explained the Board could adopt the 2023 General Liability Coverage Document at this meeting or wait to act until the Annual meeting. **Macdonald moved to adopt the 2023 General Liability Coverage Document as presented. Jordan seconded the motion and the motion passed. Thompson voted in opposition.**

2023 Self-Insurance Retention (SIR) Selection

Christianson said the 2023 SIR was discussed at the Work Session the prior day; Staff request the Board select a \$2 million liability SIR for 2023. Included in the packet is the price differential between \$2 and \$2.5 million and how we arrived at our recommendation. She explained the 2023 draft budget was built with the \$2 million liability SIR assumption and said the Board could act at this meeting or wait until the Annual meeting. **Liard moved to select \$2 million liability SIR for 2023. Deutsch seconded the motion and the motion passed.**

2023 Proposed Budget \$17,107,000

Branson noted the Member groups discussed the budget the prior day and 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 estimated miles and employee counts and provide those to the actuary to determine the loss fund, we have also submitted this information to the broker and have received quotes for purchased insurance. Branson explained that unlike a transit agency budget where your revenue determines the expenses, WSTIP must first determine the expenses as that becomes the revenue in the form of annual assessments. Liard questioned the insurance cost ratio and suggested there may be bands of ratios that adapt with the mileage. Branson said the Audit Committee will review at its February meeting.

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. Discussion topics centered around the use of CPI. If CPI is to be used consider minimum or maximum GWI (like guard rails), consider utilizing a percentage of CPI-U and consider using CPI core in lieu of the total change in CPI. An additional suggestion was to parse out the increase where part of the overall increase is GWI and another part is a deposit money into a retirement savings plan in lieu of giving an overall higher wage increase. Others felt comfortable with leaving the budgeted 8.3% in as a placeholder. The consensus was to leave the operating budget as presented at \$17,107,000 with a final decision on a GWI to be made by the Board at the Annual meeting in December. It was also noted that any budget amount not spent on wages would be added to surplus. Overall, the 2023 budget is 5% more than the 2022 budget which had 0% increase over the 2021 budget. Board members asked Staff to bring to the December meeting additional information as to what other Pools are budgeting for their GWI. Staff indicated they would seek that additional information.

The Board took a break at 10:45 and resumed their meeting at 11:00 am.

Strategic Plan Items (3b, 4a, 4b, 5a, 5b) Update

Kerrigan reported the status of each strategic item and whether the goal was being met or was likely not going to be met. Please see her report in the Board packet, and if you have questions please reach out to Kerrigan.

Permission to bind Crime Coverage

Christianson explained the Pool only needs to complete one application for the Crime Coverage for 2023 and requested authority to bind the crime coverage if the proposal is 12% or less than expiring. The Pool has \$2 million in coverage with a \$10,000 deductible, our carrier is AIG, we did have a claim in 2017 which we have to report on our application. Thesing asked if Christianson could request \$3 million in coverage. Christianson said she would ask for additional limits. **Jordan moved to authorize the Executive Director permission to bind the Crime Coverage if the cost is 12% or less than expiring. Thesing seconded the motion and the motion passed.**

Financial Reports as of August 2022

Treasurer's Report and Management Discussion and Analysis, Comparative Statement of Net Position, Claim Reserves Report, and Statement of Revenues and Expenses with Budget

Branson said the Pool's trend is favorable, we are living within our budgetary means. He appreciates Liard's review and feedback and grateful for the work Thornton does for the department. He anticipates a negative interest income in 2022. There were no questions regarding the financial statements.

Staff Reports

Executive Staff Report

Christianson said she had been working with the broker renewal for the liability program and is seeking authority to bind the GEM, Hallmark, and AWAC layers, the Munich Re layer has already been bound, currently working on the Crime application, and shared Government Entities Mutual's 2021 Annual Report. She is working with PwC on

Strategic Plan Item 3a and will present the report to the EC in October. Branson reported a clean audit, Pooling Basics login information was distributed to all Board members if you do not have login information, please reach out to him. He expects appraisal reports back for the Members who were appraised this year, noted that if Members wish to change their Driver Record Monitoring (DRM) vendor to please let him know and he can assist. He also added that Broadhead will be sending a request for updating 2023 Estimated Miles, Employees and UIM selection, now that you have seen the draft assessments, to the person who submitted the original estimate which may or may not be the Board member. Kerrigan said Christianson had presented another Above and Beyond Award at Whatcom Transportation Authority, the Technology Grant catalog is online, Member Services is out visiting Members, in person and zoom training as well as the Learning Management System (LMS) courses are taking place and, we are hosting TSI certification classes in Everett. WSTIP and WSTA are co-hosting a third-party tester class at Island Transit we currently have 18 people signed up for this weeklong training. She is working on an agreement with AON for cyber security project which involves three Members. Thesing asked if it would be possible to secure excess cyber insurance. White said he would touch on that during his report. She also reminded participants of the ongoing Origami projects and office hours with Christine on Wednesdays. Adams gave an update on open and recently closed claims, subrogation, and open litigated claims. Kinney thanked Staff for their report.

General Counsel's Report

Hughes said most of his work is done in committee meetings. He talked about how WSTIP was formed, and his work with other public entities. He is advising his clients who are in collective bargaining to not enter into agreements longer than two years. He worked with Juell to create a class for the LMS on the Open Public Meeting Act (OPMA) and explained the differences between closed and executive sessions, and public hearings and meetings. Please reach out to Hughes if he can be of assistance. Kinney thanked Hughes for his report.

Broker's Report

White gave an update on the state of the insurance market ([click here](#) to view his video). If you have questions regarding the Broker Report, please reach out to White. Kinney thanked White for his report

President's Quarterly Report on ED Goals

Kinney reported the Executive Director has been working on her goals set by the Board. She is meeting with new Board members, scheduling follow-ups with veteran Board members, preparing a succession ready staff, working on an ongoing records management project in the last month they were able to clean up an additional 14 GB of files.

Action Items

Minutes – June 24, 2022

Hingson moved to approve the minutes from June 24, 2022. Joe Macdonald seconded the motion and the motion passed.

Request to bind Underground Storage Tank Coverage

Christianson asked the Board for permission to bind the Underground Storage Tank (UST) Coverage. **Deutsch moved to authorize the Executive Director to bind the UST coverage for 2023. Peters seconded the motion and the motion passed.**

Request to bind GEM

Christianson explained the proposals for the General Liability layers were included in the packet and she is seeking authority to bind the GEM layer which is the \$2 million to \$5 million layer. **Jordan moved to authorize the Executive Director to bind the GEM layer for \$1,152,620. Heston seconded the motion and the motion passed.**

Request to bind Hallmark

White said the renewal is up nine percent, this layer is the \$15 to \$20 million layer. **Macdonald moved to authorize the Executive Director to bind the Hallmark layer for \$208,232.95. Thesing seconded the motion and the motion passed.**


Request to bind AWAC

White said the renewal is up by nine percent, this layer is the \$20 to \$25 million layer. **Heston moved to authorize the Executive Director to bind the AWAC layer for \$121,499. Mehin seconded the motion and the motion passed.**

Adjournment

Kinney quickly recapped the meeting. **Hingson moved to adjourn the meeting at 12:01 pm. George seconded the motion and the motion passed.**

Submitted this 9th day of December 2022

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