



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
 December 7, 2023
 Alderbrook Resort & Zoom

Executive Committee Members Present	Staff Present
Scott Deutsch, President, C-Tran Shonda Shipman, Vice-President, Whatcom Transportation Authority Joe Macdonald, Secretary, Skagit Transit Jesse Kinney, Past President, Valley Transit Monique Liard, Treasurer & Large Member Rep, Spokane Transit Shawn Larson, Medium Member Rep, Link Transit Miranda Nash, Small Member Rep, Jefferson Transit Amy Asher, At-Large Member Rep, Mason Transit Authority	Cedric Adams, Claims Manager; Matthew Branson, Deputy Director; Anna Broadhead, Board Relations; Tracey Christianson, Executive Director; John Cushing, Claims Specialist 2; Robyn Galindo, Claims Specialist 2; Rick Hughes, General Counsel; Todd Iddings, Safety & Risk Advisor (virtual); Laura Juell, Training & Risk Coordinator; Joanne Kerrigan, Member Services Manager; Christine Rouse, Application Support Specialist; Karey Thornton, Accounting & Payroll Specialist; and Alyssa Zahir, Claims Specialist 1 & Administrative Assistant
Board Members Present	
Jenny George, Asotin County PTBA Sarah Funk, Ben Franklin Transit (v) Rachelle Glazier, Ben Franklin Transit (v) Betsy Dunbar, Central Transit Cherie Huxtable, Clallam Transit Cyndie Eddy, Community Transit Eunjoo Greenhouse, Community Transit Nathan Roberts, Community Transit Brandon Hilby, Everett Transit Brandy Heston, Grant Transit Eric Loomis, Grant Transit Jean Braaten, Grays Harbor Transit Ken Mehin, Grays Harbor Transit Jana Brown, Intercity Transit	Staci Jordan, Island Transit Nicole Gauthier, Jefferson Transit Paul Shinnars, Kitsap Transit Justin Brockwell, Link Transit Jason Rowe, Mason Transit Pattie Gray, Pacific Transit Amy Cleveland, Pierce Transit Karen Thesing, Pierce Transit Wayne Thompson, Pullman Transit Jim Seeks, RiverCities Transit Crystle Stidham, Skagit Transit Angie Peters, Valley Transit Greg Story, Yakima Transit (v)
Guests Present	Executive Session Guests
Brian White, Alliant Justin Leighton, WSTA	Pat McMahon, Carlson, McMahon & Sealby, PLLC

Call to Order

President Deutsch called the meeting to order at 9:00 am welcoming everyone to the hybrid meeting. A sign in sheet was passed around the room, virtual guests will be captured by staff. Guests and new Board members were introduced. Deutsch 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

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

Consent Agenda

Minutes – October 26, 2023, October 2023 Vouchers and Electronic Payments totaling \$1,295,867.25, and November 2023 Vouchers and Electronic Payments totaling \$1,074,053.11

Deutsch 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. Liard seconded the motion and the motion passed.**

Discussion / Potential Action Items

				<u>Total</u>
Claims Vouchers	Numbers:	93503622	- 93503678	\$ 816,047.98
Administrative Vouchers	Numbers:	93002740	- 93002786	\$ 323,669.12
Electronic Payments	Dates:	10/01/2023	- 10/31/2023	<u>\$ 156,150.15</u>
				<u>\$ 1,295,867.25</u>
				<u>Total</u>
Claims Vouchers	Numbers:	93503679	- 93503744	\$ 688,479.13
Administrative Vouchers	Numbers:	93002787	- 93002824	\$ 165,888.43
Electronic Payments	Dates:	11/01/2023	- 11/30/2023	<u>\$ 219,685.55</u>
				<u>\$ 1,074,053.11</u>

2023 Executive Committee Work Plan

Christianson said the 2023 work plan had been updated and a new work plan will be created at the retreat for 2024. She thanked and congratulated the EC for all their work this year (round of applause). There were no questions regarding the Work Plan.

Executive Director Performance Review

Deutsch stated the results of the Executive Director Performance Review survey were included in the packet which includes feedback from the Board. He had individual meetings with the managers and discussed how day-to-day operations were going. He feels she is doing a phenomenal job for the Pool. Macdonald concurred. Glazier complimented Christianson as being extremely helpful to her and her staff and feels supported by the WSTIP staff.

Executive Director 2024 Goals

Christianson explained she had met with Shipman to develop the Executive Director 2024 goals. The goals remain largely the same except the one regarding operational efficiencies has been modified. Christianson shared that operational efficiencies have been focused on expense reimbursement processes. Staff are testing expense reimbursement software and hope to expand the test to the EC early in 2024, and to the Board in March of 2024. We will also be able to provide direct deposits of your expense reimbursement requests if you would like your expenses directly. Liard asked if potentially in 2025 we could look at Board document distribution software. Christianson said we can take another look. **Liard moved to recommend the Board approve the Executive Director 2024 Goals. Larson seconded the motion and the motion passed.**

Roberts arrived at 9:08 am.

2024 Retreat Topics

Christianson and Shipman are collecting topics for the retreat. If you have a topic you would like the EC to look at as a potential topic please email or call staff or Shipman. Current 2023 EC, 2024 EC, and committee chairs are encouraged to attend the retreat.

Claims Audit Update

Adams shared the Claims Audit which was performed by Praxis, the claims audit was satisfactory, they did recommend more formal damage estimates and stricter timelines for defense counsel. Adams thanked the claims staff (Galindo, Cushing, and Zahir). Deutsch thanked Adams for the positive Claims audit and a round of applause ensued. **Macdonald moved to accept the Claims Audit report. Larson seconded the motion and the motion passed.**

Origami Contract 2024 – 2028 for \$1,585,611

Branson reminded the EC this topic was briefly discussed at the October EC meeting, staff asked to extend our contract with Origami so that it coincides with the calendar year, Origami countered with an early renewal for five years. The contract value exceeds the Executive Directors signature authority, so we are requesting the EC extend purchasing authority to the Executive Director. Liard asked for clarification on the discount structure. Branson explained the current contract goes through April 2024, so we will receive a credit back for the overlap, additionally we will receive a credit for service hours which will be known December 31. Deutsch asked for a motion to grant the Executive Director authority to execute the contract with Origami. **Asher moved to extend purchasing authority to the Executive Director to execute a new five-year contract with Origami Risk LLC (WSTIP Contract #C2024-01). The estimated total contract value before tax is \$1,585,611. Macdonald seconded the motion and the motion passed.**

Shipman arrived at 9:22 am.

Technology Grant Applications

Deutsch gave a brief overview of the Technology Grant, explaining there is currently \$400,000 in available funds, and three applications (Everett, Kitsap, and Link) which total \$581,410. Kerrigan said the Risk and Opportunities Committee (ROC) reviewed each of the applications and now asks the EC to make a financial decision on how much funding should go to each of the applicants. Macdonald asked if the EC could only grant \$400,000 or could they authorize more. Branson explained the EC has authority from the Board to approve Technology Grants within the reserved amount which is currently \$400,000. The EC discussed the projects, proportional funding, limiting the amount one Member could request, and how the Board could authorize additional funding. **Macdonald moved to approve proportional funding providing Everett \$103,197; Kitsap \$281,323; and Link \$15,480 in technology grant awards. Shipman seconded the motion. Discussion:** Shinners said during the ROC it was asked if not receiving full funding would impact the projects, each of the Members indicated they are prepared to go forward without full funding. Deutsch called for a vote: **6 – Ayes (Shipman, Macdonald, Nash, Asher, Kinney, Deutsch) 1 – Nay (Liard) 1 – Abstention (Larson).**

Deutsch asked if there was motion to bring this topic to the Board for discussion at the meeting tomorrow to potentially fund the entire amount of each project. **Shipman moved to bring the technology grant applications to the Board to potentially fully fund each of the Technology Grant requests. Macdonald seconded the motion. Discussion:** Kinney asked if there was a recommendation as to where additional funding would come from surplus or a cash call to Members. Branson said from Staff perspective the funds would come from the net position as an operating expense in the 2023 budget. Macdonald made mention of the 2024 budget for technology grants, he noted that the first draft of the budget didn't have technology grant funding but due to purchased insurance costs coming in lower Branson was able to move \$200,000 into the technology grant funds for awards in 2024. Deutsch said this is a good discussion for tomorrow as it is a budget item. We have three spectacular projects in front of us that have the potential to reduce risk and impact losses. Liard felt a philosophical conversation needs to be had at the retreat to hold Members accountable. Kinney said we can bring this discussion to the Board to request additional funds, but do we want to recommend a course of action. Hughes said the EC is not obligated to make recommendations; a Board member could make a motion to add it to the agenda tomorrow. Christianson said it is already a discussion item on the agenda for tomorrow.

Deutsch called for a vote on the current motion. ***The motion passed.***

Best Practice on Accident and Event Prevention

Kerrigan explained the Best Practice on Accident and Event Prevention had been updated, thanking the ROC, and the ROC sub-committee that extensively rewrote the entire Best Practice. Included in the packet is the refreshed Best Practice, which will be available on the website. Liard thanked Kerrigan for letting her participate on the committee even though she isn't a safety professional. Kerrigan thanked Liard for her perspective as it helps make a better document. There was a round of applause for the updated Best Practice.

Request for Reconsideration/Exclusion on Law Enforcement/Security

Thesing thanked everyone for hearing her request. At the September Board meeting the Board adopted the 2024 General Liability Coverage Document which excludes coverage for tasers and knives, Pierce Transit has been unsuccessful at obtaining coverage for their public safety officers. She asked if coverage could be extended for 2024 to allow Pierce more time to secure coverage, stating they are willing to have a \$1.5 million SIR. Deutsch said at the September Board meeting the Board approved the 2024 General Liability Coverage Document excluding deadly force involving the use of knives, tasers, and firearms. Our reinsurers probably do not expect to be covering weapons. White said he recognizes security is becoming more of an issue and transit's are wrestling with how to keep your system safe but the cool thing about the Pool is you get to decide. Deutsch raised concerns regarding use of force. White said historically transit was a higher risk category in the market but now law enforcement and K-12 make transit look attractive because law enforcement isn't front and center.

Shipman asked how many times tasers and knives had been used. Thesing said the knife is utilitarian and not to be used to protect oneself. Cleveland said this year tasers had not been used but in prior years as many as three instances, they are used more as a deterrent. Thesing said during their application process they had to submit loss runs for the past 10 years, there were two events with negligible costs. Macdonald stated that big picture if we remove the exclusion and there is a run-away jury, that exposes WSTIP to a large risk. Also, if we were to remove the exclusion other Members could use those weapons as well.

Deutsch asked what Pierce plans to do if the EC and Board do not amend the coverage. Thesing said they would self-fund the exposure. Liard asked if there was a way that the Pool could take some of the risk but cap or create a layered approach. Thesing said they would be amenable to that with an SIR and reduction of limits they could access.

Shinners asked how the reinsurance and excess insurance would cover the exposure. Christianson said it is not excluded in our reinsurance or excess insurance coverages. We did provide our draft Coverage Documents, neither GEM nor Munich will take the risk on their own, but they knew we probably had security that potentially has weapons, and were happy to hear we were excluding it; however, they hadn't asked us to exclude. Shinners asked if they would want to adjust their premiums if we removed the exclusion. White said he would hope not but they would want to see the coverage documents, but what Liard is suggesting with using SIR limits might be a solution. Some coverage is better than no coverage.

Shinners asked Thesing what the intention was for the one-year extension does she think the market will change. Thesing said she doesn't think the market will change but they are looking to the London market to continue to try to find coverage. Pierce has approached the legislature to allow Pierce to become a full police operation and believes it will be discussed again. Shinners felt Liard's SIR idea would work.

Deutsch entertained a motion to amend the 2024 GL Coverage Document to remove exclusion for deadly force. White added contingent on the reinsurance agreement. Christianson said if we keep it within the Pool's SIR

(\$1.5 million) we could keep it out of reinsurance. There was a brief discussion regarding claims handling should there be a claim.

Liard asked what is the risk difference between a knife and a taser and should we look at them separately. Thesing said they are willing to remove the knife from our operations. Macdonald said we could remove the exclusion on tasers and knives but does not think that firearms should be allowed. Thesing said we do not use firearms the only individual that does carry a firearm is a contracted position. Christianson suggested an addendum that only affects Pierce so you aren't giving Community or others an avenue to do the same thing.

Deutsch asked if the EC was ready to make a motion to recommend to allow for part or full change to the exclusion for one year subject to renewal based on the reinsurers. Macdonald asked how quickly the reinsurers could respond. White estimated within a matter of days. Liard suggested designing something that doesn't involve the reinsurers so that we can manage it internally, it is a much bigger discussion and prefers considering one year to support Pierce through the process.

Liard moved that the EC recommend the policy be amended to remove the taser from the exclusion for a one-year period subject to reinsurance. Kinney seconded the motion. Deutsch called for a roll call vote. Ayes (Kinney, Nash, Larson, Liard, Asher) Nays (Deutsch, Shipman, Macdonald). Motion passed.

Thesing appreciated the discussion and thanked the EC for hearing Pierce Transits request. She asked if there was further discussion regarding the 1.5 million SIR. Liard said she'd like to see Pierce have \$1.5 and WSTIP have \$1.5. Shipman asked if that money would be held in a restricted fund. Thesing said it would. Christianson asked for clarification, are we changing the exclusion just for Pierce or for all Members. Liard said all Pool members to allow tasers. Deutsch said so a \$1.5 million per Member with WSTIP \$1.5 SIR for a total of \$3 million in coverage. Deutsch said he would entertain a motion. ***Macdonald moved to make a recommendation to the Board to recommend removing taser from the exclusion with a \$1.5 million SIR by Member to be accessible by all Members. Liard seconded the motion and the motion passed.***

The EC took a 15 minute break at 10:28 am.

Executive Session

At 10:44 am, the EC went into a 45-minute Executive Session to discuss an upcoming trial with Defense Counsel; 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. To discuss the performance of a public employee. The committee came out of Executive Session at 11:29 am. No action was taken. The attorney left the meeting at 11:29 am.

Sub-Committee Reports

Governance Policy Committee (GPC)

No report.

Nominations and Elections Committee (NEC)

Shipman said the list of nominees is included in the packet, the election will be held tomorrow and nominations will be accepted from the floor. Please reach out to any NEC member if you have questions regarding the roles and responsibilities. Deutsch thanked Shipman for her report.

Board Development Committee (BDC)

Asher stated the BDC met November 3rd, reviewed the September meeting feedback, noting that on the survey

we asked if you wanted a lunch to be provided on Friday, the feedback was to stop providing lunch on Friday, so with that lunch will be on your own Friday. We will discuss how to access prior videos at the Member Rep Meetings, we have a fun work session planned, and will meet next with the new BDC members. She thanked Branson and Broadhead for the support they provided to the committee. Deutsch thanked Asher for her report.

Branson added because lunches aren't provided on Friday, staff brought snacks so you can build a little to-go snack bag during photos today to bridge the gap tomorrow.

Risk and Opportunities Committee (ROC)

Macdonald said the ROC met on November 9, reviewed Technology Grant applications, updated Best Practice on Accident and Event Prevention, working on reaching consensus for near miss reporting definitions and event types to incorporate into Origami in January 2024, Member updates, and opportunity for more Members to go through the AON pilot project. Deutsch thanked Macdonald for the report.

Coverage Review Committee (CRC)

No report.

Investment Committee

No report.

Recap and Adjournment

Deutsch recapped the meeting, accepted the agenda, approved the consent agenda, reviewed the work plan, shared results from Executive Director Performance Review, forwarded Executive Director 2024 Goals to the Board, discussed the 2024 retreat, accepted the Claims Audit, authorized signing the Origami contract, proportionally funded the Technology Grants for Everett, Kitsap, and Link, received the Best Practice on Accident and Event Prevention, heard Pierce Transit's request to reconsider the Law Enforcement/Security Exclusion, held an Executive Session, and received reports from the sub-committees.

Liard moved to adjourn the meeting at 11:38 am. Macdonald seconded the motion the motion passed.

Submitted this 22nd day of February 2024.

Approved: 
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Monique Liard, Secretary