



WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION

PO Box 11219 | Olympia, WA 98508 | 360-786-1620 | www.wstip.org

**Minutes of the
WSTIP Annual Board Meeting
December 8, 2023
Alderbrook Resort & Zoom**

| Board Members Present | |
|---|---|
| Jenny George, Asotin County PTBA | Joe Macdonald, Secretary, Skagit Transit |
| Sarah Funk, Ben Franklin Transit (virtual) | Crystle Stidham, Skagit Transit |
| Betsy Dunbar, Central Transit | Monique Liard, Treasurer/Large Member Rep, Spokane Transit |
| Cherie Huxtable, Clallam Transit | Jesse Kinney, Past President, Valley Transit |
| Cyndie Eddy, Community Transit | Angie Peters, Valley Transit |
| Eunjoo Greenhouse, Community Transit | Shonda Shipman, Vice President, Whatcom Transportation Authority |
| Nathan Roberts, Community Transit | Greg Story, Yakima Transit (virtual) |
| Scott Deutsch, President, C-Tran | |
| Brandon Hilby, Everett Transit | |
| Brandy Heston, Grant Transit | |
| Eric Loomis, Grant Transit | |
| Jean Braaten, Grays Harbor Transit | |
| Ken Mehin, Grays Harbor Transit | |
| Staci Jordan, Island Transit | |
| Nicole Gauthier, Jefferson Transit | |
| Miranda Nash, Small Member Rep, Jefferson Transit | |
| Mary Pauly, Kitsap Transit | |
| Paul Shinnars, Kitsap Transit | |
| Justin Brockwell, Link Transit | |
| Shawn Larson, Medium Member Rep, Link Transit | |
| Amy Asher, At-Large Member Rep, Mason 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 | |
| | Guests Present |
| | Brian White, Alliant |
| | Justin Leighton, WSTA |
| | WSTIP Staff Present |
| | 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 |
| | Laura Juell, Training & Risk Coordinator |
| | Joanne Kerrigan, Member Services Manager |
| | Christine Rouse, Application Support Specialist |
| | Karey Thornton, Accounting & Payroll Specialist |
| | Alyssa Zahir, Claims Specialist 1 & Administrative Assistant |

Call to Order

President Deutsch called the meeting to order at 9:00 am, a sign in sheet was passed around the room, staff accounted for the virtual participants. Deutsch asked if there were any guests to introduce Christianson asked Board members to introduce their new Board members. Deutsch asked if there were any changes to the agenda. **Liard moved to accept the agenda. Heston seconded the motion and the motion passed. Behind the Curtain prizes were awarded to Huxtable and Loomis with a round of applause.**

Public Comment on Consent Agenda, Discussion, Potential Action Items

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

Discussion**Member Representative Meeting Report and Discussion**

Larson, Liard, and Nash gave updates on each group's discussion. Each group talked about the pre-recorded Work Session videos, the actuarial study, the proposed 2024 budget, the interest income topic from the Work Session,

Pierce Transit's request, and the technology grants, in addition to what was happening around their agencies. Deutsch thanked each Member Representative for their report.

Q&A Work Session Videos

Training Year in Review & ASK Statistics

Kerrigan and Juell shared the Training Year in Review and ASK statistics. Juell congratulated Grant and Grays Harbor for responding to the most questions and Kitsap and Skagit for asking the most questions. Macdonald thanked Juell for her work with the ASKS. Reach out to Kerrigan or Juell if you have any questions regarding ASKS or training.

Target Ratios

Branson said the Audit Committee (which is the EC) reviews the ratios which show operational and solvency metrics are included in the packet and then shares them with the Board. There were no questions regarding Target Ratios. If you have a question regarding the Target Ratios feel free to message Branson.

Request for Reconsiderations/Exclusion on Law Enforcement/Security

Thesing thanked everyone for the discussion the prior day regarding Pierce's ask to extend police liability through the next calendar year to allow them more time to secure coverage in the open market. The ask is to extend with conditions that Pierce Transit maintain a \$1.5 million SIR in a separate fund, so the coverage from WSTIP would not exceed \$1.5 million so as to not affect the tower of reinsurers or excess insurers. Deutsch added this would allow tasers for one year. There was discussion on deductible vs SIR and claims management. Christianson said staff have no preference. Deutsch said the EC recommended a \$1.5 million SIR so that Pierce would handle the claim up until that point. Thesing said Pierce would work collaboratively with the Pool should there be a claim. Hilby stated if they are having a hard time getting coverage in the market perhaps the market knows the correct answer, and philosophically our job is to transport people to work, home, hockey games, and grocery stores not to cover weapons that could potentially kill someone. Philosophically as a transportation pool that does this great thing it is smart to not cover an issue like this. Shinners said a professional courtesy would be to loop WSTIP in in a timely manner or the claim could be denied. Deutsch entertained a motion to remove the exclusion for tasers only for one year and any Member would have a \$1.5 million SIR and have access within WSTIP's \$1.5 million layer. Macdonald asked about reinsurers. Christianson reminded him that as long as WSTIP stayed within our SIR then there is no need to involve the reinsurer.

Liard moved to remove the exclusion for tasers for one year so that any Member would have a \$1.5 million SIR and have access within WSTIP's \$1.5 million SIR layer. Mehin seconded the motion. Deutsch called for a roll call vote. 12 Ayes – Asotin, Central, Columbia, Grant, Grays Harbor, Jefferson, Kitsap, Pacific, Pierce, Spokane, Valley and Yakima. 11 Nays – Clallam, Community, C-Tran, Everett, Island, Link, Mason, Pullman, RiverCities, Skagit, and Whatcom. Intercity and Ben Franklin did not vote. The motion passed.

Technology Grant Applications

Kerrigan said the Pool has received three Technology Grant Applications (Everett, Kitsap, and Link) the EC approved proportional funding for each of the projects. Branson added amounts that each project would receive in the chat pod (Everett \$103,197; Kitsap \$281,323; and Link \$15,480). Kerrigan asked if the Board wanted to commit additional funds to these Technology Grant projects.

Hughes reminded the Board of action they took in 2019 authorizing the EC to expend the funds in the Technology Grant reserve, to authorize additional funding it would require two steps; changing the prior action or policy, and then deciding what action to take. Hilby said Everett is grateful for the \$103,197 but would support supplementing the funds to fund each project at 100% of the request. **Macdonald moved to accept the EC recommendation to fund at 100%.** Hughes said not necessary to make that motion the EC decision yesterday was final. Shinners suggested that this topic be discussed further at the retreat regarding funding, maybe its not proportionate dollar values but the value to the Pool as no one wants to make policy changes.

Hilby moved to supplement the technology grants to fully fund each of the applications up to 50% of their project costs taking funds from surplus. Discussion: Liard asked how someone who applied for a grant could make the motion. Macdonald said something for the GPC to talk about in 2024. **Mehin seconded the motion. Discussion:** Peters said she isn't supportive of spending surplus funds at the 11th hour request as it's not fair to others who didn't have the opportunity to have funding expanded. In our small group we talked about considering the value to the Pool and also what projects may come up in 2024 it gets into messy waters offering more money

than is available. Hughes asked for time to review the Ethics Policy.

The Board took a short break from 9:50 to 9:55.

Hughes opined that there is no conflict of interest in the current Ethics Policy as the applications are vetted by the ROC and EC, the projects benefit the Pool, there is no reason a Member couldn't vote in his opinion. Shipman said she agreed with Hilby that the agency needs to have some skin in the game for funding the projects. Deutsch reminded everyone that at least 50% of the funding must come from the Member. Hilby said if the policy changes he would recuse himself from voting. **Deutsch called for a vote and the motion failed.**

Financial Reports as of October 2023

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 is grateful for the work Thornton does for the department. He anticipates the fair value adjustments will result in a net negative interest income for 2023. There were no questions regarding the financial statements.

Staff Reports

Best Practice Compliance Report

Kerrigan shared the results of Iddings visits to the Members regarding Best Practice Compliance was included in the packet and reminded attendees that their individual reports are in the Member Document Portal on the website, if they need help accessing the reports, please let Staff know. She highlighted improvements in Best Practice compliance. Kerrigan fielded questions regarding the report.

Strategic Plan Update

Kerrigan shared the status of each Strategic Plan and outlined how the Member Services team is tackling the Strategic Priorities. Near miss reporting is what is coming next, this will be a topic at the retreat.

Executive Staff Report

Christianson said she doesn't have anything to add to her written report, we are at the end of the year and have coverage on January 1. Branson drew attention to the Underwriting Calendar which was included in the packet, encouraging everyone to print the page and place it in a visible location so that deadlines don't sneak up on anyone. Kerrigan reminded everyone to get their Risk Management and Network Security Grant requests in before December 15, working with Department of Licensing on the Third Party Examiners trainings, soliciting for additional AON pilot project participants, thanked Iddings for all his hard work completing site visits, and Juell for the training summary. She also reminded participants of the ongoing Origami projects and office hours with Rouse on Wednesdays. Adams gave an update on open and recently closed claims, subrogation, and open litigated claims. Deutsch thanked Staff for their report.

Executive Director's Annual Report

Christianson said the Executive Director's Annual Report is a compilation of the Staff's work throughout the year. She thanked her staff for all the work they do for the Members (round of applause). Deutsch thanked Christianson for the report.

General Counsel's Report

Hughes said most of his work is done in committee meetings. Please reach out to Hughes if he can be of assistance. Deutsch thanked Hughes for his report.

Broker's Report

White and Vanvieldt had created a Brokers update video prior to the meeting. Please [click here](#) to view their video. If you have questions regarding the Broker Report, please reach out to White.

President's Quarterly Report on ED Goals

Deutsch 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 improving the Expense Reimbursement process.

The Board took a break from 10:20 to 10:35 am to allow people to check out.

Action Items

Minutes – September 29, 2023

Jordan moved to approve the minutes from September 29, 2023. Liard seconded the motion and the motion passed.

Affirm binding of Crime / Employee Fidelity Coverage

Christianson asked the Board to affirm the binding of the Crime / Employee Fidelity Coverage. **Shipman moved to affirm binding the Crime / Employee Fidelity Coverage, in the amount of \$29,750.85. Macdonald seconded the motion and the motion passed.**

Bind Excess Liability Layers

Deutsch noted the liability layers came in lower than projected, thanking White for his diligent work. **Seeks moved to authorize the Executive Director to bind the excess liability layers. Mehin seconded the motion and the motion passed.**

Accept Actuarial Report & Approve 2024 Member Allocations \$22,582,448

Shinners thanked everyone for allowing him to share his perspective on the interest income topic and even if folks aren't comfortable with his proposal, he is encouraged that discussion will be had during the retreat. From the Work Session he hopes everyone understands Kitsap Transit's perspective as he doesn't want a 20% increase, yes miles increased, but he wants to make sure everyone understands that in the proposed allocations there is a \$2.675 million contribution to surplus, and without including interest income accounted for he estimates the contribution to surplus will be between \$5 and \$6 million dollars.

Shinners proposed that the Board adopt the budget and allocations as presented with a condition the actuary re-run the model for a decision at the March meeting where Members could potentially receive a credit. Macdonald asked if there could be an alternative to just use the potential credit towards a 2025 assessment. Liard asked if there really was a need for an amendment as the Board can always reopen what we are working on. Couldn't we just have staff do it at the retreat, adopt everything, maybe re-run the numbers and then have potential action in March. Seeks was concerned that directing staff to have the actuary re-run the numbers would incur additional costs. Christianson said she isn't sure what the cost would be to re-run the numbers.

Hughes said Shinners could make a main motion, but it might be simpler to make a motion to adopt and then Shinners could make his motion.

Thesing moved to accept the Actuarial Report prepared by PwC and to approve the 2023 Assessment Allocation as presented in Exhibit 8-6 with Member Assessments totaling \$22,582,448. This motion includes acceptance of the equity contribution of \$2,675,000 and approval of the rates used for allocating cost equitably among Members. Peters seconded the motion. Shinners amended the motion to ask Staff and PwC to re-run the 2024 assessment allocation with \$2.5 million in interest income (other income) and zero increase of rate. Based on his rough math the actual real amount that falls to net position will be between \$3 and \$4 million with the intent of bringing it to the March Quarterly for review and consideration. Macdonald seconded the amendment. Discussion: Branson asked is the Pool to refund the difference. Shinners said just information in March and Shipman could ask if there is support to return contributions to Members. Deutsch called for a vote on the amendment. **9 Ayes Asotin, Clallam, Columbia, Kitsap, Link, Mason, Pacific, Skagit, Whatcom; 13 Nays – Central, Community, C-Tran, Everett, Grant, Grays Harbor, Island, Jefferson, Pierce, Pullman, RiverCities, Spokane, Valley. No votes from Ben Franklin, Intercity, or Yakima. The amendment failed.** Deutsch called for a vote on the original motion. **The motion passed.**

Approve 2024 Budget \$20,009,000

Deutsch asked for a motion to adopt as presented. **Macdonald moved to accept the budget as summarized in the enclosed budget packet. The motion delegates \$20,009,000 in expenditure authority to the Executive Director and formally approves and adopts the 2024 Budget as presented. Shipman seconded the motion and the motion passed.**

Approve Executive Director 2024 Goals

Shipman presented the Executive Director 2024 Goals noting a recommendation from the EC to adopt. **Liard**

moved to accept the Executive Director 2024 Goals as presented. Jordan seconded and the motion passed.

2023 - 2024 Meeting Schedule

Shipman said the 2024-2025 meeting schedule was in the packet, EC meetings will be held at SeaTac, and there are some great conferences in 2024. She asked for a motion to adopt the 2024-2025 Meeting Schedule. **Thesing moved to adopt the 2024 – 2025 Meeting Schedule as presented. Mehin seconded the motion and the motion passed.**

Executive Committee and Officers Election, Passing of the Gavel

Shipman explained the election process, links will be posted in the chat pod for each position and thanked all candidates for their interest. Christianson explained how the results would be shared so it wasn't a secret vote. Hughes reminded everyone the for the vote to be official there needed to be a majority and reminded the Board of past practices that the top two candidates move forward if 50% plus one isn't achieved.

Nominees for Secretary were Eddy, Mehin, Jordan, Nash, Shinnors, Larson, Gray, Thesing and Liard. Shipman called for nominations from the floor. Hearing no nominations from the floor she closed the ballot for Secretary. After votes were counted, Jordan, Nash, Thesing and Liard had a run-off vote. After votes were counted, Jordan and Liard had a run-off vote. After votes were counted, Liard was announced Secretary with 13 votes.

| 2024 Secretary - Vote 1 | | | | | | |
|-------------------------|---|--|--------------------|-----------------|--|---|
| Mehin | Jordan | Nash | Shinnors | Larson | Thesing | Liard |
| Grays Harbor Pullman | Central Island RiverCities Whatcom | Asotin Everett Jefferson Valley | Columbia Kitsap | Clallam Link | Community Grant Pierce Yakima | C-Tran Mason Pacific Skagit Spokane |

| 2024 Secretary - Vote 2 | | | | | | | |
|-------------------------------|----------------------------------|------------------------------|----------------------|------------------------------------|----------------------------|-------------------------|------------------------------|
| Jordan | | Nash | | Thesing | | Liard | |
| Central Columbia Island | RiverCities Valley Whatcom | Asotin Clallam Everett | Jefferson Pullman | Community Grant Grays Harbor | Kitsap Pierce Yakima | C-Tran Link Mason | Pacific Skagit Spokane |

| 2024 Secretary – Vote 3 | | | | | |
|---|---|---|----------------------------|--|---------------------------------------|
| Jordan | | Thesing | | Liard | |
| Asotin Central Columbia Island | Pullman RiverCities Valley Whatcom | Clallam Community Grant Grays Harbor | Kitsap Pierce Yakima | C-Tran Everett Jefferson Link | Mason Pacific Skagit Spokane |

| 2024 Secretary – Vote 4 | | | | | |
|--|---|-----------------------------|--|--------------------------------------|--|
| Jordan | | | Liard | | |
| Asotin Central Clallam Columbia | Community Island Pullman RiverCities | Valley Whatcom Yakima | Ben Franklin C-Tran Everett Grant Grays Harbor | Jefferson Kitsap Link Mason | Pacific Pierce Skagit Spokane |

Nominees for Large Member Representative were Eddy, Brown, Shinnors, and Thesing. Shipman called for nominations from the floor. Hearing no nominations from the floor she closed the ballot for Large Member Representative. After votes were counted, Shinnors and Thesing had a run-off vote. After votes were counted, Thesing was announced Large Member Representative with 19 votes.

| 2024 Large Member Representative - Vote 1 | | | | | | | |
|---|-------------|--------------|--|---|--|---|---|
| Eddy | | Brown | | Shinners | | Thesing | |
| Community Jefferson | RiverCities | Ben Franklin | | Columbia Everett Grays Harbor Kitsap Link | Mason Pacific Pullman Whatcom | Asotin Central Clallam C-Tran Grant Island | Pierce Skagit Spokane Valley Yakima |

| 2024 Large Member Representative - Vote 2 | | | | | | | |
|---|-----------------------------------|--------------------------|-----------------------------------|--------------------------------|---------------------------|-------------------------------|-----------------------------|
| Shinners | | | | Thesing | | | |
| Ben Franklin Central Columbia | Everett Grays Harbor Kitsap | Link Mason Pacific | Pullman RiverCities Whatcom | Asotin Clallam Community | C-Tran Grant Island | Jefferson Pierce Skagit | Spokane Valley Yakima |

| 2024 Large Member Representative - Vote 3 | | | | | | | |
|--|---|---|---|---------------------------------------|--|--|--|
| Shinners | | Thesing | | | | | |
| Ben Franklin Columbia Link Pacific Whatcom | Asotin Central Clallam Community C-Tran | Everett Grant Grays Harbor Island Jefferson | Kitsap Mason Pierce Pullman RiverCities | Skagit Spokane Valley Yakima | | | |

Nominees for Medium Member Representative were Mehin, Jordan and Larson. Shipman called for nominations from the floor. Hearing no nominations from the floor she closed the ballot for Medium Member Representative. After votes were counted, Jordan and Larson had a run-off vote. After votes were counted, Jordan was announced Medium Member Representative with 13 votes.

| 2024 Medium Member Representative - Vote 1 | | | | | |
|--|------------------------|--|---|--------------------------------------|--------------------------------------|
| Mehin | | Jordan | | Larson | |
| Clallam Grays Harbor | Pullman RiverCities | Asotin Ben Franklin Central Columbia Community Island | Jefferson Mason Pacific Skagit Valley Yakima | C-Tran Everett Grant Kitsap | Link Pierce Spokane Whatcom |

| 2024 Medium Member Representative - Vote 2 | | | | | |
|--|---|---|---------------------------------------|--|-------------------------------|
| Jordan | | | Larson | | |
| Asotin Ben Franklin Central Columbia Community | Island Jefferson Mason Pacific | RiverCities Skagit Valley Yakima | Clallam C-Tran Everett Grant | Grays Harbor Kitsap Link Pierce | Pullman Spokane Whatcom |

The nominees for Small Member Representative were Nash and Gray. Shipman called for nominations from the floor. Hearing no nominations from the floor she closed the ballot for Small Member Representative. After votes

were counted, Nash was announced Small Member Representative with 18 votes.

| 2024 Small Member Representative - Vote 1 | | | | | |
|---|--------------|-------------|-----------|---------|---------|
| Nash | | | Gray | | |
| Asotin | Everett | Mason | Community | Pacific | Skagit |
| Ben Franklin | Grant | Pullman | Kitsap | Pierce | Whatcom |
| Central | Grays Harbor | RiverCities | | | |
| Clallam | Island | Spokane | | | |
| Columbia | Jefferson | Valley | | | |
| C-Tran | Link | Yakima | | | |

The nominees for At-Large Representative were: Eddy, Hilby, Mehin, Brown, Larson, Gray, and Seeks. Shipman called for nominations from the floor. Hearing no nominations from the floor she closed the ballot for At-Large Representative. After votes were counted Eddy and Larson had a run-off vote. Larson was announced At-Large Representative with 15 votes.

| 2024 At-Large Member Representative – Vote 1 | | | | | | |
|--|---------|--------------|--------------|-------------|---------|-------|
| Eddy | Hilby | Mehin | Brown | Larson | Gray | Seeks |
| Asotin | Everett | Central | Ben Franklin | Clallam | Pacific | Mason |
| Community | | Columbia | Grant | C-Tran | Valley | |
| Island | | Grays Harbor | | Kitsap | Whatcom | |
| Jefferson | | Pullman | | Link | | |
| Pierce | | | | RiverCities | | |
| Spokane | | | | Skagit | | |
| | | | | Yakima | | |

| 2024 At-Large Member Representative – Vote 2 | | | | | |
|--|-----------|---------|--------------|--------------|-------------|
| Eddy | | | Larson | | |
| Asotin | Grant | Pierce | Ben Franklin | Grays Harbor | Pullman |
| Columbia | Island | Spokane | Central | Kitsap | RiverCities |
| Community | Jefferson | Valley | Clallam | Link | Skagit |
| | | | C-Tran | Mason | Whatcom |
| | | | Everett | Pacific | Yakima |

The WSTIP 2024 Executive Committee is as follows: **Shonda Shipman**, President; **Joe Macdonald**, Vice President; **Monique Liard**, Secretary & Treasurer; **Scott Deutsch**, Past President; **Karen Thesing**, Large Member Representative; **Staci Jordan**, Medium Member Representative; **Miranda Nash**, Small Member Representative; and **Shawn Larson**, At-Large Member Representative.

Deutsch thanked the Board for the opportunity to serve as President in 2023 and passed the gavel to Shipman. Shipman thanked Deutsch for his leadership and presented a plaque to commemorate the year.

Adjournment

Shipman adjourned the meeting at 11:50 am.

Submitted this 29 day of March 2024

DocuSigned by:

 Approved: _____
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 Monique Liard, Secretary