



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
February 27, 2025
SeaTac Airport Conference Center & Zoom

Executive Committee Members Present (v) = virtual	
Joe Macdonald, President, Skagit Transit Karen Thesing, Vice-President, Pierce Transit Miranda Nash, Secretary; Jefferson Transit Shonda Shipman, Past President, Whatcom Transportation Authority (v)	Paul Shinnars, Large Member Rep, Kitsap Transit Cherie Huxtable, Medium Member Rep, Clallam Transit Brandy Pesta, Small Member Rep, Grant Transit Authority Shawn Larson, At-Large Member Rep, Link Transit
Staff Present (v) = virtual	
Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Tracey Christianson, Executive Director Robyn Galindo, Claims Specialist (v)	Richard Hughes, General Counsel Todd Iddings, Safety and Risk Advisor (v) Laura Juell, Risk and Training Coordinator (v) Joanne Kerrigan, Member Services Manager Alyssa Zahir, Administrative Assistant and Claims Specialist (v)
Board Members Present (v) = virtual	
Jenny George, Asotin County PTBA (v) Marcus McCready, Ben Franklin Transit (v) Scott Deutsch, C-Tran (v) Brandon Hilby, Everett Transit (v) Jean Braaten, Grays Harbor Transit (v)	Ken Mehin, Grays Harbor Transit (v) Melinda Adams, Island Transit (v) Tara Hargrave, RiverCities (v) Jeff Benson, Whatcom Transportation Authority (v) Greg Story, Yakima Transit (v)
Executive Session Guests Present (v) = virtual	
McKenzi Hoover, Stokes Lawrence (attorney)	Caryn Jorgensen, Stokes Lawrence (attorney)

Call to Order

President Macdonald 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 were captured by staff. Christianson introduced new Board Members, Marcus McCready from Ben Franklin Transit and Melinda Adams from Island Transit. Macdonald asked if there were any changes to the agenda. There were none. He asked for a motion to accept the agenda. **Pesta moved to approve the agenda. Thesing seconded the motion, and the motion passed.**

Public Comment on Consent Agenda, Discussion, Potential Action Items

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

Consent Agenda

Minutes – December 5, 2024

November 2024 Vouchers and Electronic Payments \$4,091,881.38

				Total
Claims Vouchers	Numbers:	93504464	- 93504527	\$ 683,552.83
Administrative Vouchers	Numbers:	93003174	- 93003201	\$ 138,008.78
Electronic Payments	Dates:	11/01/2024	- 11/30/2024	\$ 3,270,319.77
				\$ 4,091,881.38

December 2024 Vouchers and Electronic Payments totaling \$3,753,501.76

				Total
Claims Vouchers	Numbers:	93504528	- 93504642	\$ 872,147.07
Administrative Vouchers	Numbers:	93003202	- 93003240	\$ 107,907.24
Electronic Payments	Dates:	12/01/2024	- 12/31/2024	\$ 2,773,447.45
				\$ 3,753,501.76

January 2025 Vouchers and Electronic Payments totaling \$1,361,439.83

				Total
Claims Vouchers	Numbers:	93504643	- 93504699	\$ 472,974.32
Administrative Vouchers	Numbers:	93003241	- 93003268	\$ 440,922.03
Electronic Payments	Dates:	01/01/2025	- 01/31/2025	\$ 447,543.48
				\$ 1,361,439.83

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

Discussion / Potential Action Items

Grays Harbor Request to Waive Late Fee on Assessment Payment

Macdonald reminded EC members the late fee for assessments was added to the Payments by Members policy in March of 2024. Grays Harbor Transit had a request to waive the late fee. Mehin thanked the EC for the opportunity to request a waiver of the late fee on their assessment. He explained he was unaware of the late payment fee on assessments in the policy, the accounting department missed updating the lockbox payment address and by the time they realized the error it was January 29, which with no grace period made the payment late. He stated they are not in a habit of paying their assessments late and have been a Member in good standing for 35 years. Macdonald asked if there were any questions for Mehin, hearing no questions he sought discussion. With no discussion, he asked for a motion. **Shipman moved to waive the late fee on Grays Harbor’s 2025 assessment. Pesta seconded the motion.** Macdonald asked for a roll call vote. **Ayes - Larson, Shinnors, Huxtable, Pesta, and Shipman. Nays - Macdonald, Nash, and Thesing. The motion passed 5 to 3.** Mehin thanked the EC.

2025 Executive Committee Work Plan

Christianson stated the 2025 Work Plan had been created anticipating what the EC may do with the tasks discussed at the retreat and normal reoccurring work items. She reminded them the work plan will be revised monthly and asked if there was any topics they wanted added. There were no questions or suggestions regarding the Work Plan.

Prior Period (2024) Assessment Audit (PPAA)

Branson explained the memo included in the packet as well as the supporting documentation. There were no questions. This information will be presented to the Board in March.

Audit Committee Charter

Shinners requested the EC accept the proposed revisions to the Audit Committee charter clarifying boundaries and improving readability by adding a bullet list. ***Nash moved to approve the Audit Committee Charter as presented. Pesta seconded the motion, and the motion passed.***

Governance Policy – Target Ratios Policy

Shinners said the Audit Committee recommends changes to the Target Ratios Policy by adding the definition of the ratios and fixing two of the ratios so that they are clear. ***Thesing moved to approve the Target Ratios Policy as presented. Nash seconded the motion, and the motion passed.***

Investment Committee Charter

Branson said the Investment Committee met and has minor edits to their charter, changing the section on evaluating the investment managers' performance as there is no investment manager. Nash asked what the plan would be for an investment manager. Branson said we need to have tier 3 funds and would need to complete a request for proposal (RFP) to complete. ***Thesing moved to approve the Investment Committee Charter as presented. Nash seconded the motion, and the motion passed.***

Governance Policy - Investment Policy

Branson said the Investment Committee reviewed the Investment Policy and Addendum and are requesting edits to both to better align the Policy and Addendum, added clarity to initiation of transactions and added narrative regarding conflicts of interest. ***Pesta moved to adopt the Investment Policy and Addendum as presented. Huxtable seconded the motion, and the motion passed.***

Best Practice: Telematics on Public Rideshare Programs

Kerrigan reminded the EC this topic is informational only and the document is still in draft form. The work is coming from the WSTA Rideshare Committee sub-committee on Telematics. That committee is seeking to get agreement on minimums all WSTIP Members with Public Rideshare programs can meet. Kerrigan reported that some Members already have telematics and it is in the Best Practice for Public Rideshare Program Operations, this is just taking the telematics piece and getting into the details on what are acceptable risks and liability concerns.

Thesing asked what the timeline for implementing the Best Practice would be. Kerrigan explained the normal process a Best Practice would go through from creation to review to implementation. The Risk and Opportunities Committee (ROC) will want to review this at either their June or September meeting.

Larson suggested fixing the definition of hard stop and hard braking to include stopping. Page 84 #2 Harsh event/stops braking instead of breaking. Section 1 Speeding – he'd like to see them lower if they can go lower. Kerrigan suggested using the manufacturers' guidelines. Macdonald thanked staff and is thankful the rideshare committee is being so proactive and asking for WSTIP's feedback. Christianson said the process this one is going through is different because normally we start and lead the process. The EC discussed if the large rideshare groups were included in the conversations, Kerrigan said they are and disclosed all committee participants.

The EC discussed further mandatory versus voluntary Best Practices. There was also discussion about what to do with the information once you received it. Shinnners asked if there is concern that speed could be used in litigation against us. Adams said it could go either way, but speeding is not encouraged. Larson suggested adding a definition of speeding saying anything over the posted limit is not allowed or something to say it is for data purposes only. Christianson agreed for the need for definitions. Clearly no speeding is encouraged or allowed. This is about how to set up the system and when the system notifies the Member, and then what do you do with the data. Kerrigan will attend the WSTA Rideshare Committee meeting and share the feedback from the EC. Macdonald suggested the Best Practice: Telematics on Public Rideshare Programs be discussed at the Member Representative Meetings in March.

Retreat Recap

Captive Formation

Christianson said she and Branson spoke to two different pools who are also members of Governmental Entities Mutual, Inc. (GEM) regarding captive formation, why they formed, what they are using their captive for, and steps they took. Staff and the Board Officers also hosted Barabra Rhoades from Ohio Transit Risk Pool (OTRP) to talk about Transit Insurance Group (TIG). Included in the packet is information regarding those discussions, TIG, and a white paper from Andrew Halsall from GEM. Christianson asked the EC for direction as she feels the collection of research is complete. Macdonald said given the challenges in the commercial insurance market he feels we should continue to see what the next steps would be. He felt it would be worth looking at partnering and forming our own captive.

Christianson reminded the group of Lilian Vanvieldt's recommendation to explore forming your own before jumping into another pool's captive. Perhaps we should form a business plan or work plan with some costs and what a long-term implementation plan would look like as a next step if we were still thinking about captives.

Thesing thanked Christianson for giving the officers the opportunity to meet with Rhoades. She would like to look at both options and nail down the cost of both. She felt OTRP would gain greatly by partnering with us but the numbers were not quite right regarding the claims numbers. Christianson said if we brought our own actuary, TIG would honor that actuary, if we joined some else's captive we might have to do it again. Nash would like to explore both options, how to form cells and find partners to share risks with. She would want to see logistics costs regarding staff and Board time in addition to what the commitments would look like. Shinnners sought clarity as to what problem the Pool is trying to solve. Having more control over the layers is good but is this to have a captive for investment flexibility. If we do want more information, we probably want a consultant to help with the scope. Macdonald felt the focus would be to secure the layers of insurance which we struggled with this past renewal cycle. Christianson said interest income would be another advantage. Shinnners would like the EC to consider Lilian's advice to get a consultant.

Legislative Activity

Christianson reported there has been some legislative activity as we are currently in legislative session, you have likely heard from your lobbyist or general manager about the budgetary crisis. For some agencies, multimodal funds may be significantly reduced but for now the Climate Commitment Act money looks like it will stay. WSTIP recently sent an email to Members to make sure you are publishing full salary scales during the hiring process. This is required as part of the Equal Pay and Opportunities Act which took effect January 1, 2023. There is a cottage legal industry filing lawsuits for failure to comply. There is a bill in the legislature right now (SB 5408 Allowing for corrections to wage and salary disclosures) to try and stop this practice. Christianson shared the Seattle Times article relating to ballooning cost of settlements on the State's budget. She reported that the Liability Reform Coalition wants to use this opportunity to educate the media and legislators, however, they also realize this must be carefully done. Staff are part of those discussions.

Parametric Coverage

Christianson said she had hoped to present some sort of pricing and report on how to work through the process unfortunately, we do not have information back from Alliant yet. We asked Alliant if they could quote just the WSTIP building which they are unable to do, so we asked them for no commitment pricing quotes for the larger Members in Western Washington to see the triggers and coverage decisions that potentially needed to be made. This topic will return to the EC once information is available.

Return of Capital – Draft Charter Distribution of Surplus Committee

Branson explained one of Association of Governmental Risk Pools criteria for the standards of recognition is to determine the methodology of when we would give back surplus. He outlined work the committee could do. The EC recommended changing the timeline to August of 2026. Branson stated that only three of the committee members could be on the EC and suggested a mix of small, medium, and large members.

Thesing moved to accept the charter for the Distribution of Surplus Committee as amended changing the date to August 2026. Nash seconded the motion and the motion passed. Macdonald will reach out to EC members to see who would be willing to serve as chair of this committee.

Separated Deductibles for Property

Branson reminded the EC that a Member had asked if it was possible to have separate deductibles for property vs vehicles. If a Member chooses a different deductible it doesn't change the risk profile, it doesn't change the loss fund, it just changes the allocation. This is possible from the actuary standpoint, and they are working on a quote to provide the analysis which we expect back in March, but they are also working on the year-end reporting. He outlined a timeline for the work to be completed including modifying Coverage Documents, but changes would not be implemented until July 2026. The committee discussed how the costs would shift because the amount collected doesn't change, it just gets redistributed. Christianson reminded the EC we were talking about property coverage so the loss fund is much smaller, insurance costs have risen but not like liability. Branson said we will have more information in March. Macdonald is comfortable with the timeline, decisions will need to be made by April 2026.

Executive Director Recruitment

Macdonald reported that Hughes provided a comprehensive overview of the Executive Director recruitment process at the retreat. Christianson presented the Executive Committee with a packet containing relevant materials, including information synthesized from the 2024 and 2025 retreats, the Executive Director job description, a draft Request for Proposals (RFP) for a recruitment firm, and a link to the State of Washington's recruitment firm RFP results. Thesing proposed exploring the feasibility of utilizing the State of Washington's pre-qualified recruitment firm list. Hughes and Christianson discussed the initial step of determining whether to conduct an internal or open recruitment. Hughes recalled that an open recruitment was favored in prior discussions, though no formal **action** was taken and Hughes recommended that be done. It was agreed that this matter would be added to the March agenda. Christianson recommended including the exploration of recruitment firms as an action item for the March meeting, offering her assistance. Hughes indicated he had suggestions for revisions to the draft RFP.

White Paper – KC Metro Operator Case Study

Kerrigan presented a white paper regarding the death of the King County (KC) Metro operator. This fulfilled a request from EC retreat participants for information on this topic. Members discussed the refresher training currently being provided to operators. Macdonald thanked Iddings for attending one of their refresher trainings. Shipman suggested incorporating specific language regarding remaining on the bus and contacting 911. Macdonald thanked Kerrigan and Iddings for the white paper.

The EC took a break from 10:20 am to 10:30 am.

Executive Session

At 10:30 am, the EC went into a 60-minute Executive Session; pursuant to RCW 42.30.110 (1) (i) to discuss with legal counsel representing the agency, matters relating to litigation. The committee came out of Executive Session at 11:30 am. Macdonald announced the attendees would take a 15-minute break to gather lunch. At 11:45 am President Macdonald announced Executive Session would be extended for an additional 30-minutes. The EC came out of Executive Session at 12:15 pm. President Macdonald announced Executive Session would be extended for an additional 10-minutes. The EC came out of Executive Session at 12:25 pm. President Macdonald announced Executive Session would be extended for an additional 5-minutes. The EC came out of Executive Session at 12:30 pm. ***Macdonald moved to grant staff settlement authority requested in the Tapia vs. Pierce Transit matter. Pesta seconded the motion, and the motion passed.*** Adams thanked the EC and attorneys, and the attorneys left the meeting at 12:30 pm.

Staff Reports

Executive Staff Report

Christianson reported that Board members vacancies exist for Everett, Pacific, and Spokane. New Board members have been appointed from Community (Sally Stopher and Ariel Piedmont), Island (Melinda Adams), Valley (Melanie Hall) and Yakima (Jim Hogenson). The Terrorism renewal was successfully aligned with the property renewal to a July 1 date. This was done with a nominal fee. The 2024 financial note (for your financial statements) has been distributed. We have a new staff member, Dominic Burrell, joining us March 3 as the Senior Accountant, you will get to meet him at the June Board meeting. Christianson and Branson attended the Governmental Entities Mutual (GEM) Board meeting in January. Christianson and Broadhead, along with five Board members, will attend the AGRIP conference in March. A list of new contracts is included in this report and the full list of active contracts is also included at the back of the Executive Staff Report.

Branson said all Member assessment invoices have been paid, invoices for late fees are due back by March 14, Prior Period Assessment Audit (PPAA) has been calculated, he expects to receive numbers (IBNR and ULAE) from our actuary to complete the year-end close. Staff are working on vehicle inventories, and property inventories which are due back by March 6. On the property inventories this year, we added a line to collect data on in-ground lifts and are also verifying your maintenance building personal property values include inventory and mechanics toolboxes. Branson reminded the EC the auto physical damage automatic acquisition limit is \$1.75 million, and to notify staff if you have a vehicle on order that exceeds \$2 million. We are aware Spokane Transit has a battery electric articulated bus on order which exceeds \$2 million. Branson is scheduling appraisals for eastside Members this year. He thanked Members for submitting their 2023 and 2024 Workers Compensation Quarterly reports with the data Staff were able to give requested information to Safety National.

Kerrigan announced the WSTIP website refresh is being launched on March 1. Members on the Member Improvement List have been notified and Iddings is scheduling visits. The spotlight report has been updated to match updated Best Practices. Please be advised that Staff will be requesting for information prior to site visits, so please prepare accordingly. We are working on the Best Practices for Telematics for Public Rideshare Programs, and a Compensation Analysis Best Practices Guide. We had a legal review done for the Best Practice for Rules of Conduct and there were no changes. Guest Rider program has kicked off and rides will be happening soon. Juell has scheduled in-person trainings throughout the year. Nickell is working on several Origami projects. We hope to bring Supervisory forms online through the Mobile App 2.0 to all the Members. We are coordinating a sub-committee of the Risk and Opportunities Committee for Public Transportation Agency Safety Plan reporting.

Adams gave an update on open and recently settled claims, subrogation, and open litigated claims.

Sub-Committee Reports

Governance Policy Committee (GPC)

Thesing reported the GPC met February 26 and began to review the governance policies. The GPC will continue their work following the EC meeting (February 27) and will meet again the next day (February 28). Several policies will be ready for review at the March meeting.

Board Development Committee (BDC)

Larson said the BDC met at the retreat, sharing lessons learned and passed on knowledge. The BDC will meet February 28 via Zoom.

Risk and Opportunities Committee (ROC)

No report, this committee is scheduled to meet March 12.

Coverage Review Committee (CRC)

No report, this committee is scheduled to meet March 6.

Investment Committee (IC)

Branson reported the IC met on February 18, reviewed the charter, and Investment Policy and Addendum. He thanked the EC for approving the changes requested. The IC discussed controls related to investments and how the Executive Director interacts with the Treasurer. The IC will meet again in October.

Audit Committee (AC)

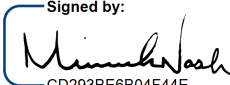
Shinners reported the AC met on February 3, reviewed the charter, talked about the year-end close, preparations for the audits both financial and accountability this year, reviewed some GASB pronouncements, and reviewed Governance Policies. He thanked the EC for accepting the AC's recommended changes to the Target Ratios Policy. The committee will meet again in October.

Recap and Adjournment

Macdonald recapped the meeting. The EC accepted the agenda, guests were introduced, there were no public comments, and we approved the consent agenda. The EC waived the late fee on Grays Harbor Transit's assessment, reviewed the work plan, received the PPAA, approved changes to the Audit Committee Charter and Target Ratios Policy, approved changes to the Investment Committee Charter and Investment Policy and Addendum, and gave feedback to Kerrigan regarding the Best Practice for Rideshare Telematics. The committee discussed captive formation, legislative activity, parametric coverage, formed the Distribution of Surplus Committee, and concurred with the Staff presentation of the work on separated deductibles for property. The EC discussed Executive Director recruitment, and the white paper regarding King County Metro Operator Case Study. The EC held an Executive Session, authorized staff specific settlement authority, and received reports from staff and sub-committees. The next meeting of the EC is scheduled for March 27 in conjunction with the Board's quarterly meeting. It will be at the Marcus Whitman Hotel in Walla Walla.

Macdonald adjourned the meeting at 1:00 pm.

Submitted this 27 day of March 2025.

Approved:  Signed by:
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Miranda Nash, Secretary