



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 28, 2025
 SeaTac Conference Center Seoul Room & Zoom

Executive Committee Members Present (v) = virtual	
Joe Macdonald, President, Skagit Transit Scott Deutsch, Vice-President, C-Tran Miranda Nash, Secretary; Jefferson Transit Cyndie Eddy, Treasurer, Community Transit Paul Shinnors, 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 Shonda Shipman, Past President, Whatcom Transportation Authority (v)
Staff Present (v) = virtual	
Cedric Adams, Claims Manager Matthew Branson, Deputy Director Anna Broadhead, Board Relations Dominic Burrell, Senior Accountant (v) 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 Patrick Nickell, Pool Application Support Specialist (v)
Board Members Present (v) = virtual	
Marcus McCreedy, Ben Franklin Transit (v) Annette Shaw, C-Tran (v) Brandon Hilby, Everett Transit (v) Ken Mehin, Grays Harbor Transit (v)	Staci Jordan, Island Transit (v) Karessa Bowman, Pierce Transit (v) Jeff Benson, Whatcom Transportation Authority (v)
Guests Present (v) = virtual	Executive Session Guest Present (v) = virtual
Steve Worthington, Prothman	Mark Lee, Wolf, Lee, Hurst, Slattery Jim McDonald, JG McDonald & Assoc

Call to Order

President Macdonald called the meeting to order at 9:00 am welcoming everyone to the hybrid meeting noting Worthington from Prothman was in attendance. A sign in sheet was passed around the room, virtual attendees were captured by staff. Macdonald asked if there were any changes to the agenda, hearing no changes, he asked for a motion to accept the agenda. **Pesta moved to approve the agenda. Nash seconded the motion, and the motion passed unanimously.**

Public Comment on Consent Agenda, Discussion, Potential Action Items

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

Consent Agenda

Minutes – July 24, 2025, June 2025 Vouchers and Electronic Payments totaling \$4,396,124.58

				<u>Total</u>
Claims Vouchers	Numbers:	93505102	- 93505162	\$ 543,159.09
Administrative Vouchers	Numbers:	93003459	- 93003492	\$ 101,311.83
Electronic Payments	Dates:	07/01/2025	- 07/31/2025	<u>\$ 3,751,653.66</u>
				\$ 4,396,124.58

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

Executive Session

At 9:02 am, President Macdonald announced the EC would enter into a 45-minute Executive Session; pursuant to RCW 42.30.110 (1) (i) to discuss litigation. The committee came out of Executive Session at 9:47 am. The attorney and adjuster left the meeting. In open session Macdonald asked for a motion. **Deutsch moved to approve the requested settlement authority in Dennis vs Pierce Transit. Pesta seconded the motion, and the motion passed unanimously.**

The EC took a break from 9:50 am to 10:00 am.

Discussion / Potential Action Items

2025 Executive Committee Work Plan

Christianson said the 2025 work plan had been updated and asked if there were any changes. The EC requested a star be put on the ED recruitment. Christianson said she also left the ED evaluation on the work plan, but it could likely be removed. There were no questions regarding the Work Plan.

WSTIP 2026 Operations Budget

Christianson reminded EC members they had their first look at the 2026 operations budget last month but she would have Branson share the revised proposed 2026 operations budget. Branson explained how he took the information from the last meeting incorporated it into this new version. He went through each of the budget line items explaining why there was an increase or decrease in the line items. Pesta appreciated the layout of the document as it is easy to understand, and several other EC members agreed. Branson noted the Claims Specialist 3 job description was updated given the feedback from the EC at their last meeting. However, this job description, and likely all WSTIP job descriptions, will need to be updated to reflect the new Washington State law (SB 5501) which prohibits an employer from requiring a driver's license as a condition of employment or including a statement in a job posting that an applicant must have a valid driver's license, unless driving is an essential job function or is related to a legitimate business purpose for the position. Branson indicated driving would be an essential requirement for this position and the employee hired will need a drivers license to be able to travel throughout the state for training, meetings, member visits and to view accident scenes. As such, the job description will have additional edits by the September meeting.

Branson said if this budget proposal with the general and administrative budget of \$5,415,000 looks alright the next step would be for the EC to indicate approval to move this forward to the Board in September and to give this information to Craig Scukas at PwC. **Shinners moved to send the budget proposal to the Board in September and to PwC. Deutsch seconded the motion and the motion passed.** Christianson thanked the EC for their support.

Evaluation of Experience Rating Calculation Parameters

Branson said the Assessment Allocation policy says... *Any Member or the Executive Director may propose changes to this assessment allocation policy. Any such proposed change shall be made to the Executive Committee (EC) no later than at its August meeting. The Board shall act on any proposed change no later than at its September quarterly meeting. This assessment allocation policy or the assessment allocation policy as modified and adopted by the Board shall be used to establish the Member upcoming assessments.* Branson indicated the discussion today is not a request for this year's budget cycle but rather something to review in 2026 and consideration to implement in future years. Shinners has three items he would like to bring forward for consideration.

The three items are (1) look at changing the credibility (underlying factors in the algebra piece), (2) increasing loss caps, (3) allocation of reinsurance costs (if a Member is presenting more losses raising reinsurance costs for all Members could the model allocated higher costs to that Member). Branson indicated he obtained a quote from PwC and it would cost \$25,000 to explore all three questions. The cost isn't in the proposed budget but with EC direction we would like to add it to the proposed 2026 Operating Budget.

Shinners explained he had been thinking about the modification factor and how it is applied. The modification factors weight experience 10% on the prior 3 years and 90% on the 10-year history. Which helps us maintain stable rates but value of the caps are too low compared to the rising cost of claims. The low caps capture frequency but not necessarily severity. In the past 5 years (2020 – 2025) our reinsurance costs for purchased insurance have gone from \$3 million to \$8 million. Shinners indicated he was wanting Branson to confirm the numbers as part of the meeting minutes. (Branson notes Shinners is correct, the budget for purchased (liability and property) reinsurance in 2020 was \$3 million and in 2025 it was \$8 million. The budget for purchased liability reinsurance in 2020 was \$1.9 million and it was \$5.6 million in 2025, and the allocation of liability reinsurance costs is the one Shinners seeks to explore).

Shinners notes other pools are asking the actuary similar questions, and believes WSTIP needs to do something with the caps or the weighting of the modification factors. He said it is costing us more each year to build the reinsurance tower. Christianson said her advice to Shinners and Branson was to add funds to the budget to explore this topic just like we did to explore with the separated deductibles for property question that was asked last year. If the President agrees, these questions would be good retreat topics for 2026. Shinners asked Deutsch as incoming President if this was a topic he was willing to explore. Deutsch said it would be a great retreat topic, so that the EC could get more information before taking it to the Board.

Christianson cautioned that there have only been two underwriting cycles since updating the underwriting methodology and that the goal is rate stability and fairness. If you see something that is going to cause instability, you should be cautious. However, if you want fairness, sometimes fairness is not simple.

Nashed moved to add \$25,000 to the actuarial line of the budget and consideration as a 2026 retreat topic. Larson seconded the motion, and the motion passed. Branson said he would add this to the draft 2026 Operations Budget.

Risks and Opportunities Committee (ROC) Technology Grant Update

Deutsch said at the last Board meeting the ROC was asked to look at the Technology Grant to see if changes could be made to the Technology Grant to increase utilization. The ROC met and are proposing grant funds be available for new technology for the first part of the calendar year and then opening it to upgrading tried and true technology during the later period. The ROC discussed whether the match should be 50% or reduce it, do we want to prioritize collision avoidance and telematics. Nash liked the idea of prioritizing projects to align with Strategic Plan priorities. The EC discussed whether the project should be shovel ready (through the union and procurement) or not. Christianson said in the past funds have been awarded and then projects don't get the necessary approvals and the funds get returned to WSTIP but those funds could have been used by another Member had they been available. The EC also discussed the match, whether Members on the Member Improvement List (MIL) should be given priority or not, and potential modifications to the application. Macdonald said sometimes not knowing if the funds will be available is a barrier to even start a project. Branson proposed an option where the EC could make a tentative award (e.g. in 2026) for award in future year (e.g. 2027), with this tentative award being subject to the Board continuing to fund grant program. Branson said this tentative award concept might give the Member what they need in terms of building the Member's next year budget. Macdonald liked the idea and felt it would be helpful. Deutsch thanked the EC for their feedback and has what he needs to take this topic back to the ROC for their September 9 meeting.

Executive Director Search Advisory Committee (EDSAC) Update

Deutsch said EDSAC met on August 11, reviewed potential candidates and potential interview questions, they also met via zoom on August 20 to discuss interview questions. We are going to ask candidates to complete a couple of assessments, one behavior profile (DISC) and the other for basic Microsoft Office skills. We came up with a schedule for the Meet and Greet, staff will have the opportunity to meet with candidates on September 10 from 10 am to 11:30 am, Board will have the opportunity to meet with candidates from 1:30 pm to 3:00 pm on September 10. The EC will then conduct interviews in a special meeting on September 11. A total of 16 Members have indicated their participation at the Meet and Greet, and therefore EDSAC recommends cancelling the virtual session as there was only one participant who indicated virtual attendance. If you are planning to attend but have not RSVP'd please reach out to Broadhead.

Deutsch reminded the EC that the EDSAC committee members are: Amy Cleveland (Pierce), Nancy Williams (Spokane), Crystle Stidham (Skagit), Shawn Larson (Link), Brandy Pesta (Grant), and Jenny George (Asotin). Deutsch thanked Larson for serving as the chair of the EDSAC before his election and thanked all the EDSAC members for their work. Macdonald also thanked the EDSAC for their work and Larson and Deutsch for their work as Chair of the Committee. He also thanked Worthington for the work Prothman is doing.

Executive Session

At 10:57 am, President Macdonald announced the EC would enter into a 40-minute Executive Session; pursuant to RCW 42.30.110 (1) (g) to discuss qualifications of an applicant for public employment. He asked staff, Board members, and Shinnars to leave the room (virtual attendees that were not EC members were placed in a waiting room in Zoom). Christianson and Broadhead were asked to remain. The Committee came out of Executive Session at 11:37 am. President Macdonald announced the Executive Session would be extended an additional five minutes to in person and virtual attendees. The Executive Committee came out of Executive Session at 11:42 am. In open session Macdonald asked for a motion. **Deutsch moved to invite four candidates for interview: Harlan Stientjes, Joanne Kerrigan, Matthew Branson, and Paul Shinnars. These finalists will be at the Meet and Greet on September 10, then the EC will conduct interviews on September 11. Pesta seconded the motion, and the motion passed unanimously.**

The EC broke to gather lunch from 11:45 am to 12:00 pm.

Staff Reports

Executive Staff Report

Christianson said there are new Board members at Pierce (Karessa Bowman, Risk Manager); Everett (Leah Tocco, Risk Manager); Clallam (Jason McNickle, Acting General Manager), and Spokane (Robert Hamud, Chief Financial Officer). She doesn't have much of an update but is working Alex Kaplan regarding Parametrics, he will meet with individual Members in order to move forward with a group purchase, she is also trying to get higher limits. She reminded attendees if you have a bus worth more than \$1.75 million we need to report it to the carrier to be underwritten as we will need to pay a premium for it. Meeting locations for 2026 have been secured and a full schedule for 2026 and 2027 will be presented in September. She will be extending the contract with Embark and gave an update on the upcoming January 1 renewal. MunichRE was proposing an aggregate on the General Liability and Public Officials Liability reinsurance coverage but will continue to have the Auto Liability reinsurance coverage unaggregated. Christianson isn't thrilled about the introduction of the aggregate but said it would likely be manageable as its not on the auto-liability side. We do expect renewal from GEM and Safety National. Barbara Rhoades from Ohio Transit Risk Pool (OTRP) has agreed to come to the October EC meeting to discuss captives. We have extended an invitation

to a representative from Montana Municipal Interlocal Authority (MMIA) to share their experience of creating a captive.

Branson said if you have questions about how WSTIP is implementing the sales tax legislation, please let him know. The 2026 underwriting numbers are in. Members are projecting optimism and growth. He shared Members' Transit Rider Medical Expense Protection (TRMEP) selections as well as each Members' projected miles and employee counts. He also shared who purchased the excess cyber liability and e-crime that was offered.

Juell reported receiving 13 Risk Management grants to date, we are reviewing a Technology Grant, and have been awarded a couple of TSI courses which will be on the website soon for registration. Branson added that Nickell has been working with Members on-site to gain momentum for some of these ongoing Origami projects. If you have any questions regarding Member Services activities, please reach out to Kerrigan.

Adams gave an update on open and recently closed claims, subrogation, and open litigated claims. Macdonald thanked Staff for their report.

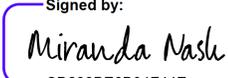
No Sub-Committee Reports

Recap and Adjournment

Macdonald quickly recapped the meeting, no changes to the agenda, introduction of guests, no public comments, approved the consent agenda, held an Executive Session regarding claims, reviewed the EC work plan, discussed the 2026 Operations budget, discussed evaluating experience rating calculation parameters which included adding funds to the 2026 Operations budget and as a retreat topic, gave the ROC feedback on the Technology Grant, heard an update from the EDSAC committee, held an executive session to review qualifications of candidates for public employment, announced four candidates for the Executive Director position, and received the executive staff report.

Macdonald adjourned the meeting at 12:30 pm.

Submitted this 25 day of September 2025.

Approved:  Signed by:
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Miranda Nash, Secretary