



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 26, 2026
 Seattle Airport Conference Center & Zoom

Executive Committee Members Present (v) = virtual	Staff Present (v) = virtual
Scott Deutsch, President, C-Tran Staci Jordan, Vice-President, Island Transit Shawn Larson, Secretary; Link Transit Cyndie Eddy, Treasurer, Community Transit Amy Cleveland, Large Member Rep, Pierce Transit Cherie Huxtable, Medium Member Rep, Clallam Transit Brandy Pesta, Small Member Rep, Grant Transit Authority Amy Asher, At-Large Member Rep, Mason Transit (v)	Cedric Adams, Claims Manager Matthew Branson, Executive Director Anna Broadhead, Board Relations Dominic Burrell, Senior Accountant (v) Richard Hughes, General Counsel (v) Todd Iddings, Safety and Risk Advisor (v) Joanne Kerrigan, Member Services Manager Valerie McAfee, Claims Specialist 3 (v) Miranda Nash, Deputy Director Patrick Nickell, Pool Application Support Specialist (v)
Board Members Present (v) = virtual	Executive Session Only Guests
Jenny George, Asotin County PTBA (v) Marcus McCready, Ben Franklin Transit (v) Ken Mehin, Grays Harbor Transit (v) Jana Brown, Intercity Transit (v) Nicole Gauthier, Jefferson Transit (v) Mary Pauly, Kitsap Transit	Paul Shinnors, Kitsap Transit (v) Mike Williams, Pacific Transit Karessa Bowman, Pierce Transit (v) Robert Hamud, Spokane Transit Melanie Hall, Valley Transit (v)
Guests Present (v) = virtual	Executive Session Only Guests
Joe Macdonald (v)	Elena Bundy, Bundy Law (v) Shannon Phillips, Summit Law (v)

Call to Order

President Deutsch called the meeting to order at 9:01 am. No changes were requested to the agenda.

Larson moved to approve the agenda. Pesta seconded, and the motion passed.

Public Comment on Consent Agenda, Discussion, Potential Action Items

No public comments were received.

Consent Agenda

Minutes – December 4, 2025, November 2025 Vouchers and Electronic Payments totaling \$792,034.12

			<u>Total</u>
Claims Vouchers	Numbers:	93505355 - 93505426	\$391,888.59
Administrative Vouchers	Numbers:	93003579 - 93003605	\$96,906.86
Electronic Payments	Dates:	11/01/2025 - 11/30/2025	\$ 303,238.67
			<u>\$ 792,034.12</u>

December 2025 Vouchers and Electronic Payments totaling \$7,360,770.99

			<u>Total</u>
Claims Vouchers	Numbers:	93505355 - 93505426	\$872,299.99
Administrative Vouchers	Numbers:	93003579 - 93003605	\$171,561.34
Electronic Payments	Dates:	12/01/2025 - 12/31/2025	\$ 6,316,909.66
			<u>\$ 7,360,770.99</u>

January 2026 Vouchers and Electronic Payments totaling \$1,125,695.71

			<u>Total</u>
Claims Vouchers	Numbers:	93505539 - 93505588	\$ 463,348.81
Administrative Vouchers	Numbers:	93003650 - 93003670	\$ 403,643.82
Electronic Payments	Dates:	01/01/2026 - 01/31/2026	\$ 258,703.08
			<u>\$ 1,125,695.71</u>

Jordan moved to approve the consent agenda; Larson seconded, and the motion passed.

Discussion / Potential Action Items

2026 EC Work Plan

Staff provided an updated work plan reflecting topics identified during the retreat. One minor correction was noted (there were two number 15's).

Assessment Late Payment Appeals

The EC reviewed the Payments by Members policy, noting the most recent revision went into effect in March 2025. Deutsch explained the typical policy development process: staff or the EC brings forward proposed changes, the Governance Policy Committee (GPC) reviews and refines the language, and the final draft proceeds to the EC and/or Board for adoption. Members were reminded that concerns about policy should be communicated to their Member Representative for potential modification.

Four Members appealed late payment interest charges. Each agency was provided ten minutes to present information to the EC. Following each presentation, EC members were invited to ask clarifying questions or offer comments. Time was reserved at the end for potential motions. Branson noted the printed agendas did not list Kitsap Transit, but they were also presenting an appeal.

Member Statements

Intercity Transit

Brown described receiving the invoice in early December. Due to an integrated financial system, invoices cannot be entered until after January 1. The agency was also implementing new software, resulting in delays in processing. A check was mailed on January 26 with the intent it would arrive before the due date; it arrived on February 3. They requested waiver of the interest, citing good-faith effort, lack of ACH options, and recommended the policy recognize postmark dates. They suggested a longer payment window and reminders, noting the 12% interest rate feels punitive.

Kitsap Transit

Shinners appealed based on circumstantial delays. He described normal practice of timing payments to maximize interest earnings and noted disruptions caused by a network outage and county staffing limitations related to positive pay. He stated the due date fell on a weekend and

compared it to IRS practice of moving deadlines to the next business day. He expressed concern that the interest penalty is unnecessarily punitive and inconsistent with WSTIP's culture of communication and partnership. He recommended revising the policy by changing "shall" to "may," restoring EC discretion, and encouraging the Executive Director to contact Members when circumstances arise. He also commented that Members not on the EC should have the opportunity to make motions and requested reimbursement of all late-payment interest charges.

Pacific Transit

Williams reported their invoice was received in December but payment was overlooked during a period of organizational change. Once the reminder from staff was received, the payment was issued. He acknowledged responsibility but noted the significant budget impact such assessments have on small Members. He requested a one-time waiver and expressed support for reminders in January.

Spokane Transit

Hamud stated their agency completes check runs on Fridays and experienced Board turnover, with the first meeting occurring January 22. Payment could not occur prior to Board approval. A check was mailed January 30. He stated past practice relied on postmark and emphasized slower mail delivery to eastern Washington. He expressed concern about the tone of a communication sent to his CEO and noted past positive relationships with WSTIP staff. He recommended the policy incorporate postmark and reflect industry norms.

Committee Discussion

Asher asked clarifying question if Shinners intended to have the interest fees waived and/or refunded for all Members affected by the Policy this year and last year. Shinners confirmed that was his request. Asher asked whether Members had received invoices for the interest and sought clarification on the circumstances under which interest is waived. Branson said the invoices had been sent to the Members and explained the late payment provision applies only to the annual assessment; a prior period audit adjustment invoice does not fall under the late payment section of the policy and therefore does not incur interest.

Deutsch asked if there was a motion to waive interest for the listed agencies and adjust the date of receipt to January 31. No motion was made.

Huxtable encouraged the GPC to consider adding postmarks to the policy. Brown expressed concern that Members who acted in good faith were still being penalized. Deutsch noted the EC had previously reviewed the policy and made edits, though not to the postmark or interest-rate sections. He emphasized reliance on the policy as written and the need to avoid altering policy during an active appeals process. Members discussed industry standards (e.g., net-30 postmark expectations), postal delays, and the 2026 shift to regional processing centers for postmarking.

Hughes reminded EC members that any EC member may make a motion. ***Asher moved to waive interest for all four agencies and direct the GPC to revise the policy.*** The motion did not receive a second and therefore failed.

Jordan noted the policy was intentionally held by the GPC for review until after the appeals meeting and will be reviewed with the EC and Board in March. Suggested revisions include evaluating postmark language and communication expectations. Branson stated WSTIP historically has not sent reminders due to Member preference but could revisit that practice. He also highlighted operational challenges

associated with postmark verification. Branson reminded the EC that WSITP doesn't receive payments directly, rather they go to a Lockbox where KeyBank employees open the payment envelopes and process the payments. WSTIP gets the envelopes after the Lockbox payment process, but our ability to check for postmarking for any payment is limited to whatever information is on the empty envelope. Deutsch asked Branson about changes in postmarking from the Postal Service. Branson indicated starting in 2026, the Postal Service no longer applies the postmark at the local branch but rather at the regional distribution center.

Jordan reiterated that staff are following a policy approved by the EC in 2024 and revised in 2025. She stated frustrations directed at staff were misplaced and acknowledged the interest rate and grace period warrant review. Hamud recommended interpretation consistent with common financial practice. Shinnars reiterated that the policy previously used "may," and while the change to "shall" was adopted, authority should be clarified going forward. He emphasized maintaining WSTIP's relationship-focused culture.

Brown stated that while policies provide structure, practical application sometimes requires flexibility. Williams added that small agencies with limited staff rely on reminders and supported reviewing the policy. Deutsch summarized themes for the March policy workshop: communication, postmark, and interest rate. Branson noted the policy revision proposed in March 2024 started off with "may leverage" but it was changed to "shall leverage" during the same meeting as the EC approved the policy.

Prior Period Assessment Audit (PPAA)

Nash reported all year-end submissions were received by February 5 with a revision by one Member on February 9. PwC's calculation showed approximately a 2.1% change. As a reminder, the amounts due to or from WSTIP are provided now but will not be accounted for until January 2027.

Retreat Wrap-Up

Deutsch reported topics reviewed included labor rate methodology, succession planning, legislative coordination, the Broker RFP, underwriting considerations, and progress on captive feasibility analysis. PwC will bring updated underwriting modeling to the March EC meeting. Discussion also included group-purchase coverage limits and revisiting the WSTIP building strategy.

Mission and Vision

The EC discussed potential updates related to "destination zero losses." The committee supported removing this phrase. ***Pesta moved to forward the revised Mission and Vision to the Board with a recommendation to adopt. Huxtable seconded, and the motion passed.***

Rideshare Telematics Best Practice

Joanne provided two versions of the Telematics Best Practice (mandatory-advisory and advisory), outlining camera expectations for rideshare fleets. EC members in December requested clearer language regarding equipment failure and non-compliance which is now included. Mandatory and advisory versions will be brought to the March Board meeting, along with communication materials distributed in advance of the upcoming Board meeting to help Members understand implications and reach out to internal stakeholders for any further feedback that would help the Board make a decision.

The Executive Committee took a break from 10:15 am to 10:30 am.

Executive Session

At 10:30 am, President Deutsch announced the EC would enter into a 60-minute Executive Session; pursuant to RCW 42.30.110 (1) (i) to discuss agency litigation or potential litigation. The Executive Committee came out of Executive Session at 11:30 am. President Deutsch announced Executive Session would be extended an additional 10-minutes. The EC came out of Executive Session at 11:40 am. President Deutsch announced Executive Session would be extended an additional three-minutes. The EC came out of Executive Session at 11:43 am. No action was taken during Executive Session.

In open session, the EC considered settlement authority for the following matters:

- **Martelli vs Pierce**
Jordan moved to authorize settlement authority in the amount requested. Pesta seconded, and the motion passed.
- **Close vs Kitsap**
Jordan moved to authorize settlement authority in the amount requested. Pesta seconded, and the motion passed.
- **Lee vs Spokane**
Jordan moved to authorize settlement authority in the amount requested. Huxtable seconded, and the motion passed.

The Executive Committee took a break from 11:44 am to 12:00 pm to gather lunch and resumed their meeting at 12:00 pm.

Executive Staff Reports

Executive Director Report

Branson's highlights included new staff onboarding, AGRiP Governance conference attendance, upcoming compensation survey results, captive feasibility work, GEM renewal challenges, and GEM's reinsurance capacity reductions.

Finance Update

Nash reported:

- All annual assessment payments were received by February 13
- Interest invoices issued with 45-day terms
- Ongoing work on customized financial notes, year-end close, PPAA processing, property and vehicle scheduled of values (SOV) updates, and appraisal scheduling

Member Services & ROC Update

Kerrigan reported increased grant communication activity, evolving site visit formats, Best Practices review cycles, upcoming refresher training video production, Safety Summit planning, and technology project updates including Origami mobile rollout. Kerrigan informed the EC that she and Iddings recorded a video to send to the Large Member agency Member Representatives in advance of the loss prevention work session at the March Board meeting. That video will be distributed following the EC meeting.

Claims Update

Adams reported notable claim trends, including increased employment practices claims and emerging pro-se filings by claimants assisted by AI. Several claims were recently settled, and onboarding of new staff continues.

GEM Update

Nash and Kerrigan shared takeaways from GEM governance training and peer-pool information exchanges, including a visit to and with the Arizona Trust Risk Pool after the GEM meeting concluded.

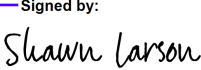
Subcommittee Reports

- **GPC:** Half of governance policies reviewed; assessment-related policies deferred pending March feedback.
- **BDC:** Met to review past work, set the 2026 schedule, and prepare for the March 13 meeting.

Adjournment

President Deutsch recapped the meeting. ***Jordan moved to adjourn the meeting at 12:45 pm. Pesta and Huxtable seconded the motion and the motion passed.***

Submitted this 26 day of March 2026.

Approved:  Signed by:
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Shawn Larson, Secretary