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WASHINGTON STATE TRANSIT INSURANCE POOL | RISK MANAGEMENT IN MOTION
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Minutes of the
Executive Committee Meeting
May 28, 2026
Hotel Interurban Olympic Room & Zoom

| **Executive Committee Members Present** (v) = virtual | **Staff Present** (v) = virtual |
|---|---|
| Scott Deutsch, President, C-Tran<br>Staci Jordan, Vice-President, Island Transit<br>Shawn Larson, Secretary, Link Transit<br>Cyndie Eddy, Treasurer, Community Transit<br>Amy Cleveland, Large Member Rep, Pierce Transit<br>Cherie Huxtable, Medium Member Rep, Clallam Transit<br>Brandy Pesta, Small Member Rep, Grant Transit Authority | Cedric Adams, Claims Manager<br>Matthew Branson, Executive Director<br>Anna Broadhead, Board Relations<br>Dominic Burrell, Senior Accountant (v)<br>Sonja Cade, Accounting Specialist (v)<br>Robyn Galindo, Claims Specialist 2 (v)<br>Richard Hughes, General Counsel<br>Todd Iddings, Safety and Risk Advisor (v)<br>Joanne Kerrigan, Member Services Manager<br>Valerie McAfee, Claims Specialist 3 (v)<br>Miranda Nash, Deputy Director<br>Kortney Powers, Claims Specialist 1 (v) |
| **Board Members Present** (v) = virtual | |
| Karessa Bowman, Pierce Transit (v)<br>Robert Hamud, Spokane Transit<br>Melanie Hall, Valley Transit (v)<br>Jeff Benson, Whatcom Transportation Authority (v)<br>Greg Story, Yakima Transit (v) | |
| **Guests Present** (v) = virtual | |
| Joe Macdonald (v) | Dave Turissini, Sound Transit (v 10:10 am) |

**Call to Order**
President Deutsch called the meeting to order at 9:00 a.m. No changes were made to the agenda. ***Jordan moved to approve the agenda, Pesta seconded, and the motion passed***. Branson welcomed Robert Hamud, and it was noted that there were no guests attending online at that time.

**Public Comment on Consent Agenda, Discussion, Potential Action Items**
Deutsch asked for public comment. No public comments were received.

**Consent Agenda**
***Minutes – April 23, 2026, and April 2026 Vouchers and Electronic Payments totaling $1,122,852.89***
The Executive Committee considered the consent agenda, including the April 23, 2026 meeting minutes and the April 2026 vouchers and electronic payments totaling $1,122,852.89.

| | | | | | | Total |
|---|---|---|---|---|---|---|
| Claims Vouchers | Numbers: | 93505694 | - | 93505744 | $ | 682,407.24 |
| Administrative Vouchers | Numbers: | 93003725 | - | 93003767 | $ | 194,244.97 |
| Electronic Payments | Dates: | 04/01/2026 | - | 04/30/2026 | $ | 246,200.68 |
| | | | | | $ | 1,122,852.89 |

***Pesta moved to adopt the consent agenda, Huxtable seconded, and the motion passed***.

**Discussion / Potential Action Items**

***2026 Executive Committee Work Plan***

Branson reviewed the updated 2026 Executive Committee Work Plan and advised that no major changes were anticipated before the June Board meeting. He noted that upcoming topics would include an update on the WSTIP building property management costs, legislative activity, lessons learned from other risk pools, and a broker contract recommendation. He also reported that broker reference checks were underway and that staff hoped to issue a notice of intent to award by June 12.

***Compensation and Benefits Survey Results***

Branson made reference to the video recorded on this topic and recapped the compensation and benefits survey results on behalf of Lori Messer, who was unable to attend. Branson explained that the study compared WSTIP positions and benefits against the market to identify areas of alignment and areas needing additional review. He noted that while many positions were generally aligned with the market, which is measured as being 90% to 110% of the market, three positions were identified below the market midpoint (between 90% and 100%) and with three positions identified as above market (above 110%). Though Messer didn't recommend changes to the salary structures, the EC discussed the importance of balancing external market competitiveness with internal equity and cautioned against allowing compensation gaps to remain until the next salary survey as unaddressed gaps can create recruitment, retention, or broader organizational culture concerns. Members also noted that market data can fluctuate depending on which agencies participate in the survey and that some results may warrant further validation before any adjustments are recommended.

The Committee discussed whether market corrections should be considered for positions that are in the 90% to 100% range, and whether additional explanation is needed regarding the treatment of the three positions above market. Cleveland added that she has seen this before where some of the lower paid positions are under by a certain percent, which is why generally 10% below or 10% above we just leave that stuff alone and there is one that is over 20%. You have to have some wiggle room and there should be consideration of a cut-off to make some market corrections. It is really important to get compensation and benefits right because then the organization risks keeping the wrong people and losing people can have culture impacts.

Members expressed interest in hearing more directly from the compensation specialist about the methodology, including what amount of variance should be treated as acceptable, how quickly corrections should be implemented when warranted, and how to avoid creating inequities among employees over time. The Committee reached consensus to continue this discussion in July, to invite Messer to provide additional explanation regarding the compensation findings, to review the treatment of the three positions above market, and to hold an executive session in July to receive guidance from the compensation specialist regarding the Executive Director position.

The Committee also discussed special-case treatment for the Pool Application Support Specialist and Training and Risk Coordinator positions, recognizing the limited number of comparable benchmark positions for at least one of those roles. Members expressed no objection to the proposed treatment for those positions and agreed that alternative evaluation methods may be necessary when direct market comparisons are limited.

With respect to benefits, the Committee reviewed findings related to life insurance and accidental death and dismemberment limits, paid time off practices, and bereavement leave. Members noted that employer funded life insurance and AD&D benefits appeared lower than some market peers and asked staff to explore whether higher limits could be offered through existing arrangements or as part of the next open enrollment cycle and to include the cost as part of the 2027 budget. The Committee also discussed WSTIP's combined paid time off structure, the year-end cap of 480 hours, and the Pools policy allowing leave sell-back only when an employee takes five consecutive days off. Members discussed the sell-back policy both as a benefit design issue and as a risk management tool that encourages employees to step away from daily duties, thereby supporting internal controls and cross-training. Messer recommended the Pool increase paid time off accruals for under 15 years of service. Messer's recommendation was to adjust those accruals to match the market such that the accrual for Years 0 – 5 adjusts to 224 hours (an increase of 32 hours), Years 5 – 10 to 240 hours (an increase of 24 hours), and Years 10 – 15 to 264 hours (an increase of 24 hours). The Committee expressed support for Messer's paid time off recommendation. Finally, the Committee reviewed bereavement leave categories and agreed with Messer's recommendation that parent-in-law and other in-law relationships be included as part of the Pools bereavement program. The EC discussed leave duration for those categories and Messer's recommendation that the number of days of leave should be adjusted to aligned more closely with the market average and it might even vary from the market average if the Pool considered travel distance to/from the deceased as part of its bereavement leave. Deutsch noted some of the topics in Messer's report were addressed and resolved today and that some will return for additional discussion at the July EC meeting when Messer is able to participate.

***Captive Feasibility Next Step Discussion***

The Committee continued its discussion regarding captive feasibility and next steps following the prior information session. The Committee thanked staff for the video which helped them connect to ask. Branson framed the discussion around three principal questions: whether WSTIP should pursue formation of a captive, whether that effort should be pursued in partnership with the Ohio Transit Risk Pool (OTRP) and potentially the Michigan Transit Pool (MTP) or as a stand-alone WSTIP structure, and whether implementation should target coverage through the captive as of January 1, 2027 or January 1, 2028. He explained that the discussion was focused primarily on the layer between $5 million and $10 million, which is a layer WSTIP does not utilize frequently but for which coverage is still purchased in the market. He noted that under a captive approach, the newly formed captive would share risk with reinsurers for losses in that layer rather than buying coverage to transfer 100% of the risk to reinsurers. This approach allows us to bet on ourselves with the newly formed captive building reserves to the extent losses don't reach that layer, which the feasibility study expanded upon in several scenarios.

Members discussed the relative advantages of forming a captive jointly with other transit pools, including the potential to share costs, build capacity, and create a larger risk-sharing base, as compared with launching a captive independently. The Committee expressed support for continuing to explore a partnership structure with OTRP and possibly MTP. Members also discussed whether implementation in 2027 would place unnecessary pressure on staff and participating agencies, particularly given the need to finalize legal documents, complete underwriting work, and continue educating the Board regarding reserve implications, special assessments, and capitalization options. Committee members generally concluded that a January 1, 2028 implementation date would allow for a more deliberate process and provide time for additional policy and financial discussion with the full Board.

The Committee also discussed how the captive might be capitalized. Branson noted the Board would need to consider whether the Pools share of the joint capitalization, $1.5 million of $3 million, should come from WSTIP's net position, from a future year's member assessment (to raise capital for this express purpose), or a combination of both. Members requested additional cost modeling, including scenarios that would show the effects of contributing $1.5 million 100% from net position, 100% from a future assessment or, a blended approach such as 50% net position and 50% future assessment. The Committee also discussed the relationship between a captive structure and existing reinsurance arrangements, including how market participation and pricing could change if WSTIP assumes a larger share of the risk. Members noted that as the newly formed captive's net position grows, the captive could potentially assume a greater percentage of risk in the future, reducing reinsurance costs in the process, noting such adjustments would need to remain responsive to actual loss activity. Lastly, Branson noted Vermont no longer requires an in-person meeting of its captive board which will further reduce the cost of participation in the captive (the newly formed captive would be a cell within the Transit Insurance Group which is domiciled in Vermont).

After discussion, the Committee expressed support for moving forward with the captive concept, for pursuing the partnership approach, and for targeting an implementation to have coverage through the captive effective January 1, 2028. ***Huxtable moved to recommend that the Board adopt the captive concept, partner with Ohio (OTRP) and possibly Michigan (MTP), and target implementation for January 1, 2028. Pesta seconded, and the motion passed.*** The Committee directed staff to provide additional analysis regarding capitalization options and related financial impacts for future Board discussion.

***Governance Policies***

**Loss Prevention Program**

The Committee reviewed proposed revisions to the Loss Prevention Program policy, including changing the review cycle from three years to four years and revising language for clarity. ***Huxtable moved to approve the Loss Prevention Program policy, Larson seconded, and the motion passed***.

**Payments by Members**

The Committee reviewed substantial revisions to the Payments by Members policy, including alignment of payment due dates, addition of the PPAA deadline, revised late payment interest provisions, clarification of the date funds are considered received by WSTIP, and updated appeal notice timing. EC Members expressed support for the overall direction of the revisions and noted that the changes reflected prior Board discussion. Hamud also noted that he thought the policy changes addressed the concerns Members had and he thanked the committee for their work on the policy revisions. The Committee agreed to bring the policy back to the June meeting for further consideration and possible adoption after receiving additional Board feedback.

**Member Corrective Action & Termination**

The Committee reviewed proposed revisions clarifying that the Executive Committee, rather than the President alone, may set or amend time limits at its discretion. ***Pesta moved to send the policy to the Board with a recommendation for approval, Larson seconded, and the motion passed***.

**Coverage Review Committee – 2027 Public Officials Liability (POL) Coverage Document**

Larson and Adams reported on the Coverage Review Committee's review of the 2027 Public Officials

Liability Coverage Document. Proposed revisions included wording changes for clarity, updates to the coverage summary page, and additional review of whether to define “public official,” revise the wage and hour endorsement, and clarify that exclusions apply to endorsements. Because additional refinements may be presented next month, the Committee agreed to defer action pending further Coverage Review Committee consideration.

***Audit Committee Policies – Accounting and Internal Controls Policy and Issuance of Warrants and Checks Policy***

The Committee reviewed proposed changes to the Accounting and Internal Controls Policy and the Issuance of Warrants and Checks Policy, including a reference to the purchasing policy, authorization for the Executive Director to distribute funds during an emergency, and clarification of routine financial obligations. ***Huxtable moved to approve both policies, Jordan seconded, and the motion passed.***

***Sound Transit Potential New Member***

The Committee discussed Sound Transit’s request to join WSTIP as a potential new member for a limited and narrowly defined operational exposure related to non-revenue movement and maintenance testing of buses. Branson explained that the request is limited to circumstances in which Sound Transit employees would operate buses outside of revenue service in order to inspect, move, or test vehicles associated with the new Stride service. He noted that Sound Transit anticipates less than 10,000 miles annually for this activity, but that under current WSTIP requirements the minimum participation threshold would still result in a substantially larger mileage-based assessment. He also explained that the request includes liability, property, and certain governance-related coverages for a defined group of employees and board participants, while raising questions about how Sound Transit should be categorized within WSTIP for representation and participation purposes given that it is operationally a large agency but would enter the pool with a relatively limited scope of covered exposure.

Members discussed whether Sound Transit satisfies WSTIP’s eligibility requirement relating to operation of two modes of public transportation and whether that requirement should be interpreted to mean two modes covered by WSTIP or two modes operated by the agency more generally. Several Members indicated that, as written, the eligibility language does not appear to require that both modes already be insured by WSTIP, and that this issue alone should not prevent further consideration of the request. The Committee also discussed the unique nature of the request compared with more typical membership participation, including the fact that Sound Transit’s request is limited to a small operational segment, that the proposed exposure is materially narrower than that of most Members, and that the agency’s broader governance and operational footprint could still have implications for WSTIP structure and representation.

Branson reviewed a proposed framework for assessing Sound Transit, including the option of charging fixed route miles rather than maintenance or administrative miles, use of a minimum mileage floor, and inclusion of property, public officials liability, crime, and fidelity considerations. Members discussed whether fixed route miles would be the most appropriate rating basis, noting that the underlying exposure involves operation of large transit vehicles on public roadways, even if on a limited basis and outside of revenue service. The Committee ultimately determined the fixed route rate should be used and it is where Sound Transit should report their miles if they did join the Pool. The Committee also discussed property exposure and Branson indicated that Sound Transit would own its vehicles and insure them through WSTIP to have coverage during their operation but also noted that the contractual relationship with MV requires MV to provide all risk property coverage when MV is in possession of or in operation of Sound

Transit's vehicles. Branson discussed the MV contract which refers to Sound Transit coverage being excess to MV's coverage. Branson noted Sound Transit is not asking to join the Pool with the expectation of obtaining coverage that could be excess to its contract with MV, rather only to provide coverage for Sound Transit as a primary insurer (in the scope presented in the memo). Members expressed concern about ensuring that any coverage arrangement does not unintentionally extend beyond the limited scope of Sound Transit's request or create ambiguity regarding who is responsible for losses when vehicles are in MV's care, custody, or control. Turissini from Sound Transit noted that his team is going to review its contract with MV to clarify that WSTIP would not provide excess coverage for MV's operations unless Sound Transit specifically requested that and if that was separately evaluated as part of the ask to become a new member, which would include a significant increase in cost for all those additional miles of exposure.

Additional discussion focused on governance and fairness considerations, including whether a Member with a comparatively small number of covered miles but a large organizational presence should have the same level of participation and representation as other Members, and whether the Board should have an opportunity to weigh in before the Executive Committee makes a final recommendation. Although several Members observed that Sound Transit appears to present a potentially good risk and a legitimate coverage need, the Committee determined that additional time was needed to evaluate the request, review contract language, and further consider the policy and governance implications. As a result, the matter was tabled until the June Executive Committee meeting and will be added to that agenda for continued discussion.

**Staff Reports**

***Executive Staff Report***

Branson reported Member visits were continuing and had been productive in helping reconnect with Members following the March meeting. He also provided an update on the broker request for proposals process, noting that four applications had been received and that a recommendation to award would likely come forward in June. Nash reported that the audit exit conference had been completed and that WSTIP had a clean audit report with no findings, to be posted the following week. She also noted that Member feedback on general liability and public officials liability coverage limits was generally split between the current base limit options, cyber renewal proposals were pending and, property appraisal visits were scheduled. Kerrigan reminded Members grant opportunities remained available, best practice resources were being finalized, and training development continued. Adams gave an update on open and recently settled claims and labor rates study work remained underway.

**Sub-Committee Reports**

***Governance Policy Committee (GPC)***

Jordan reported that the remaining Governance Policy Committee work primarily involves the compensation policy, which is expected to return after additional review of the compensation study, likely in July. She noted that the Committee's remaining work may depend on any changes the Board requests to the Payments by Members policy.

***Coverage Review Committee (CRC)***

Larson reported that the Coverage Review Committee met on May 13 and reviewed Public Officials Liability, Automobile Liability, and General Liability matters, including aggregate language, age requirements, and other clarifying edits. He noted that the Committee planned to meet again on June 10 and expected additional materials to be distributed in advance.

**Recap and Adjournment**
Deutsch summarized the meeting, noting the discussion of the Executive Committee work plan, compensation survey, captive feasibility, governance policies, the Public Officials Liability Coverage Document, Sound Transit's potential membership request, staff reports, and sub-committee reports. ***Pesta moved to adjourn the meeting at 12:07 pm, Jordan seconded, and the motion passed.***

Submitted this 25 day of June 2026.

Signed by:
Shawn Larson
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Approved: ______________________________
Shawn Larson, Secretary