



Minutes of the  
 Executive Committee Meeting  
 April 25, 2024  
 Seoul Room, SeaTac Conference Center & Zoom

Executive Committee Members Present	Staff Present (v) = virtual
Shonda Shipman, President, Whatcom Transportation Authority Joe Macdonald, Vice-President, Skagit Transit (v) Monique Liard, Treasurer & Secretary, Spokane Transit Scott Deutsch, Past President, C-Tran Karen Thesing, Large Member Rep, Pierce Transit Staci Jordan, Medium Member Rep, Island Transit Miranda Nash, Small Member Rep, Jefferson Transit Shawn Larson, At-Large Member Rep, Link Transit	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 & Risk Advisor (v) Laura Juell, Risk & Training Coordinator (v) Joanne Kerrigan, Member Services Manager Karey Thornton, Accounting & Payroll Specialist (v)
Board Members Present (v) = virtual	
Jenny George, Asotin County PTBA (v) Cherie Huxtable, Clallam Transit (v) Brandon Hilby, Everett Transit (v) Terri Gardner, Grays Harbor Transit (v)	Dena Withrow, Intercity Transit (v) Jason Rowe, Mason Transit (v) Tara Hargrave, RiverCities Transit (v) Greg Story, Yakima Transit (v)
Guests Present	
Kevin Wick, PwC (v)	Jeff Benson, Whatcom Transportation Authority (v)

#### Call to Order

President Shipman 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. Guests and new Board members were introduced. Shipman asked if there were any changes to the agenda. Liard asked to add the Assessment Allocation Policy as a discussion item. Shipman asked for a motion to accept the revised agenda. **Deutsch moved to approve the agenda as amended. Jordan seconded the motion and the motion passed.** Shipman said the Assessment Allocation Policy discussion will happen when Wick joins the meeting.

#### Discussion / Potential Action Items

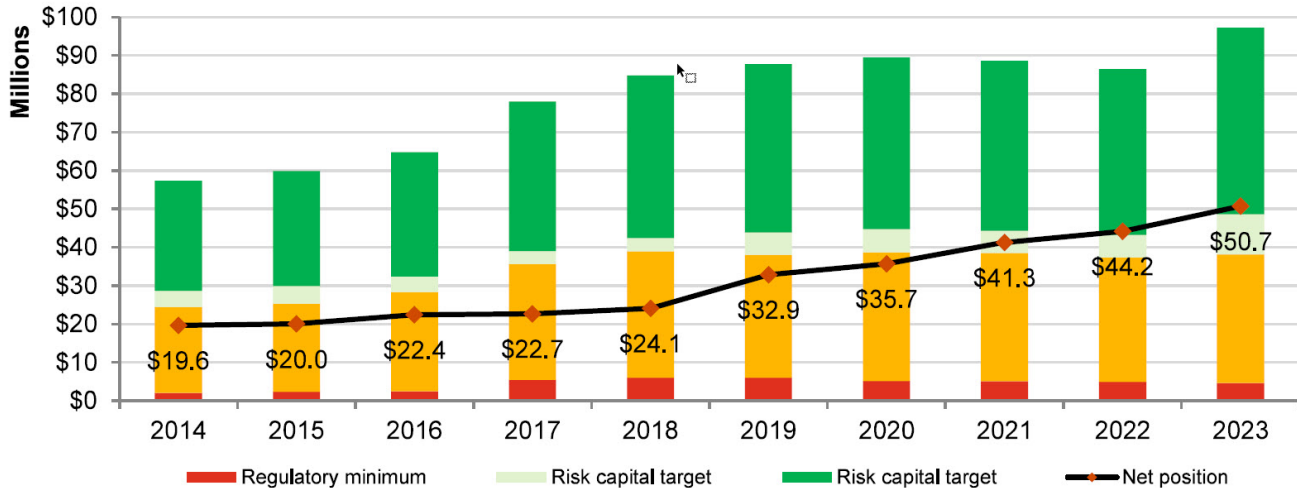
##### Assessment Allocation Policy

Macdonald said the Assessment Allocation Policy was sent to the EC and then went on to the Board last month, but the policy was sent back to the Governance Policy Committee (GPC) to review their recommendation of a 5% rate increase as a starting point for the actuary. The GPC reviewed and unanimously feels the Assessment Allocation Policy reads as it should. Macdonald asked Wick to give historical context on the Pool's rate stability and what could happen with unstable rates.

Wick reiterated the goal of the Pool is long term financial stability and rate stability for the Members even though so many elements of WSTIP's costs are uncertain (purchased insurance, and losses driving the loss fund). He shared the table showing how WSTIP has created rate stability over the past 10 years. You can see in 2015 and 2016 the rates were held at 5% and in 2017 they were 10%. The capital adequacy chart shows how the rate increase impacted the Pool's net position.

Rating year	Rate increase	Equity contribution
2015	5%	1,079,000
2016	5%	1,664,000
2017	10%	1,675,000
2018	7%	1,600,000
2019	9%	2,500,000
2020	7%	3,520,000
2021	3%	2,090,000
2022	5%	1,980,000
2023	5%	2,625,000
2024	5%	2,675,000

### Capital adequacy



Wick said he could show examples of a Pool in Washington who chose to do zero to seven percent rate increases over the same 10-year period but who had to take a 15% increase last year and are looking at a 31% increase this year. Christianson asked Wick to explain unrestricted capital. Wick said in Washington you are regulated by the State Risk Manager. The red bar on the graph is the regulatory minimum. The Pool’s goal isn’t capital for itself, the goal is rate stability and capital is necessary due to the variable costs of purchased insurance and losses/claims.

Macdonald said when he joined the Board in 2018 look at where the line was barely in the middle of the yellow, and now we are in the bottom of the dark green zone. We should continue to grow the surplus because we may have a catastrophic loss or lose a reinsurer which may change the trajectory of the line. He felt this policy should go to the Board for an up or down vote. Shipman said WSTIP has been around for 35 years and we want to be around for many more, as the cost of claims increase the green bar increases too. It may take us a long time to get to the mid-point using the 5% rate. Wick can model different rate increases fairly quickly so the Board can make informed decisions, and she suggested further Board education at the June Work Session. Liard reminded attendees that it is critical that today’s Board members set up the Board members of tomorrow the ability to achieve the goals of stability and sustainability.

Shipman said she would be looking for a motion to move the Assessment Allocation Policy onto the Board in June, with a Work Session topic focused on education. Deutsch concurred. Jordan said she has been on the Board for a long time and seen years when a lower rate was selected, but then followed by a higher rate increase the following years. She would like to keep the rate increases at 5% until we exceed the midpoint. Liard said the Pool is earning more interest income which means there is opportunity to flex and not be locked into the 5%. Shipman said the interest income earned is what helped us get into the green band but will likely not continue in years to come. Thesing agreed to maintain 5%, educate further, and stay the course.

Shipman asked for public comment on the Assessment Allocation Policy. No public comments were received. **Deutsch moved to recommend adoption of the Assessment Allocation Policy maintaining the 5% rate increase at the June Board meeting. Thesing seconded the motion and the motion passed.** Wick left the meeting at 9:22 am.

Public Comment on Consent Agenda, Discussion, Potential Action Items

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

Consent Agenda

Minutes – March 28, 2024, March 2024 Vouchers and Electronic Payments totaling \$658,803.69

					Total
Claims Vouchers	Numbers:	93503950	-	93504015	\$ 369,620.32
Administrative Vouchers	Numbers:	93002940	-	93002970	\$ 98,113.77
Electronic Payments	Dates:	03/01/2024	-	03/31/2024	\$ 191,069.60
					\$ 658,803.69

Shipman asked if there were any items to remove from the consent agenda. No items were removed. **Jordan moved to approve the consent agenda. Liard seconded the motion and the motion passed.**

#### Discussion / Potential Action Items 2024 Executive Committee Work Plan

Christianson presented the updated EC Work Plan. There were no questions or comments regarding the Work Plan.

#### Target Ratios Committee (TRC)

Shipman said the draft TRC charter is in the packet as we requested at the last meeting. She then asked Christianson to explain how ad-hoc committees are created. Christianson said the EC defines the purpose of the committee being formed, expectations of the committee, and how many people will be on the committee. Once the charter is approved then Staff will go out and request volunteers for the committee. The TRC is looking for five people to review the target ratios and then make a recommendation back to the EC to leave the ratios as they are, suggest different ratios, or modify the existing ratios. We expect the work of this committee to conclude before the end of the year. **Thesing moved to approve the Target Ratios Committee charter. Macdonald seconded the motion and the motion passed.** Thesing volunteered to chair the TRC, please let Staff or Thesing know if you'd like to participate on this committee.

#### WSTIP 2024-2025 Property Coverage Document

Shipman explained she would be looking for a motion to send the 2024-2025 WSTIP Property Coverage Document onto the Board for consideration at their June meeting. Nash said the Coverage Review Committee (CRC) had reviewed the Coverage Document and are not recommending any changes and request the EC forward the Coverage Document to the Board for approval in June. Christianson said, had there been revisions, the CRC would be asking permission to send the Coverage Document out to the membership for comments. **Larson moved to send the 2024-2025 WSTIP Property Coverage Document to the Board for approval in June. Thesing seconded the motion and the motion passed.**

#### Risk and Opportunities Committee (ROC) Charter

Kerrigan shared the ROC is requesting to add the word existing to their charter as they talk about emerging risks but also existing risks. Deutsch said the change would keep the ROC from deviating from their purpose as transit is slow to adopt some of the technologies due to OEM parts. Jordan asked if the participants of the committee are all truly Board members. Kerrigan said no there are Board members and other employees of Members. Christianson said the committee tries to have representation from all the departments. Jordan suggested modifying it to include interested employees of Members. Liard suggested the sentence read Proactively manage existing and identify potential emerging risks. **Liard moved to accept the revised ROC charter. Deutsch seconded the motion and the motion passed.**

#### Governance Policies

Christianson requested the EC repeal the Title VI policy which was adopted the prior month because after further discussions with Washington State Department of Transportation (WSDOT) it is no longer a requirement of the RTAP contract, and we also request to remove the disadvantage business enterprise (DBE) from the Purchasing Policy which was also added in conjunction with the Title VI Policy. The Title VI Policy only covered the training that WSTIP provides to our Members. Liard said she would like to see language added to the Purchasing Policy with a philosophy of diversity in our pool of vendors. Christianson said the GPC will add the requested language and bring the Purchasing Policy back next month.

Deutsch asked if repealing the Title VI Policy could cause any future risk given the fact WSTIP is currently in a hiring process. Hughes said it would be minimal risk as the facts would have to be supported and the facts would prevail. Christianson said we do have diversity and equity in our employee handbook, and the Title VI was limited to training programs.

#### Governance Policy – Repeal Title VI Policy

Shipman asked for a motion to repeal the Title VI Policy. **Thesing moved to repeal the Title VI Policy. Macdonald seconded the motion and the motion passed. Liard voted in opposition.**

#### Governance Policy – Purchasing Policy

This policy will undergo further revisions and will come back in May.

*The EC took a break from 9:42 am and resumed their meeting at 9:52 am.*

### Executive Session

At 9:53 am, Shipman announced the EC would go into a 45-minute Executive Session; pursuant to RCW 42.30.110 (1) (i) to discuss litigation. President Shipman ended the Executive Session at 10:38 am announcing they would extend for an additional 10 minutes at 10:38. President Shipman ended the Executive Session at 10:48 am announcing they would extend for an additional five minutes at 10:49. The committee came out of Executive Session at 10:54 am. **Liard moved to extend Staff's requested authority in the Angeli vs Community Transit case. Deutsch seconded the motion and the motion passed.**

*Macdonald left the meeting at 10:00 am.*

### Staff Reports

#### Executive Staff Report

Christianson highlighted new Board members and new staff, Jinny Hughes, Accounting Specialist begins May 1, and Patrick Nickell, Pool Application Support Specialist begins May 6. She said after meeting with Brian White (broker) there may be opportunities for those not purchasing extra cyber limits to obtain more limits. If you are interested in receiving a quote, please let her know, but know there may be an additional application to complete. Currently Staff are collecting Auto-Physical Damage (APD) and Property deductibles, please be sure to return them by May 9. Please remember to register if you are planning to attend the June Quarterly Board meeting in Anacortes, helpful tip there is an info button on the website under each event that will tell you if you have registered already or not. Branson attended a Governmental Entities Mutual, Inc. (GEM) meeting in Washington DC, but returns to the office the next week.

Kerrigan briefly touched on network security, risk management, and technology grants. The Driver Record Monitoring (DRM) audit guide had been published, and training videos for both Embark and Envision have been created. DOL third-party tester training is being held at Metro and we expect to have 8 to 10 participants from WSTIP Members attend, and Kitsap, Link, Mason, and Spokane are moving along with the AON project. Adams gave an update on open and recently closed claims, subrogation, and open litigated claims. Shipman thanked Staff for their report.

*Story left the meeting at 10:57 am.*

### Sub-Committee Reports

#### Governance Policy Committee (GPC)

Shipman reported the GPC met April 24-25 in SeaTac. The committee reviewed Bylaws, Accounting and Internal Controls, Budget Development, Expense Reimbursement, Purchasing, Recognition, and Assessment Allocation policies. The Member Guest policy has been combined with the Expense Reimbursement Policy in an attempt to clarify who WSTIP will pay lodging and meals for to attend meetings. The GPC also worked on the Audit Committee Charter, once adopted the Audit Committee Policy can be rescinded. The Assessment Allocation has been recommended to the Board for adoption, the remaining policies and Bylaws will be distributed for the May EC meeting. Christianson thanked Shipman for her report.

#### Board Development Committee (BDC)

No report.

#### Risks and Opportunities Committee (ROC)

No report.

#### Coverage Review Committee (CRC)

Nash said the CRC reviewed the Property Coverage Document and recommend no changes; she thanked the EC for agreeing to send it on to the Board in June for approval. The Committee is working on Under/Un-Insured

Motorist (UIM) and Med-Pay issues with administering and Labor and Industries (LNI) which causes some Members to pay for claims twice, potential gift of public funds, and a six-year statute of limitations. The CRC reviewed feedback from the Members and public rideshare coordinators. The CRC is exploring eliminating UIM and Med-Pay or offering an endorsement if Members wanted to opt into UIM/Med-Pay could limit coverage to passengers and rideshare drivers but is secondary to other coverage. The CRC meets again on May 6. Shipman thanked Nash for her report.

#### Investment Committee

No report.

#### Recap and Adjournment

Shipman recapped the meeting, the EC accepted the agenda, Wick shared his thoughts on the Assessment Allocation Policy and graphs which the EC agreed with and have approved sending the Assessment Allocation Policy onto the Board for approval. The EC approved the consent agenda, reviewed the work plan, approved the TRC charter and appointed Thesing chair, sent the 2024-2025 Property Coverage Document onto the Board for approval in June, approved the ROC charter, rescinded the Title VI policy, asked the GPC to revise the Purchasing Policy, held an Executive Session granting staff authority for the Angeli vs. Community Transit matter, heard from Staff, and received reports from the sub-committees. The next meeting is May 23 in the Seoul Room, at the SeaTac Conference Center. Kerrigan congratulated Todd Iddings, Shawn Larson, Darlene Fitts (Community Transit) and Angie Peters for completing the Transportation Safety Institute (TSI) Safety and Security Certificate.

***Shipman adjourned the meeting at 11:07 am.***

Submitted this 25 day of April 2024.

Approved:   
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Monique Liard, Secretary