

# CHARTING OUR COURSE

Activities of WSTIP's Committees and Board



## September 29-30, 2016 ~ Meetings

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*This Activity Report is an effort to keep all WSTIP members informed on recent and ongoing WSTIP governance activities. Feel free to pass this information on to any and all interested parties.*

*To view the supporting materials for Executive Committee and Board meetings go to [the Board website](#) and select the meeting. If there is terminology you do not understand there is a glossary of common terms by [clicking here](#).*

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## September 29, 2016 ~ Executive Committee Meeting

### Call to Order

President Heath called the meeting to order at 9:00 am. Heath welcomed all participants as a sign in sheet was passed around the room. A quorum was determined to be present as Heath adjusted the agenda to include an Executive Session to discuss a claim and added an action item regarding an expenditure above the Executive Director's purchase authority.

### Executive Session

The Executive Committee went into Executive Session at 9:07 am pursuant to RCW 48.62.101 for not to exceed 15 minutes; they extended the session multiple times and came out of session at 9:29 am. The Executive Committee gave staff specific settlement authority.

### Consent Agenda

#### **Minutes – August 25, 2016, August 2016 Administrative Vouchers/Checks, August 2016 Claims Vouchers/Checks**

Heath asked for a motion to approve the consent agenda. *Shinners moved to approve the consent agenda. O'Regan seconded the motion and the motion passed.*

### Action Items

#### **Governance Policy – Claim Settlement Procedures**

Heath said the change gives the Executive Director authority to the self-insured retention (SIR) for property damage and raises the Executive Director's liability authority from \$100,000 to \$250,000. Heath explained that the Governance Policy Committee reviewed the number of historical claims

settlements between \$100,000 and \$250,000 before recommending this change. ***LaFontaine moved to approve the Governance Policy for Claim Settlement Procedures. Jordan seconded the motion and the motion passed.***

### **Executive Director Expenditure Exceeding \$35,000**

Heath apologized for the lack of notice. Pierce Transit is applying for a Federal Transit Administration (FTA) grant to help fund the installation of active collision avoidance and are seeking partners. They are requesting \$2 million from the FTA and have asked WSTIP to commit up to \$100,000. Pierce Transit is moving the collision avoidance project forward by moving from the passive system to an active collision system fleet-wide. The question is do you want WSTIP to commit as a partner and authorize cash or in-kind services up to \$100,000. Huyck said currently they are partnering with several agencies including MunichRe and the National Highway Transportation Safety Administration (NHTSA), plan to install active collision avoidance technology on 167 busses. It was noted that MunichRe, on their own, is giving Pierce \$100,000 of either cash or in-kind services. Hatten said he does have a memorandum, we initiated passive collision avoidance technology, Pierce is going to the next level to active collision avoidance technology. The amount of information we will be able to glean will be beneficial. Heath said the urgency of this matter is that Pierce has a deadline to submit the grant by.

***Foreman moved to authorize the Executive Director to commit up to \$100,000 in cash or in-kind services and sign on as a partner with Pierce Transit. Jordan seconded the motion.***

Discussion: Shinners said he is supportive and grateful Pierce is willing. He asked about the length of the project. Huyck said two years. Shinners asked about false positives. Huyck said University of Washington has reverse engineered an algorithm, currently retrofitting buses of the seven buses in service with the active braking there have been zero accidents and zero incidents while in service. O'Regan said she is in support of the project but would have preferred more time to review the document and reflect. Heath said he and Hatten had talked about the timing. Stark calculated that they would be spending about \$12,000 per bus. Huyck said they expect \$1.63 million for capital and then labor costs, they will burn through the \$2 million quickly and expect the project to cost closer to \$3 million. Thaelke asked how the braking worked, how many need to be installed to check before doing the entire fleet. Huyck said he is waiting for an answer from NHTSA about how many buses it takes to be statistically relevant. Heath asked if Huyck would be willing to report to the Executive Committee quarterly and he agreed. ***Heath called for a vote and the motion passed unanimously.***

## **Discussion Items**

### **Executive Committee 2016 Work Plan**

Hatten stated that staff had revised the 2016 work plan to coincide with the Strategic Plan and Framework and thanked the committee for being so engaged. The constant reporting of information is how we keep the strategic plan moving forward, there are tasks that are Executive Committee specific and tasks that are for staff and we appear to be on target.

### **Staff Organization Plan**

Heath said he had met with Hatten and Christianson to preview the changes to the staff organization, staff is within the Executive Director's authority, except from the aspect of the budgeting of salaries and the approval of new positions. They made some revisions and are requesting to create a new position which requires Board approval, and the other changes are significant enough to warrant bringing it to the Executive Committees attention and asked staff to flesh out the plan a bit more. Hatten and Christianson laid out the proposed organization plan and answered questions from Board members. Heath congratulated Christianson, Kerrigan, and

Powell on their promotions with a round of applause from attendees.

### **Non-Transit Liability Governance Policy**

Heath stated we've been talking about non-transit liability coverages for a while now, this policy sets standards on how we deal with non-transit risks but still provide adequate coverage. Franz gave a brief history of the topic from his proposed coverage exclusions which were rejected, to the survey which was completed, to the creation of the policy. The committee and Board members in attendance had a lengthy discussion regarding the policy language. The committee asked Franz to remove number five from the policy and bring it back to the Board meeting the next day for review and then possible approval at the October Executive Committee meeting.

### **State Audit Exit**

Foreman said he didn't attend the exit conference but did receive the comments. The Pool had a clean audit. Hatten thanked Espinoza for her commitment to the financial integrity of our program. He also thanked Spears and our CPA, Joanne Kruse. There were a few comments from Board members regarding GASB 68.

## **Presentation**

### **Governmental Entities Mutual (GEM), Inc.**

Hatten introduced Andrew Halsall, GEMs Chief Executive Officer. Halsall has a background in captive insurance. Halsall thanked the Executive Committee for the opportunity to speak. He went through slides explaining what GEM does for WSTIP and the future. [Click here](#) to view Halsall's slides.

## **Sub-Committee Reports**

### **Governance Policy Committee**

Hatten said the Governance Policy Committee had met and reviewed the operations policies. They will be reviewing the Organizational Planning policies this quarter.

### **Nominations and Elections Committee**

Shinners reported that an email requesting nominations would be coming out shortly after the meeting. Please nominate yourself or someone you feel would do a great job on the Executive Committee. It is encouraging to see how many people have stepped up and thrown their names into the hat. Last year was phenomenal we had between four and six nominees for each position. We will be having a retreat in January (11-13) and he would love to hear from you as to what is important to focus on in 2017.

### **Board Development Committee**

Stark said he had no report in Shipman's absence. Christianson said the Board Development Committee will be meeting October 12 and November 18 via teleconference.

### **Emerging Risks and Opportunities Committee Report**

Jordan said the Emerging Risks and Opportunities Committee met on August 11 and are waiting on responses for their request for information (RFI) for training simulators. The next meeting is on November 11 at the WSTIP Office. The committee is also discussing difficult passengers (repeat offenders), public records requests and claims. The committee is also looking at the best practices for rules of conduct and transit exclusions and may recommend best practice training for operators and staff. Also discussed network security, and mobility device securement training. Huyck said

Pierce Transit is installing passive restraint systems on all new busses.

### **Executive Director Succession Committee**

Heath said the Committee (Heath, Hingson, Covey, Clark-Getzin, and Mehin) met and had a draft plan which they were going to present during this meeting but Spear's departure may or may not change the plan. The committee will meet and report out at the next Executive Committee meeting.

### **Driver Recognition Committee**

Foreman said he had nothing to report. Christianson reported that most of the agencies who are participating and who have requested funds have been paid, we have a few stragglers. She also reminded the committee that the funds for the Above and Beyond award are in the 2017 budget.

## **Recap/Review**

### **Adjournment**

Heath adjourned the meeting at 11:31 am.

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## **September 29, 2016 ~ Work Session**

### **Discussion Items**

#### **Preliminary Results of Collision Avoidance Study**

Spears introduced his panel of speakers, they each briefly spoke about their roles and the findings of the study so far. Several of them shared video clips.

#### **Actuary 101 and Actuarial Results to Establish 2017 Loss Fund and Rates**

Wick talked about what he does for the Pool as the Pool's actuary, the results of the latest actuarial study, and how he established the 2017 Loss Fund and Rates and recommendations for reaching the goal of being able to self-insure the first \$5 million by 2023.

#### **Preliminary Reinsurance and Excess Renewal Indicators**

White talked about the state of the insurance market, what he is seeing and what he expects in the next few months.

#### **2017 Operations Budget**

Christianson went through the draft 2017 Operations Budget. Christianson emphasized the potential need to raise the self-insurance retention from the current \$2 million to \$2.5 million or perhaps even beyond in order to stay within this preliminary budget's indications. If you have questions regarding the budget, please feel free to contact Christianson.

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## **September 30, 2016 ~ Board Meeting**

### **Call to Order**

President Heath called the meeting to order at 9:02 am. A sign in sheet was passed around the

room.

## Discussion Items

### Member Representative Meeting Report and Discussion

LaFontaine stated the small members discussed local audits, transients and the issues that seem to be across all our agencies and how law enforcement handles transients. We also discussed the presidential election, WSTIP organization plan, and aced the quiz.

Jordan said the medium members discussed near misses and how we deal with them, preventative versus punitive encouraging operators to report near misses as an opportunity to learn from them. We also talked about pre-employment testing regarding mobility device securement and seeing if they can drive the bus or if the bus drives them before going into extensive training. Discussed medical exams for current drivers who are having trouble passing other than just three months at a time. She also said 53 percent of their coach operators have accessed their on-site physical therapy and pain management services.

Heath did a quick poll to see what people are putting into their budgets for salary adjustments, answers ranged from 2 to 3.5 percent. Bourton felt it would be beneficial at the WSTA Human Resources Committee to discuss the salary surveys that are taking place and perhaps doing a joint one as there are at least three agencies doing a salary survey this year.

Foreman said the large group focused on the funding study, passed the quiz, and had some great stories about bait cars. As a group we are supportive of going to a seven percent minimum rate increase and maybe even more we are on track to go to \$5 million SIR in 2020-2021 we may need to accelerate that plan, and are willing to do that but are unsure about small and medium members willingness. LaFontaine and Jordan said they hadn't discussed that as a group.

There was a brief discussion regarding the 2017 budget and asked staff to provide options for both a \$2.5 million SIR and a \$3 million SIR. Staff will try to have numbers before the October meeting but may not have solid numbers for the \$5 million in excess of \$15 million layer.

### Underground Storage Tank Report

White said there are nine members who participate, there is a \$1 million limit, and the deductible has historically been \$25,000. The tanks in the program are quite old and this impacts all members in the program. We ran into issues this year with underwriting. Intercity Transit's deductible was raised to \$250,000 and everyone else is still \$25,000. The raise corresponds to Intercity's action to remove the tanks which means the risk goes up substantially. White also discussed that next year older tanks will likely also see an increase in their deductible or any tanks in the process of decommissioned and warned the participants to be prepared for that. White answered questions from members.

### Nominations and Elections Committee

Shinners said an email would be coming out to solicit nominations for the Executive Committee, he will try to reach out and encourage everyone to run for office. Please send him your ideas on what you would like to see the Pool focus on in 2017.

## Financial Reports

### July 2016 Treasurer's Report, Income and Expense Statement, Balance Sheet, Claims Report, and Comparative Income and Expense, and Balance Sheets

Hatten said there isn't a lot to highlight on the financial reports. Heath asked what the Board

members should focus on when they look at these reports. Foreman said equity and cash position relative to current liabilities. If you have questions regarding the financial statements, please contact Hatten.

## Staff Reports

### Executive Staff Report

Hatten said the 2017 draft budget you have is the high point, we will be going through several reiterations of the budget including higher SIR scenarios, he is also having preliminary discussions regarding a potential captive transit protected cell within GEM (captive within a captive scenario), but that may have less appeal if we raise the SIR. Hatten said Intercity Transit had approached WSTIP as they are getting ready to expand their facilities and may be a possibility of shared space for Board meetings and expanding training. There are funds remaining in the Jeffrey S. Ristau Scholarship fund, next deadline November 15. Hatten and Foreman will be meeting with the Thurston County Treasurer to discuss the Pool's investment strategy and may look at going from our current passive investment strategy to a more active strategy similar to what Community Transit has done, we may be able to generate more interest income per year. If you have questions give Hatten a call.

Christianson said DeVoll has visited most members, visits are going well, and he is teaching reasonable suspicion to members, and Kerrigan has finished her vanpool visits for the year. We plan to roll out the securement training soon. The webpage is close to launch and should launch in the next couple of weeks. The information regarding claims has been updated. Hatten said the matter between Clark County and WCRP has settled and been pulled from the Supreme Court so the question will remain unanswered. If you have questions please don't hesitate to contact Christianson.

Powell gave an update on Origami, work continues on reporting, Origami will be at our December meeting, and if you are interested in OSHA reporting through Origami you will soon have the capability for a small fee. If you have questions regarding the Executive Staff Report, contact Hatten or Christianson.

### General Counsel's Report

Franz asked for questions regarding his recent activities and had no intention of going through the list, however, he did make the requested changes to the non-transit liability governance policy. Franz pointed out that paragraph five had been removed but paragraph four remained with the requirement of yearly reporting. Board members discussed the language and asked Franz to revise the language to report only if there is a significant change. This policy will be on the agenda for the October Executive Committee meeting. Clark-Getzin asked if it was necessary to remove the word insurance from all documents. Franz said it is laborious and may take a couple years but we need to start thinking of ourselves not like an insurance company but as a governmental entity that provides risk management. The language change is a cooperative effort by all the pools in Washington. A brief discussion regarding WSTIP's name and what the letter "I" could be ensued. Heath noted this potentially could be a retreat topic.

The Board took a short break at 10:30 am and resumed their meeting at 10:47 am.

### Broker's Report

White gave an update on the state of the insurance market and fielded questions from Board members.

## Action Items

### Minutes – March 25, 2016

*McCaw moved to approve the minutes from June 24, 2016. Shinners seconded the motion and the motion passed.*

### Underground Storage Tank Renewals

*Foreman moved to approve Underground Storage Tank Coverage as bound. McCaw seconded the motion and it passed.*

## Executive Session

There was no Executive Session.

## Member Updates

Heath thanked everyone for the great discussion, 2% to 3.5% general wage increases amongst members, staff will prepare budget options for 2017, Underground Storage Tank Coverage has been bound for another year, our financials look solid, a lot of discussion regarding our SIR and GEM, said goodbye to Jerry Spears, congratulations to Christianson, Kerrigan, and Powell, thanked all the guest speakers. Hatten thanked White for his hospitality in hosting beverages. Franz jokingly requested higher limits. He noted he will see most everyone at the Joint Leadership Training in Spokane and the Executive Committee will hold their meeting at the end of that event. A few members gave brief updates.

## Adjournment

Heath adjourned the meeting at 11:16 am.

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## Attendees

The meetings were held at the Holiday Inn in Everett, WA.

## Executive Committee

Executive Committee members in attendance were: Ben Foreman, Large Member Representative, Intercity Transit; Emmett Heath, President, Community Transit; Staci Jordan, Medium Member Representative, Island Transit; Rob LaFontaine, Small Member Representative, Twin Transit; Diane O'Regan, Secretary, C-Tran; and Paul Shinners, Vice-President, Kitsap Transit. Board Members present: Amy Asher, RiverCities Transit; Lynn Bourton, Link Transit; Danette Brannin, Mason Transit; Mike Burress, Community Transit; Wendy Clark-Getzin, Clallam Transit; Rich Evans, Pacific Transit; Kevin Futrell, Yakima Transit; Jenny George, Asotin County PTBA; Stephanie Guettinger, Columbia County Public Transportation; Tom Hingson, Everett Transit; Rob Huyck, Pierce Transit; Ken Mehin, Grays Harbor Transit; Ed McCaw, Valley Transit; Mike Nortier, Island Transit; mDale O'Brien, Skagit Transit; Motoko Pleasant, Skagit Transit; Tammi Rubert, Jefferson Transit; Pete Stark, Whatcom Transportation Authority; Jim Thaelke, Ben Franklin Transit; Mike Toole, Spokane Transit; Michael Wagner, Grant Transit. Guests present: Joe Bennett, Hendricks & Bennett; Andrew Halsall, Governmental Entities Mutual, Inc.; Matt Hendricks, Hendricks & Bennett; Jim McDonald, JG McDonald & Associates; Jeff Meyers, Munich RE; Brian White, Alliant Insurance Services. Staff present: Anna Broadhead, Member Services Assistant; Tracey Christianson, Acting Deputy Director; Chris DeVoll, Transit Risk Consultant; Marisa

Espinoza, Finance Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Joanne Kerrigan, Risk and Training Coordinator; Andrea Powell, Information Technology Program Manager; and Karey Thornton, Claims and Information Technology Assistant.

## Work Session

Board Members present: Amy Asher, RiverCities Transit; Lynn Bourton, Link Transit; Danette Brannin, Mason Transit; Mike Burress, Community Transit; Wendy Clark-Getzin, Clallam Transit; Rich Evans, Pacific Transit; Ben Foreman, Large Member Representative, Intercity Transit; Kevin Futrell, Yakima Transit; Jenny George, Asotin County PTBA; Stephanie Guettinger, Columbia County Public Transportation; Emmett Heath, President, Community Transit; Tom Hingson, Everett Transit; Rob Huyck, Pierce Transit; Staci Jordan, Medium Member Representative, Island Transit; Rob LaFontaine, Small Member Representative, Twin Transit; Ken Mehin, Grays Harbor Transit; Ed McCaw, Valley Transit; Mike Nortier, Island Transit; Dale O'Brien, Skagit Transit; Diane O'Regan, Secretary, C-Tran; Motoko Pleasant, Skagit Transit; Tammi Rubert, Jefferson Transit; Paul Shinnors, Vice-President, Kitsap Transit Pete Stark, Whatcom Transportation Authority; Jim Thoeke, Ben Franklin Transit; Mike Toole, Spokane Transit; and Michael Wagner, Grant Transit. Guests present: Steve Clancy, Geneva Financial Services; Janet Gates, Geneva Financial Services; Andrew Halsall, Governmental Entities Mutual, Inc.; Jeff Meyers, Munich RE; Chris Quinlan, Rosco; Uri Tamir, Mobileye; Eric Traube, National Highway Transportation Safety Administration; Yin Hai Wang, University of Washington; Brian White, Alliant Insurance Services. Staff present: Anna Broadhead, Member Services Assistant; Tracey Christianson, Acting Deputy Director; Chris DeVoll, Transit Risk Consultant; Marisa Espinoza, Finance Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Joanne Kerrigan, Risk and Training Coordinator; Andrea Powell, Information Technology Program Manager; Jerry Spears, Deputy Director; and Karey Thornton, Claims and Information Technology Assistant.

## Board Meeting

Board Members present: Amy Asher, RiverCities Transit; Lynn Bourton, Link Transit; Danette Brannin, Mason Transit; Mike Burress, Community Transit; Wendy Clark-Getzin, Clallam Transit; Rich Evans, Pacific Transit; Ben Foreman, Large Member Representative, Intercity Transit; Kevin Futrell, Yakima Transit; Jenny George, Asotin County PTBA; Stephanie Guettinger, Columbia County Public Transportation; Emmett Heath, President, Community Transit; Tom Hingson, Everett Transit; Rob Huyck, Pierce Transit; Staci Jordan, Medium Member Representative, Island Transit; Rob LaFontaine, Small Member Representative, Twin Transit; Ken Mehin, Grays Harbor Transit; Ed McCaw, Valley Transit; Mike Nortier, Island Transit; Dale O'Brien, Skagit Transit; Diane O'Regan, Secretary, C-Tran; Motoko Pleasant, Skagit Transit; Tammi Rubert, Jefferson Transit; Paul Shinnors, Vice-President, Kitsap Transit Pete Stark, Whatcom Transportation Authority; Jim Thoeke, Ben Franklin Transit; Mike Toole, Spokane Transit; and Michael Wagner, Grant Transit. Guests present: Brian White, Alliant Insurance Services. Staff present: Anna Broadhead, Member Services Assistant; Tracey Christianson, Acting Deputy Director; Chris DeVoll, Transit Risk Consultant; Marisa Espinoza, Finance Specialist; Ron Franz, General Counsel; Al Hatten, Executive Director; Joanne Kerrigan, Risk and Training Coordinator; Andrea Powell, Information Technology Program Manager; and Karey Thornton, Claims and Information Technology Assistant.

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