

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF WORKSHOP DINNER MEETING

Monday, February 11, 2008
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Cindy Ryu, Deputy Mayor Terry Scott, and Councilmembers Keith McGlashan, Chris Eggen, Janet Way, Doris McConnell, and Ron Hansen

ABSENT: none

STAFF: Julie Modrzejewski, Acting City Manager; Debbie Tarry, Finance Director; Ian Sievers, City Attorney; Joe Tovar, Planning & Development Services Director; Mark Relph, Public Works Director; Dick Deal, Parks, Recreation & Cultural Services Director; John Norris, Management Analyst; Eric Bratton, Management Analyst; Scott Passey, City Clerk

GUESTS: Eric Larson, Washington Cities Insurance Authority (WCIA); Lisa Roberts, WCIA Risk Manager

Mayor Ryu called the meeting to order at 6:12 p.m. There were introductions around the table.

Eric Larson, Washington Cities Insurance Authority (WCIA), and Lisa Roberts, WCIA Risk Manager, gave a presentation on the Washington Cities Insurance Authority. Mr. Larson explained the background and purpose of the WCIA, noting that it was created in 1981, has 19 employees, over \$100 million in assets, and 127 members. The WCIA differs from other insurance companies in that it is governed by a board of directors of the membership. Debbie Tarry, Shoreline's Finance Director, serves on the WCIA board.

Mr. Larson stated that the WCIA provides a better defense of claims and lawsuits because of its pooled resources. The WCIA defends every case if it feels there is no negligence, and it wins over 70% of cases that go to trial. He then outlined the benefits of WCIA membership, which include broad coverage, claims handling, risk management, consultations, training, and pre-defense review.

Councilmember Eggen asked about the advantage of defending every case in which WCIA feels there is no negligence. Mr. Larson replied that it sends a strong message to the legal community, provides good case law, and WCIA has the expertise and means to defend itself. Dick Deal, Parks, Recreation & Cultural Services Director, commented that the number of claims was greatly reduced after the WCIA was established.

Mr. Larson continued his presentation, noting that WCIA excels in personnel issues and land use. He outlined the liability coverage offered, which includes \$20M limits with no deductible.

Responding to Mayor Ryu, Mr. Larson confirmed that the deductible is offered because it allows cities to weigh the cost/benefit of assuming risk for lower insurance assessments. He said this is what is commonly referred to as "risk management." Ms. Tarry added that the City of Shoreline does not get many liability claims.

A brief discussion followed regarding earthquake and flood coverage. Mr. Larson pointed out that simply because we own it does not mean that we're responsible; the test is negligence. "Acts of nature" do not usually constitute negligence; in addition, if we did not create it or know about it, we may not be responsible.

Mr. Larson then discussed other coverage elements as well as Shoreline's 2008 liability assessment. Although Shoreline's loss rate ranks 19th out of 20th in its group, it should improve as the 2002 losses drop off for the 2009 assessment. Mr. Larson then explained the process for handling claims, which includes investigation and a determination of liability. He outlined the elements of negligence, including duty owed, breach of duty, proximate cause, and damages as a direct result. He concluded his presentation by explaining what to do if an incident occurs.

Mayor Ryu declared the meeting adjourned at 7:18 p.m.

Scott Passey, City Clerk