

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

Monday, July 27, 2009
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: Bob Olander, City Manager; Julie Underwood, Assistant City Manager; Debbie Tarry, Director of Finance

GUEST: Lisa Knapton, Washington Cities Insurance Authority

Mayor Ryu called the meeting to order 6:10 p.m.

Ms. Tarry stated that the City purchases its liability, property, crime and fidelity, and automobile insurance coverage through Washington Cities Insurance Authority (WCIA). Ms. Tarry introduced Lisa Knapton from WCIA.

Ms. Knapton provided a brief history of the WCIA, which was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA includes cities, special districts, and transportation benefit districts. It is not intended to be an insurance company, but it is driven by its members. Every member is a member of the pool. Ms. Tarry is the delegate for Shoreline and also serves on the Board, which meets three times a year. The Executive Board committee has nine members and they meet once a month to review claims above \$50,000.

WCIA also has a Long-range Planning Committee which reviews the loss history and determines audit topics. The Budget Committee reviews and approves the budget. In addition, WCIA offers follow-up trainings. Ms. Tarry stated that the City is required to participate in three trainings per year, and if we do not, we would have to pay a penalty on assessment. Mr. Olander stated that some training is geared toward elected officials and planning commissioners. Ms. Tarry said that she will schedule a joint training with the Council and Planning Commission in the future.

Ms. Knapton stated that WCIA believes in aggressive litigation as opposed to loss settlement to discourage unwarranted claims. She said that she's proud to work for an

organization that does not give in to lawsuits. WCIA has a 70% success rate; claims are litigated to the end.

Ms. Knapton reviewed the City's coverage; roads are not covered. Parks coverage includes such assets as field turf, bathrooms, and artwork. She stated that the severity of a claim is determined by how much it costs and the frequency includes the number of claims.

Ms. Knapton provided the Council with an update on the City's risk profile, which compares Shoreline to other cities in Shoreline's actuarial group. Overall, Shoreline is doing very well in comparison.

One of the requirements of all WCIA members is to meet annual compact requirements. These requirements include paying the annual insurance assessments on time, participating in an annual audit and risk management review, filing claims on a timely basis, and meeting certain training requirements.

Ms. Knapton stated that the 2009 audit topic is Land Use and Planning. WCIA has looked at all potential risks. The last time WCIA did this it only covered permits. This time the audit was much more inclusive; it included a 22-page single line questionnaire. There were 51 mandatory requirements and the City passed every one of them, which is very rare.

Ms. Knapton noted the City's hearing examiner ordinance was vague so she provided samples of other jurisdictions for the City to consider. WCIA, and regional defensive attorneys that represent WCIA, recommend that quasi-judicial decisions be made by a hearing examiner. Of the WCIA cities, 80% utilize a hearing examiner. In the group two cities, 75% of the members involved use a hearing examiner for decisions and 50-55% leave the final decision-making to the hearing examiner.

Councilmember Eggen said that the criteria for quasi-judicial decisions are vague and not well defined. This is what the Council should address before removing the Council from the process.

Councilmember Way said that by having the hearing examiner decision go directly to superior court would mean that the Council is never involved. The Council serves as the people's representative; the people would not have a way to weigh in.

Councilmember McGlashan asked if the City would be protected if a quasi-judicial decision goes to Council and the Council accepts the hearing examiner recommendation. Ms. Knapton responded affirmatively.

Ms. Knapton stated that WCIA is interested in defending the City and so it's important the decision be based on findings of fact; WCIA tries to prevent cities from being named in a lawsuit.

Ms. Knapton reviewed the City's five year study of losses. The severity is below the group average; the City is performing well. For the frequency there are a few, but Shoreline has a higher population than other cities in the same group.

Ms. Knapton was appreciative of Ms. Tarry and thanked her for her help during the audit.

The meeting was adjourned at 7:20 p.m.

Scott Passey, City Clerk

This page intentionally left blank