

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Thursday, September 19, 2022
5:45 p.m.

Conference Room 440 - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Scully, Deputy Mayor Robertson, and Councilmembers McConnell, Mork, Roberts, and Pobee

ABSENT: Councilmember Ramsdell

STAFF: City Manager Debbie Tarry, Assistant City Manager John Norris, and Administrative Services Director Sara Lane

GUESTS: WCIA Executive Director, Ann Bennett and WCIA Deputy Director Rob Roscoe

At 5:48 p.m., the special meeting was called to order by Mayor Scully. All Councilmembers were present except for Councilmember Pobee who joined the meeting at 5:50 p.m. and Councilmember Ramsdell.

Washington Cities Insurance Authority (WCIA) Deputy Director, Rob Roscoe, began their presentation by stating that WCIA provides liability and property insurance through a risk sharing pool among 165 municipal members. The organization is governed by a Board of Directors composed of its members who make coverage decisions. WCIA also assists members avoid and reduce loss through risk management training and support from a risk management representative.

Mr. Roscoe also stated that compared to the general insurance industry, WCIA has stable and transparent rates. However, the insurance industry is facing a difficult market in Washington State and the premium for coverage has increased over 70%. WCIA offers \$20 million in coverage per occurrence and covers the first \$4 million in liability coverage and the first \$750,000 of property loss. Other coverages include crime and fidelity, pollution liability, and cyber liability.

WCIA uses an actuary to determine liability rates and for the first time, rates have been increased by 40%. Once a funding need is defined, the cost is spread out to five actuarial groups. Members are sorted based off of worker hours that establish the exposure base and loss is averaged in a rolling five-year timeframe. The most common variable for cost distribution is done by independent actuary. To promote stability, WCIA may set loss caps.

Shoreline's worker hours increased 5% in 2021 from 350,000 to 369,000 hours. The modification factor decreased 5% from 0.709 to 0.676 and the assessment rate increased 37%

from \$1.19 to \$1.625. The City's overall assessment rate increased 44% from \$416,000 to \$599,000.

Following the presentation of WCIA's history, background, and rate structure by Mr. Rosco, WCIA Executive Director Ann Bennett provided information to the Council to help reduce the City's risk. Ms. Bennett shared information about reducing risk to the City as a result of Council actions, but also shared that Councilmembers have individual immunity. Individual immunity entitles Council to immunity from being held personally liable in the context of legislating. Several potential liabilities were discussed such as Hearing Examiner matters, negligent misrepresentation, confidentiality issues, defamation, and public communication risks. Development agreements were also pointed out as being tricky in litigation as they fall under contractual law and are not covered by WCIA.

Ms. Bennett emphasized the importance of utilizing knowledgeable staff and the City Attorney to avoid claims. WCIA's Pre-Defense program which offers legal advice from a personnel attorney was highlighted as a resource for members to avoid personnel claims.

At 6:50 p.m., Mayor Scully declared the meeting adjourned.

Kendyl Hardy, Deputy City Clerk