



## **EXECUTIVE COMMITTEE MEETING**

August 27, 2021

### **ALDERBROOK RESORT**

7101 E State Highway 106

Union, WA 98592

(360) 898-2200

#### **10 a.m. - Call to Order/Self Roll Call**

#### **Committee Attendance**

Excuse Absent Committee Members

#### **Consent Calendar:**

- |                                    |      |    |
|------------------------------------|------|----|
| • Executive Committee July Minutes | Page | 1  |
| • June Expenditures                | Page | 6  |
| • August Claims Settlements        | Page | 12 |

#### **Action Item:**

- |  |      |    |
|--|------|----|
| • Annual Adjustment: Staff 2021 Compensation | Page | 14 |
|--|------|----|

#### **Director's Report:**

- |                                    |      |    |
|------------------------------------|------|----|
| • Police Legislation Response      | Page | 16 |
| • Upcoming Renewals                |      |    |
| • Government Entities Mutual (GEM) |      |    |

#### **Executive Session**

Claim Settlements and Litigation

## EXECUTIVE COMMITTEE MEETING

July 9, 2021

Zoom

The regular meeting of the Executive Committee was attended by members, staff members and others virtually via Zoom. The public was provided access to view via Zoom with the link posted on the WCIA website.

### **Members Present**

President Deborah Knight, Monroe; Vice President Brian Loos, Longview; Mitch Lackey, Camas; Woody Edvalson, Bonney Lake; Shelley Acero, Burlington; Wade Farris, Chelan; Paul Ellis, Arlington; Arlene Fisher, Union Gap; and Erwin Vidallon, Metropolitan Park District of Tacoma.

### **Others Present**

Ann Bennett, Executive Director; Shannon Ragonesi, Counsel; Michele Neumann, Authority Secretary; Jared Burbidge, Treasurer/Finance and Administrative Services Manager; Rob Roscoe, Deputy Director; Robin Aronson, Risk Services Manager; Patti Crane, Member Services Manager; Harlan Stientjes, Claims Manager; Gordy Van, Senior Claims Adjuster; Luis Fragoso, Senior Claims Adjuster; Drew Brien, Senior Claims Adjuster; Rachel Roberts, Claims Representative; Lisa Knapton, Senior Risk Representative; Tanya Crites, Senior Risk Representative; Debbi Sellers, Senior Risk Representative; Carlene Brown, Risk Representative; Peter Kang, IT Administrator; Maria Orozco, Member Services Coordinator; Blaine Fritts, Woodinville; and Craig Scukas, PwC.

### **Committee Absence Log**

**April:** Acero, Burlington  
Vidallon, Metropolitan Park  
District of Tacoma  
**June:** Vidallon, Metropolitan Park  
District of Tacoma

### **Call to Order**

Knight called the meeting to order at 9:30 a.m. Roll was called.

### **Consent Calendar**

Consent calendar items include: June 2021 Executive Committee meeting minutes; April 2021 and May 2021 expenses in the total amount of \$5,184,058.54; and lawsuits and/or claims settlements as of July 9, 2021, in the total amount of \$6,456,430.50. **Acero moved to approve the consent calendar. Ellis seconded.\***

Responding to Edvalson's inquiry, Bennett confirmed that the settlements report contained no duplications.

**\*Motion carried unanimously.**

### **Action Items**

#### **• 2022 Liability Assessments**

For this action item, Burbidge welcomed WCIA Budget Committee Chair Blaine Fritts, who said he was available to answer questions. Burbidge also introduced Craig Scukas with WCIA's

actuary PwC (aka PricewaterhouseCoopers) who gave a brief overview of the rating process that led to the actuarial recommended assessment rate increase of 19.4% for 2022. He explained that two pieces are at play. The first is the calculation of what funding is needed for 2022 and the second is the decision which considers the capital position of the pool. Scukas reviewed the following areas during his presentation: indicated total need; projected losses; worker hours; 2022 indicated rate; target fund balance (capital modeling) study; rate level decision in context of target capital; WCIA's current net position; and historic rate decisions.

During and following the presentation, discussion occurred regarding the following: worker hours; operating costs include administrative and reinsurance costs; insurance layers; lease revenue; claims costs; messaging to the membership; preparing membership for possible rate increases in future years; past years' rate increase/decrease decisions and historical perspective; WCIA's appetite for risk; legislative actions; WCIA's ability to find carriers and potential restriction of coverage; costs of reinsurance; WCIA's Member Action Plan; WCIA's reactivity to losses; and potential loss of members due to a rate increase.

Moving on, Burbidge reviewed the action item and associated Assets and Reserve History and Financial Analysis Ratios charts. He emphasized that although the actuarial indicated 2022 overall average pool rate increase is 19.4%, individual member rates vary based on losses. Individual member rates are capped at +15%/-15% on top of the overall pool rate changes so the maximum and minimum rate increase for 2022 is 34.4% and 4.4% respectfully.

Discussion ensued and comments included: difficult during mid-year to predict the actual loss costs for 2021; acknowledgement that the Budget Committee did consider a 20% rate increase for 2022, and for the past three years, has recommended adopting or going higher than the recommended actuarial rate; fact that some risk pools are taking a 100% increase this year; hope that the proposed rate increase will prevent a "cash call" which means going back to members and asking for more money; concern that WA State legislative actions, the climate, case law, and the social justice movement decreases the interest of carriers in WCIA and increases claims costs; important to maintain relationships with reinsurers for continued business; the fact that WCIA's administrative costs are flat; WCIA's strength and ability will help weather this storm; WCIA is not in a position to delay dealing with this difficulty; and members with high losses and lack of risk management should pay their fair share.

Turning to the next steps, Burbidge stated that once the 2022 assessment rate is determined, each member's assessment will be calculated and then the notice of liability assessment is mailed out at the end of July. In response to comments regarding talking points, Knight recommended that in addition to the member assessment notice, a letter to the membership be included in the mailing that explains the reasons for the rate increase and reasons why it is beneficial to be a part of a risk pool.

***Edvalson moved to accept the actuary's indicated 19.4% increase in the assessment rate for 2022. Ellis seconded.\****

Loos commented if the indicated rate increase is not approved now it will set WCIA further back in the future and a cash call situation is not desired. Too many organizations depend on WCIA. On the positive side, Knight commented that the country is currently not in a recession and that for some members, financial support may be available from COVID-19 relief funds.

***\*Motion carried unanimously.***

- **Resolution 262-21: Employee Handbook**

WCIA's established written policies have been amended and updated many times to incorporate changing employment laws and needs of the organization. The policies were last updated in December 2019. Burbidge reviewed the proposed changes to be incorporated in the handbook, including: enabling all employees to be eligible for telework if their job is suited to such an arrangement and who meet eligibility criteria; allowing management employees to retain their offices even if they telework more than 16 hours a week; updating the pay period definition to match current practice; and adding the Juneteenth Holiday to the list of paid holidays.

Responding to inquiries, Burbidge stated there is no additional cost to WCIA for adding the Juneteenth Holiday. The paid holiday will be recognized starting in June 2022. He also confirmed that non-management employees teleworking more than 16 hours per week shall not be provided a dedicated office space and that management employees will retain their offices even if they telework more than 16 hours per week.

***Acero moved to approve Resolution 262-21 amending the WCIA Employee Handbook. Edvalson seconded.\****

Committee Members discussed the Juneteenth Holiday and whether or not a decision has been made to implement the holiday at their entities.

***\*Motion carried unanimously.***

### **Director's Report**

- **Police Legislation**

Bennett provided an update on recent legislation regarding police reform and the impact on WCIA and its members. She explained that differing opinions exist regarding the interpretation of the new use of force law (HB 1310) and WCIA's goal is to interpret the law conservatively with an eye towards liability. Police Chief Forums have been held and city attorney trainings are forthcoming to assist members. She and Authority Counsel recently met with the Association of WA Cities (AWC) lobbyists to discuss advice given to the memberships and explore potential legislative solutions to improve and clarify HB 1310. Additionally, Bennett and Ragonesi commented on the anticipated reintroduction of HB 1202, which may make police liability an uninsurable risk due to the exposure created. Bennett assured that WCIA will keep abreast of this topic, provide updates, and continue to work with AWC, the Liability Reform Coalition and WCIA's lobbyist.

### **Managers' Quarterly Reports**

- **Burbidge, Finance and Administrative Services Manager/Treasurer**

Burbidge reviewed the WCIA expenses and investments as of May 31, 2021, and noted that although still active in the market, WCIA is also starting to migrate into municipal bonds. Burbidge reported that: collected worker hours for 2020 are lower than reported in 2019; he is working on scheduling the State Auditor's Office audit, as the audited financials must be

submitted to the Office of Risk Management in August; WCIA offices are being reopened to the public; and staff continues to participate in activities planned by the WCIA Wellness Committee.

- **Aronson, Risk Services Manager**

Aronson stated that the Risk Representatives are entrenched in member audits that began in March and run through October. The department continues to provide new delegate and alternate orientations and classes on various topics. She reported that the Risk Management Committee met in May to continue to discuss the best approach to help members build a culture of risk management within their entities and the Committee is working on developing a risk management credentialing program. Relaying that members are making use of the Risk Consultation program, Aronson indicated that a lot of questions regard the pandemic, vaccinations, and facility re-opening. She said this program's budget was also used to begin addressing questions regarding the new police legislation and to commence review of the updates to Lexipol policies by Authority Counsel. Finally, Aronson noted the increased complexity of the Pre-defense program assignments that totaled 40 in the second quarter.

In response to Knight's inquiry, Ragonesi estimated that it will take approximately two more weeks to conduct her review of the Lexipol policies.

- **Crane, Member Services Manager**

Crane reported on the new trainings offered, which include Risk Management Fundamentals of Homelessness Concerns, Risk Managing the Hybrid Workplace, and two Police Chief Forums focused on law enforcement legislation. She highlighted that the popularity of the forums prompted the creation of an education plan for law enforcement related to the recent police legislation. This plan includes coordinating with the Criminal Justice Training Center (CJTC), partnering with other risk pools to bring in national speakers, and working with individual members who are developing their own training programs.

Knight praised WCIA for being a leader in providing education, particularly on police reform. Lackey praised the Police Chief Forums and the WA Association of Sheriffs and Police Chiefs (WASPC). He expressed concern regarding the unintended consequences of the recent police legislation and cautioned that CJTC is being inundated with mandates without proper funding. Crane stated that WCIA partners with WASPC whenever the opportunity arises.

### **Recess**

Knight announced a break at 11:40 a.m. The meeting reconvened at 11:45 a.m.

- **Stientjes, Claims Manager**

Reporting that the second quarter new claim count of 357 was average, Stientjes indicated that more claims were opened than closed. He highlighted that the indemnity payments were mostly made up of two large claims that were settled, and that for the subrogation recoveries, WCIA successfully recovered \$111,328. Stientjes informed that of the current open claim count, 23 of WCIA's 714 open claims have reserves set at over \$1 million, and of those, eleven are related to safety functions, five are related to street design, and two are related to storm/sewer. He pointed out that the top 10% of WCIA's open claims represent 76% of the

## EXECUTIVE COMMITTEE MEETING

July 9, 2021

Zoom

claims expense. Stientjes closed by noting two lawsuits were dismissed through summary judgement and one through voluntary dismissal without paying indemnity to the plaintiff.

- **Roscoe, Deputy Director**

Pointing out that HCA Asset Management is in the third year of providing appraisal services, Roscoe reported that WCIA is experiencing increased values which is important in setting property rates. WCIA is trying to keep property rates as low as possible for the membership. A 20-30% insurance cost increase is expected for the property program; however, WCIA is currently projecting a 5-10% property/auto rate increase to the membership. Roscoe also reported that for the Cyber insurance policy that renewed on May 31, WCIA was unable to retain the lower deductible and it increased from \$25,000 to \$50,000. Finally, Roscoe reported that the WCIA website is up and running with adjustments being made to the data content and member resources as needed.

### **Executive Session**

***Loos moved to enter executive session for 60 minutes to discuss claims and litigation pursuant to RCW 42.30.110(i). Farris seconded. Motion carried unanimously.***

Committee members Knight, Loos, Lackey, Edvalson, Acero, Farris, Ellis, Fisher and Vidallon entered executive session at 11:51 a.m. Staff members Bennett, Stientjes, Van, Brien, Fragoso, and Counsel Ragonesi were present at the session. The executive session ended at 12:44 p.m.

***Acero moved to authorize settlement authority for claims discussed and in the amounts discussed during the executive session. Vidallon seconded. Motion carried unanimously.***

The Committee adjourned at 12:45 p.m.

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Deborah Knight, President

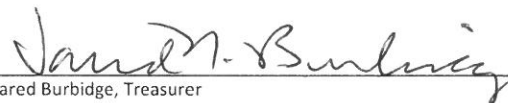
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Michele Neumann, Authority Secretary

Approved on: \_\_\_\_/\_\_\_\_/2021

**Washington Cities Insurance Authority  
AP Listing Report  
JUNE 2021**

Check Date	Check #	Payee Name	G/L Code	Description	Amount
6/14/2021	13785	BrightView Landscapes LLC	5160-00 Landscape Contract-Ext	6/21 land maint	723.36
6/14/2021	13786	CENTURYLINK	5145-00 Fire/Safety-Alarm Phone Lines	5/29-6/29 alarm line 751189	273.60
6/14/2021	13787	COMCAST	7200-07 Bldg Data Services	6/9-7/8 D/S-205	110.22
6/14/2021	13787	COMCAST	7200-07 Bldg Data Services	6/9-7/8 D/S-250	110.22
6/14/2021	13787	COMCAST	7200-07 Bldg Data Services	6/9-7/8 D/S 270	110.22
6/14/2021	13787	COMCAST	7200-07 Bldg Data Services	6/9-7/8 D/S 100	90.27
6/14/2021	13787	COMCAST	7200-07 Bldg Data Services	6/9-7/8 D/S 104	478.60
6/14/2021	13788	COMCAST	7200-07 Bldg Data Services	6/9-7/8 D/S 102	110.22
6/14/2021	13789	JSH PROPERTIES INC	5110-00 Property Management Fees	06/20 mgmt. fee	1,750.00
6/14/2021	13790	PUGET SOUND ENERGY	6005-01 Electricity	4/23-5/24 elec	1,479.02
6/14/2021	13790	PUGET SOUND ENERGY	6030-01 Gas	4/23-5/24 gas	489.43
6/14/2021	13791	PSR MECHANICAL	5130-01 HVAC Contract	6/21 HVAC maint	1,664.71
6/14/2021	13792	SEATTLE MAINTENANCE SERVICES	5065-01 Janitorial Contract	05/21 janit svc	2,584.06
6/14/2021	13793	Seadrunar Recycling LLC	6035-00 Trash/Recycle	05/21 recycling	181.81
6/14/2021	13794	SunSigns	5100-00 Signs & Directories	6/3/21 12"*18" Signage	92.40
6/14/2021	13795	CITY OF TUKWILA	6010-01 Water & Sewer	4/14-5/12 wtr/swr	465.13
6/14/2021	13796	WM Corporate Services, Inc.	6035-00 Trash/Recycle	05/21 trash rmvl	552.65
6/28/2021	13797	The Interior Foliage Company LLC	5165-00 Landscape Contract-Interior	06/21 int plant care	242.22
6/28/2021	13798	PACIFIC FIRE AND SECURITY INC	5140-01 Fire & Security Sys Contract	Qtrly Web Hosting Contract (Jul-Sept.)	300.57
6/28/2021	13799	Performance Systems Integration LLC	5140-01 Fire & Security Sys Contract	4/1/21-3/31/22 fire mon svc	594.54
6/28/2021	13800	Springtime Enterprises, LLC	5185-00 Lot Sweeping	06/21 sweeping	66.76
6/28/2021	13800	Springtime Enterprises, LLC	5185-00 Lot Sweeping	01/21 sweeping	66.70
6/28/2021	13801	Western Exterminator	5105-00 Pest Control	6/3 pest control	123.70
6/28/2021	13802	Resound Energy Services	1405-01 Construction in Progress - TI	1st 1/2 LED Retrofit Scope	23,115.19
<b>Total June Expenses</b>					<b>35,775.60</b>

  
Jared Burbidge, Treasurer

Approved by the Executive Committee/Board of Directors:

Date

  
Ann Bennett, Executive Director

Deborah Knight, President

**Washington Cities Insurance Authority**  
**Invoice Approval Listing**  
**06/30/2021**

The following voucher/warrants/electronic payments are approved for payment:

<b>Date</b>	<b>Number</b>	<b>Vendor Name</b>	<b>Amount</b>
06/21/2021	2	Bank of America	\$ 6,137.14
06/03/2021	41738	Sound Employment Solutions, LLC	\$ 2,100.00
06/03/2021	41739	Aperture EQ LLC	\$ 2,600.00
06/03/2021	41740	Williams Kastner	\$ 174.63
06/03/2021	41741	Inslee, Best, Doezie & Ryder, P.S.	\$ 1,875.00
06/03/2021	41742	Evans, Craven & Lackie, P.S.	\$ 40.00
06/03/2021	41743	Keating, Bucklin & McCormack, PS	\$ 152.00
06/03/2021	41744	Fisher Phillips	\$ 17.50
06/03/2021	41745	City of Walla Walla	\$ 75.00
06/03/2021	41746	Sedgwick Claims Management Services Inc	\$ 6,193.68
06/08/2021	41747	City of Puyallup	\$ 100.00
06/08/2021	41748	City of Pasco	\$ 1,897.00
06/08/2021	41749	City of Enumclaw	\$ 250.00
06/08/2021	41750	Law, Lyman, Daniel, Kamerrer & Bogdanovic	\$ 1,935.50
06/08/2021	41751	Fisher Phillips	\$ 915.00
06/08/2021	41752	Keating, Bucklin & McCormack, PS	\$ 7,315.60
06/08/2021	41753	Wash. Assn. of Sheriffs & Police Chiefs	\$ 75.00
06/08/2021	41754	Law, Lyman, Daniel, Kamerrer & Bogdanovic	\$ 416.50
06/08/2021	41755	Access	\$ 202.13
06/08/2021	41756	Connie Poulsen	\$ 2,000.00
06/08/2021	41757	HCA Asset Management, LLC	\$ 78,000.00
06/08/2021	41758	LexisNexis	\$ 3,170.88
06/08/2021	41759	Seitel Systems, LLC	\$ 183.75
06/08/2021	41760	Verizon Wireless	\$ 1,020.80
06/08/2021	41761	Law Offices of Rick Kaiser, PLLC	\$ 958.50
06/08/2021	41762	Shred-it	\$ 1,770.08
06/08/2021	41763	AWC	\$ 285.00
06/10/2021	41764	Sedgwick Claims Management Services Inc	\$ 1,083.00
06/10/2021	41765	City of Lakewood	\$ 800.00
06/10/2021	41766	City of Mountlake Terrace	\$ 145.00
06/10/2021	41767	Marysville Fire	\$ 419.16
06/10/2021	41768	Keating, Bucklin & McCormack, PS	\$ 2,408.80
06/10/2021	41769	Keating, Bucklin & McCormack, PS	\$ 1,672.00
06/10/2021	41770	Pacific Office Automation	\$ 4,144.80
06/10/2021	41771	Marsh USA, Inc.	\$ 384,811.84
06/10/2021	41772	City of Woodinville_	\$ 400.00
06/15/2021	41773	Keating, Bucklin & McCormack, PS	\$ 1,945.60
06/15/2021	41774	Madrona Law Group, PLLC	\$ 1,822.50
06/15/2021	41775	Hackett, Beecher & Hart	\$ 2,400.00
06/15/2021	41776	Michele. Neumann	\$ 44.04
06/15/2021	41777	Connie Poulsen	\$ 2,750.00
06/15/2021	41778	Aperture EQ LLC	\$ 5,200.00
06/15/2021	41779	Ogden Murphy Wallace P.L.L.C.	\$ 350.00
06/15/2021	41780	Cvent, Inc	\$ 26,779.40
06/15/2021	41781	Quadient Finance USA Inc	\$ 59.00
06/15/2021	41782	Rob Roscoe_	\$ 357.33
06/15/2021	41783	Aperture EQ LLC	\$ 4,200.00
06/15/2021	41784	City of Olympia	\$ 475.00
06/15/2021	41785	City of Federal Way	\$ 400.00
06/15/2021	41786	City of Lakewood	\$ 50.00
06/15/2021	41787	Sedgwick Claims Management Services Inc	\$ 5,260.64
06/15/2021	41788	Alpha Trophy Inc	\$ 85.80
06/15/2021	41789	Kittitas County Sheriff's Office	\$ 60.00
06/17/2021	41790	Phillip C. Baber, CPA	\$ 937.50
06/17/2021	41791	Quadient Inc	\$ 55.15



**Washington Cities Insurance Authority**  
**Invoice Approval Listing**  
**06/30/2021**

<b>Date</b>	<b>Number</b>	<b>Vendor Name</b>		<b>Amount</b>
06/17/2021	41792	Drew Brien	\$	788.00
06/17/2021	41793	Sedgwick Claims Management Services Inc	\$	1,358.50
06/17/2021	41794	Valley Regional Fire Authority_	\$	410.30
06/17/2021	41795	City of Mercer Island	\$	475.00
06/17/2021	41796	Keating, Bucklin & McCormack, PS	\$	6,140.80
06/17/2021	41797	Menke Jackson Beyer, LLP	\$	258.00
06/22/2021	41798	Innovative Impact Strategies Consulting	\$	3,500.00
06/22/2021	41799	Connie Poulsen	\$	2,750.00
06/22/2021	41800	City of Maple Valley	\$	100.00
06/22/2021	41801	City of Lakewood	\$	515.00
06/22/2021	41802	Drew Brien	\$	218.40
06/22/2021	41803	Summit Law Group	\$	3,750.00
06/22/2021	41804	Sedgwick Claims Management Services Inc	\$	1,221.76
06/24/2021	41805	Marsh USA, Inc.	\$	381,850.00
06/24/2021	41806	Sedgwick Claims Management Services Inc	\$	1,494.52
		<b>Subtotal - General Checking</b>	<b>\$</b>	<b>973,807.53</b>
06/30/2021	Payroll	Payroll Transactions		276,604.00
		Personnel Benefits		80,471.90
		<b>Subtotal - Operating Fund Expenses</b>	<b>\$</b>	<b>357,075.90</b>
06/30/2021	Claims	Claims Payments Made June	\$	7,311,198.64
		<b>Subtotal - Claims</b>		
		<b>Total - June Expenses</b>	<b>\$</b>	<b>8,642,082.07</b>

  
 Jared Burbidge, Treasurer

  
 Ann Bennett, Executive Director

Approved by the Executive Committee/Board of Directors:

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Deborah Knight, President

**Washington Cities Insurance Authority**  
**Budget Comparison-Claims Administration**  
January through June 2021

	Jan - Jun 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Expense				
701 · Personnel Services	149,192.78	576,071.00	-426,878.22	25.9%
711 · Personnel Benefits	60,303.50	246,289.00	-185,985.50	24.5%
731 · Claims Administration	113,195.39	520,000.00	-406,804.61	21.8%
801 · Supplies	15.40	2,500.00	-2,484.60	0.6%
807 · Transportation/Per Diem	1,006.40	15,700.00	-14,693.60	6.4%
817 · Dues/Conferences/Subscriptions	3,170.88	3,000.00	170.88	105.7%
825 · Records Retention	1,512.50	1,500.00	12.50	100.8%
Total Expense	328,396.85	1,365,060.00	-1,036,663.15	24.1%
Net Ordinary Income	-328,396.85	-1,365,060.00	1,036,663.15	24.1%
Net Income	<b>-328,396.85</b>	<b>-1,365,060.00</b>	<b>1,036,663.15</b>	<b>24.1%</b>

**Washington Cities Insurance Authority**  
**Budget Comparison - General Administration**  
January through June 2021

	Jan - Jun 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Expense				
6560 · Payroll Expenses	824.47		824.47	100.0%
701 · Personnel Services	259,955.13	1,033,150.00	-773,194.87	25.2%
711 · Personnel Benefits	95,866.18	387,275.00	-291,408.82	24.8%
713 · Vehicle Allowance	1,500.00	6,000.00	-4,500.00	25.0%
721 · Legal Services	20,012.00	72,000.00	-51,988.00	27.8%
723 · Financial Services	23,385.80	30,000.00	-6,614.20	78.0%
725 · Audit Services		20,000.00	-20,000.00	
727 · Actuarial Services		50,000.00	-50,000.00	
729 · Consulting Services	24,129.29	70,800.00	-46,670.71	34.1%
730 · Website Services	18,292.99		18,292.99	100.0%
735 · State Risk Mngmt Audit	5,860.20	11,720.00	-5,859.80	50.0%
801 · Supplies	16,348.61	64,600.00	-48,251.39	25.3%
803 · Postage	1,917.65	8,000.00	-6,082.35	24.0%
805 · Telephone	8,778.61	28,680.00	-19,901.39	30.6%
807 · Transportation/Per Diem	357.33	25,000.00	-24,642.67	1.4%
813 · Leased Equipment	3,997.58	7,000.00	-3,002.42	57.1%
814 · Software/License Fees	36,931.70	271,225.00	-234,293.30	13.6%
817 · Dues/Conferences/Subscriptions	14,433.56	29,170.00	-14,736.44	49.5%
819 · Printing	200.00	8,000.00	-7,800.00	2.5%
831 · Ex. Comm./Board Meetings		35,000.00	-35,000.00	
835 · Ex. Committee Transportation		17,000.00	-17,000.00	
879 · Computer/Equipment		55,000.00	-55,000.00	
Total Expense	532,791.10	2,229,620.00	-1,696,828.90	23.9%
Net Ordinary Income	-532,791.10	-2,229,620.00	1,696,828.90	23.9%
Net Income	-532,791.10	-2,229,620.00	1,696,828.90	23.9%

**Washington Cities Insurance Authority**  
**Budget Comparison-Member Services**  
January through June 2021

	Jan - Jun 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Expense				
701 · Personnel Services	243,078.13	966,014.00	-722,935.87	25.2%
711 · Personnel Benefits	86,964.96	354,406.00	-267,441.04	24.5%
733 · Pre-Defense Review	208,529.43	700,000.00	-491,470.57	29.8%
801 · Supplies	-525.44	5,000.00	-5,525.44	-10.5%
807 · Transportation/Per Diem		74,500.00	-74,500.00	
817 · Dues/Conferences/Subscriptions	2,141.00	11,285.00	-9,144.00	19.0%
841 · Member Training/Seminars	256,915.17	760,000.00	-503,084.83	33.8%
842 · Risk Reduction Grant	6,404.27	150,000.00	-143,595.73	4.3%
843 · Risk Management Consulting	18,309.63	180,000.00	-161,690.37	10.2%
Total Expense	821,817.15	3,201,205.00	-2,379,387.85	25.7%
Net Ordinary Income	-821,817.15	-3,201,205.00	2,379,387.85	25.7%
Net Income	-821,817.15	-3,201,205.00	2,379,387.85	25.7%

## WCIA EXECUTIVE COMMITTEE SETTLEMENT CONSENT AGENDA FOR AUGUST 27, 2021

The following lawsuits and/or claims are submitted for Executive Committee final review and approval of settlement:

- 1. Claimant name:** Hoban and Associates / Amtrust North America Inc  
**Member:** City of Monroe  
**Date of loss:** December 21, 2020  
**Nature of claim:** Storm drain overflow  
**Settlement amount:** \$120,000.30  
**Settlement terms:** Full release with no admission of liability
- 2. Claimant name:** Sharnette Ross  
**Member:** City of Battle Ground  
**Date of loss:** July 26, 2016  
**Nature of claim:** Sidewalk trip and fall  
**Settlement amount:** \$115,000.00  
**Settlement terms:** Full release with no admission of liability
- 3. Claimant name:** Josh and Maureen Rynearson  
**Member:** City of Burien  
**Date of loss:** March 28, 2018  
**Nature of claim:** Code enforcement action  
**Settlement amount:** \$350,000.00  
**Settlement terms:** Full release with no admission of liability
- 4. Claimant name:** Sarah Kangas-Hanes  
**Member:** City of Aberdeen  
**Date of loss:** March 28, 2018  
**Nature of claim:** Employment dispute  
**Settlement amount:** \$200,000.00  
**Settlement terms:** Full release with no admission of liability
- 5. Claimant name:** Pamela Janet-Stone  
**Member:** City of Aberdeen  
**Date of loss:** January 25, 2016  
**Nature of claim:** Trip and fall  
**Settlement amount:** \$350,000.00  
**Settlement terms:** Full release with no admission of liability

**6. Claimant name:** Adele Roman  
**Member:** City of Port Angeles  
**Date of loss:** September 7, 2019  
**Nature of claim:** Employment dispute  
**Settlement amount:** \$125,000.00  
**Settlement terms:** Full release with no admission of liability

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Authority President

Approved on \_\_\_\_ / \_\_\_\_ /2021

Attest: \_\_\_\_\_

### Background

Resolution 136-95 established a policy regarding compensation and benefits for WCIA employees. Salary ranges and benefit package components were set by the Committee. Resolutions 148-97 and 153-97 modified the employee total compensation package and implemented a revised pay plan. There is no set cost of living increases to adjust for inflationary factors. Instead, an “annual adjustment” component is reviewed each year, which, if granted, applies to each employee’s salary.

Resolution 153-97 states *“An annual adjustment may be added to the step amount, including but not limited to the applicable CPI or other local regional economic factors. The annual adjustment will be presented annually by the Executive Director and determined by the Executive Committee in coordination with the budget process...”*

In developing a proposal, heavy consideration is given to staff’s overall performance and regional member’s annual compensation increases to bracket a representative request. Criteria used to critique staff’s combined performance include completion of that year’s Annual Goals, Member Survey results regarding staff interaction, professional development, and additional pool accomplishments beyond formal goals.

Historically the Committee has performed this review during the Executive Committee meeting associated with the Executive Retreat for inclusion in the following year’s budget.

### Discussion

In challenging times, staff has continued a high level of performance in usual pool functions: member visits, risk management advice, training, litigation, and claim complexity. They continued to efficiently utilize methods of remote or hybrid service delivery and continued to provide excellent support to members throughout the pandemic. Exempt and non-exempt staff have risen to the challenge of working remotely while the office was closed and have excelled in providing customization to the COMPACT, expanded exclusive trainings, revised the member reimbursement program, and completed the implementation of the new website.

The insurance industry is undergoing a “hard market” cycle as carriers flee Washington State and municipal exposures increase with the social justice of policing, nuclear verdicts, and public attitudes toward government. Staff has responded accordingly by increasing our trainings and risk management forums on the relevant topics including police use of force practices, cyber awareness, implicit bias, police legislative changes, and other liability topics. Pre-defense review continues to see record number of calls asking for assistance and the Risk Management Representatives continue to provide increasingly complex risk management advice to the membership. Claims staff have had to adapt to a changing litigation environment and have acted accordingly to reduce the Pool’s overall long-term exposures. Staff continues to work hard at marketing the Pool and the various membership accomplishments to carriers to highlight achievements and maintain coverages while attempting to limit the carrier rate increases. WCIA has grown the membership to 165 members and now insures over \$10.3 billion in scheduled property values.

Staff is frequently complimented by the membership for their expertise, customer service, and effectiveness as evidenced in the 2021 Member Satisfaction Survey results.

The July Consumer Price Index (CPI) indicates a 5.4% (CPI-U) and 6% (CPI-W) growth and various regional members surveyed are providing modest COLAs (Cost of Living Adjustments) ranging from 3% to 5%. It is prudent to make incremental increases in staff salaries each year to avoid falling behind the labor market and keep salaries competitive to meet agency retention goals.

Due to the estimates provided to the actuary, a salary adjustment is built into the rate increase passed by the Executive Committee. As opposed to most members where staff salaries are a major portion of operational budgets, WCIA staff salaries only comprise approximately 4.3% of the total operating budget and 11% of the administrative budget including reinsurance costs. A 4% salary adjustment would increase the total operational budget by approximately \$103,000 or 17%.

#### Recommendation

A 4% annual adjustment increase for 2022 to acknowledge staff performance and keep salaries competitive in the market.



**August 27, 2021 Executive Committee Meeting**Police Legislation Response

Staff and legal advisors continue to assist members in responding to the new police legislation. Aside from police departments, we are assisting with more education forums for City Attorneys and City Managers and Elected. As always, WCIA's approach is to provide advice regarding liability risks and risk management approaches. There are many differing opinions, and staff continues to stress that our mission is liability-based and that communities need to decide their risk tolerance.

Upcoming Renewals

There are various insurance programs coming up for renewal toward the end of the year and staff is working with our broker Marsh to prepare for these renewals. The current pollution premises carrier may not be renewing the program and the marketing of new carriers will begin shortly. The property program renewal will hopefully be easier than past years based on better loss experience and updated values based on recent appraisals. The liability program will be challenged by carriers who are uneasy about public entity risk, Washington State, and our significant loss experience. Staff will work to meet with new underwriters either virtually or in person for all programs.

Government Entities Mutual (GEM)

The Director and Deputy Director attend the July GEM Summit and Annual meeting. The Summit focused on crises communications and preparedness. During the annual meeting Ann was elected to the GEM Board of Directors and appointed to the Governance and Nominating Committee by the President.