

**PUBLIC NOTICE:**

Pursuant to Governor Inslee’s Proclamation 20-28, in an effort to curtail the spread of the COVID-19 virus, City Council Meetings and Work Sessions will take place by teleconference. Councilmembers and members of the public will not attend in person. Anyone wishing to provide written or verbal public comment, must pre-register at this link [www.marysvillewa.gov/remotepubliccomment](http://www.marysvillewa.gov/remotepubliccomment) before noon on the day of the meeting.

**To listen to the meeting without providing public comment:**

Join Zoom Meeting  
<https://zoom.us/j/92977133971>

Or  
Dial by your location  
1-888-475-4499 US Toll-free  
Meeting ID: 929 7713 3971

**Call to Order**

**Invocation**

**Pledge of Allegiance**

**Roll Call**

**Approval of the Agenda**

**Presentations**

**Audience Participation**

**Approval of Minutes** *(Written Comment Only Accepted from Audience.)*

**Consent**

**Review Bids**

**Public Hearings**

**New Business**

1. Consider Approving the 2022-2023 Liability Insurance Binder with Alliant Insurance Services
2. Consider Approving the Teamsters Pension Memorandum of Understanding



# *Index #1*

**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: 12/20/21**

<b>AGENDA ITEM:</b> Liability Renewal Proposal 2022/2023	
<b>PREPARED BY:</b> William Stuflick	<b>DIRECTOR APPROVAL:</b>
<b>DEPARTMENT:</b> Executive	
<b>ATTACHMENTS:</b>	Liability Renewal Proposal 2022/2023
<b>BUDGET CODE:</b>	<b>AMOUNT:</b> \$440,367
<b>SUMMARY:</b> The City's General Liability insurance expires 1/1/2022. This is the proposed renewal for 2022/2023. The proposed renewal rate increased 18% due to the increase in frequency, severity, and award of large liability claims. Suggested variables impacting insurance premiums are limited tort protections/immunities in WA State and market provider withdrawal/capacity reductions.	

**RECOMMENDED MOTION:** Staff recommends that Council authorize the Mayor to sign and execute the 2022/2023 Liability Insurance Binder with Alliant.



# City of Marysville

## Liability Renewal Proposal 2022 – 2023

Presented on December 10, 2021

Brian White  
First Vice President

Anne Shackelford  
Vice President

Alliant Insurance Services, Inc.,  
1420 Fifth Avenue, Suite 1500  
Seattle, WA 98101  
O 206 204 9140  
F 206 204 9205

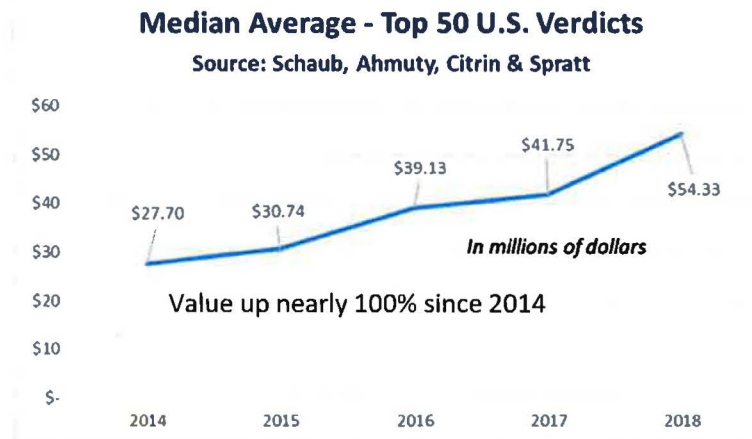
CA License No. 0C36861

[www.alliant.com](http://www.alliant.com)

## Liability Insurance Market Update: December, 2021

The Casualty insurance market continues to undergo significant realignment in terms of available capacity, underwriters' appetite, and pricing adequacy. The Public Sector, in particular, is experiencing this in an acute way. Public Entities with Law Enforcement exposure are under even greater pressure. The core issues impacting this market shift are as follows:

- Alarming increase in the frequency and severity of large claims. Suggested variables impacting severity of loss:
  - **Defendant Mistrust:** Plaintiff counsel are arguing that public entities are putting budgetary considerations over citizen safety;
  - **Litigation Financing:** There is a growing trend for third parties to finance plaintiffs' lawsuits, underwrite expensive experts, etc., making it easier for plaintiffs to "hang in there" to the end;
  - **Social Inflation / Corporate / Public Sector "Deep Pockets":** Where the news of large verdicts travel via regular and social media which may influence what a jury's notion of what a reasonable verdict might be;
  - **"Anchoring"** or setting the bar: where the plaintiff's lawyer argues for \$20 million and the jury might award \$10M to split the difference, regardless of what the facts call for.
  
- Washington State Venue – very limited tort protections/immunities:
  - Joint & Several Liability
- Market withdrawal / Capacity Reductions over the last several years from key markets, accelerating more recently – in Spring, 2021 yet another large writer (Trident/Argonaut) of Excess Liability for Public Sectors ceased operations.
- Insurers contend that prior to 2019 Excess pricing been stagnant over many years, but has also not kept pace with the realities of an increased frequency in severe claims.
- Social environment around Law Enforcement activities.



City of Marysville | 2022 – 2023 Liability Insurance Proposal

	EXPIRING COVERAGE 2021-2022	RENEWAL COVERAGE 2022-2023
Subsidence	Not Excluded	Not Excluded
Loss Prevention / Risk Management Subsidy	\$10,000	\$10,000
Subsidence	Not Excluded	Not Excluded
Total Pollution Exclusion except for Hostile Fire Exception	✓	✓
Nuclear Energy Liability	Excluded	Excluded
Fungi/Bacteria/Silica/Asbestos/Lead	Excluded	Excluded
ERISA Coverage	Excluded	Excluded
Amended Definition of Bodily Injury	✓	✓
Unintentional Failure to Disclose Haz or Occ	✓	✓
Co-Employee Exclusion Carveback	✓	✓
Injury to Volunteer Firefighters	Excluded	Excluded
Waiver of Premium Audit Condition	✓	✓
Medical Expense Coverage	Excluded	Excluded
<b>Other Terms/Conditions:</b>		
Modified SIR – Periodic Claim Reporting	Quarterly Reporting Requirement	Quarterly Reporting Requirement
Broadened Named Insured	✓	✓
Includes Care, Custody or Control of the “autos” of others the insured is providing maintenance or repair services to	✓	✓
Flat Annual Premium – Non-Audit	✓	✓
90 Day Notice of Cancellation; except 10 Days for Non-Payment	✓	✓
Unmanned Aircraft Exception to Aircraft Exclusion	Drones are not covered	Drones are not covered
Blanket Primary/Non-Contributory Endorsement when required by written contract	✓	✓

## City of Marysville | 2022 – 2023 Liability Insurance Proposal

	EXPIRING COVERAGE 2021-2022	RENEWAL COVERAGE 2022-2023
Blanket Waiver of Subrogation	✓	✓
Limited Pollution: Pesticide/Herbicide & Water Treatment/Purification	✓	✓
Clash Coverage	✓	✓
Incidental Medical Malpractice (Paramedic/EMTs)	✓	✓
Defense Costs	Inside the Limit / Inside the SIR	Inside the Limit / Inside the SIR
<b>Self-Insured Retention All Coverages, Any One Occurrence or Wrongful Act</b>	\$150,000 Self-Insured Retention	\$150,000 Self-Insured Retention
<b>Total Program Premium</b>	<b>\$374,535</b>	<b>\$440,367 (18%)</b>
<b>Binding Conditions:</b>	No Longer Applicable	<ul style="list-style-type: none"> <li>• Signed Bind Request</li> <li>• All Surplus Lines Taxes/Fees are Fully Earned</li> </ul>

\*Includes Surplus Lines Taxes and Fees where applicable



## Request to Bind Coverage

City of Marysville

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Liability/Excess Liability-\$25M	<input type="checkbox"/>

**Did you know that Alliant works with premium financing companies? Are you interested in financing your annual premium?**

Yes, please provide us with a financing quote.	No, we do not wish to finance our premium.
<input type="checkbox"/>	<input type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

\_\_\_\_\_  
**Signature of Authorized Insured Representative**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Printed / Typed Name**

**This proposal does not constitute a binder of insurance. Binding is subject to the final carrier approval. The actual terms and conditions of the policy will prevail.**

# *Index #2*

**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: 12/20/21**

<b>AGENDA ITEM:</b>	
Teamsters Pension MOU	
<b>PREPARED BY:</b>	<b>DIRECTOR APPROVAL:</b>
Jason Smith	
<b>DEPARTMENT:</b>	
Human Resources	
<b>ATTACHMENTS:</b>	
Teamsters Pension MOU	
<b>BUDGET CODE:</b>	<b>AMOUNT:</b>
NA	NA
<b>SUMMARY:</b>	

The employee groups from Mechanics and Solid Waste have voted to increase their contribution amount to their Western Conference of Teamsters Pension Trust as reflected in the attached memorandum of understanding.

**RECOMMENDED MOTION: I move to authorize the Mayor to sign and execute the Teamsters Pension MOU.**

MEMORANDUM OF UNDERSTANDING  
 To the  
 AGREEMENT  
 By and between  
 CITY OF MARYSVILLE, WASHINGTON  
 And  
 PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS  
 LOCAL UNION NO. 763  
 (Representing Employees of the City of Marysville)

January 01, 2018 through December 31, 2020  
(Extended through December 31, 2022)

THIS MEMORANDUM OF UNDERSTANDING is supplemental to the AGREEMENT by and between the CITY OF MARYSVILLE, WASHINGTON, hereinafter referred to as the "Employer", and PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the "Union."

ARTICLE 10    PENSION

10.1            The bargaining unit shall determine the amounts, if any, that will be deferred from pay increases into the Western Conference of Teamsters Pension Trust with a vote of eligible members. The vote may be held annually. The Union will notify the Employer of the amount to be deferred following the vote of the bargaining unit. Any contribution change will be applied by the City effective the first of the month after thirty (30) days' notice is received by the City from the Union.

Mechanics

Effective as designated below, the Employer shall contribute the amount into the Western Conference of Teamsters Pension Trust on account of each member of the bargaining unit for each compensable hour, up to a maximum of two thousand eighty (2080) hours per calendar year.

Effective	Hourly Contribution
02/01/2022	Two dollars and zero cents (\$2.00)

Solid Waste

Effective as designated below, the Employer shall contribute the amount into the Western Conference of Teamsters Pension Trust on account of each member of the bargaining unit for each compensable hour, up to a maximum of two thousand eighty (2080) hours per calendar year.

Effective	Hourly Contribution
02/01/2022	Two dollars and zero cents (\$2.00)

Parks and Public Works Departments

Effective as designated below, the Employer shall contribute the amount into the Western Conference of Teamsters Pension Trust on account of each member of the bargaining unit for each compensable hour, up to a maximum of two thousand eighty (2080) hours per calendar year.

<u>Effective</u>	<u>Hourly Contribution</u>
01/01/2012	One dollar and ten cents (\$1.10)
04/01/2019	One dollar and thirty-five cents (\$1.35)



Date \_\_\_\_\_ Date \_\_\_\_\_