Marysville City Council Special Meeting 11:30 a.m.

December 20, 2021

City Hall

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 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

Marysville City Council Special Meeting

December 20, 2021 11:30 a.m. City Hall

Legal

Mayor's Business

Staff Business

Call on Councilmembers and Committee Reports

Adjournment/Recess

Executive Session

- A. Litigation
- B. Personnel
- C. Real Estate

Reconvene

Adjournment

Special Accommodations: The City of Marysville strives to provide accessible meetings for people with disabilities. Please contact the City Clerk's office at (360) 363-8000 or 1-800-833-6384 (Voice Relay), 1-800-833-6388 (TDD Relay) two business days prior to the meeting date if any special accommodations are needed for this meeting.

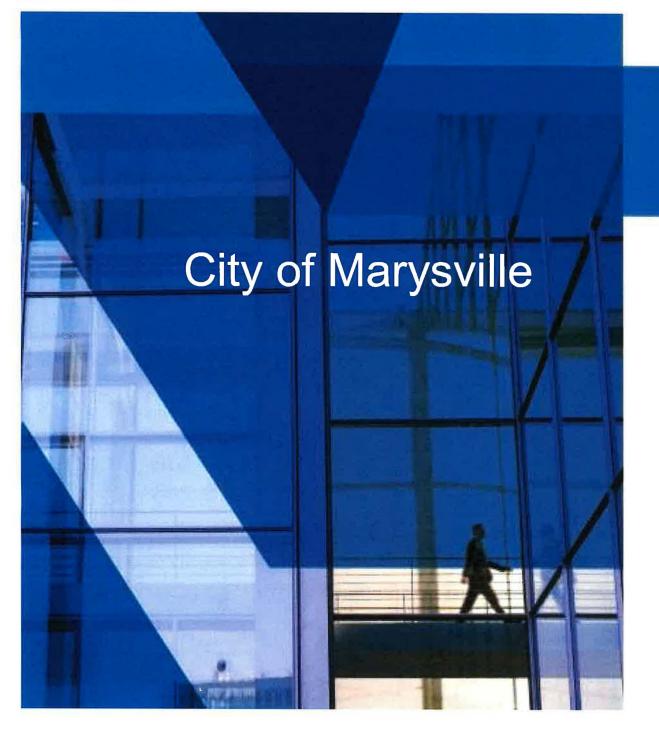
Index #1

CITY OF MARYSVILLE AGENDA BILL EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 12/20/21

| AGENDA ITEM: Liability Renewal Proposal 2022/2023 | |
|---|--|
| PREPARED BY: William Stuflick | DIRECTOR APPROVAL: |
| DEPARTMENT: Executive | |
| ATTACHMENTS: Liability Renewal Proposal 2022/ | 2023 |
| BUDGET CODE: | AMOUNT: \$440,367 |
| | |
| SUMMARY: The City's General Liability insurance exprenewal for 2022/2023. The proposed renewal rate increas frequency, severity, and award of large liability claims. Su insurance premiums are limited tort protections/immunitie withdrawal/capacity reductions. | ed 18% due to the increase in aggested variables impacting |

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



Alliant

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

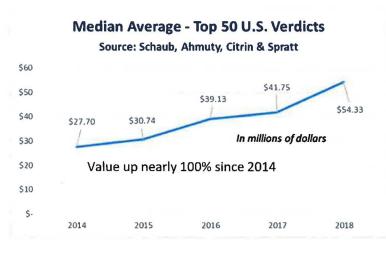
www.alliant.com

City of Marysville | 2022-2023 Liability Renewal Proposal

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 plaintiff's 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

Date Issued: 12/10/21

- 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

Date Issued: 12/10/21

| | 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 | |
| Other Terms/Conditions: | | | |
| 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 | ✓ | ✓ * | |

Alliant Insurance Services, Inc. | www.alliant.com | CA License No. 0C36861



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 | |
| Self-Insured Retention All Coverages, Any One Occurrence or Wrongful Act | \$150,000 Self-Insured Retention | \$150,000 Self-Insured Retention | |
| Total Program Premium | \$374,535 | \$440,367 (18%) | |
| Binding Conditions: | No Longer Applicable | Signed Bind Request All Surplus Lines Taxes/Fees are Fully Earned | |

^{*}Includes Surplus Lines Taxes and Fees where applicable

Date Issued: 12/10/21



City of Marysville | 2022 - 2023 Liability Insurance Proposal

Request to Bind Coverage

City of Marysville

Date Issued: 12/10/21

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:

| Yes, please provid | e us with a financing quote. | No, we do not wish to finance our premium. | N. |
|--------------------|------------------------------------|--|------|
| | | | |
| ехро | sures used to develop insurance to | eipt and review of all disclaimers and disclosures, includers, contained within this proposal. | ding |
| ехро | | erms, contained within this proposal. | ding |
| ехро | sures used to develop insurance to | erms, contained within this proposal. | ding |

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

| AGENDA ITEM: | |
|-----------------------|--------------------|
| Teamsters Pension MOU | |
| PREPARED BY: | DIRECTOR APPROVAL: |
| Jason Smith | |
| DEPARTMENT: | |
| Human Resources | |
| ATTACHMENTS: | |
| Teamsters Pension MOU | |
| BUDGET CODE: | AMOUNT: |
| NA | NA |
| SUMMARY: | |

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

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

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.

Effective Hourly Contribution

01/01/2012 One dollar and ten cents (\$1.10)

04/01/2019 One dollar and thirty-five cents (\$1.35)

Police Department and Office-Clerical Employees In All 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 years.

Effective Hourly Contribution
01/01/2002 Five cents (5¢)
01/01/2021 One dollar and five cents (\$1.05)

- The total amounts due for each calendar month shall be remitted in a lump sum not later than ten (10) days after the last business day of each month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the determination of the hours for which contributions are due, the prompt and orderly collection of such amounts and the accurate reporting and recording of such hours and such amounts on account of each member of the bargaining unit. Failure to make all payments herein provided for within the time specified shall be a breach of this Agreement.
- 10.3 Probationary Employees Regular employees working in the Parks and Public Works Department, Solid Waste, or Mechanics serving a probationary period, the employer will pay an hourly contribution rate of ten cents (10¢) during the probationary period, but in no case for a period longer than the first ninety (90) calendar days from the date of hire. If and when this period is completed, the full standard contribution rate shall apply.
- 10.4 Notwithstanding any provision to the contrary that may be contained elsewhere within this Agreement, the Employer shall pay the Teamsters Pension contribution set forth within Section 10.1 on behalf of all employees performing bargaining unit work; and for purposes of this Section the bargaining unit shall be defined as follows:

All employees hired and/or performing work within the classifications of Appendix "A" shall be included within the scope of the bargaining unit. However, pension contributions shall not be remitted on employees within the bargaining unit who are considered to be temporary, seasonal, and/or casual employees.

No person or third party beneficiary shall interpret this Agreement such that "field or playground work" shall be considered bargaining unit work regardless of the similarity of work, tools, supervision, or other characteristic. The Union specifically and unequivocally disclaims any work performed by seasonal field or summer rec. and confirms that such work is not bargaining unit work.

- 10.5 In the case where there are payouts of accrued hours (vacation, compensatory time, or sick leave), pension must be contributed on all hours not to exceed an annual of 2080 hours as set forth in Section 10.1.
- 10.6 In the case where an employee within the bargaining unit goes on a leave without pay status, pension contributions will not be remitted for hours that are in a non-paid status. Pension contributions will be remitted for only compensable hours during the leave status.

PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters

CITY OF MARYSVILLE, WASHINGTON

| Ву | | Ву | |
|----|---------------------|----|-------------|
| | Scott Sullivan | | Jon Nehring |
| | Secretary-Treasurer | | Mayor |

| Date | Date | |
|------|------|--|
| Date | Date | |