

2023 Seattle City Council Statement of Legislative Intent

Council Budget Action: Agenda

Tab	Action	Option	Version
FAS	303	A	001-2023

Budget Action Title: Request a pre-budget report from FAS and LAW on judgment and claims expenses

Ongoing: No Has Attachment: Yes

Primary Sponsor: Teresa Mosqueda

Council Members:

Staff Analyst: Lise Kaye

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	SN
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Statement of Legislative Intent:

Request that Finance and Administrative Services (FAS) and the Law Department (LAW) brief Council in Executive Session on particular cases and claims that cause a need for proposed increases to the Judgment and Claims Fund (JCF) in advance of each proposed mid-year and third quarter Supplemental Budget.

The City annually budgets General Fund (GF) revenue to cover expected eligible litigation, claims and settlement costs for GF Departments. Utilities budget separately for anticipated legal expenses and pay actual expenses as they are incurred. Consistent with policies adopted in 2018 by Resolution 31847, the budget for the JCF for the 2023-2024 Proposed Budget is intended to provide funding sufficient to meet an actuarially based 90 percent confidence level, meaning that sufficient funds should be available to cover expenses in nine out of ten years based on historical data.

That resolution also established a formula to determine GF departmental contributions to the JCF, primarily defined as the average percentage of judgments, claims, and other eligible expenses incurred by each department over the previous five years. Attachment A shows contributions from 2021- 2024 by GF departments for which the average is more than 2% of historical (five-year average) judgment and claim expenses.

Council receives a semi-annual report from the City's Risk Management Director on all claims and lawsuits for damages against the City, as directed by Resolution 31847, with the most recent report sent to Council by email on October 28, 2022.

In addition to costs related to litigation, claims and settlements paid by the JCF, the City at times budgets separately for certain costs related to actual or potential litigation. For example, the 2023-2024 Proposed Budget for FAS includes up to \$4.6 million in 2024 for remediation of the Seattle Police Department's shooting range in Tukwila. These costs relate to a potential enforcement action by the City of Tukwila for alleged grading without a permit.

It is the Council's intent that the City is transparent about JCF expenses and any other expenses related to legal actions after they have been paid, while maintaining appropriate attorney-client and work-product

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privilege.

Responsible Council Committee(s):

City Council

Date Due to Council:

May 1, 2023