2019 - 2020 Seattle City Council Green Sheet

Ready for Notebook

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12	20	Α	2

Budget Action Title: Amend and adopt as amended Resolution 31847 Judgment and Claim Fund

Policies

Ongoing: Yes

Has CIP Amendment: No Has Budget Proviso: No

Primary Sponsor: Bagshaw, Sally

Councilmembers: González; Johnson; Juarez

Staff Analyst: Lise Kaye

Council Bill or Resolution: 31847

Date	Total	ВС	SB	TM	LG	ВН	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

This green sheet would amend Exhibit A to Resolution 31847 and recommend that Council then adopt the resolution as amended. Resolution 31847 would revise Judgment and Claims fund policies as described below, and would request a ten-year policy review cycle:

- Set the budget based on annual actuarial reports to a level at which funding (by 2023) will be adequate to cover expenditures 90% of the time.
- Fund balance accumulation to twice the City's self-insured retention (SIR) for excess liability insurance. (The current SIR is \$6.5 million.)
- Increase the threshold for claims reported to Council from \$100,000 (set in 2001) to \$200,000.
- Establish a Judgment and Claims Finance Committee to review expenditures, reserves and forecasted future trends; require the Committee to adopt written guidelines for payment of litigation expenses.
- Align the policies with current Seattle Municipal Code and revise reporting dates.

The amendment would amend Policy 14 on Exhibit A to the resolution to add the Central Staff Director or designee to the membership of the Judgment and Claims Finance Committee, as shown below:

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<u>Policy 14. Judgment and Claims Finance Committee.</u> A new Judgment and Claims Finance Committee shall be created. The Committee will meet at least quarterly and more often if needed. The Committee is charged with oversight measures including: monitoring and reporting on expenditures, review current cases and reserves; ensuring sufficient funding; and identifying patterns and trends in cases which suggest specific risk mitigation strategies. Membership will include representatives from the City Attorney's Office, Department of Finance and Administrative Services, and the City Budget Office and the Central Staff Director or designee. Other participants may be consulted to provide technical, actuarial, or finance advice.