

ORDINANCE NO. 2002-03-018

AN ORDINANCE AMENDING BELLINGHAM MUNICIPAL CODE SECTIONS 4.16.010, 4.16.040, AND 4.16.060 TO PROVIDE FOR CERTAIN CITY PROPERTY LOSS COVERAGE AND INSURANCE PREMIUM PAYMENTS FROM THE CLAIMS AND LITIGATION FUND AND TO RENAME THAT FUND

WHEREAS, Bellingham Municipal Code section 4.16.010 should be amended to provide for coverage by the Fund for department property losses in certain circumstances when not covered by insurance; and

WHEREAS, Bellingham Municipal Code section 4.16.010 should be further amended to make clear that property and excess liability insurance premiums shall be paid from the Fund; and

WHEREAS, the Claims and Litigation Fund established and described by Bellingham Municipal Code Sections 4.16.010, 4.16.030, and 4.16.040 should be renamed the Claims, Litigation, and Property Loss Fund to describe its purposes more accurately;

NOW THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1. Bellingham Municipal Code Section 4.16.010 is hereby amended as follows:

4.16.010 Established - Purpose

There is established a special municipal fund denominated "Claims, Litigation, and Property Loss Fund" into which shall be placed annually those moneys determined necessary for liability and property loss exposure. Such fund is declared to be perpetual and moneys remaining therein at the conclusion of each budget year shall carry over into the ensuing year. Such moneys as are available within such fund and, as Council deems appropriate, shall be drawn upon for the purposes set forth below.

A. Claims, litigation expenses, administrative costs, settlements, and judgments incurred without regard to the specific source contributing thereto shall be paid from the fund. Provided, however, that claims or judgments for breach of contract or added costs to the City on account of labor relation matters, should not be an expense of this fund.

B. Where a claim asserts a breach of contract or labor relations matter and another basis for liability, or seeks damages greater than the amount which was owed pursuant to the contract or which could have been attained if the labor relations matter had been resolved prior to the commencement of the claim or litigation, the additional costs resulting from the alternate basis for liability or the greater amount of damages sought, and the litigation and administrative expenses for the claims, may be paid from the fund.

C. The premium cost for property insurance to provide coverage for City property loss, with an appropriate deductible level, shall be paid from the fund. Each City department shall be responsible for routine property losses within that department which are under the deductible amount. If a department has a loss under the deductible amount from a type of event which is unusual and infrequent, the department may apply for fund payment for that loss from the Risk Manager, with appeal from any denial to the Mayor.

D. The premium cost for any excess liability insurance purchased by the City shall be paid from the fund.

Section 2. Bellingham Municipal Code Section 4.16.040 is hereby amended as follows:

4.16.040 Contribution To Funds

It is the further intention of the City Council to continue to contribute to such Claims, and Litigation, and Property Loss Fund and Workers' Compensation Self-insurance Fund such amounts as are needed on an annual basis. The contributions will be determined annually through the budget process.

Section 3. Bellingham Municipal Code Section 4.16.060 is hereby amended as follows:

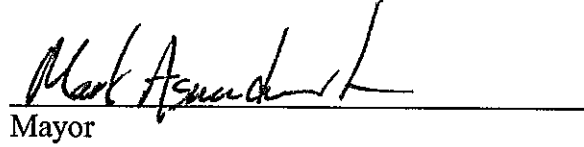
4.16.060 Amount Of Claims, Litigation, and Property Loss Fund

It is the intention of the City Council to continue contributions to the Claims, Litigation, and Property Loss Fund until such time as no less than five million dollars is available to cover losses; and thereafter, such additional amounts shall only be paid in as are necessary to meet administration costs, unless the Council deems it appropriate to budget additional funds therefor.

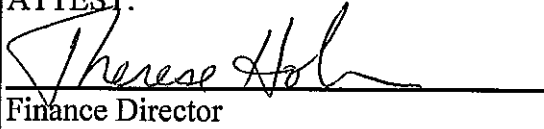
PASSED by Council this 18TH day of MARCH, 2002.


Council President

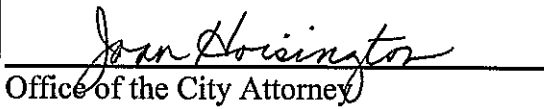
APPROVED by me this 22nd day of March, 2002.


Mayor

ATTEST:


Finance Director

APPROVED AS TO FORM:


Office of the City Attorney

Published:

3/22/02