

**Laura Y. Miller**

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**From:** Harary, Mike  
**Sent:** Monday, January 25, 2016 7:34 AM  
**To:** Manfro, Eddie; Sanders, Cyndie  
**Subject:** Discussion with Janet Kiser

I'm providing this memo to summarize my discussion with Janet Kiser on January 22.

Per Eddie's suggestion, I called Janet and asked if CIPA had a staff report or some other type of backup information to address the item on their Executive Committee's January 28 agenda. While there is no staff report, Janet did describe some of CIPA's issues with me on the phone, and I have included a summary below.

The agenda item for the Exec Committee meeting is noted as follows:

*CITY OF WESTMINSTER SELF-INSURED RETENTION*

*Recommendation: Review Westminster's Liability and Workers' Compensation self-insured retentions and make recommendation to Board for approval.*

As I mentioned to you both, **I believe it is critical for the 3 of us to attend this meeting on Thursday, January 28 at the Orange Public Library. The meeting starts at 1:00 PM** but Janet believes our item won't be addressed until 1:30 or so.

Janet's concerns, on behalf of CIPA, were noted as follows:

- Losing the Flores lawsuit with punitive damages filed against the City; Janet's opinion is punitive damages are indicative of systemic problems with WPD
- Settlement of the Edinger claim; \$42,000 plus all the attorney's fees
- Chief Kevin Baker's potential claim
- Settlement of City Clerk's lawsuit; \$150,000 paid out

Per Janet, there seems to be "a lot of activity with our City;" she has read the depositions in these lawsuits and believes there is a trend leading to some of these discrimination challenges we have been facing. These claims, as filed against the City, create "lots of potential liability for CIPA."

Janet also indicated CIPA's excess insurance carriers are concerned about Westminster as well. She believes the excess insurance carrier will be increasing their premiums to CIPA cities specifically due to Westminster's exposure regarding Employment Practices Liability claims. Janet stated the Exec Committee will consider whether \$400,000 is enough of an S.I.R. amount for the City's claims, specifically our EPL claims.

She also expressed concerns about how the City handled Bill Collins's Work Comp claims. She believes we did not treat this claim in a consistent and fair manner. She believes by providing Collins with a lump sum payment for his permanent disability we granted favorable treatment to him compared to the usual process of providing PD payments on a biweekly basis until paid off.

She also expressed concerns on how long it takes the City to send rejection letters on liability claims. She believes the City should allow Carl Warren's staff to have authority to send rejection letters which makes

for more timely settlement (6 months for claimant to file after a City rejection letter vs. 2 years to file without a rejection letter). Cyndie and I have discussed this and will be taking a Resolution to the Council to seek their authority to allow staff to send these rejection notices rather than having Council responsible for the rejection process.

Janet believes we will end up paying a lot more in increased premiums next year for:

1. EPL coverage
2. General Liability coverage
3. Excess Insurance Premium coverage

She also suggested all other CIPA members are going to be 'on the hook' for higher premiums due to our agency's claims exposure as well. Janet believes we should seriously consider raising our S.I.R. which would help to reduce our premiums for next year. This will be discussed on Thursday.

This is informational only.

Thanks,  
Mike

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