

**CITY OF MERCER ISLAND
RESOLUTION NO. 1605**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCER ISLAND,
WASHINGTON, RATIFYING THE IMPLEMENTATION OF COST RECOVERY
PROGRAM FOR MOTOR VEHICLE INCIDENTS, HAZARDOUS MATERIAL
SPILLS, INCIDENT RESPONSE, AND/OR CLEANUP WITHIN THE CITY'S
RESPONSE AREAS AND OUTSIDE CITY LIMITS DURING MUTUAL AID
ASSISTANCE.**

WHEREAS, there are occasions when motor vehicle accidents (MVA's) or transporters of hazardous waste create incident or major spills of chemical-based products, petroleum-based products, or hazardous materials; and,

WHEREAS, incident sites involve (but are not limited to) traffic control, scene safety issues, hazardous material spills that necessitate emergency response by Mercer Island Public Safety personnel; and

WHEREAS, responses to and/or recovery from emergencies and disasters require purchases to replace supplies, periodic and scheduled maintenance on apparatus, fuel purchases, staff expenses, repair and/or replacement of protective equipment as requires by the City or by law; as such a minimum preparedness fee and response fee of \$250.00 is affixed to any such response, increased by an annual inflator tied to Medical Care CPI or 3.0%, whichever is greater; and

WHEREAS, RCW [4.24.314](#) authorizes fire departments to recover reasonable and necessary costs incurred while protecting life and property; and

WHEREAS, the mitigation costs will be based on the Washington State's Department of Natural Resources annual Fire Chiefs Wage and Equipment Rate Guide; and

WHEREAS, the City believes that its taxpayers should not be required to bear the extraordinary costs of responding to MVA's and hazardous materials incidents, and that such costs should be charges to the liable party and/or transporters and users of hazardous materials to reimburse the City; and

WHEREAS, standard response requires proper placement of emergency vehicles, emergency flares, cones, redirection of traffic flow, addressing spillage of hazardous materials; and

WHEREAS, the City must provide recovering data pertinent to filing a claim a reasonable administrative fee that should also be paid by the liable party causing said claim.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON, as follows:

Implementation of the cost recovery program substantially as set forth in Attachment A to this Resolution pursuant to RCW 4.24.314 is hereby ratified.

PASSED BY THE CITY COUNCIL OF THE CITY OF MERCER ISLAND, WASHINGTON AT ITS REGULAR MEETING ON THE ____ DAY OF _____ 2021.

CITY OF MERCER ISLAND

BENSON WONG, MAYOR

ATTEST:

ANDREA LARSON, CITY CLERK

Attachment A
To Resolution No. 1605

MERCER ISLAND COST RECOVERY PLAN

1. **SERVICES.** City retains Contractor as its billing contractor to perform the billing for services from any cost-recovery order as directed by City and as allowed by law, code, resolution or ordinance from negligent party or parties or their insurer(s) (the "Liable Party" or the "Liable Parties") and perform the services listed below (collectively, the "Services") in accordance with the terms of the Agreement.

The following represents the complete scope of services to be provided by Contractor and the responsibilities of City in connection with this Agreement.

- 1.1. City will give Contractor access to its fire reporting system.
 - 1.2. Contractor will obtain all reports and information and create a claim in its entirety, using a reimbursement cost schedule provided to Contractor by City. Contractor shall calculate an initial Total Claim Amount, as defined below.
 - 1.3. City will review claim, make any corrections (including a change to the Total Claim Amount, if applicable) and approve claim using Internet-based software created by Contractor.
 - 1.4. Contractor will submit the claim to the Liable Party and seek reimbursement per the contact method(s) specified in this Exhibit A. If a settlement offer is made by the Liable Party to pay less than the Total Claim Amount, City will determine, at its sole discretion, whether to accept the settlement offer.
 - 1.5. Contractor will submit funds to City pursuant to Paragraph 9 of this Exhibit A.
2. **INSURANCE CLAIM CALCULATION.** "Total Claim Amount" is defined the total of all City charges for equipment, labor, consumables, administrative costs, processing costs, and other costs outlined, defined, and/or authorized by City's jurisdictional law, code, resolution, or ordinance, as set forth on City's reimbursement cost schedule.
3. **PROCESSING COST.** "Processing Cost" is defined as fifty dollars (\$50.00) or twenty percent (20%) of the Total Claim Amount or the settlement offer accepted by City on a claim, whichever is greater, plus one hundred dollars (\$100.00). City acknowledges that if it accepts a settlement offer on a claim, Contractor remains entitled to collect the \$100.00 cost specified in this paragraph.
4. **UNCOLLECTED CLAIM COST.** "Uncollected Claim Cost" is defined as \$50.00. Reasons for considering a claim as uncollectible include, but are not limited to:
 - 4.1. Legitimate denial from an insurance company.
 - 4.2. A decision by City not to bill the Liable Party or to write off the claim to charity.
 - 4.3. An exhaustion of all collection options.
 - 4.4. No liable party or a liability dispute.
 - 4.5. A non-responsive Liable Party who cannot be contacted via telephone pursuant to City's policy.
 - 4.6. No known Liable Party address.

- 5. TRAINING FEE.** A one-time setup and training fee of two-hundred and fifty dollars (\$250.00) will be charged to City. This fee will be subtracted from the initial claim payment(s) received by Contractor on behalf of City.
- 6. CONDITIONS.** The following conditions apply to all claims processed by Contractor on behalf of City:
- 6.1. A jurisdictional law, code, resolution, or ordinance in City's area of service must be in place.
 - 6.2. City will designate a single point of contact that will respond to Contractor inquiries in a timely manner.
- 7. BILLING OPTIONS.** Contractor will recover funds based on the collection option selected below. These options and their associated fees may be amended from time to time by written notice pursuant to Section 6 above
- 7.1. Bill insurance companies and out of area resident only.
 - 7.2. Bill insurance companies and soft bill resident.
 - 7.3. Provide full collection effort for all claims.
- 8. CITY COLLECTION AGENCY.** City hereby specifies the collection agency listed below (the "Collection Agency") to act on its behalf and authorizes Contractor to release information related to uncollected claims as requested by the Collection Agency.

Agency Name	_____	Contact Name	_____
Address	_____	Phone	_____
	_____	Email	_____

- 9. COLLECTION PROCESS.** Contractor agrees that it shall use only lawful means to effect collections and will comply with all provisions of the Fair Debt Collection Practices Act ("FDCPA") and applicable state statutes in connection with these collections. Contractor bills the responsible party and/or their insurance company once a month up to three (3) months or ninety (90) days. If the account has not been paid and depending on the selected billing options from Exhibit A by day one hundred eighty (180) after submission of the claim, at City's discretion, Contractor will either (a) cease collection activity or (b) turn over the account to a collections agency to be specified by City, and such account will be deemed uncollectible (the "Uncollectable Account") and Contractor shall be entitled to the Uncollected Claim Cost. Contractor shall make a "best effort" to collect funds from the Liable Party. Contractor shall not be responsible for the payment of any billings that are deemed an Uncollected Claim Cost as defined in this Exhibit A.
- 10. COLLECTED FUNDS.** Contractor will deposit all collected funds into a bank account administered solely by Contractor. All recovered funds, less the Processing Costs or Uncollected Claim Costs described in this Exhibit A, will be submitted to City along with a detailed accounting of funded claims within thirty (30) days after the funds have been received by Contractor.