



**City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS**

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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**Legislative File No: 2005-0879**

**TO:** Mayor and City Council Members  
**FROM:** Julie Jenuwine, Finance Director  
**DATE:** December 20, 2005  
**SUBJECT:** Liability and Property (and Crime) Self-Insurance Coverage

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**REQUEST:**

Request that City Council approve a resolution to authorize the City's contribution to the Michigan Municipal Risk Management Authority (MMRMA) for self-insurance (liability and property coverage) premium costs, SIR replenishing, and risk management consulting in the amount not-to-exceed \$672,970 through December 31, 2006.

**REASON FOR PURCHASE:**

The City of Rochester Hills, since its inception, has participated in the Michigan Municipal Risk Management Authority (MMRMA). The association is organized under the laws of the State of Michigan to provide risk management consulting and self-insurance protection against loss to Michigan cities, counties, townships and special purpose governments. Participating governmental entities contribute to the insurance pool based on the value of property covered, claim experience and industry conditions.

The City's contribution for the year 2006 (policy year begins July 1) to the Michigan Municipal Risk Management Authority is estimated in the amount of \$672,970, as \$62,000 is estimated for possible additional contribution toward the self-retention fund (SIR). The City must maintain, at all times, on account with MMRMA, sufficient funds to pay its SIR obligation. SIR obligations can increase immediately after a claim/event is reported to the City.

**PROCESS:**

**Vendor Name and Address:**

Michigan Municipal Risk Management Authority  
14001 Merriman  
Livonia, Michigan 48154

**Method of Purchase:**

Blanket Purchase Order

**BUDGET:**

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Insurance Fund	677.910000	Liability Insurance	\$687,970	\$672,970	\$15,000

**RECOMMENDATION:**

Recommend that City Council approve a resolution to authorize the City's contribution to the Michigan Municipal Risk Management Authority (MMRMA) for self-insurance (liability and property coverage) premium costs, SIR replenishing, and risk management consulting in the amount not-to-exceed \$672,970 through December 31, 2006.

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Budget Content: Finance Director</b>		
<b>Purchasing Process: Supervisor of Procurement</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		