



**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: 2008-0310**

**TO:** City Council Members  
**FROM:** Julie Jenuwine, Finance Director  
**DATE:** June 13, 2008  
**SUBJECT:** Liability, Motor Vehicle Physical Damage, Property and Crime 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 insurance coverage (general liability, motor vehicle physical damage, property and crime coverage) pool contributions/costs, stop loss coverage, SIR (self insured retention) fund replenishment, legal defense and risk management consulting in the amount not-to-exceed \$600,000 through June 30, 2009.

**REASON FOR PURCHASE:**

The City of Rochester Hill has been a member of the Michigan Municipal Risk Management Authority (MMRMA) self-insurance pool since 1985. The Authority is organized under the laws of the State of Michigan to provide assistance with administrative claims, the purchase of reinsurance, legal defense, risk management and loss control services to Michigan cities, counties, townships and special purpose governments. Participating governmental entities contribute to the insurance pool based on the value of property covered, size of payroll, size/extent of operations, claim experience and industry conditions. The membership is a perpetual membership unless the City withdraws at the end of any anniversary year by giving at least ninety (90) days notice, in writing, or the members of the MMRMA Board of Directors terminates (for certain reasons) the City's membership by a two-thirds vote.

The City must maintain, at all times, on account with MMRMA, sufficient funds to pay its SIR obligation. SIR obligations are unpredictable and can change significantly after a claim/event is reported. The requested blanket is comprised of \$495,000 for coverage costs and \$105,000 for SIR replenishment (if necessary).

The City has received a total of \$128,124 in "net asset" distributions (or refunds) from the MMRMA over the last two years.

**PROCESS:**

**Vendor Name and Address:**

Michigan Municipal Risk Management Authority  
14001 Merriman  
Livonia, Michigan 48154

**Method of Purchase:**

Blanket Purchase Order

**BUDGET:**

The 2008/2009 contribution is an estimate at this time.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget 2008</b>	<b>Estimated Contributions 2008(1/2 yr)</b>	<b>Remaining Budget</b>
Insurance Fund	677.910000	Liability Insurance	\$634,000	\$300,000	\$334,000

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Requested Budget 2009</b>	<b>Estimated Contributions 2009 (1/2 yr)</b>	<b>Remaining Budget</b>
Insurance Fund	677.910000	Liability Insurance	\$610,000	\$300,000	\$310,000

\*Split between 2008 and 2009 fiscal years

**RECOMMENDATION:**

Recommend that City Council approve a resolution to authorize the City's contribution to the Michigan Municipal Risk Management Authority (MMRMA) for insurance coverage (general liability, motor vehicle physical damage, property and crime coverage) pool contributions/costs, stop loss coverage, SIR (self insured retention) fund replenishment, legal defense and risk management consulting in the amount not-to-exceed \$600,000 through June 30, 2009.

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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>		