



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2025-0241

TO: Mayor and City Council Members

FROM: Joe Snyder, Chief Financial Officer, x2534

DATE: June 9, 2025

SUBJECT: 2025-2026 Insurance Renewal

REQUEST:

We are requesting that City Council authorize the renewal of the City's Insurance Policy with 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 of \$505,000 for the period July 1, 2025 through July 1, 2026.

REASON FOR PURCHASE:

The City of Rochester Hills has been a member of the MMRMA self-insurance pool since 1985.

The 2025-2026 Insurance Renewal through MMRMA is an essential service to the City of Rochester Hills as the MMRMA 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 upon 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 the anniversary year by giving at least ninety (90) days written notice, or if the members of the MMRMA Board of Directors terminates (for certain reasons) the City's membership by a two-thirds vote.

The overall 2025-2026 MMRMA Insurance Policy totals \$491,860 which represents a +1.8% increase over the expiring 2024-2025 MMRMA Insurance Policy. As occasionally there are adjustments made by MMRMA to the City's Insurance Policy due to additions of and improvements to City assets covered by the Insurance Policy made by the City over the course of the year, the full Adopted Budget amount of \$505,000 is being requested to be approved.

The City was recently notified that it will receive +\$210,548 in net asset distribution revenue from MMRMA following the 2025-2026 MMRMA Insurance Policy renewal.

PROCESS:

Vendor Name and Address:

Michigan Municipal Risk Management Authority
14001 Merriman
Livonia, MI 48154

Reason for Selection:

Best Value

Method of Purchase:

Renewal

BUDGET:

Funding is included in the FY 2025 Adopted Budget.

If approved by City Council a 2nd Quarter 2025 Budget Amendment will be made to recognize the +\$210,548 of net asset revenue distributions into the Insurance Fund to help offset the cost of the Insurance policy renewal.

Fund Name	Department Account No	Account No. Description	Budget Amount	Revenue / (Cost)	Remaining Budget
Insurance Fund	677.687000	Refund & Rebates	\$0	+\$210,548	+\$210,548
Insurance Fund	677.910000	Liability Insurance	\$505,000	(\$505,000)	\$0
		Grand Total Net	\$505,000	(\$295,000)	+\$294,452

RECOMMENDATION:

We are recommending that City Council authorize the renewal of the City's Insurance Policy with 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 of \$505,000 for the period July 1, 2025 through July 1, 2026.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney

☐ Yes☒ N/A