



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: 2024-0306 Version #2

TO: Mayor and City Council Members
FROM: Joe Snyder, Chief Financial Officer, x2534
DATE: October 21, 2024
SUBJECT: 2024-2025 Insurance Renewal

REQUEST:

We are requesting that City Council authorize an increase of +\$5,000 to 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 \$483,498 for the period July 1, 2024 through July 1, 2025.

REASON FOR PURCHASE:

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

The 2024-2025 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 City was recently notified that MMRMA has revised the City's property schedule to reflect the updated building valuations from the most recent property appraisal re-evaluation. Due to building value increases, MMRMA has issued an additional premium charge of +\$3,537 for the July 1, 2024 through July 1, 2025 time period.

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:

Partial funding is included in the FY 2024 Adopted Budget for the 2024-2025 Insurance Policy.

If approved by City Council a 4th Quarter 2024 Budget Amendment will be made to increase the Insurance Fund / liability Insurance budget by +\$5,000.

Fund Name	Department Account No	Account No. Description	Budget Amount	Revenue / (Cost)	Remaining Budget
Insurance Fund	677.910000	Liability Insurance	\$478,500	(\$483,498)	(\$4,998)

RECOMMENDATION:

We are recommending that that City Council authorize an increase of +\$5,000 to 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 \$483,498 for the period July 1, 2024 through July 1, 2025.

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