



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)

---

Legislative File No: 2016-0240

**TO:** Mayor and City Council Members  
**FROM:** Joe Snyder, Interim Director of Finance, x2534  
**DATE:** June 20, 2016  
**SUBJECT:** 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 \$374,677 through June 30, 2017.

**REASON FOR PURCHASE:**

The City of Rochester Hills has been a member of the 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 upon the value of property covered, size of payroll, size/extent of operations, claim experience, and industry conditions. The memberships 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 it will be receiving approximately \$325,000 in net asset distributions from MMRMA following our 2016-2017 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 2016 Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Insurance Fund	677.910000	Liability Insurance	\$416,000	\$374,677	\$41,323

**RECOMMENDATION:**

We recommend 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 \$374,677 through June 30, 2017.

---

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