



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: 2024-0306

**TO:** Mayor and City Council Members  
**FROM:** Joe Snyder, Chief Financial Officer, x2534  
**DATE:** June 24, 2024  
**SUBJECT:** 2024-2025 Insurance Renewal

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**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 \$478,498 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 it will receive +\$264,644 in net asset distributions from MMRMA following the 2024-2025 renewal. This results in a net cost of insurance for 2024-2025 of \$213,854.

**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 2024 Adopted Budget for the 2024-2025 Insurance Policy.

If approved by City Council a 3<sup>rd</sup> Quarter 2024 Budget Amendment will be made to recognize the +\$264,644 of net asset revenue distributions into the Insurance Fund to help offset the cost of the Insurance policy renewal.

| <b>Fund Name</b> | <b>Department Account No</b> | <b>Account No. Description</b> | <b>Budget Amount</b> | <b>Revenue / (Cost)</b> | <b>Remaining Budget</b> |
|------------------|------------------------------|--------------------------------|----------------------|-------------------------|-------------------------|
| Insurance Fund   | 677.687000                   | Refund & Rebates               | \$0                  | +\$264,644              | +\$264,644              |
| Insurance Fund   | 677.910000                   | Liability Insurance            | \$477,000            | (\$478,498)             | (\$1,498)               |
|                  |                              | <b>Grand Total Net</b>         | <b>\$477,000</b>     | <b>(\$213,854)</b>      | <b>+\$263,146</b>       |

**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 \$479,498 for the period July 1, 2024 through July 1, 2025.

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| <b>APPROVALS:</b>                                | <b>SIGNATURE</b> | <b>DATE</b> |
|--|------------------|-------------|
| Department Review                                |                  |             |
| Department Director                              |                  |             |
| Budget Content:<br>Chief Financial Officer       |                  |             |
| Purchasing Process:<br>Supervisor of Procurement |                  |             |
| Mayor  |                  |             |
| Deputy Clerk                                     |                  |             |

Contract Reviewed by City Attorney       Yes       N/A