

RESOLUTION NO. 4922

**A RESOLUTION TO RENEW THE CITY'S PARTICIPANT
MEMBERSHIP AGREEMENT WITH THE ALASKA MUNICIPAL
LEAGUE JOINT INSURANCE ASSOCIATION, INC. FOR MUNICIPAL
INSURANCE COVERAGE**

WHEREAS, the City's General Liability, Workers' Compensation, Auto Liability, Property, Public Officials Liability, and Police Professional Liability policies are provided under a Participant Membership Agreement with the Alaska Municipal League Joint Insurance Association, Inc., (AMLJIA); and

WHEREAS, the current Participant Membership Agreement expires on June 30, 2020, and the City's Broker of Record, Hale & Associates, has received and reviewed AMLJIA's renewal proposal for the period July 1, 2020 to June 30, 2021, in the amount of \$1,069,436; and

WHEREAS, AMLJIA's proposal includes a 3 Year Agreement Rate Discount that would provide for a 5% discount for each of the next three years, thus reducing the cost for year one of the agreement by \$56,230; and

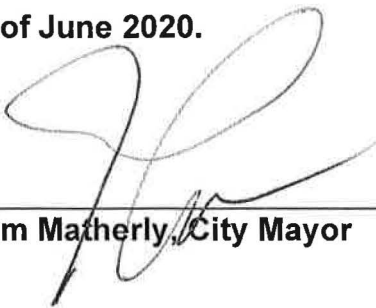
WHEREAS, Hale & Associates, has reviewed coverage proposals from AMLJIA and from the Alaska Public Entity Insurance (APEI) and recommends the City renew its Participant Membership Agreement with AMLJIA; and

WHEREAS, Hale & Associates recommends the City accept AMLJIA's 3 Year Agreement Rate Discount and increase the liability limits from \$10,250,000 to \$15,000,000; and

WHEREAS, the administration has met with David Hale of Hale & Associates and has reviewed AMLJIA's proposal and the service provided by AMLJIA and concurs with the recommendations by Hale & Associates.

NOW, THEREFORE, BE IT RESOLVED by the City Council that it approves the renewal of the City's Participant Membership Agreement with the Alaska Municipal League Joint Insurance Association, Inc., and approves the proposed 3 Year Agreement Rate Discount and authorizes the Mayor to execute all documents necessary to secure coverage with AMLJIA under the terms of these proposals.


PASSED and APPROVED this 15th Day of June 2020.



Jim Matherly, City Mayor

AYES: Gibson, Cleworth, Rogers, Kun, Therrien, Pruhs
NAYS: None
ABSENT: None
APPROVED: June 15, 2020

ATTEST:



D. Danyielle Snider, MMC, City Clerk

APPROVED AS TO FORM:



Paul J. Ewers, City Attorney

**CITY OF FAIRBANKS
FISCAL NOTE**

I. REQUEST:

Ordinance or Resolution No: 4922

Abbreviated Title: RENEW PARTICIPANT MEMBERSHIP AGREEMENT WITH AMLJIA

Department(s): ALL

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes X No

2) additional support or maintenance costs? Yes No X

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes No X

If yes, how many positions?

If yes, type of positions? (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

| EXPENDITURES: | 2020 | 2021 | 2022 | Total |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| CITY OF FAIRBANKS INSURANCE | \$1,069,436 | \$1,085,478 | \$1,101,760 | \$3,256,673 |
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| | | | | |
| TOTAL | \$1,069,436 | \$1,085,478 | \$1,101,760 | \$3,256,673 |

| FUNDING SOURCE: | 2020 | 2021 | 2022 | Total |
|--|--------------------|--------------------|--------------------|--------------------|
| RISK FUND [REIMBURSED THROUGH MILL LEVY] | \$984,644 | \$999,414 | \$1,014,405 | \$2,998,463 |
| GENERAL FUND [GENERAL LIABILITY] | \$84,792 | \$86,064 | \$87,355 | \$258,211 |
| | | | | |
| TOTAL | \$1,069,436 | \$1,085,478 | \$1,101,760 | \$3,256,673 |

City insurance includes General Liability, Workers' Compensation, Auto Liability, Property/Boiler & Machinery, Public Officials Liability, and Police Professional Liability. Insurance costs for Year 2020 is based on the proposal while Years 2021 and 2022 are based on a projected 1.5% increase. All insurance is reimbursed through the Mill Levy except for General Liability. A transfer would need to be made from the General Fund to the Risk Fund for this cost.

Reviewed by Finance Department: Initial mb Date 6/10/2020