

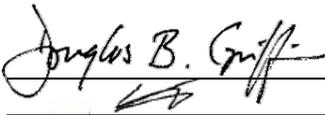
**CITY OF PALMER
ACTION MEMORANDUM NO. 13-047**

Subject: Authorize the City Manager to Purchase Insurance Coverage for the Period July 1, 2013 through June 30, 2014, per the Premium Quote Submitted by the City's Insurance Broker, Alaska USA Insurance Brokers

Agenda of: June 25, 2013

Council Action: _____

Approved for presentation by:

City Manager City Attorney City Clerk	
	

Certification of Funds:

Total amount of funds listed in legislation:	\$ <u>284,589.99</u>
This legislation (✓):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>284,589.99</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted.	
Funds originally budgeted:	\$ <u>269,388.00</u>
Difference in budgeted funds:	\$ <u>15,202.00</u>
Funds are budgeted from this (these) line item(s):	
➤ Various	\$ <u>269,388.00</u>
➤	\$ _____
<input type="checkbox"/> Funds are not budgeted. (July 1, 2013 – December 31, 2013)	
Budget amendment required in the total amount of:	\$ <u>7,601.00</u>
Affected line item(s):	
➤ Various	\$ _____
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	 _____

Summary Statement: The City's insurance broker, Alaska USA, presented the attached proposal to the Administration for the renewal of the City's insurance policies for the year beginning July 1, 2013.

The proposal from the Alaska Public Entity Insurance (APEI) has an annual premium of \$271,131.99. The price proposal provided by the Alaska Municipal League (AML/JIA) was

\$345,990.

The APEI coverages include property (including earthquake and fire); crime; general liability; police professional liability; auto liability and physical damage; and workers' compensation.

APEI will issue a dividend (reimbursement) to the City in the amount of \$10,656.48 upon receipt of the premium payment.

A separate policy is being obtained for police radios and guns (\$5,758 annual premium); and for airport owners/operators liability insurance (\$7,700 premium).

The total insurance bill is \$284,589.99 (including APEI; police radio and gun policy; and airport policy). This does not include the \$10,656.48 which will be refunded as a dividend.

The cost of insurance coverage is increasing \$15,202 over the last renewal; however, the increase for July through December 2013 is \$7,601.

The City has had insurance coverage with excellent service through APEI since 2008.

Administration recommendation: Approve Action Memorandum no. 13-047.