THE CITY OF ASHEVILLE

**STAFF REPORT**

**Council Meeting Date:** June 27, 2023

**Subject:** Resolution to revoke Resolution No. 21-140 and delegate new authority regarding Non-Health-Benefit Insurance Premiums and Property Claims-Related Payment Issuance

**Staff Resource(s):** Tony McDowell, CFO and Brad Stein, Risk Manager

**Action Requested:** Adoption of a resolution to revoke Resolution No. 21-140, and adopt a new resolution authorizing the City Manager to purchase non-health-benefit-related insurance policies up to $1,000,000 per policy; and issue property claim-related payments.

## Background:

- In 2019, Asheville City Council adopted Resolution No. 19-185; authorizing the City Manager to purchase non-health benefit-related insurance policies and issue property claim-related payments up to $500,000.
- In 2021, Asheville City Council revoked Resolution No. 19-185 and adopted Resolution No. 21-140; authorizing the City Manager to purchase non-health benefit-related insurance policies and issue property claim-related payments up to $750,000 as insurance premiums increase.
- Annually, the City of Asheville (City) renews policies to provide coverage against risk exposures, including but not limited to: excess workers' compensation and liability (general liability, public officials, employee practices, and law enforcement), dam liability, property (structures/vehicles/equipment), crime, cyber, flood, and builder's risk, when necessary.
- All policies are quoted via the City's Insurance Broker of Record to ensure appropriate coverages are obtained from the commercial insurance market.
- Annually, Asheville City Council approves policy premium costs budgeted within the City's Workers' Compensation and Property & Liability Funds.
- City property insurance premium increased from $463,026 in Fiscal Year (FY) 2020-21 to $649,660 in FY 2021-22 and $741,453 in FY 2022-23, respectively.
- Staff believes premium rates will continue to rise, and it is, therefore, necessary to update this delegation of authority again by seeking City Council authorization to (1) purchase policies up to $1,000,000 per policy; and (2) pay City property claim-related expenses, authorization.
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## Vendor Outreach Efforts:

- All insurance policies obtained by the City Risk Management Division are done so via the City's Insurance Broker of Record; which seeks insurance quotes from insurance carriers capable of meeting the City's insurance needs

## Council Goal(s):

- Smart City

## Committee(s):

- N/A

## Pro(s):

- Ensures no policy lapse that may financially expose City employees and assets.
- Timely insurance policy renewals and good standing with City insurance carriers.
- Ensures timely property claim-related payments to expedite City asset repair/replacement.

**Con(s):**

- None

**Fiscal Impact**:

- Funding for City insurance policy premiums is available in the Property and Liability Fund.
- Property claim payments utilize funds received from City insurance carriers to repair/replace damaged City assets, less related deductibles.

**Suggested Motion:**

- Motion to adopt a resolution to revoke Asheville Resolution No. 21-140 authorizing the City Manager to issue payments for non-health-benefit-related insurance premiums up to $500,000, and authorizing the City Manager to (1) issue payments for non-health-benefit-related insurance premiums up to $1,000,000 per policy and; (2) make City property insurance claim-related payments.

**Attachment(s)**

- Resolution

RESOLUTION NO. 23-_____

RESOLUTION TO REVOKE ASHEVILLE RESOLUTION NO. 21-140 AND AUTHORIZE THE CITY MANAGER TO PURCHASE NON-HEALTH-BENEFIT-RELATED INSURANCE POLICIES AND ISSUE PROPERTY CLAIMS-RELATED PAYMENTS _____

WHEREAS, the City of Asheville has authority pursuant to Article 3 of Chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities, and authority to purchase insurance in accordance with NCGS§ 160A-485; and

WHEREAS, on July 27, 2021, Asheville City Council adopted Resolution No. 21-140 authorizing the City Manager to purchase non-health-benefit-related insurance policies up to $750,000 per policy and issue property claims-related payments;

WHEREAS, the City of Asheville (City) purchases insurance policies to provide coverage against risk exposures, including but not limited to: excess workers' compensation and liability (general liability, public officials, employee practices, and law enforcement), dam liability, property (vehicles/equipment), crime, cyber, flood, and builder's risk, when necessary; and

WHEREAS, annually, Asheville City Council approves projected insurance premium costs within the City's Workers' Compensation Fund and Property & Liability Fund; and

WHEREAS, the City's Insurance Broker of Record in consultation with the City Risk Manager ensures appropriate insurance policies are obtained from the commercial insurance market and timely renewed to avert lapses in coverage; and

WHEREAS, this resolution authorizes the City Manager to: (1) Purchase non-health-benefit-related insurance policies up to $1,000,000 per policy; and (2) Pay City property claim-related expenses to repair/replace damaged City assets;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to purchase Property, Casualty, Workers' Compensation and other non-health-benefit-related insurance policies up to $1,000,000 per policy and issue payments and/or execute property insurance claim-related service contracts to expedite repair and/or replacement of damaged City assets.

Read, approved and adopted this the 27th day of June, 2023.

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City Clerk Mayor

Approved as to form:

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City Attorney