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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

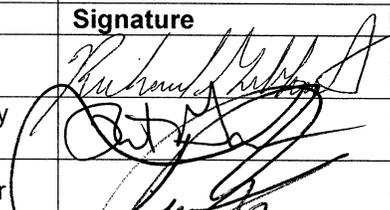
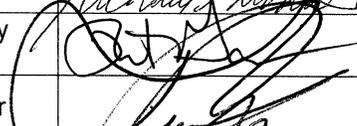
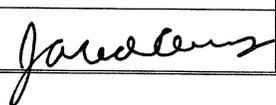
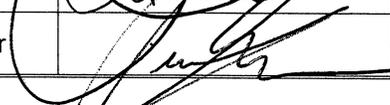
Council Action and Executive Summary

Item # 2 Ordinance/Resolution# 10-110 Council District:

For Meeting of October 19, 2009

A RESOLUTION APPROVING FUNDS TO PURCHASE COMMERCIAL PROPERTY INSURANCE PACKAGE (TO INCLUDE: CONTRACTOR'S EQUIPMENT & AUTO/FIRE PHYSICAL DAMAGE, CRIME, BOILER & MACHINERY, AND EMPLOYEE DISHONESTY) AND EXCESS WORKERS' COMPENSATION THROUGH AON RISK SERVICES FOR A PERIOD OF ONE YEAR IN THE ESTIMATED AMOUNT OF \$222,156.00.

PURPOSE(S) OF ACTION: To secure insurance and insurance brokerage services for the City of Las Cruces for a one year period.

Name of Drafter: Duane T. Goode, Risk Manager		Department: Legal		Phone: 528-3665	
Department	Signature	Phone	Department	Signature	Phone
Originating Department		528-3665	Budget		541-2017
			Assistant City Manager		541-2271
Legal		541-2128	City Manager		541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces has contracted with insurance broker AON Services of Albuquerque, New Mexico to provide the most economical insurance coverage in the current HARD MARKET for the above policies. The Risk Manager has expanded the overall insurance coverage during the past four and half years and increased the coverage through risk assessments of liabilities.

SUPPORT INFORMATION:

1. Resolution;
2. Renewal Proposal, attached as Exhibit "A".

(Continue on additional sheets as required)

Fund Name / Account Number	Amount of Expenditure	Budget Amount
Risk Management/Liability Insurance Premiums 63000170-762101	\$145,724.00	\$617,500.00
Workers' Compensation/ 63000050-762331	\$76,432.00	\$77,000.00

OPTIONS / ALTERNATIVES:

- 1. Approval of the Resolution will allow the Risk Manager to finalize the annual purchase of insurance and insurance brokerage services for the City**
- 2. Modifying the Resolution to reflect the wishes of the City Council.**
- 3. Disapprove the Resolution will result in a lack of third party insurance coverage for the City.**

(Continue on additional sheets as required)

RESOLUTION 10- 10-110

A RESOLUTION APPROVING FUNDS TO PURCHASE COMMERCIAL PROPERTY INSURANCE PACKAGE (TO INCLUDE: CONTRACTOR'S EQUIPMENT & AUTO/FIRE PHYSICAL DAMAGE, CRIME, BOILER & MACHINERY, AND EMPLOYEE DISHONESTY) AND EXCESS WORKERS' COMPENSATION; THROUGH AON RISK SERVICES FOR A PERIOD OF ONE YEAR IN THE ESTIMATED AMOUNT OF \$222,156.00.

The City Council is informed that:

WHEREAS, it is the responsibility of the Risk Management Section to ensure that the City is adequately insured for all possible risks; and

WHEREAS, the City will purchase the following policies: Commercial Property Package including: Contractor's Equipment & Auto/fire Physical Damage, Crime, Boiler and Machinery, Employee Dishonesty; and Excess Workers' Compensation for fiscal year 2010; and

WHEREAS, the Risk Management Section has researched different insurance coverage and found these insurance policies to be the best and the most affordable coverage for the City of Las Cruces; and

WHEREAS, the Risk Manager recommends moving forward with obtaining these insurance policies through AON Risk Services for a period of one year.

NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the Risk Manager is hereby authorized to purchase insurance policies through the City contracted Broker AON Risk Services, Albuquerque, New Mexico, in the estimated amount of \$222,176.00 for the period of October 1, 2009 through September 30, 2010.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the above.

DONE AND APPROVED on this _____ day of _____, 2008.

Mayor

ATTEST:

City Clerk

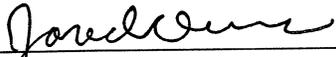
{SEAL}

Moved by: _____

Seconded by: _____

Mayor Miyagishima:	_____
Councillor Silva:	_____
Councillor Connor:	_____
Councillor Archuleta:	_____
Councillor Small:	_____
Councillor Jones:	_____
Councillor Thomas:	_____

APPROVED AS TO FORM:



City Attorney

Proposal
Net Cost Summary

Coverage	Expiring	Renewal Premiums
Property	\$150,547	\$145,724
Contractor's Equipment & Auto Physical Damage	Included	Included
Crime	included	Included
Boiler & Machinery	Included	Included
Package Subtotal	\$150,547	\$145,724
Fine Arts	\$2,108	\$2,018
Airport Liability	\$6,738	\$6,906
Excess Crime	\$14,006	\$15,209
Excess Work Comp	\$68,493	\$76,432
Totals:	\$241,892	\$246,289

Payment Plans:

All policies are Agency Bill; premiums are due upon receipt of invoice.

A.M. Best Ratings:

Travelers	A+, XV
Ace Fire Underwriters Ins. Co.	A+, XV
Ace Property	A+, XV
Safety National	A, X

Note: The Underground Storage Tank coverage is provided by Affinity Aon Services and is not included in our proposal.