



# CITY of NOVI CITY COUNCIL

**Agenda Item 4  
June 17, 2013**

**SUBJECT:** Approval to renew the City's 2013-14 Property and Liability Insurance coverage with the Stevenson Company in the annual amount of \$285,688.

**SUBMITTING DEPARTMENT:** Human Resources/Finance

**CITY MANAGER APPROVAL:** *[Signature]*

<b>EXPENDITURE REQUIRED</b>	<b>\$285,688.00</b>
<b>AMOUNT BUDGETED</b>	<b>\$290,000 – General Fund</b>
<b>LINE ITEM NUMBER</b>	<b>101-299.00-910.000 and all other 910 accounts in other funds.</b>

**BACKGROUND INFORMATION:**

The Stevenson Company has provided the City with Property and Liability Insurance coverage since 2004. The coverage period is July 1 – June 30th. This coverage includes City owned property, buildings and equipment (large equipment including DPS and Fire equipment) its employees, elected officials and volunteers. Also included through this coverage is Special Events Liability, Medical Services, Professional Liability, Wrongful Acts (Errors and Omissions) and Sewer Backup Liability coverage.

The coverage includes the Library, Ice Arena, Meadowbrook Commons and the Water Fund. Each of these entities, by way of separate line item numbers, reimburse the General Fund in the appropriate premium amounts. The underwriters use the following to provide rates; (a) claims experience, (b) budget, (c) number of total staff, (d) number of police staff, number of firefighters, and (f) property valuations (land, building, equipment, vehicles, etc.). The Stevenson Group will now provide coverage for the City's gasoline storage tanks which was previously insured under a separate policy and insurance provider. Additionally, the premium obtained for the 2013-14 fiscal year is \$1,804 less than the previous year.

**RECOMMENDED ACTION:** Approval to renew the City's 2013-14 Property and Liability Insurance coverage with the Stevenson Company in the annual amount of \$285,688.

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Fischer</b>				

	1	2	Y	N
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				

## MEMORANDUM



**TO:** CLAY J. PEARSON, CITY MANAGER  
VICTOR CARDENAS, ASSISTANT CITY MANAGER

**FROM:** TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES  
NEVRUS NAZARKO, DIRECTOR OF FINANCE

**SUBJECT:** PROPERTY AND LIABILITY COVERAGE

**DATE:** JUNE 11, 2013

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Since 2003 the Stevenson Company has provided the City with Property and Liability insurance. The coverage period is July 1 through June 30 of each year. Also included with this policy is Special Events Liability, such as through Parks, Recreation & Cultural Services, Professional Liability, Wrongful Acts (Errors and Omissions) and Sewer Backup Liability coverage.

This coverage includes all City owned property such as Parks, Library, Ice Arena, Meadowbrook Commons, Water Department, and equipment (large equipment housed at DPS, police vehicles and Fire apparatus).

The final quote negotiated with the Stevenson Company for the 2013-14 coverage period is \$285,688 which includes coverage for Pavilion Shore Park as well as coverage for the City's underground gasoline storage tanks (3) which are located at the Department of Public Services complex. This coverage was previously provided through another vendor however we were able to add this coverage to our existing policy and save an additional \$1,804 over last year's premium.

We will secure competitive bids for this coverage prior to next year's renewal.

Attachment





STEVENSON  
company

127 W. University Drive  
Rochester, MI 48307

248.650.2736 / MAIN

248.650.2740 / FAX

800.761.8895 / TOLL FREE

*June 20, 2012*

*Tia Gronlund-Fox  
Director of Human Resources  
City of Novi  
45175 West Ten Mile Road  
Novi, Michigan 48374*

*Re: Revised Invoice and Storage Tank Liability*

*Dear Tia:*

*Enclosed is the revised premium invoice reflecting a decrease to \$ 285,688 for the July 1, 2013/2014 policy term.*

*Additionally, I am enclosing the storage tank liability application. I highlighted the areas where I need information in order to complete the application. Perhaps, I can meet with the individual that has access to the information.*

*Lastly, I need a letter for the renewal to include with my instructions to U.S. Specialty Insurance. The form is complete and just needs to be added to the City of Novi's letterhead.*

*Should you have any questions please do not hesitate to call me at 800-761-8895.*

*Very truly yours,*

*Robert J. Bucko  
Risk Manager*

*Enc.*





STEVENSON  
company

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*The Stevenson Company*  
Account Statement

Date: May 29, 2013

*Named Insured: City of Novi*  
*Attn: Tia Gronlund-Fox, Director of Human Resources*  
*45175 West Ten Mile Road*  
*Novi, Michigan 48375*

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<i>Coverage Document</i>	<i>Policy Number</i>	<i>Date of Coverage</i>	<i>Premium</i>
<i>HCC Public Risk</i>	<i>PKG80810059</i>	<i>7-1-2013/2014</i>	<i>\$ 285,688.00</i>
<i>U.S. Specialty Insurance</i>			

*Premium Summary:*

*Ice Arena - \$ 9,854.00*  
*Meadowbrook Commons - \$ 21,048.00*  
*Water Department - \$ 13,282.00*  
*Library - \$ 13,668.00*

*Total Premium Due* *\$ 285,688.00*

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***Premium Due Date :*** ***July 1, 2013***

*Please make check payable to:* *The Stevenson Company*  
*127 W. University Drive*  
*Rochester, MI 48307*

Mine Subsidence Total:

\$0

Total Items: 51

Building Limit Total: \$68,589,900

Contents Limit Total: \$4,985,000

Property Grand Total: **\$73,574,900**

**POK Description:**

10-Offices  
11-Parks/Recreation  
12-Jails  
13-Libraries  
14-Water/Sewer  
15-Fire/Police  
16-DPW/Garages  
17-Builders Risk  
18-Pump Houses, Lift Stations

**CK Description:**

1-Frame  
2-Joisted Masonry  
3-Non Combustible  
4-Masonry Non Combustible  
5-Modified Fire Resistive  
6-Fire Resistive  
7-Sprinklered

**BF Description:**

000 - Vacant	602 - Park Administration Building	802 - Apt. Complex 3 stories
010 - Vacant Land	603 - Swimming Pool	803 - Care Takers Home
011 - Building For Sale	604 - Water Slide	
020 - Liability Only	605 - Golf Course	900 - Water Treatment Plant
	606 - Cart Storage Building	901 - Pumping Station
100 - Administrative Office	607 - Fish Hatchery	902 - Water Tower
101 - Library	608 - Zoo	903 - Wastewater Treatment Plant
	609 - Marina	904 - Filtration Plant
200 - Police Station	610 - Campground	905 - Lift Station
201 - Jail/Lock-up	611 - Amusement Park	906 - Electrical Transfer Station
203 - Animal Pound	612 - Concession Stand	907 - Electrical Generating Plant
	613 - Picnic Shelter	908 - Steam Generating Plant
301 - Training Tower	614 - Pavilion	909 - Transfer Station
303 - Ambulance Building	615 - Rest Rooms	910 - Well House
	616 - Livestock Building	911 - Meter Station
400 - Street Maintenance Building	617 - Covered Arena	912 - Meter Pit
401 - Garage	618 - Exhibit Building	913 - Wind Turbines
402 - Paint Shop	619 - Announcers Booth	914 - Wind Spires
403 - Storage Building	620 - Dugouts	915 - Solar Panels
405 - Salt Storage Shed	621 - Museum	920 - Fee Parking Lot
406 - Bridge	622 - Historical Property	921 - Medical Care Facility
		922 - Airport Admin Building
500 - Incinerator	700 - Chapel	923 - Airport Hanger
501 - Recycling Building	701 - Cemetery Storage Building	925 - Firehall
		926 - Housing Commissions
600 - Community Center	800 - Rental House	927 - Cemeteries
601 - Stadium/Grandstand	801 - Apt. Complex 2 stories or less	



# HCC

*Mind over risk*

### Vehicle Type Codes, Descriptions & Totals:

Vehicle Type & Description:	Total # of Vehicles:	Total New Cost:
1 - Passenger Cars / ACV	14	\$276,000
2 - Trucks, Vans / ACV	67	\$2,278,800
3 - Garbage Trucks / ACV	0	\$0
4 - Rescue Units / RC	2	\$215,000
5 - Fire Vehicles / RC	7	\$2,199,091
6 - Parade/Antique / RC	0	\$0
7 - Dump Trucks / ACV	17	\$1,465,000
8 - Rescue Units / ACV	0	\$0
9 - Fire Vehicles / ACV	0	\$0
10 - Parade/Antique / ACV	0	\$0
11 - Police Cars / ACV	40	\$824,800
12 - Buses / ACV 22 Pass & More	0	\$0
13 - Trailers / ACV	11	\$110,000
14 - Motorcycles / ACV	0	\$0
15 - Police Motorcycles / ACV	2	\$60,000
16 - Snowmobile / ACV	0	\$0
20 - Buses / 21 Pass & Less	0	\$0
<b>Totals:</b>	<b>160</b>	<b>\$7,428,691</b>