

Management Committee

For the Metropolitan Council meeting of May 24, 2017

Subject: Council Property Insurance Contract Amendment

Proposed Action

That the Metropolitan Council authorizes an extension of its existing property insurance with FM Global, effective 6/1/17-8/1/17, in an amount not to exceed \$275,000.

Summary of Committee Discussion/Questions

Staff presented that this Business Item is intended to move the renewal date of the Council's property insurance to August 1st from June 1st on an ongoing basis. The reason for this move is to allow an appropriate amount of time for staff to calculate, review, and report to the insurance company the property values, which are derived from the Council's physical inventory of fixed assets.

Staff noted that with this extension, there will be another presentation in July to the Council for an annual renewal and that future renewals will be on an annual basis.

A motion was made by Barber, which was seconded Rummel, to extend the current insurance policy with FM Global from 6/1/17-8/1/17. Motion carried.

Management Committee

Meeting date: May 10, 2017

For the Metropolitan Council meeting of May 24, 2017

Subject: Council Property Insurance Contract Amendment

District(s), Member(s): All

Policy/Legal Reference:

Staff Prepared/Presented: Phil Walljasper, 651-602-1787

Division/Department: Regional Administration/Risk Management

Proposed Action

That the Metropolitan Council authorizes an extension of its existing property insurance with FM Global, effective 6/1/17-8/1/17, in an amount not to exceed \$275,000.

Background

To receive a premium quote for the insurance policy, the Council must report to FM Global the total amount of property value to be insured. Staff determines this value by reviewing the Council's report of its physical inventory of fixed assets (policy 3-4-2) and making the proper adjustments to reflect insurable property. It has become increasingly challenging to complete this process, given its timing, with an insurance renewal date of June 1st. An extension of the insurance policy would move the renewal date, on an ongoing basis, from June 1st to August 1st. Accordingly, staff will present a recommendation to the Council for an annual renewal in July.

Rationale

This extension would allow more time for the Council and FM Global to review the values, ensuring accuracy and consistency each year.

Thrive Lens Analysis

Authorization of the property insurance extension with FM Global supports the Thrive principles of Stewardship and Livability, by not only securing the insurance in the most cost effective manner, but also partnering with our insurance carrier to minimize a loss of our operations due to physical damage.

Funding

The premiums are allocated to the operating divisions, based upon the amount of respective values. This premium amount is budgeted as a part of the applicable operating budget within each division.

Known Support / Opposition

Not applicable