



Legislation Text

File #: 16-0708R, **Version:** 1

RESOLUTION AMENDING RESOLUTION 16-0153 TO ADD FUNDS TO PROVIDE PROPERTY INSURANCE COVERAGE FOR DULUTH STEAM DISTRICT NO.1'S PROPERTY AND EQUIPMENT TO THE CITY'S POLICY AT A COST OF \$6,641.

CITY PROPOSAL:

RESOLVED, that the first RESOLVED paragraph of Resolution 16-0153 be amended by striking said paragraph in its entirety and by substituting the following therefore:

RESOLVED, that the proper city officials are hereby authorized to enter into a one-year extension of the city's contract for property insurance with Affiliated FM Insurance Company from February 16, 2016, through February 16, 2017, insuring city-owned structures, miscellaneous equipment and business personal property, and certain Duluth economic development authority (DEDA) and Duluth airport authority (DAA) property at the initial cost of not to exceed ~~\$163,906~~ 170,547 payable to Marsh & McLennan Agency LLC, agent for Affiliated FM Insurance Company, payable from the following accounts: Self Insurance Fund 610, Dept./Agency 036 (Insurance Account), Cost Center 1651 (Insurance-General City) \$83,014, Cost Center 1652 (Insurance - Water & Gas) \$8,062, Cost Center 11653 (Insurance - Sewer) \$2,573, Cost Center 1654 (Insurance - Stormwater) \$1,747, Cost Center 1656 (Insurance - DEDA) \$21,016, Cost Center 1659 (Insurance - DAA) \$47,494, and Cost Center 1664 (Insurance - Steam District #1), \$6,641, Obj. 5360 (Insurance).

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize increasing the funding for the City's property insurance policy to fund the addition of insurance coverage for Duluth Steam District No. 1's property and equipment at a cost of \$6,641. Previously Ever-Green Energy Duluth, LLC, had insured the property under its insurance policy and the city reimbursed them for the cost of the insurance as a reimbursable expense of the operation. By adding the property to the city's insurance policy instead, the city will be saving approximately \$41,000 per year.