



CITY OF GROSSE POINTE WOODS

Memorandum

RECEIVED

DATE: March 9, 2023
TO: Mayor and City Council
FROM: Frank Schulte, City Administrator
SUBJECT: FY 2023/24 General Liability & Property Insurance

MAR 10 2023

CITY OF GROSSE POINTE WOODS
CLERK'S DEPARTMENT

Last year, city council approved Nickel & Saph Inc. Insurance Agency (Nickel & Saph) as the city's new general liability and property insurance provider. In the past year, they conducted a comprehensive evaluation inspection of all city property, automobiles and inland marine items. These findings resulted in a slight cost increase to the city's annual insurance rate from \$206,937.00 to \$226,935.25, (+\$19,998.00). The cost increase proposed by Nickel & Saph is still less than MMRMA's proposal from last year (\$235,652.00).

Another service Nickel & Saph, Inc. are including in their proposal will be an in-depth evaluation of all city properties from a dedicated appraisal company. The completion of the appraisals is dependent on the scope of services and may be conducted over a one or two year period. In addition, the city will continue to receive \$10,000,000 in sewer backup coverage.

The following are the changes year over year:

- The City's expenditures increased 3% (\$9,471,610 to \$9,773,828).
- Auto Liability increased by 5% because of the number of ratable units (previously was 58 vehicles up to date amount is 61 vehicles).
- Inland Marine decreased by 43% (\$2,448,100 to \$1,399,555).
- Property increased by 23% (\$15,684,646 to \$19,223,065).

The following are the risk management solutions implemented during FY 2022/23:

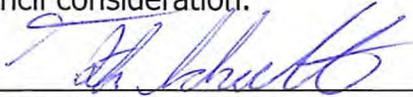
- In addition to the above-mentioned comprehensive evaluation inspection, the city's IT department has implemented various security measures to keep it up-to-date in an effort to protect it against the ever-changing cyber risks. This increase in protection allowed Nickel & Saph to go out to market, which resulted in them finding the city better and broader cyber insurance coverage at the same rate paid last year.

It is my recommendation that City Council approve Nickel & Saph, Inc. Insurance Agency, P.O. Box 46907, Mount Clemens, MI 48046 to continue to be the city's general liability and property insurance provider in an amount not to exceed \$226,935.25 for

the period of April 19, 2023 thru April 19, 2024. This is a budgeted item in FY 2023/24 budget in the following accounts:

ACCOUNT NUMBER		AMOUNT
101-211-955.000	GENERAL FUND	27,367.95
101-349-955.000	GENERAL FUND	37,543.37
101-594-955.000	GENERAL FUND	18,884.02
101-799-955.000	GENERAL FUND	8,643.76
202-530-955.000	MAJOR STREETS	5,484.55
203-530-955.000	LOCAL STREETS	9,272.13
226-528-955.000	SOLID WASTE	11,118.89
261-602-955.000	911 EMERGENCY	747.10
365-993-955.000	GROSSE GRATIOT DRAN	22,814.08
585-573-955.000	PARKING	6,921.22
592-536-955.000	WATER/SEWER	68,693.42
594-785-955.000	BOAT DOCK	941.64
661-534-955.000	MOTOR VEHICLE	8,503.11
TOTAL		226,935.24

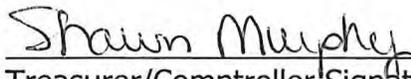
I do not believe any benefit will accrue to the City by seeking further bids. Approved for Council consideration.



City Administrator Signature

Fund Certification:

I hereby certify that funds are available and the account numbers have been verified.



Treasurer/Comptroller Signature