



Memorandum

To: Mayor Nelson and Members of the City Council

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: November 27, 2024

Subject: Tort Limit Election

Each year, the City Council is asked whether it wishes to elect to waive the statutory tort limits in order to comply with LMCIT requirements.

The City historically has chosen to not waive the monetary limits on municipal tort liability established by M.S. § 466.04. This decision reduces the cost of the City's liability insurance as it limits claims to \$500,000 per individual claimant per occurrence or \$1,500,000 for all claimants per occurrence.

Not all claims are covered by statutory municipal tort limits. This is why the City purchases \$1 million in excess liability coverage per year.

Staff recommends not waiving monetary tort limits. If you have any questions, please do not hesitate to contact me at 763-784-6491.