



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

PUBLIC NOTICE OF ELECTRONIC MEETING OF THE MICHIGAN MUNICIPAL SERVICES AUTHORITY

PLEASE NOTE: THIS NOTICE IS GIVEN AND PUBLISHED PURSUANT TO EXECUTIVE ORDER 2020-129 ISSUED BY GRETCHEN WHITMER, GOVERNOR FOR THE STATE OF MICHIGAN.

The Executive Committee of the Michigan Municipal Services Authority is meeting electronically as a result of the Covid-19 virus pursuant to law and the mandates of Executive Order 2020-115 issued by Governor Gretchen Whitmer.

The **Executive Committee of the Michigan Municipal Services Authority** will hold a special meeting on the following date and at the following time:

Date

Thursday, July 16, 2020

Time

2:00 PM

The purpose of this special meeting is to:

1) discuss and approve a partnership between the MMSA and the State of Michigan Department of Treasury, 2) discuss and approve liability insurance policies for the MMSA.

Refer to the MMSA's website to view the complete Agenda and Packet for the meeting. Specific instructions for public participation via a webinar will be posted on the MMSA's website:

<http://michiganmsa.org/>

Please note: a quorum of the MMSA's Authority Board may also be present for this meeting.

The meeting is open to the public and this notice is provided under the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

The meeting location is barrier-free and accessible to individuals with special needs. Individuals needing special accommodations or assistance to attend or address the meeting should contact the Authority at (248) 925-9295 prior to the meeting to assure compliance with Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, and 42 USC 12131 to 12134.

A copy of the proposed meeting minutes will be available for public inspection at the principal office of the Authority within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Authority within 5 business days after approval.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
SPECIAL MEETING**

Thursday, July 16, 2020 at 2:00 PM

LIVE ZOOM WEBINAR

Capitol View Building
201 Townsend St Suite 900
Lansing, MI 48933

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. New Business**
 - a. Discuss and approve Partnership with the State of Michigan Department of Treasury
 - b. Discuss and approve liability insurance for the MMSA.
- V. Public Comment**
- VI. Adjournment**

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Authority within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Authority within 5 business days after approval.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: July 16, 2020

TO: Executive Committee

FROM: Shea Charles, CEO

SUBJECT: State of Michigan Technical Services Pilot Project – City of Flint
Agreements & Liability Insurance

It is my pleasure to present agreements for the MMSA to provide technical services to the City of Flint. There are two agreements for the Committee's consideration, the first is a grant agreement between the MMSA and Department of Treasury for an amount not to exceed \$100,000. Under the agreement the MMSA will bill the Department \$130/hour for Mark Wollenweber's time, paid monthly. The second agreement is a temporary/part-time employment agreement for Mr. Wollenweber at a rate of \$110/hour. Under the agreement Mr. Wollenweber will be covered by the MMSA's liability insurance and we will be paying the associated payroll taxes and other costs. Mr. Wollenweber will receive no other benefits from the MMSA and the agreement terminates on December 31, 2020. This approach is different than was discussed at the last meeting due to the challenges of securing professional liability insurance if he was paid as an independent contractor.

It is anticipated that Mr. Wollenweber will have approximately 30 hours of effort each week both remotely and on-site. Under this model the MMSA's costs will be covered. This is a pilot project and the financial approach for future partnerships will be different.

The MSMA will need to add professional services insurance for this project. As was discussed at last meeting, there was some difficulty obtaining a quote from the private sector market. I did contact two municipal liability pools the Michigan Municipal Risk Management Authority and the Michigan Municipal League for quotes. Due to timing issues only MMRMA was able to provide a coverage quote for the effort. The total premium is \$2,534 for 12 months and provides \$1 Million in General Liability (which includes professional services) and \$5,000,000 in cyber security (quote enclosed). I did request a higher general liability limit, but due to our size MMRMA would not write that level of coverage. There is no deductible for the liability coverage and a \$25,000 deductible for cyber issues. The LCSA recently bid their liability coverage and found the cyber coverage from MML had similar deductibles.

I have attached three resolutions for the Committee's consideration.

- 1) 2020-06 approving the grant agreement as to form with the State of Michigan.
- 2) 2020-07 approving the employment agreement as to form with Mark Wollenweber.
- 3) 2020-08 approving switching liability insurance to the Michigan Municipal Risk Management Authority.

Agreements &
Resolutions will be
provided during the
Meeting.

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

Member: Michigan Municipal Services Authority **Proposal No:** Q000012757
Date of Original Membership:
Proposal Effective Dates: July 13, 2020 To July 13, 2021
Member Representative: Reid Charles, II **Telephone #:** (517) 618-9616
Regional Risk Manager: Ibex Insurance Agency **Telephone #:** (248) 538-0470

A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **Michigan Municipal Services Authority** (hereinafter "Member") is eligible to be a Member of MMRMA. **Michigan Municipal Services Authority** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

Michigan Municipal Services Authority is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

B. Member Obligation - Deductibles and Self Insured Retentions

Michigan Municipal Services Authority is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **Michigan Municipal Services Authority's** SIR and deductibles are as follows:

Table I
Member Deductibles and Self Insured Retentions

| COVERAGE | DEDUCTIBLE | SELF INSURED RETENTION |
|---------------------------|------------------------|------------------------|
| Liability | N/A | State Pool Member |
| Vehicle Physical Damage | N/A | N/A |
| Fire/EMS Replacement Cost | N/A | N/A |
| Property and Crime | \$1,000 Per Occurrence | N/A |
| Sewage System Overflow | N/A | N/A |

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The **Michigan Municipal Services Authority** is afforded all coverages provided by MMRMA, except as listed below:

1. Liability for Owned or Leased Motor Vehicles
2. Motor Vehicle Physical Damage
3. Sewage System Overflow
4. Specialized Emergency Response Expense Recovery Coverage

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

Michigan Municipal Services Authority agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

Table II
Limits of Coverage

| Liability and Motor Vehicle Physical Damage | Limits of Coverage Per Occurrence | | Annual Aggregate | |
|---|-----------------------------------|-------------|------------------|-------------|
| | Member | All Members | Member | All Members |
| 1 Liability | 1,000,000 | N/A | N/A | N/A |
| 2 Judicial Tenure | N/A | N/A | N/A | N/A |
| 3 Sewage System Overflows | 0 | N/A | 0 | N/A |
| 4 Volunteer Medical Payments | 25,000 | N/A | N/A | N/A |
| 5 First Aid | 2,000 | N/A | N/A | N/A |
| 6 Vehicle Physical Damage | 0 | N/A | N/A | N/A |
| 7 Uninsured/Underinsured Motorist Coverage (per person) | 0 | N/A | N/A | N/A |
| Uninsured/Underinsured Motorist Coverage (per occurrence) | 0 | N/A | N/A | N/A |
| 8 Michigan No-Fault | 0 | N/A | N/A | N/A |
| 9 Terrorism | 5,000,000 | N/A | N/A | 5,000,000 |

| Property and Crime | Limits of Coverage Per Occurrence | | Annual Aggregate | |
|---|-----------------------------------|-------------|------------------|-------------|
| | Member | All Members | Member | All Members |
| 1 Buildings and Personal Property | 1,001,500 | 350,000,000 | N/A | N/A |
| 2 Personal Property in Transit | 2,000,000 | N/A | N/A | N/A |
| 3 Unreported Property | 5,000,000 | N/A | N/A | N/A |
| 4 Member's Newly Acquired or Constructed Property | 10,000,000 | N/A | N/A | N/A |
| 5 Fine Arts | 2,000,000 | N/A | N/A | N/A |
| 6 Debris Removal (25% of Insured direct loss plus) | 25,000 | N/A | N/A | N/A |
| 7 Money and Securities | 1,000,000 | N/A | N/A | N/A |
| 8 Accounts Receivable | 2,000,000 | N/A | N/A | N/A |
| 9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit) | 5,000,000 | 10,000,000 | N/A | N/A |
| 10 Fire and Emergency Vehicle Rental (12 week limit) | 1,000 per week | N/A | N/A | N/A |
| 11 Structures Other Than a Building | 15,000,000 | N/A | N/A | N/A |
| 12 Storm or Sanitary Sewer Back-Up | 1,000,000 | N/A | N/A | N/A |
| 13 Marine Property | 1,000,000 | N/A | N/A | N/A |
| 14 Other Covered Property | 10,000 | N/A | N/A | N/A |
| 15 Income and Extra Expense | 5,000,000 | N/A | N/A | N/A |
| 16 Blanket Employee Fidelity | 1,000,000 | N/A | N/A | N/A |
| 17 Faithful Performance | Per Statute | N/A | N/A | N/A |
| 18 Earthquake | 5,000,000 | N/A | 5,000,000 | 100,000,000 |
| 19 Flood | 5,000,000 | N/A | 5,000,000 | 100,000,000 |
| 20 Terrorism | 50,000,000 | 50,000,000 | N/A | N/A |

Table III

| | | | |
|--|---|--|-------------------------|
| Network and Information Security Liability, Media Injury Liability, Network Security Loss, Breach Mitigation Expense, PCI Assessments, Social Engineering Loss, Reward Coverage, Telecommunications Fraud Reimbursement. | | | |
| | Limits of Coverage Per Occurrence/Claim | Deductible Per Occurrence/Claim | Retroactive Date |
| | \$5,000,000 | | |
| Coverage A Network and Information Security Liability: Regulatory Fines: | Each Claim Included in limit above Each Claim Included in limit above | \$25,000 Each Claim | 7/13/2020 |
| Coverage B Media Injury Liability | Each Claim Included in limit above | \$25,000 Each Claim | 7/13/2020 |
| Coverage C Network Security Loss Network Security Business Interruption Loss: | Each Unauthorized Access Included in limit above Each Business Interruption Loss Included in limit above | \$25,000 Each Unauthorized Access Retention Period of 72 hours of Business Interruption Loss | Occurrence |
| Coverage D Breach Mitigation Expense: | Each Unintentional Data Compromise Included in limit above | \$25,000 Each Unintentional Data Compromise | Occurrence |

| | | | |
|---|--|--|------------|
| Coverage E PCI Assessments: | Each Payment Card Breach \$1,000,000 Occ./\$1,000,000 Agg. Included in limit above | \$25,000 Each Payment Card Breach | Occurrence |
| Coverage F Social Engineering Loss: | Each Social Engineering Incident \$100,000 Occ./\$100,000 Agg. Included in limit above | \$25,000 Each Social Engineering Incident | Occurrence |
| Coverage G Reward Coverage | Maximum of 50% of the Covered Claim or Loss; up to \$25,000 Included in Limit above | Not Applicable | Occurrence |
| Coverage H Telecommunications Fraud Reimbursement | \$25,000 Included in limit above | Not Applicable | Occurrence |

Annual Aggregate Limit of Liability

| | |
|-------------------------|------------------------------|
| Member Aggregate | All Members Aggregate |
| \$5,000,000 | \$25,000,000 |

The total liability of MMRMA shall not exceed \$5,000,000 per Member Aggregate Limit of Liability for coverages A, B, C, D, E, F, G, and H, in any Coverage Period.

The total Liability of MMRMA and MCCRMA shall not exceed \$25,000,000 for All Members Combined Aggregate Limit of Liability for coverages A, B, C, D, E, F, G, and H, in any Coverage Period.

It is the intent of MMRMA that the coverage afforded under the Subjects of Coverage be mutually exclusive. If however, it is determined that more than one Subject of Coverage applies to one coverage event ensuing from a common nexus of fact, circumstance, situation, event, transaction, or cause, then the largest of the applicable Deductibles for the Subjects of Coverage will apply.

Table IV
Specialized Emergency Response Expense Recovery Coverage
Limits of Coverage

| Specialized Emergency Response Expense Recovery | Limits of Coverage per Occurrence | | Annual Aggregate | |
|---|-----------------------------------|-------------|------------------|-------------|
| | Member | All Members | Member | All Members |
| | N/A | N/A | N/A | N/A |

Table V
Specialized Emergency Response Expense Recovery Coverage
Deductibles

| Specialized Emergency Response Expense Recovery | Deductible per Occurrence |
|---|---------------------------|
| | Member |
| | N/A |

D. Contribution for MMRMA Participation

Michigan Municipal Services Authority

Period: July 13, 2020 To July 13, 2021

Coverages per Member Coverage Overview: \$2,534

TOTAL ANNUAL CONTRIBUTIONS: \$2,534

E. List of Addenda

This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.

Accepted By:

Michigan Municipal Services Authority

Proposal No:

Q000012757

MMRMA

Member Representative

MMRMA Representative

Date

Date