

**CITY COUNCIL AGENDA COVER-SHEET**

**From: Nancy Batchelder, City Recorder**

- Regular Meeting Agenda Item       Work Session Discussion Topic
- o Add to agenda for \_\_\_\_\_ meeting.
  - o Continue this item until \_\_\_\_\_.
  - o Item dismissed.

**DATE:** November 1, 2010

**Title:** City County Insurance Services (CIS) – Risk Management Incentive

**Item:** At the Public Works & Streets Commission meeting in October the Public Works Director reported that when the power outage occurred in September, the main pump station on Ocean View Drive backed up but there were no alarms to indicate there was a problem. The phase monitor failed but the control panel did not recognize the failure and so the whole system failed causing sewer to back up into two homes. The system has been repaired and the homeowners were told to contact the City’s insurance company.

McClintock said that those homes should have a check valve installed in the lateral lines to prevent future incidents. This is normally the responsibility of the homeowner, but some cities are doing it as a way of reducing the risk.

CIS is offering each member a percentage of their premium back in a type of “grant” to fund projects that will help mitigate claims. This year the City of Yachats has about \$2,500 available.

I spoke to our Risk Management Consultant at CIS to find out if the City could use the incentive funds to purchase and install check valves in lines for any home that is below the level of the manholes to prevent this from happening in the future. CIS has approved that use and I would like to apply for the funds.

There is one stipulation to the City receiving the risk management incentives funds in that the City must agree to continue with CIS for liability insurance for three years. A pro-rated amount of the funds received would have to be paid back if the City were to get insurance from another source during the next three years.

It is highly unlikely that the City will get insurance from another source. The City has been with CIS 1997, and as a non-profit, member owned pool the premiums the City pays are much less than any commercial insurance company would charge.

**Related Goal:** Improve City infrastructure.

It would also help protect City assets and reduce liability.