

RESOLUTION 88-1  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
ESTABLISHING A SELF-INSURANCE PROGRAM  
AND A SELF-INSURANCE FUND

WHEREAS, by Resolution 87-79, the Council of the City of Fort Collins has assumed legal liability, to the extent authorized by law, for payment of certain defense costs, judgments and settlements of claims which are the subject of pending civil actions filed against its present or former public employees; and

WHEREAS, the Council desires to establish a program of self-insurance to also provide for (1) the settlement and payment of civil claims against the City and/or its employees which are not the subject of pending litigation, and (2) the replacement or repair of damaged or stolen City property.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. Creation and Purpose of Self-Insurance Program.

- a. There is hereby authorized and created a self-insurance program (the "Program") for the City of Fort Collins.
- b. The purpose of the Program is to provide a uniform and centralized self-insurance system that will provide coverage and payment, within the monetary limits established in Section 2 below, for the following "covered expenses":
  - (1) Costs, fees, judgments and claims paid in connection with those certain civil actions filed against employees of the City in state or federal court, which actions are more particularly described in Resolution 87-79, dated June 2, 1987.
  - (2) Costs, damages and/or expenses incurred in the payment of other civil claims filed against the City and/or its employees [as defined in Section 24-10-103(4), C.R.S.], whether or not such claims are the subject of formal court proceedings; provided, however, that such claims are, in the judgment of the Director of Purchasing and Risk Management (the "Director"), meritorious claims for which the City may be legally liable.
  - (3) Costs and expenses incurred by the City for the repair or replacement of City property, real or personal, which costs are sustained by reason of the theft of or damage to said property, excluding normal wear and tear.

- (4) Insurance premiums.
  - (5) Such costs of administering the Program as are deemed reasonable and necessary by the Director.
- c. For the purposes of this resolution and Resolution 87-79, any member of a board or commission appointed by the City and subject to removal by the City shall be considered an "authorized volunteer" and "public employee" within the meaning of Section 24-10-103(4) C.R.S., whether or not such board or commission is itself under the control of the City.
  - d. The establishment of the Program shall not be construed so as to expand in any way the City's legal liability to third party claimants, whether under the provisions of the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., or otherwise.

Section 2. Funding of the Program. The Program shall be funded by monies appropriated for expenditure from a Self-Insurance Fund (the "Fund"), which is hereby created.

- a. Expenditures from the Fund for covered expenses shall not exceed: (1) One Hundred Fifty Thousand Dollars (\$150,000.) to any one person for claims arising out of a single incident or occurrence; or (2) Four Hundred Thousand Dollars (\$400,000.) in total payment to all persons for claims arising out of a single incident or occurrence.
- b. Notwithstanding the foregoing, funds authorized for expenditure by the Director shall in no event exceed the uninsured portion of any covered expense.
- c. The limits contained herein are intended only to limit amounts to be expended from the Fund and are not intended to preclude supplemental appropriations, if necessary, to fully satisfy the City's assumption of liability on behalf of employees as described in Resolution 87-79, referred to above.

Section 3. Implementation and Administration.

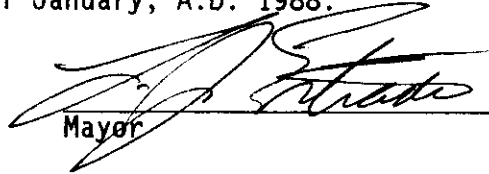
- a. The Director shall be responsible for implementation and administration of the Program, including the settlement of claims. The Director is authorized to promulgate rules for the proper daily management, operation and maintenance of the program, and is further authorized to enter into a professional services agreement pursuant to relevant provisions of City Code for the administration of claims.
- b. The Director shall authorize expenditures for the purposes described in Section 1 above and shall maintain such accounting records pertaining to each such transaction as

may be deemed necessary by the Financial Officer. Covered expenses shall be paid on an occurrence basis.

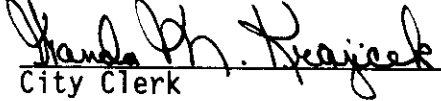
- c. The costs of covered expenses paid out of the Fund shall be allocated among the various departments of the City, and the departments charged therefor, according to the Director's assessment of each department's liability exposure. Factors to be considered by the Director shall include each department's payroll, revenue, value of property utilized and previous loss history.

Section 4. Enforceability. The provisions of this Resolution shall constitute a separate agreement between the City and each covered employee of the City, as defined in Section 1(b)(2) above, so that each such employee shall be entitled to enforce said provisions to the extent permitted by law.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins held this 5th day of January, A.D. 1988.

  
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Mayor

ATTEST:

  
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City Clerk