

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 14

DATE: February 3, 2004

STAFF: Jim O'Neill
Steve Roy

SUBJECT

Second Reading of Ordinance No. 013, 2004, Amending Section 8-106 of the City Code Concerning the Payment of Covered Expenses.

RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY

The City Attorney and Risk Management staffs have been reviewing the existing self-insurance program. Expenses which relate to loss prevention activities of the City are not specifically listed in the Code. This Ordinance, which was adopted 6-0 (Mayor Martinez was absent) on January 20, 2004, amends the Code to clarify the payment of expenses relating to loss prevention activities are allowed.

ORDINANCE NO. 013, 2004
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING SECTION 8-106 OF THE CODE OF THE CITY OF FORT COLLINS
CONCERNING THE PAYMENT OF COVERED EXPENSES

WHEREAS, Section 8-106 of the City Code allows for the payment by the self-insurance fund of certain covered expenses; and

WHEREAS, the City Attorney and Risk Management staff recommend amending this section of the Code to allow for the payment of certain expenses relating to broker fees, taxes and various loss prevention costs.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that Section 8-106 is hereby amended so as to read in its entirety as follows:

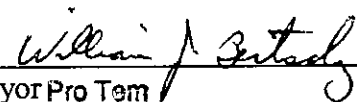
Sec. 8-106. Covered expenses.

(a) Except to the extent that the city has agreed otherwise in an intergovernmental agreement with any other participating entity concerning the participating entity's legal liability to third-party claimants, as authorized in § 8-105, the fund shall only be used to pay the city's uninsured portion of the following "covered expenses":

- (1) The city's indemnity and defense obligations to its employees under Division 6, Article VI of Chapter 2 of this Code;
- (2) The city's costs and attorneys' fees in defending the city and/or any of its employees against:
 - a. Any claim arising under contract;
 - b. An action under Rule 106 of the Colorado Rules of Civil Procedure;
 - c. A declaratory judgment action;
 - d. An action arising under a state or federal statute; and
 - e. An inverse condemnation action.
- (3) Judgments entered against and settlements agreed to by the city in civil actions for damages arising under tort, state or federal statute, or Rule 106(a)(2) of the Colorado Rules of Civil Procedure;
- (4) The city's costs and expenses incurred for the repair or replacement of city property, real or personal, which costs are sustained by reason of the theft of or the damage to said property, excluding normal wear and tear, provided that such theft or damage is customarily covered by a commercial property insurance policy;

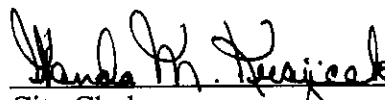
- (5) The city's defense costs, attorneys' fees, medical expenses, disability benefits, indemnity benefits and other costs associated with worker's compensation claims filed against the city;
- (6) Insurance premiums, broker fees, and taxes for liability , property , and workers' compensation insurance policies;
- (7) Such costs of administering the program as are deemed reasonable and necessary by the city's Director of Purchasing and Risk Management; and
- (8) Loss prevention costs for safety training, incentive programs, personal protective equipment for employees, industrial hygiene studies, and other expenses that are deemed appropriate by the city's Director of Purchasing and Risk Management.

Introduced, considered favorably on first reading, and ordered published this 20th day of January, A.D. 2004, and to be presented for final passage on the 3rd day of February, A.D. 2004.



Mayor Pro Tem

ATTEST:



City Clerk

Passed and adopted on final reading this 3rd day of February, A.D. 2004.

Mayor

ATTEST:

City Clerk

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 21

DATE: January 20, 2004

STAFF: Jim O'Neill
Steve Roy

SUBJECT

First Reading Ordinance No. 013, 2004, Amending Section 8-106 of the City Code Concerning the Payment of Covered Expenses.

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RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

The self-insurance fund is audited annually. The 2002 audit shows the fund has adequate funding. This change is not expected to adversely affect the fund.

COPY

BACKGROUND

The City Attorney and Risk Management staffs have been reviewing the existing self-insurance program. Expenses which relate to loss prevention activities of the City are not specifically listed in the Code. The proposed Code amendment clarifies that the payment of expenses relating to loss prevention activities are allowed.

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