

HIGH PLAINS LIBRARY DISTRICT

BOARD OF TRUSTEES COMMUNICATION

Meeting date: December 11, 2017
Type of item: Information/action
Subject : Flood and Peterson
Presented by: Interim Director Tony Brewer tbrewer@highplains.us <u>Natalie Wertz, Finance Manager</u>
Recommendation:

Background

At the November 20 meeting, staff presented several additions to the proposed 2018 budget. One of these was an additional \$250,000 for increased deductible of hail and wind damage imposed by our insurer. At the same time, staff began to work with Flood and Peterson, our insurance broker, to explore whether we could find a better alternative.

Last Friday morning (December 8), the Finance Manager met with Flood and Peterson, and they presented a proposal from Colorado Special Districts Property and Liability pool, brokered by Flood and Peterson, that would have a deductible of \$5,000 for the property coverage, which is the current deductible. The premiums are very competitive and it would also offer some other benefits not included under current coverage. The Interim Director and Finance Manager met this morning (December 11) to discuss the proposal.

We are bringing this to the Board's attention for several reasons:

- We wanted the Board to have the most complete and up-to-date information.
- If the Board agreed to proceed with this proposal, it would make the \$250,000 addition to the 2018 budget unnecessary.
- The proposal includes an umbrella option that would offer \$1,000,000 of coverage for \$5,880 premium for the year. If that option were of interest, it needs to be submitted by December 31, 2017. Our next regular Board meeting is not until January 15.
- So, while this is very good news, it presents some timing issues that are a challenge.

Staff recommendation

Taking into consideration the conflicts of budget and timing, staff proposes the following:

- Leave the \$250,000 in the 2018 budget and proceed with adopting the 2018 budget at this meeting to meet legally required deadlines.
- If necessary, the budget could be amended later.
- Allow the Finance committee to review the proposal, if they desire.
- Meet with the Finance committee, if necessary. However, Flood and Peterson does need approval this week to bind coverage with the carrier, so we would need to meet soon.
- At the January 15 Board meeting, we can report the outcome to the full Board.