

April 25, 2012 Special Meeting

The Special Meeting of the Town Board of the Town of Stony Creek was held on April 25, 2012. Supervisor Thomas called the meeting to order at 6:34 PM.

Members present:

Councilman Harry Paul Gill

Councilman Nathan Thomas

Councilwoman Doreen Ryan

Absent:

Councilman William Liebl

Attorney James Cooper (not required to attend)

The main purpose of the meeting tonight is for the Town Property and Causality Insurance. Before we get into that the Highway Supt. has a bill he would like to have paid to Warrensburg Auto Parts in the amount of \$42.58.

082-12. A resolution was made by Councilman Gill seconded by Councilwoman Ryan to pay the Highway Fund bill in the amount of \$42.58. Roll call vote, all in favor.

Insurance:

Supervisor Thomas received and read the quote from the towns Insurance Co. Broker Rose and Kieran to Prime Insurance their price is \$25,245.00. He received another proposal from Cool Insurance Agent, this is through Trident Insurance or Argonaut, and their premium is \$21,822.41. Councilwoman Ryan asked if this was the same amount of coverage. Supervisor Thomas stated pretty much. It is comparable down the line. The deductibles, one might be \$1000.00, one might be zero it jumps back and forth like that. It is pretty much the same. Supervisor Thomas stated that Mr. Greven is here from Rose and Kieran and he had e-mailed him, Rose and Kieran this morning and told him about this meeting and we hadn't received a renewal price for our insurance as of this morning, but we have now. Mr. Greven indicated to him that he could alter the premium. Supervisor Thomas will give him a couple minutes to make his pitch and go from there. Mr. Graven stated the initial premium shown when he came up here is \$25,245.00 and that was predicated on some questions that are on the premium comparison page of the proposal. For whatever reason internal to the carrier there was a question about the safety in regards to the swimming situation. There were some questions that were not clear on the application. We clarified them when he came up here it had to do whether the swimming area was marked off and identifiable. The swimming area is clarifiable, identifiable whether you require lifeguards that kind of situation. At that point the carrier didn't know that. When we were sitting reviewing the bulk of the policy to communicate that back to the carrier, they gave back having a better understanding you have safety in place. They gave back \$1200.00 at the same time we discussed. He will say that carrier is interested in retaining the towns business. We looked at, they offer within your contractor's equipment, you have a coverage rented or borrow equipment that limit is \$250,000.00 when they quoted it. Within the basic premium there is a \$100,000.00 bank riding that is a basic standard, so there is additional \$150,000.00 and that comes into play in the event that you rent or borrow equipment for which you have a liability.

Supervisor Thomas shared with him that you were going to be doing trail maintenance or trail cutting and your going to rent a skid steer. That might be a \$40,000.00 piece of equipment that you will have to insurance for the period of time in which you have it. In the event you cause the town several loss within that limit, the base limit of \$100,000.00 that will be covered. With the carrier, they offer what they have been doing with other clients is offering the additional \$150,000.00 as an endorsement on a pre-period bases if needed. If they do that if they take the extra \$150,000.00 out of the mix and leave the base \$100,000.00. It takes another \$1200.00 off the premium. It also takes \$100.00 off the liability. So there is a give back, there is a give back of \$2500.00 in total. The other element that we have been asked to look into, the Prime Policy, the carrier added in another renewal, Cyber Liability and Crisis Privacy Management. If you have a debit, ATM or credit card you probably received a notice that someone hacked the system and the town's information could be at risk. There are different costs associated with this kind of exposure. Its listed as Personal Identity Event, Corporate Privacy Event or Cyber Liability. Cyber Liability is somebody coming in and hacking your system and not letting you get into it. Something that's going to cost money to fix, they threw that in as an additional coverage. There was a question about the Inland Marine, the cat loader, grader, tractor those are covered with replacement cost with no age limit. It is a competitive opportunity within the carrier. We were also asked to look at your access liability. Right now you have \$3,000,000.00 (three million dollars) per occurrence access Liability Umbrella Policy. This sits over your Auto Liability, Public Officers Liability, General Liability, we were asked to provide a quote bumping that upper limit. You have two things; you have a single occurrence and you have an aggregate. The single occurrence you have \$3,000,000.00 (three million dollars) over on top of lets say the auto. Liabilities can make a mistake its not like if somebody sues you its for you to be able to have monies to help someone out that you caused harm to. Take a piece of commercial vehicle the town owns it slides on ice and hits a school bus, there is going to be a lot of cost there. Your policy is a \$1,000,000.00 (one million dollars) limit over that sits another \$3,000,000.00 (three million dollars). That's the aggregate for the year. When you get hit with that kind of claim your all done for the year. We were asked to quote an aggregate of \$6,000,000.00 (six million dollars). So at \$3,000,000.00 (three million dollars) occurrence and so that situation with a snowplow and a school bus, there is \$4,000,000.00 (four million dollars) for that occurrence there is also another \$3,000,000.00 (three million dollars) sitting outside for anything else that happens during the year. That addition premium was \$40.00. When we calculated it out, the enhancements to the policy and Prime Insurance did have a little rate increase, you will see rates continue to go up. The difference comes into about \$945.00 difference when you take into exceptions that the carrier gave because of more information and you add in the extra \$40.00 to double your aggregate limit. So it becomes a small limit. They maintain the Public Officials original date back to 1999 and on that there is no deductible. They did speak to the Underwriter. The Underwriter is the one who is offering the information on better managing the hired and borrowed equipment. So umbrella aggregate is \$6,000,000.00, no age restriction on the Inland Marine, Prime Insurance is enhanced by Cyber Liability and Privacy Crisis Management, your Access Policy is no deductible and the Public Officers is no deductible. Supervisor Thomas stated he did check and Trident Insurance also goes back to prior acts to 1999 the same date.

They also cover Inland Marine replacement costs, they have the rental lease equipment.

There is \$200,000.00. They quoted access liability at \$5,000,000.00 (five million dollars) their premium is \$1030.00, to bring the Aggregate to \$5,000,000.00 (five million dollars). The Public Officers Crime is both comparable, the property insurance on the buildings are also comparable. The biggest difference he sees between the two policies goes to the vehicles. Trident Insurance-Cool Insurance will provide insurance for the vehicles for replacement cost for anything 10 years older and newer whereas, Prime doesn't do that all of these quotes are all actual cash value. So even for the truck we just brought last year, which was \$192,000.00 if something were to happen with that truck we would get a maximum of what the depreciation value of what the truck would be. Whereas with Prime it would be replacement cost. It would cover six or seven vehicles we have, three tandem trucks, 450 Ford, the maintenance truck, 350 Ford.

Councilwoman Ryan stated she thinks that truck we lost was worth more than what they gave us. Supervisor Thomas stated to be fair it wouldn't have mattered because the truck was more than 10 years old. He agrees but you don't get points for taking good care of vehicles.

Rose and Kieran-Prime Insurance: If you calculate out the subtractions that are being offered here and as far as information, which could have been on time. If you subtract and add \$40.00 to go from \$3,000,000.00 (three million) to \$6,000,000.00 (six million) on the access which is to him, if it was only \$40.00 we should have had 3-years ago. There brings the total price he calculates to \$22,785.00.

Cool Insurance-Trident: If you increase the access on the Umbrella Limit from \$3 to \$5,000,000.00 for \$130.00 that brings it to \$22,852.41.

They vary back and forth with deductibles but when it gets right down to it, it is not a big difference.

Councilwoman Ryan asked if we get another truck would that change? Supervisor Thomas stated the insurance would go up a little bit.

TD Insurance-Selective; declined to bid

Upstate Insurance-Houston Causality; didn't bid.

NYMIR-didn't have time.

Councilman Nathan Thomas stated full value is a positive point, through the Cool Insurance. Just hoping to replace a truck we lost is quite a bit of money.

Supervisor Thomas stated based on what he sees and with the replacement cost he thinks that is very critical especially for the towns operation.

083-12. A resolution was made by Supervisor Thomas seconded by Councilman Nathan Thomas to accept the proposal from Cool Insurance to include the Access Umbrella Coverage for a total of \$22,852.41. Roll call vote, all in favor.

Highway Equipment:

Supervisor Thomas stated the truck that Supt. Bradley and Councilwoman Ryan bought to the Board's attention. He thought Supt. Bradley would be here.

Councilwoman Ryan stated the truck in the Town of Inlet is on auction until May 7<sup>th</sup>, 2012.

Supervisor Thomas stated he knows that Supt. Bradley sent Donald Emrick up to look at it.

Councilwoman Ryan stated it has a brand new engine in it and new clutch, it does need a little bit of under hooding, undercoating to protect the bottom of it, and a little bit of work on the back of it but is patchable. Once it's sealed and repainted, Supt. Bradley told her the bid should be upped to \$51,000.00 just to lock it in and to appropriate some funds from DA5110.4, DA5130.2 which has \$15,000.00 in it, Insurance money of \$31,000.00 Councilwoman Ryan stated she would push for it because she doesn't think they will come across a deal like that again and knowing another truck in town has frame damage. That will be two trucks lost, especially if we get a bad winter. Councilman Nathan Thomas stated he doesn't know much about trucks but he found a 2001 International tandem axle plow which has 71,000 miles for \$33,000.00 in Buffalo. So they're other trucks out there. He thinks spending this much money. Obviously it has a new motor, clutch without hearing any other report on it. we really don't have the \$51,000.00 appropriated for it. Councilwoman Ryan stated we are close to it. Councilman Nathan Thomas asked what we got back from the insurance. Councilwoman Ryan stated we got \$34,000.00 from the insurance minus buying the cost of the truck back. Supervisor Thomas stated it was about \$32,800.00. Councilwoman Ryan stated Supt. Bradley was going to use the money in DA5132. Supervisor Thomas stated that is Machinery Equipment, there is \$25,000.00 budgeted and \$18,000.00 in that account. Councilwoman Ryan stated he mentioned something about Capital Improvement. Supervisor Thomas stated Capital Improvement we already commented that money to pave the roads. Councilwoman Ryan stated she was told he wasn't doing any paving. Supervisor Thomas stated we signed an agreement a month, two months ago that said we were. He isn't saying we can't do it we probably can do it. Councilwoman Ryan stated it is still on auction until May 7<sup>th</sup> so we can still have time to think about it or whatever.

Dale Aldrich asked what kind of truck they are looking at. Councilwoman Ryan stated it's a 2004 Sterling LT9 500 plow truck. Mr. Aldrich stated Sterling isn't being made anymore they are out of production. The County has a bunch of those trucks and where are they going to get parts for them. That might be something to consider. The running gears are all the same the motor, transmission, rear-end are made by one or two companies, but the brakes and other components it's something to be considered.

Supervisor Thomas stated it could be a problem. It's up to the Board but his opinion would be to look around some more.

A motion was made by Councilman Nathan Thomas seconded by Supervisor Thomas to take no action at this time on the truck. All in favor, motion carried.

Supervisor Thomas stated it is something to be considering. Another option would be that we could sell the box and plow frame off the truck. He was told that it's \$15 to \$20,000.00 for the box.

A motion was made by Councilwoman Ryan seconded by Councilman Gill to adjourn the meeting at 7:07 PM. All in favor, motion carried.

Respectfully submitted,

Susan Harrington

Town Clerk