

**MILWAUKEE COUNTY**  
**INTEROFFICE COMMUNICATION**

DATE: November 20, 2012

TO: Marina Dimitrijevic, Chairwoman, County Board of Supervisors  
Supervisor Willie Johnson Jr., Co-chair, Finance, Personnel and Audit Committee  
Supervisor David Cullen, Co-chair, Finance, Personnel and Audit Committee

FROM: Cindy VanPelt, Risk Manager

SUBJECT: Request for Proposals-Insurance Purchases – Informational Report

**POLICY**

Resolution File No. 93-168 approved by the Finance and Audit Committee and adopted by the County Board at its February 18, 1993 meeting requires that Risk Management solicit Requests for Proposals for insurance purchases.

**BACKGROUND/ANALYSIS**

For policy year 2013, Risk Management solicited RFP's for the following types of insurance:

- 6743 Airport Liability
- 6742 Public Entity Liability
- 6744 Property Insurance
- 6747 Crime/Fidelity
- 6745 Fiduciary (*Employees' Retirement System of the County of Milwaukee*)
- 6746 Energy systems
- 6748 Workers Compensation Excess

**RECOMMENDATION**

Based on the evaluation of the review team it is recommended that Milwaukee County Risk Management enter into insurance purchase agreements for a period of one year, with an option to renew for an additional two years with the following insurance carriers:

- Airport Liability Insurance should be purchased from ACE,
- Public Entity Liability Insurance should be purchased from BRIT Insurance,
- Property Insurance should be purchased from the Local Government Property Insurance Fund.
- Fidelity insurance be purchased from Great American,
- Fiduciary Insurance should be purchased from Chartis/Chubb/Axis and
- Energy Systems Insurance should be purchased from Travelers.

**FISCAL NOTE**

<b>Broker/Carrier</b>	<b>Insurance Coverage</b>	<b>2013 Premium</b>
HNI/ACE	Airport Liability	\$ 190,963
Gallagher/Brit	Public Entity Liability	\$ 736,450
LGPIG/ASU	Property Insurance	\$ 563,384
AON/Great American	Fidelity/Crime	\$ 35,937
AON/Chartis/Chubb/Axis	Fiduciary	\$ **319,300
Gallagher/Travelers	Energy Systems	\$ 52,182

\*\* Paid by the Pension Board

Respectfully



Cindy VanPelt  
Risk Manager

CC: Chris Abele, County Executive  
Pat Farley, Director, Department of Administrative Services  
Craig Kammholz, Fiscal and Budget Administrator

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(Journal, December)  
(File No. )

(ITEM ) From the Milwaukee County Risk Manager requesting authorization to insurance purchase agreements for a period of one year, with an option to renew for an additional two years, as follows:

**RESOLUTION**

WHEREAS, at its meeting on February 18, 1993, the Milwaukee County Board of Supervisors adopted Resolution File No. 93-168, which specified that the Department of Administrative Services (DAS) shall use RFPs for the solicitation of all insurance services and that County Board approval is required before any coverage is purchased; and

WHEREAS, in accordance with Resolution File No. 93-168 and the modified schedule of insurance purchases, the Risk Manager prepared and solicited RFP's for insurance purchases for Airport Liability Insurance, Public Entity Liability Insurance, Fidelity Insurance, Fiduciary Insurance, Energy Systems Insurance and Property Insurance; and

WHEREAS, requests for markets were received, eight for Airport Liability Insurance, fourteen for Public Entity Liability Insurance, fifteen for Property Insurance, ten for Fidelity Insurance, eight for Energy Systems Insurance and sixteen for Fiduciary Insurance; and

WHEREAS, the responses to the RFP's were evaluated by a review committee; now, therefore,

26 BE IT RESOLVED, that the Milwaukee County Board of Supervisors authorizes  
27 and directs the Risk Manager to enter into insurance purchase agreements for a period  
28 of one year, with an option to renew for an additional two years as follows:

29	<u>Coverage</u>	<u>Broker</u>	<u>Insurance Company</u>	<u>Premium</u>
30				
31	Airport Liability	HNI	ACE	\$190,963
32	Public Entity Liability	A J Gallagher	BRIT Insurance	\$736,450
33	Property Insurance	ASU	Fund	\$563,384
34	Fidelity Insurance	AON	Great American	\$ 35,937
35	Fiduciary Insurance	AON	Chartis/Chubb/Axis	\$319,300
36	Energy Systems	A J Gallagher	Travelers	\$ 52,182

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 11/21/12

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Insurance coverage for 2013, results of RFP, for public entity liability, airport liability, fidelity insurance, property insurance, energy systems insurance.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

**DESCRIPTION OF FISCAL EFFECT**

**In the space below, you must provide the following information. Attach additional pages if necessary.**

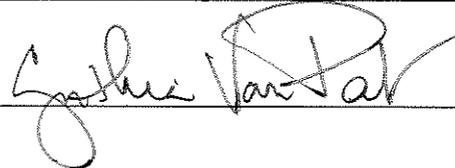
- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The attached resolution states Milwaukee County's intent and agreement to purchase public entity liability insurance, airport liability insurance, fidelity liability insurance, property insurance and energy systems insurance from the carriers noted.

	<u>2013 expenditure</u>
Public Entity Liability	\$736,450
Airport Liability	\$190,963
Property Insurance	\$563,384
Fidelity (crime) insurance	\$ 35,937
Energy systems insurance	\$ 52,182
<b>TOTAL</b>	<b>\$1,578,916</b>

These premiums have been budgeted for 2013.

Department/Prepared By DAS - Risk Management, Cynthia VanPelt

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**INTEROFFICE COMMUNICATION  
COUNTY OF MILWAUKEE**

DATE: November 20, 2012

TO: Mark Borkowski, Chairman  
Committee on Judiciary, Safety and General Services

Willie Johnson & David Cullen, Co-Chairmen  
Committee on Finance, Personnel and Audit

FROM: Mark A. Grady, Deputy Corporation Counsel

SUBJECT: Status update on pending litigation

The following is a list of significant pending cases which our office is prepared to discuss with the Committees, at your discretion. New information and additions to the list since last month are noted in **bold**:

1. *DC48 v. Milwaukee County* (Rule of 75)  
Case No. 11-CV-16826
2. *MDSA v. Milwaukee County* (overturn arbitration award on layoffs)  
Case No. 12-CV-1984
3. *MDSA v. Clarke and Milwaukee County* (recall of deputy sheriffs)  
Case No. 12-CV-5551
4. *Hussey v. Milwaukee County* (Retiree health co-pays, deductibles, etc.)  
Case No. 12-C-73 (U.S. District Court, **appealed by Hussey to U.S. Seventh Circuit Court of Appeals**)
5. *MDSA prohibited practice complaint* (MDSA and retiree health plan provisions)  
WERC Case No. 792 No. 71690 MP-4726
6. *Stoker v. Milwaukee County* (1.6 multiplier)  
Case No. 11-CV-16550 (**appealed to WI Court of Appeals by Milwaukee County**)  
*AFSCME v. Milwaukee County* (1.6 multiplier)  
Case No. 12-CV-9911 (**appealed to WI Court of Appeals by Milwaukee County**)

7. *FNHP and AMCA v. Milwaukee County* (Medicare Part B reimbursement)  
Case No. 12-CV-1528 (**appealed to WI Court of Appeals by Milwaukee County**)
8. *Milwaukee County v. WERC and AFSCME* (2010 bargaining; furloughs)  
Case No. 11-CV-12137
9. *MDSA v. Clarke & Milwaukee County* (G4S contract for bailiffs)  
Case No. 12-CV-3410  
*MDSA WERC Prohibited Practice Complaint* (G4S contract)
10. *McKenzie & Goodlette v. Milwaukee County* (captains layoffs)  
Case No. 12-CV-0079  
*Rewolinski v Milwaukee County* (captain layoff)  
Case No. 12-CV-0645  
*Clarke v. Civil Service Commission* (captains promotions and layoffs)  
Case No. 12-CV-3366
11. *DC48 v. Milwaukee County* (seniority in vacation selection **and transfer rights**  
under Sheriff)  
Case No. 12-CV-3944
12. *Wosinski et al. v. Advance Cast Stone et al.* (O'Donnell Park)  
Case No. 11-CV-1003 (consolidated actions)
13. *Christensen et al. v. Sullivan et al.* (Sheriff motion on medical care in jail)  
Case No. 96-CV-1835
14. *Milwaukee Riverkeeper v. Milwaukee County* (Estabrook dam)  
Case No. 11-CV-8784
15. *Milwaukee County v. Federal National Mortgage Ass'n. et al.* (transfer taxes)  
Case No. 12-C-732 (U.S. District Court)
16. *Midwest Development Corporation v. Milwaukee County* (Crystal Ridge)  
Case No. 12-CV-11071
17. *Milwaukee County v. MDSA* (overturn arbitration award for MDSA on overtime)  
Case No. 12-CV-8411

18. *Pasko v. Milwaukee County*

Case No. 11-CV-2577 (sick allowance at retirement for former union employees who were not represented employees at retirement, **appealed to WI Court of Appeals by Milwaukee County**)

*Porth v. Milwaukee County*

Case No. 11-CV-4908 (consolidated with Pasko case, **appealed to WI Court of Appeals by Milwaukee County**)

*Koehn v. Milwaukee County*

Case No. 12-CV-1402 (**stayed in circuit court pending appeal of other cases**)

*Marchewka v. Milwaukee County*

**ERD Complaint**