

EXHIBIT A

RESOLUTION R2008 80

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE PURCHASE OF INSURANCE AND THE SETTLEMENT OF CLAIMS, UPDATING RESERVE FUNDING LEVEL STANDARDS, INCREASING APPROPRIATIONS AND RESCINDING RESOLUTION NUMBERS 96 018 AND R1999 166

WHEREAS, the City of Napa has been self-insured for Workers' Compensation since July 1, 1983, and self-insured for liability since July 1, 1985; and

WHEREAS, as a result of a review of the risk management program and evolving changes in the Workers' Compensation and liability claims administration and funding requirements, it is desirable to rescind Resolution Nos. 96 018 and R1999 166; and update risk management program authorities and guidelines, and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by city staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this resolution are true and correct, and establish the factual basis for the City Council's adoption of this resolution.

2. The City Manager is hereby authorized to purchase and renew insurance coverage on behalf of the City in conformance with the City of Napa Schedule of Insurance Coverage set forth on Exhibit A, attached hereto and incorporated herein by reference, subject to the limitations set forth herein. For the property insurance coverage, the insured structures are identified on Exhibit B, attached hereto and incorporated herein by reference. The City Council hereby authorizes the City Manager to acquire insurance on behalf of each separately identified "entity covered," as identified on Exhibit A; provided that the authority to acquire insurance on behalf of the Housing Authority of the City of Napa (HACN) is conditioned upon HACN's authorization of the City to acquire insurance on its behalf. The Finance Director will establish a cost allocation plan so that each separately identified "entity covered" compensates the City for the proportionate share of the costs of insurance coverage, and this cost allocation plan shall be documented in the respective budgets of the City and each entity covered. The City Manager shall have the authority subject to the following:

- a) All insurance policy purchases and renewals shall adjust to statutory limits and be within the City's fiscal year budget and within available appropriations.

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- b) The City Manager shall adjust the list of structures covered by property insurance as new facilities are added or deleted from inventory (Exhibit "B").
- c) Property policy limits may increase year over year based on insurable value of listed structures.

3. The Risk Reserve funding goal for the self-insured Workers' Compensation and liability programs shall each be set at the actuarially determined "Target Level" of 80% confidence level appropriately discounted for investment income, with actuarial evaluations being performed no less than every two years.

4. The City Manager, or designee, is hereby authorized to:

4.1. Settle any claim made against the City (whether based on liability or workers' compensation), provided that: (a) the settlement is documented in a writing approved as to form by the City Attorney, (b) the settlement is covered by sufficient unencumbered funds appropriated in the adopted budget and endorsed by the City Auditor, and (c) the amount of the settlement is less than or equal to the City Manager's Settlement Authority of \$50,000.

4.2. Settle any claim the City may have against any third party, provided that: (i) the settlement is documented in a writing approved as to form by the City Attorney, and (ii) the estimated value of the claim (as determined by the City Manager) is less than or equal to the City Manager's Settlement Authority of \$50,000

4.3. Reject any pre-litigation claim filed against the City.

5. The City Manager is hereby authorized to establish and maintain written administrative regulations which implement the authority set forth in this resolution. The administrative regulations shall be subject to review and approval as to form by the City Attorney, and a copy of the administrative regulations shall be maintained on file in the Office of the City Clerk. The City Manager may delegate, in writing, the authority set forth in this resolution to other qualified City employees.

6. The City Council hereby approves increases to the following 2008/09 appropriations:

Revenue from HACN (21-4601-002)	\$ 3,700
Expenditure for Premiums (21-5531-2-001-55)	\$11,535

7. Resolution Numbers 96 018 and R1999 166 are hereby rescinded.

8. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 6th day of May, 2008, by the following vote:

AYES: Techel, Inman, Krider, Mott

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NOES:

ABSENT: van Gorder

ABSTAIN:

ATTEST: Sara J. Cox
CITY CLERK OF THE CITY OF NAPA

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City of Napa Schedule of Insurance Coverage

	Entity Covered	Risk Covered	Policy Limits per Occurrence	SIR (Deductible)
Liability	CITY, NCRA, HACN, NPFFA, CHABA, & PACN	Bodily Injury, personal injury, property damage, public officials E & O (professional liability), employment practices, contractual, non-owned aircraft, auto liability	\$50,000,000	\$150,000
Liability / Property	CITY, NCRA, HACN, NPFFA, CHABA, & PACN	Pollution Coverage providing for limited First Party clean up costs and Third Party liability	\$10,000,000	\$100,000
Bond / Crime Coverage	CITY, HACN	Crime Insurance Program (Employee Theft/Faithful Performance), Forgery or Alteration, Theft of Money & Securities, Robbery or Burglary of Other Property, Computer Fraud, Funds Transfer Fraud, Money Orders & Counterfeit Paper	\$10,000,000 per occurrence	\$5,000
Property	CITY, NCRA, HACN, NPFFA, CHABA	Structures & Contents; Limited Flood*; (Exhibit 2), Vehicles & Mobile Equipment - "All-Risk"; Rental Income; EDP Media; Boiler & Machinery; Terrorism	Replacement Value	Bldgs & Contents = \$5000; Vehs & Mobile Equip. = \$10,000; Flood = \$25,000
	CITY, NCRA, HACN, NPFFA, CHABA	Rebuild structure to Green Standards	Lesser of \$5 million or 25% of building value	\$0
	CITY, HACN	Difference in Conditions (DIC) including Limited Flood* and Earthquake for Specified Structures	\$5 million or 25% of value	15% of Total Insured Value Of Each Building Involved Flood: \$50,000
	CITY	Flood @ 1100 West St., Napa Flood @ 770 Jackson St., Napa	\$10,104 \$9,700	\$1,000 \$1,000
Workers' Comp	CITY	Workers' Compensation, Employers' Liability (shared with pool members)	\$300,000,000	\$300,000
* Limited Flood does not cover those structures located in the FEMA flood plain.				
<u>Entity Key:</u>				
City: City of Napa			NPFFA: Napa Public Facilities Financing Authority	
NCRA: Napa Community Redevelopment Agency			CHABA: City/Housing Authority Building Authority	
HACN: Housing Authority of the City of Napa			PACN: Parking Authority of the City of Napa	

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Exhibit B

Structure	Address	Property Insurance	Earthquake & Flood Insurance
Primary Facilities:			
City Hall	955 School Street	X	X
Police Station	1539 First Street	X	X
Community Services Bldg.	1600 First Street	X	X
Personnel Dept.	1541 Second St.	X	
Personnel Annex	1545 Second St.	X	
Corp Yard	770 Jackson St.	X	
Housing Authority Offices	1600 Clay Street	X	X
Fire Stations			
Fire Station 1	930 Seminary Street	X	X
Fire Station 2	Park Avenue	X	X
Fire Station 3	2000 Trower Avenue	X	X
Fire Station 4	251 Gasser Drive	X	X
Parks / Community Facilities			
Community Resources Bldg.	1100 West Street	X	X
Youth Resource Center	1200 West Street	X	
Pelusi Building	Streblow Drive	X	X
Golf Course Building	2295 Streblow Dr.	X	X
Senior Center	1500 Jefferson St.	X	X
Senior Center Auxiliary	1500 Jefferson St.	X	X
Las Flores Community Ctr	4300 Linda Vista Ave	X	X
Borreo Historic Bldg.	920 Third Street	X	
Fuller Park	Jefferson St.	X	
Kennedy Park Superin.Hse	2291 Streblow Dr.	X	
Kennedy Park Restrooms	2291 Streblow Dr.	X	
Parking Garages			
Parking Garage	Second Street	X	X
Parking Garage	Coombs & Pearl	X	X
Parking Garage	Franklin & Clay St	X	X
Miscellaneous:			
MDF Office	820 Levitin Way	X	X
MDF Recycling	820 Levitin Way	X	X
Firefighters Museum	1201 Main St.	X	
Alston Park Pump Station	Dry Creek Road	X	
Office (leased)Fin.System	1700 Second St.	X	
Family Dwellings	Various Properties	X	X
Water Facilities:			
Water Treatment Plant	Lynch Road		X
Lake Hennessey Trtmt Plant		X	X
Jamieson Canyon Plant	270 Kirkland Ranch	X	
Water Division Office	Clay Street	X	
Conn Dam Site	Sage Canyon Road	X	
Water Trank	North of State Hosp.	X	
Milliken Dam Site	Atlas Peak Rd.	X	