

ANN ARBOR CITY APPROVAL NOTICE

ORDINANCE NO. ORD-20-22

RISK FUND

AN ORDINANCE TO AMEND SECTION 1:265 OF CHAPTER 11 (RISK FUND) OF TITLE I OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor Ordains:

Section 1. That Section 1:265 of Chapter 11 of Title I of the Code of the City of Ann Arbor be amended to read as follows:

1:265. - Authorized expenditures.

The Board of Insurance Administration is authorized to expend up to \$10,000.00 from the risk fund on a single claim without City Council approval. The Board of Insurance Administration may delegate to the chief financial officer by resolution authority to expend a lesser amount. Expenditures pursuant to subsections 7 and 8 of this Code section shall be allowed without the Board of Insurance Administration's approval if the other requirements applicable to such purchases are satisfied. Each expenditure shall be reported to City Council as part of the official minutes of the Board of Insurance Administration. Except for expenditures authorized in subsections 7 and 8 (below), ~~E~~all other expenditures from the risk fund above \$10,000.00 may be expended only after recommendation of the Board of Insurance Administration and approval by the City Council. Payments from the risk fund may be made only as follows:

- (1) Payment to or on behalf of employees of the City of Ann Arbor of amounts for which the city is or becomes liable to them by reason of the Worker's Disability Compensation Act. Such payments may be made prior to the recommendation of the Insurance Board and approval by City Council after the chief financial officer has verified the employee's entitlement to payment.
- (2) Payment of compensation for injury to persons or property or other claims for which the city is liable or is authorized to pay on behalf of its officers or employees and in respect of which the city is not otherwise protected by insurance.
- (3) Replacement of moneys, credits, or securities belonging to the City of Ann Arbor that have been lost to the city through the defalcation or misconduct of any officer or employee of the city or of any other person and in respect of which the city is not protected by surety bond or other insurance.
- (4) Reimbursement for the amount of loss or damage in excess of \$1,500.00 to property belonging to the City of Ann Arbor not otherwise protected by insurance, caused by any peril, except losses caused by ordinary wear and tear of use, war or any form of atomic fission.
- (5) Payment of expenses incurred in the investigation and defense of claims that are payable from the risk fund. Such payments may be made prior to the

recommendation of the Board of Insurance Administration and approval by City Council.

- (6) Payment for actions that City Council, by resolution, has determined may mitigate a public safety concern, a public health concern or a nuisance, or limit potential liability of the City of Ann Arbor.
- (7) Payments to fund health and employee benefits, and related administrative costs, for City employees, retirees, and their authorized dependents, if such payments are pursuant to an approved contract.
- (8) Payments for emergency expenditures where: a) such expenditure is otherwise allowed pursuant to Chapter 14 or Chapter 15 of this Code; b) the Controller confirms that an appropriation from the general fund would otherwise be required to fund the payment; and c) the Treasurer confirms there are sufficient funds available in the risk fund to pay such expenditures.

The Service Area Administrator who is responsible for expenditures incurred pursuant to either subsections 7 or 8 (above) shall report such expenditures (but not protected health information) to the Board of Insurance Administration within 120 days of the date such amounts are expended.

Section 2: This Ordinance shall take effect ten days after passage and publication.

I hereby certify that the foregoing ordinance was adopted by the Council of the City of Ann Arbor, Michigan, at its regular session of August 6, 2020.

Jacqueline Beaudry, Ann Arbor City Clerk
Christopher Taylor, Mayor

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