

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> February 27, 2012
	<b>Agenda Item No.</b> 34A <b>Roll Call No.</b> [ _____ ] <b>Communication No.</b> <u>12-104</u> <b>Submitted by:</b> <b>Scott E. Sanders,</b> <b>Finance Director</b>

**AGENDA HEADING:**

Resolutions approving an Amendment to the City’s current Insurance Agent/Broker Services Contract with Jester Insurance Services Inc.

**SYNOPSIS:**

Approve amendment to Insurance Agent/Broker Services Contract to address changes with the WRA and the Airport Authority.

**FISCAL IMPACT: NONE**

**ADDITIONAL INFORMATION:**

On November 1, 2011, the City Council authorized the creation of the Des Moines Airport Authority and, as such, transferred all Airport Department assets and obligations to the Authority. Effective November 1, 2011, the Des Moines Airport Authority independently contracted for its own insurance agent/broker services. On December 20, 2011, the WRA Board approved the 3rd amendment to the WRA/City operating agreement which allows the WRA to contract its own insurance agent/broker services for the purpose of marketing insurance policies and coordinating insurance services between the WRA and its insurance carriers.

These actions have necessitated an amendment to the City’s current Insurance Agent/Broker Services Contract with Jester Insurance Services, Inc. that removes any contractual obligation on the part of the City’s insurance agent to provide such services to the WRA and Airport. The City’s insurance agent will continue to provide such services to the City as the City fulfills its contractual obligations to the WRA and the Des Moines Airport Authority.

Finally, as a part of the City’s Operating Budget Plan for FY2014 the Finance Department has submitted a plan to restructure the Risk Management function to achieve cost savings. Part of the plan is to have the City’s Insurance Agent/Broker take on more responsibilities as staff reductions occur in the Finance Department. Accordingly, the City’s Insurance Agent/Broker Services Contract is amended to expand the current scope of services to allow for the provision of the needed expanded services. The financial impact of these actions is cost-neutral to the City as the cost associated with any expanded services needed is offset by the cost reduction of removing the WRA and the Airport related services.

Staff recommends approval of the amendment to the City’s Insurance Agent/Broker Services Contract.

**PREVIOUS COUNCIL ACTION(S):**

Date: February 9, 2009

Roll Call Number: [09-197](#)

Action: [Proposal](#) for Insurance Agent/Broker Services with Jester Insurance Services Inc., \$50,000 annually. ([Council Communication No. 09-051](#)) **Moved by Vlassis to adopt. Motion Carried 7-0.**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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