

CLEARFIELD CITY COUNCIL  
AGENDA AND SUMMARY REPORT  
October 29, 2013 – WORK SESSION

55 South State Street  
Executive Conference Room  
Third Floor  
Clearfield, Utah

**Mission Statement:** To provide leadership in advancing core community values; sustain safety, security and health; and provide progressive, caring and effective services. We take pride in building a community where individuals, families and businesses can develop and thrive.

**6:00 P.M. WORK SESSION**

Discussion on the Development Agreement for Clearfield Station  
Presentation on Police Programs  
Discussion on Future Road Improvement Projects  
Discussion on Liability Insurance Coverage for City Bridges  
Discussion on Providing Tenant User Liability Insurance Program (TULIP) Insurance  
Discussion on Public Information Procedures

**\*\*CITY COUNCIL ADJOURN\*\***

Dated this 24<sup>th</sup> day of October, 2013.

/s/Kimberly S. Read, Deputy City Recorder

The City of Clearfield, in accordance with the ‘Americans with Disabilities Act’ provides accommodations and auxiliary communicative aids and services for all those citizens needing assistance. Persons requesting these accommodations for City sponsored public meetings, service programs or events should call Nancy Dean at 525-2714, giving her 48-hour notice.

# Staff Report



**To:** Mayor Don W. Wood and City Councilors  
**From:** Rich Knapp, Administrative Services Director  
**Date:** October 24, 2013  
**Re:** Insurance Options for City Bridges

*Rich Knapp*

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## Recommended Action

Staff recommends the city insure the 200 W. Center St. Bridge and consider insuring the five other bridges.

## Description / Background

After the September 2013 bridge event at 200 W. Center St., the city requested property insurance quotes for that bridge and all bridges in the city. Our insurance brokers came back with the attached quote for just 200 W Center and a quote for the additional five bridges owned by the city. For \$13,550 per year, with a \$5,000 deductible, the \$5,850,000 200 W. Center bridge would be covered unless the damage was caused by flood or earthquake. In the event of an earthquake or flood, only \$1,000,000 would be covered with a \$50,000 deductible.

To add the remaining five bridges, valued at \$1,774,200, the additional cost is \$2,665 per year.

## Fiscal Impact

The total cost per year to insure all bridges is \$16,215. To insure just 200 W Center the cost is \$13,550 per year. As long as there are no unusual claims against the city this fiscal year, there is enough budget authority to add this insurance.

The total potential exposure if the city chooses not to insure the bridges is \$7,624,200

## Alternatives

- Insure all bridges--\$16,215 per year
- Insure only the much newer and much more expensive 200 W Center bridge--\$13,550
- Self-insure—the city funds any potential future damages with reserves or debt

## Schedule / Time Constraints

Until a decision is made the bridges remain uninsured, however during this time this city is not paying a premium.

## List of Attachments

- Insurance Proposal
- Bridge Schedule

**Clearfield City Corporation**  
**Insurance Proposal**  
**2013 - 2014**

Coverage	Carrier	Limits	Deductible	13/14 Premium
Inland Marine	Travelers (A+ XV) 1 Year - TBD	\$ 5,850,000 Bridges	\$ 5,000	\$ 13,550
		\$ 1,000,000 Earthquake	\$ 50,000	
		\$ 1,000,000 Flood	\$ 50,000	
			<b>Total Premium</b>	<b>\$ 13,550</b>

Options				
Coverage	Carrier	Limits	Deductible	Premium Change
Inland Marine	Travelers (A+ XV) 1 Year - TBD	\$ 1,774,200 All other City owned	\$ 5,000	\$ 2,665
Earthquake Only	Lloyds of London (A+ XV) 1 Year - TBD	\$ 5,850,000 Bridge	\$ 50,000	\$ 5,613



**OLYMPUS**  
INSURANCE

# Clearfield City Corporation

## Bridge Schedule

### 2013 - 2014

Total No.	Property Location	GPS	Property Description	Limit	Protect. Class	Year Built	Width (Feet)	Length (Feet)	Square Feet	Const. Type	Date Valued
1	200 West Center Street Clearfield, UT 84015	41.06.48.57 N 112.1.42.03 W	Over Union Pacific, UTA	\$ 5,850,000	4	2000	48	350	16,800	NC	9/27/13
2	260 E Bruce Street Clearfield, UT 84015	41.07.04.98 N 112.01.11.77 W	Over Davis & Weber CCC	\$ 156,400	4	1974	46	34	1,564	NC	9/27/13
3	750 E 200 S Clearfield, UT 84015	41.06.39.27 N 112.00.42.64 W	Over Davis & Weber CCC	\$ 176,800	4	1965	34	52	1,768	NC	9/27/13
4	600 S 1000 E Clearfield, UT 84015	41.06.17.68 N 112.00.12.83 W	Over Davis & Weber CCC	\$ 148,000	4	1965	40	37	1,480	NC	9/27/13
5	350 E 300 N Clearfield, UT 84015	41.07.04.99 112.01.11.74 W	Over Davis & Weber CCC	\$ 105,000	4	1965	35	30	1,050	NC	9/27/13
6	600 W 800 N Clearfield, UT 84015	41.07.31.12 N 112.02.07.01 W	Over Union Pacific, UTA	\$ 1,188,000	4	1965	36	120	4,320	NC	9/27/13
<b>Totals</b>				<b>\$ 7,624,200</b>							

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# Staff Report



**To:** Mayor Don W. Wood and City Councilors  
**From:** Rich Knapp, Administrative Services Director *Rich Knapp*  
**Date:** October 24, 2013  
**Re:** TULIP—Tenant User Liability Insurance Program

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## Recommended Action

Staff recommends the city require some or all third party users of city facilities to provide general liability insurance.

## Description / Background

City facilities may be rented or permitted for use by third parties. These events bring additional risks to the City, which may ultimately result in claims. A TULIP or Tenant User Liability Insurance Program would provide third party users affordable General Liability protection. This insurance would protect the City and user of the facility against claims of bodily injury and property damage.

Users do not need to use TULIP if they can provide evidence of their existing General Liability policy or they may obtain insurance through their own insurance agent.

Enrollment in the TULIP is completed through an online portal where brief underwriting questions are completed to determine the risk and appropriate premium for the event. The user then pays their premium online and receive evidence of the insurance purchased. An email confirming purchase of the insurance coverage is sent to designated City staff verifying the TULIP is in place.

If the city decides to require third party users to provider insurance, then the next decision is at what level does the city require it? Many cities will exempt events less than 50 people and/or the use of a space less than 1000 sq ft. Or exempt events not open to the public, which do not charge an admission fee, and have no need of city support.

## Fiscal Impact

The only expense for the TULIP is the individual premiums paid by tenant users. There is no direct cost to the City for the TULIP. This city will have less risk from third party claims.

## Alternatives

- Status quo—All third party use of facilities is covered under the city's general liability
- Have a higher or lower threshold of when to require third parties to have their own insurance

## Schedule / Time Constraints

The city can have this effective soon after Council approval.

## List of Attachments

- TULIP Description
- TULIP Handout

# TULIP

## TENANT USER LIABILITY INSURANCE PROGRAM

# CLEARFIELD CITY CORPORATION

- TULIP ensures you are protected from liability for injuries and property damage that may occur at your event or activity.
- Without TULIP, you may be personally responsible for paying claims for bodily injury and property damage during you event of activity. Your homeowner's insurance may be limited and not all claims will be covered.
- You can purchase insurance through a sponsored TULIP program, or through another private insurance carrier. (See reverse side for sample Certificate of Liability Insurance).
- How does TULIP work? – After event information is entered into the secure website, a quote is generated and coverage can be purchased online with a credit card.
- TULIP provides a \$1 Million General Liability, for each enrolled event.
- Who shouldn't use TULIP? – Anyone with recurring events scheduled at the same facility. For these events a standalone insurance policy is more cost effective. You may enroll in a standalone program at [olyins.com/special-events](http://olyins.com/special-events).
- How to purchase TULIP insurance coverage:
  1. Visit [olyins.com/tuliponline](http://olyins.com/tuliponline) (or call 1.800.507.8414)
  2. Enter Facility Code: **3596-000**
  3. Describe event or activity from drop down menu
  4. Answer basic questions, enter contact and billing information
  5. Purchase with credit card



**OLYMPUS**  
INSURANCE

## **TENANT USER LIABILITY INSURANCE PROGRAM (TULIP)**

The City's General Liability insurance program is designed to protect the City's interest in the event of third party claims arising out of bodily injury or property damage. Often, City facilities are rented or permitted for use by third parties. These events bring additional risks to City, which may ultimately result in claims.

One risk management best practice is to adopt a requirement that events held on City premises provide evidence of General Liability insurance. This protects the City's interests should a claim arise at a third party activity and ensures that claims will be resolved by the responsible party. In the absence of this requirement, potential claims involving these activities could be made against the City as the owner of the facility. This can increase the City's overall cost of risk through increased claim payments even though the City may not have direct responsibility for the event.

A TULIP or Tenant User Liability Insurance Program is one method to efficiently provide third party users of City facilities affordable General Liability insurance protection. This insurance program protects both the City as well as the user of the facility against potential claims of bodily injury or property damage. The only expense for the TULIP is the individual premiums paid by tenant users. There is no direct cost to the City for the TULIP.

Enrollment in the TULIP is completed through an online portal where brief underwriting questions are completed to determine the risk and appropriate premium for the event. The user then pays their premium online and receive evidence of the insurance purchased. An email confirming purchase of the insurance coverage is sent to designated City staff verifying the TULIP is in place.

The TULIP is not the only means of meeting this insurance requirement. Many users will already have a General Liability insurance policy and can readily provide evidence of this policy without increased cost. Also, facility users may obtain compliant general liability insurance coverage through their own insurance agent.