

Minutes

RTA Audit, Safety Compliance & Real Estate Committee Meeting

10:20 a.m., December 17, 2019

Board: Lucas (Vice Chair), Joyce, McCall, Welo

Other members: Bibb, Byrne, McCall, Serrano

Not present: Moss

Also Present: Astolfi, Battle, Becker, Bell, Benford, Bennett, Beveridge, Birdsong, Bitto, Brooks-Williams, Burney, Campbell, Carter, Cernoi, Chandler, Ciesla, Dangelo, Davidson, Davis, Flannery, Freilich, Garofoli, Gautam, Gibbons, Gibson, Gray, Jaszczak, Jones, Kawecki, Kirkland, Leftkowitz, Lewis, Lincoln, Lipton, Loh, Manus, Martin, McBride, McCarthy, Metcalf, Montgomery, Mothes, Opett, Penning, Pickett, Ponder, Raskin, Ross, Rudman, Schipper, Shaffer, Sims, Singh, Smith, Stocking, So, Sohrabian, Solomon, Sopko, Sutula, Tarter, Taylor, Togher, Tucker, Urban, Vukmanic, Walker, Wiehe, Williams, Winn, Woodford, Zeller

Rev. Lucas called the meeting to order at 10:20 a.m. The secretary called the roll and reported that four (4) committee members were present.

Property Insurance Renewal Program

Judy Lincoln, director of risk management, made the presentation. This is a follow-up presentation from the Dec. 3 committee meeting. The Board didn't vote on it because the final numbers were not available. This is an all risk property insurance program. It is replacement cost coverage. It covers all real and personal property of which RTA is responsible. In the past several weeks, competitive proposals and indicators were received and evaluated. The FM Global proposal and incumbent was determined to be the best alternative by a significant margin. The renewal terms are \$825,930 for an annual premium. This is a 30% increase, which FM Global told RTA to anticipate. The next closest 100% complete program alternative that was quoted was in excess of \$1 Ml. annual premium.

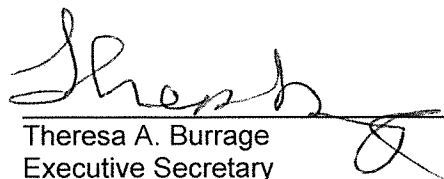
FM Global a very highly rated insurance carrier. They carry an A.M. Best rating of A+XV which is the highest rating. They are one of the world's premier property insurers. They provide valuable design review services and loss control services to RTA. Engineering and Safety work closely with them. Design reviews for construction and rehabilitation is submitted to them. They have shown a reliable claims payment record, which is a key factor for an insurance company. Brian Rankin, Cleveland Account Executive and Ray Battle, Senior Property Broker and V.P. from the Minneapolis office is in the audience. They conducted a benchmarking study against peer agencies. RTA is below the average and median property insurance rate for all six of the agencies surveyed.

Staff asked that this be moved to the full Board for consideration. Rev. Lucas stated that he the Chair, Karen Moss, reviewed the proposal. It was moved by Chief McCall, seconded by Mayor Welo to move this to the full Board.

Rev. Lucas adjourned the meeting at 10:21 a.m.



Floun'say R. Caver, Ph.D.,
Interim Secretary/Treasurer



Theresa A. Burrage
Executive Secretary