

AT THE SPECIAL TOWN BOARD MEETING

of the Town Board of the Town of Newburgh held at 1496 Route 300 in said township at 10:00 a.m. on Friday the 27th day of June, 2014

Present

Gilbert J. Piaquadio, Deputy Supervisor and Councilman
George A. Woolsey, Sr., Councilman
Paul I. Ruggiero, Councilman

Absent

Elizabeth J. Greene, Councilwoman

Also Present

Andrew J. Zarutskie, Town Clerk
Brenda Milkovich, Deputy Town Clerk

Meeting called to order at 10:11 p.m.

1. ROLL CALL

- Councilwoman Greene joined the meeting at 10:16 a.m.

2. PROPOSED INSURANCE PROGRAM COVERAGE FOR THE TOWN OF NEWBURGH

A. Hank Chapman, Risk Management Advisor, from Haylor, Freyer & Coon Insurance Company reported the following:

The following are highlights of the key differences between HF&C with Travelers Insurance and the Town's current proposal with US Speciality:

Price

- The Town's insurance premium currently is \$372,554.74 and does not include the Delaware Aqueduct Tap Water Treatment Plant. The Town paid \$15,000.00 for Builder's Risk coverage as the building was being constructed. HF&C's proposal without the Water Treatment Plant is \$353,785.00. This is a 5% savings from the Town's expiring premium with some enhanced coverage. Adding in the Water Treatment Plant at the \$17 million value, the premium goes to \$360,202.00

Property

- HF&C's proposal covers all of the Town's buildings and contents valued at \$45,579,350 at 100% of their current value with replacement coverage.
- The Town's current property program and HF&C proposal has the same \$5,000.00 deductible and both have \$1,000,000.00 flood and earthquake coverage. HF&C has a \$50,000.00 deductible while the Town's current policy only has \$25,000.00.

Equipment

- HF&C's equipment proposal through Travelers Insurance gives coverage for the contractors' equipment (equipment that is not on the road) in the amount of \$725,301.00 with a \$1,000.00 deductible.

General Liability

- The Town's current policy and HF&C proposal have a separate \$1,000,000.00 limit for Employee Benefits Liability with a \$3,000,000.00 aggregate. HF&C's proposal has a \$1,000.00 deductible while the Town's current policy has none. **This is a slight decrease in coverage.**

Public Officials Liability

- Both HF&C and the Town have the same \$1,000,000.00 limit per wrongful act and a \$2,000,000.00 in the aggregate with \$25,000.00 deductible.
- Both HF&C and the Town have coverage for Public Officials and Employment Practices Liability dating back to July 1, 1974.

Law Enforcement Liability

- Both HF&C and the Town have the same \$1,000,000.00 per wrongful act with \$2,000,000.00 in the aggregate with a \$25,000.00 deductible.

Owners & Contractors Protective Liability

- HF&C and the Town have the coverage required by the NYS Dept. of Transportation.

Automobile

- HF&C has the same automobile liability coverage with a \$1,000,000.00 combined single limit for liability for all the vehicles, \$50,000.00 in mandatory Personal Injury Protection (no-fault coverage) and an additional \$100,000.00 of additional Personal Injury Protection and an additional \$25,000.00 of Optional Basic Economic Loss Coverage with a \$1,000,000.00 of uninsured/underinsured motorist coverage and a \$25,000.00 deductible.

Umbrella

- Both HF&C and the Town have the same \$10,000,000.00 limit of coverage.
- Both HF&C and the Town have a \$10,000.00 self-insured retention.

Crime

- The Town's coverage does not expire until February, 2015.

Workers' Compensation

- The Town's coverage does not expire until April, 2015.

B. RSS Agency from Kingston, NY – Allied Insurance

The Town Board members all agreed that the contract by Allied Insurance did not include the police which is a very important section of the Town. For this reason, Allied Insurance company is not being considered.

C. Cathy Smith from William A. Smith Insurance Agency reported the following:

- Price quoted from Cathy: \$361,062.94.
- Ms. Smith wanted to point out a change. For all liability coverage, the deductible only applied to the losses. In the future will go towards defense (the Town did not have this in the contract last year).
- There will be a \$25,000.00 deductible toward paying the defense costs.
- Key things to consider:
 - Make sure all locations are covered.
 - The downstream and dam coverage is up to \$11,000,000.00.
 - Sexual abuse and molestation coverage has limits of \$11,000,000.00.
- Should have coverage with all the sports programs, nursery and daycare the Town has.
- Terrorism does include \$2,430.00 cost.
- Cyber terrorism is not in the policy now.
- Ice Skating is allowed. There will need to be a sign posted with rules.
- Flood coverage has a \$25,000.00 deductible. Excludes zones in the high hazard zones.

3. COMMENTS/QUESTIONS ASKED BY THE TOWN BOARD:

Councilwoman Greene

Question for Hank Chapman:

Would the classes offered by HF&C be included in the premiums?

Answer:

HF&C will sit down and do an assessment and will work with the calendar.

Question for Hank Chapman:

Where are HF&C's 200 employees located?

Answer:

140 employees located in Syracuse. Also in Johnson City, Watertown, Rochester and Utica areas. There is nothing in the Hudson Valley region but the company is growing in area.

Councilman Woolsey

Question for Hank Chapman:

How long would it take HF&C to get to Newburgh if needed?

Answer:

Mr. Chapman stated he could be in Newburgh in three (3) hours by car or by phone immediately. He would be available to be in Newburgh 3x a week if needed.

4. EXECUTIVE SESSION: Vote on Proposed Insurance Program Coverage

MOTION to go into Executive Session for the sole purpose of discussing Insurance Program Coverage for the Town of Newburgh was made by Councilman Woolsey at 10:56 a.m. and seconded by Councilwoman Greene.

VOTE: Councilman Woolsey – yes; Councilwoman Greene – yes; Councilman Ruggiero – yes, Deputy Supervisor and Councilman Piaquadio – yes. Motion approved, 4 yes; 0 no; 0 abstain; 0 absent.

MOTION to end the Executive Session made by Councilman Woolsey at 11:09 a.m. and seconded by Councilwoman Greene.

VOTE: Councilman Woolsey – yes; Councilwoman Greene – yes; Councilman Ruggiero – yes, Deputy Supervisor and Councilman Piaquadio – yes. Motion approved, 4 yes; 0 no; 0 abstain; 0 absent.

MOTION to approve US Specialty Insurance as the 2014-2015 Property & Casualty insurance service with a premium of \$361,062.94 was made by Councilwoman Greene and seconded by Councilman Ruggiero.

VOTE: Councilman Woolsey – yes; Councilwoman Greene – yes; Councilman Ruggiero – yes, Deputy Supervisor and Councilman Piquadio – yes. Motion approved, 4 yes; 0 no; 0 abstain; 0 absent.

MOTION to adjourn was made by Councilwoman Greene at 11:18 a.m. and seconded by Councilman Ruggiero.

VOTE: Councilman Woolsey – yes; Councilwoman Greene – yes; Councilman Ruggiero – yes, Deputy Supervisor and Councilman Piquadio – yes. Motion approved, 4 yes; 0 no; 0 abstain; 0 absent.

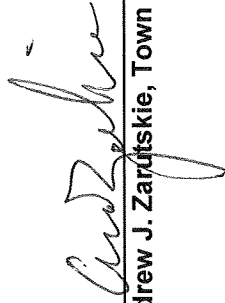
5. ADJOURNMENT

MOTION was made by Councilman Woolsey to adjourn the Special Town Board meeting at 10:56 a.m.. The Motion was seconded by Councilwoman Greene.

VOTE: Councilman Woolsey – yes; Councilwoman Greene – yes; Councilman Ruggiero – yes, Deputy Supervisor and Councilman Piquadio – yes. Motion approved, 4 yes; 0 no; 0 abstain; 0 absent.

Meeting adjourned at 9:02 pm.

Respectfully submitted,



Andrew J. Zarutskie, Town Clerk



Brenda J. Milkovich, Deputy Town Clerk