

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 6-10-15
Re: June 18, 2015 Work Session

Please find the attached agenda and supporting documentation for the June 18, 2015 Work Session.

Item 2 – Tebo First Addition Final Plat

Please refer to the attached memorandum from Jesse Rohr, Planning, Inspection, Enforcement Superintendent, regarding the final plat of Tebo First Addition. This is essentially a housekeeping matter, as the developer wishes to rebuild on the property and wants to ensure the plat is cleaned up prior to that time.

Item 3 – Commercial Insurance Renewal – 2015/2016

Please refer to the memorandum from Finance Director Kim Rupp regarding the commercial insurance renewal. As you will see, the City's insurance broker, Arthur J. Gallagher, has negotiated renewal amounts for all of the City's lines of coverage. The renewal translates to a decrease of \$2,638 in the City's cost to provide insurance. More information and specifics can be found in Kim's memorandum.

Item 4 – Set Public Meeting Date for Wastewater Facility Plan Discussion to Meet SRF Terms and Conditions

Please refer to the attached memorandum from Finance Director Kim Rupp regarding a public meeting for the possible use of State Revolving Loan funds for the wastewater treatment facility reconstruction. City staff feels that State Revolving Loan funds are a very viable financing option for this project and wants to make sure we are doing things according to policy to ensure eligibility for these funds. The first step in the process, even before the City makes a final determination on whether or not to apply for State Revolving Loan funds, is to hold a public hearing on the potential utilization of these funds. Therefore, the City Commission is being asked to set the public hearing for July 16th. City staff will provide all of the necessary information prior to that public hearing.

**CITY OF HAYS
CITY COMMISSION WORK SESSION
THURSDAY, JUNE 18, 2015 – 6:30 P.M.
AGENDA**

1. **ITEM FOR REVIEW: [June 4, 2015 Work Session Notes \(PAGE 1\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: [Tebo First Addition Final Plat \(PAGE 5\)](#)**
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
3. **ITEM FOR REVIEW: [Commercial Insurance Renewal – 2015/2016 \(PAGE 15\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
4. **ITEM FOR REVIEW: [Set Public Meeting Date for Wastewater Facility Plan Discussion to Meet SRF Terms and Conditions \(PAGE 73\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
5. **OTHER ITEMS FOR DISCUSSION**
6. **EXECUTIVE SESSION (IF REQUIRED)**
7. **ADJOURNMENT**

ANY PERSON WITH A DISABILITY NEEDING SPECIAL ACCOMMODATIONS TO ATTEND THIS MEETING SHOULD CONTACT THE CITY MANAGER'S OFFICE 48 HOURS PRIOR TO THE SCHEDULED MEETING TIME. EVERY ATTEMPT WILL BE MADE TO ACCOMMODATE ANY REQUESTS FOR ASSISTANCE.

City of Hays
City Commission
Work Session Notes
Thursday, June 4, 2015 – 6:30 p.m.

Present: Eber Phelps, Shaun Musil, James Meier, Henry Schwaller IV, Lance Jones, John Bird, Toby Dougherty and Kim Rupp

May 21, 2015 Work Session Notes

There were no corrections or additions to the minutes of the work session held on May 21, 2015; the minutes stand approved as presented.

2016 Budget Presentations – Outside Agencies

The following agencies presented requests for Outside Agency funding in the 2016 Budget:

Ellis County Coalition for Economic Development

(Aaron White) \$87,550

Fort Hays State University

(Dr. Mirta Martin and Craig Karlin) \$125,000

(Commissioner Schwaller recused himself and left the room during Fort Hays State University’s presentation because he is an employee of the University.)

Wild West Festival

(Mary Karst and Joleen Younger) \$9,500

Downtown Hays Development Corp.

(Sara Bloom and Sandy Jacobs) \$53,655

Care Council – Social Services/Special Alcohol Tax

(Nikki Adams and Josh Dreher) \$164,000

Hays Arts Council, Inc.

(Brenda Meder and Dennis Schiel) \$12,000

| | |
|--|------------------|
| <u>Hays Sister Cities Advisory Board</u> | |
| (Ann Leiker and Greg Sund) | \$5,050 |
| <u>Ellis County Historical Society</u> | |
| (Donald Westfall and Juti Winchester) | \$12,000 |
| TOTAL | \$468,755 |

Note: A budget request was submitted for Alcohol Tax Funds in the amount of \$60,000; this request is not part of the Social Services, Economic Development or Quality of Life budgets.

Ordinance and Resolution to Authorize the Issuance of General Obligation Bonds, Series 2015A

The Golden Belt 5th Addition and 46th Street 2nd Addition improvement district projects are complete, the assessments have been levied, and the projects are ready to be financed. On May 14, 2015, the Commission approved Resolution No. 2015-011 authorizing the offering for sale of the Bonds. On June 11, 2015, the City will take bids for the purchase of approximately \$1,010,000 of General Obligation Bonds, Series 2015A (the "Bonds").

Finance Director, Kim Rupp, presented drafts of an ordinance and resolution to be adopted by the Commission to authorize the issuance of the Bonds. Final versions of the ordinance and resolution, as well as final payment terms on the Bonds, will be made available by George K. Baum & Co., the City's Financial Advisor, and Gilmore & Bell, P.C., the City's Bond Counsel, after the sale of the Bonds and before the Commission meeting. Mr. Rupp also stated he was pleased to report the City of Hays received a AA rating from Standard & Poor's Ratings Services (S&P) for this bond issue.

At the June 11, 2015 Commission meeting, Commissioners will be requested to approve an Ordinance authorizing and providing for the issuance of General Obligation Bonds Series 2015A and approve a Resolution prescribing

the form and details of and authorizing and directing the sale and delivery of General Obligation Bonds Series 2015A.

Other Items for Discussion

There were no other items for discussion.

The work session was adjourned at 7:53 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk

Commission Work Session Agenda

Memo

From: Jesse Rohr, PIE Superintendent

Work Session: June 18, 2015

Subject: Tebo First Addition Final Plat

Person(s) Responsible: Toby Dougherty, City Manager
I.D. Creech, Director of Public Works

Summary

The owners of the property known as the proposed Tebo First Addition have submitted a final plat for consideration. The property is generally located at 43rd and General Hays/Vine St. The property being platted is currently 1 lot and will remain 1 lot after platting. This is merely a house-keeping item that needs to go through the process before they develop the property. There is a sanitary sewer easement that crosses the property that is no longer in use that will be vacated with the plat. On May 18, 2015 the final plat was reviewed and approved (8-0 vote) by the Hays Area Planning Commission. Staff, as well as the Planning Commission, recommends approving this plat as submitted.

Background

The property has been in its current state as commercial property for many years. There is currently one business on the property, Nex-Tech Wireless. This property lies between Vine St. and General Hays Rd. and does lie within the City limits of Hays. The property is surrounded by previously platted property.

Discussion

The owners of the property known as the proposed Tebo First Addition have submitted a final plat for consideration. The property is generally located at 43rd and General Hays/Vine St. The property being platted is currently 1 lot and will remain 1 lot after platting. There is a sanitary sewer easement that crosses the property that is no longer in use that will be vacated with the plat. This is merely a house-keeping item that needs to go through the process before they develop the property. The plat meets the requirements of the current subdivision regulations in regard to lot size, setbacks, and any specific utility requirements.

Staff from the Utilities Department has been apprised of this proposed development and agrees with the proposal. This plat was also taken before the Utility Advisory Committee with no issues noted. All easements as required are in place for future placement of any required utilities, however all necessary utilities seem to be in place currently.

On May 18, 2015 the final plat was reviewed and approved (8-0 vote) by the Hays Area Planning Commission.

Legal Consideration

There are no known legal obstacles to proceeding as recommended by City Staff.

Financial Consideration

None identified.

Options

The City Commission has the following options:

- Approve the plat as submitted
- Do not approve the plat

Recommendation

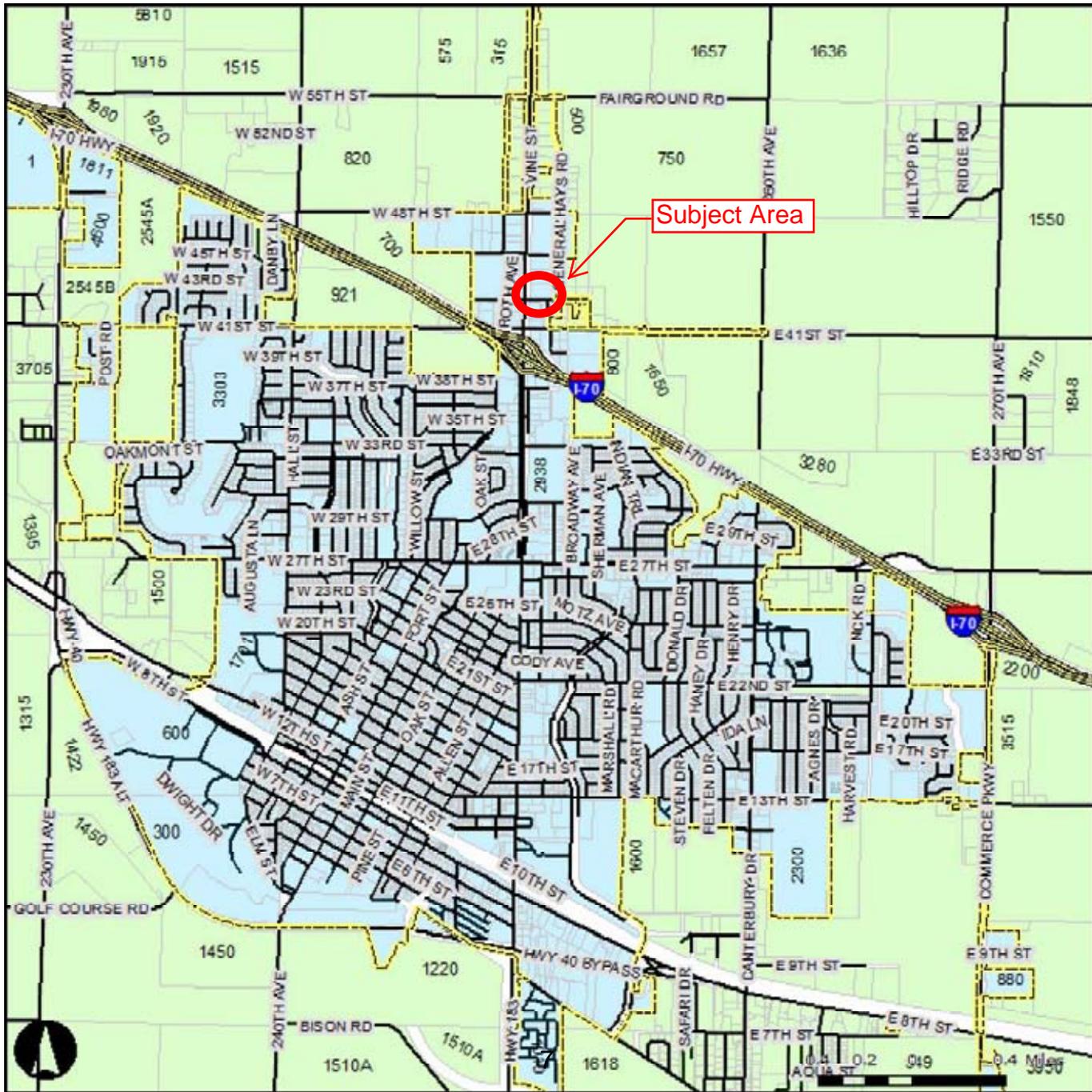
Staff, as well as the Planning Commission, recommends approving this plat as submitted.

Action Requested

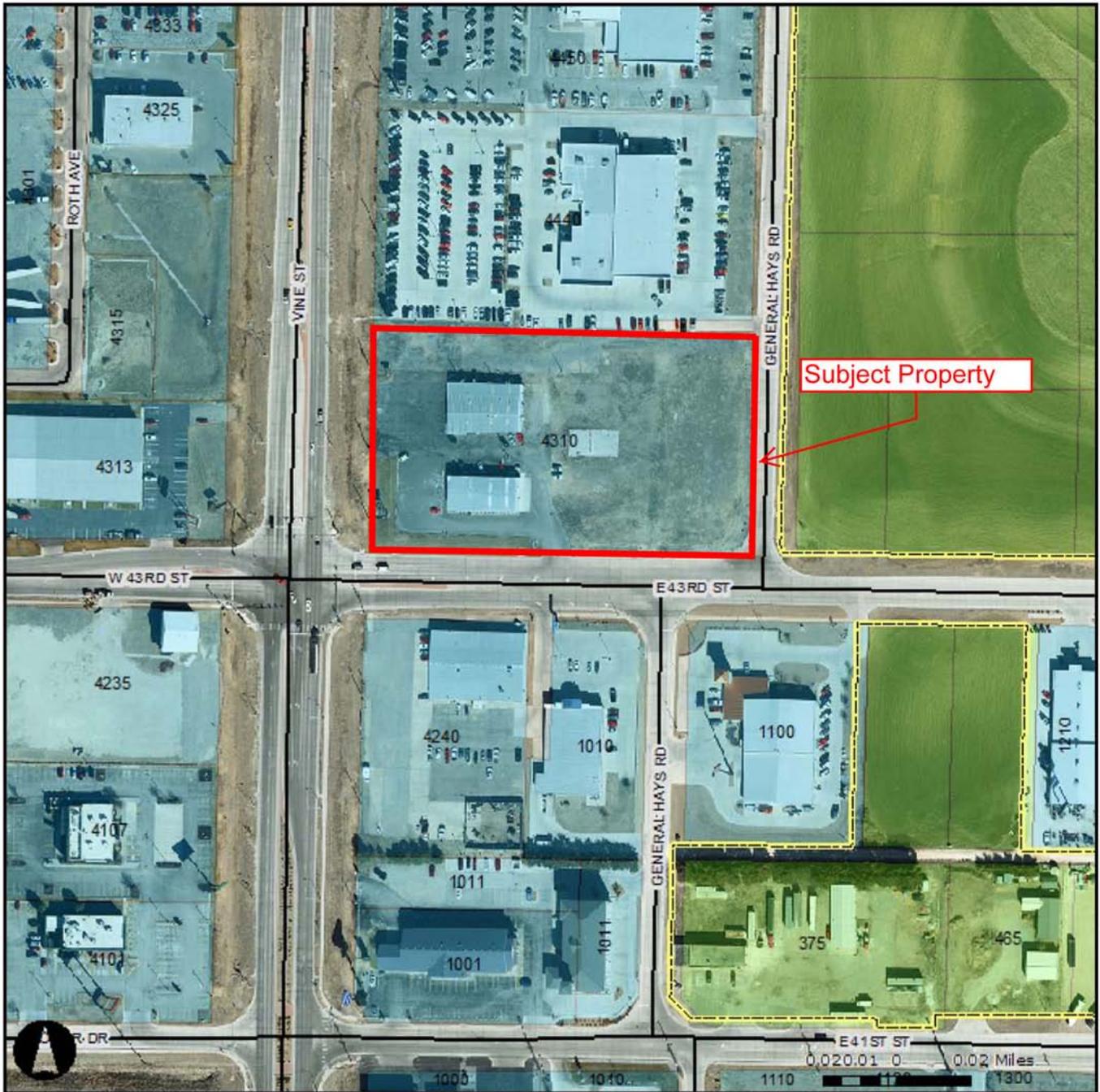
Approve the resolution accepting the final plat known as the Tebo First Addition.

Supporting Documentation

Maps
Final Plat
Resolution

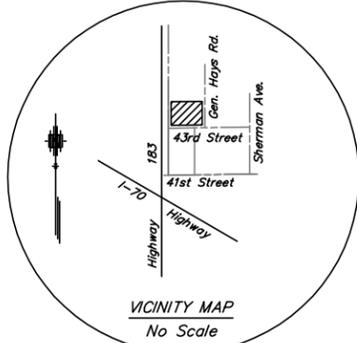
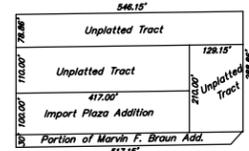
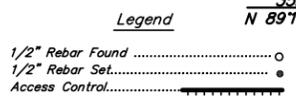
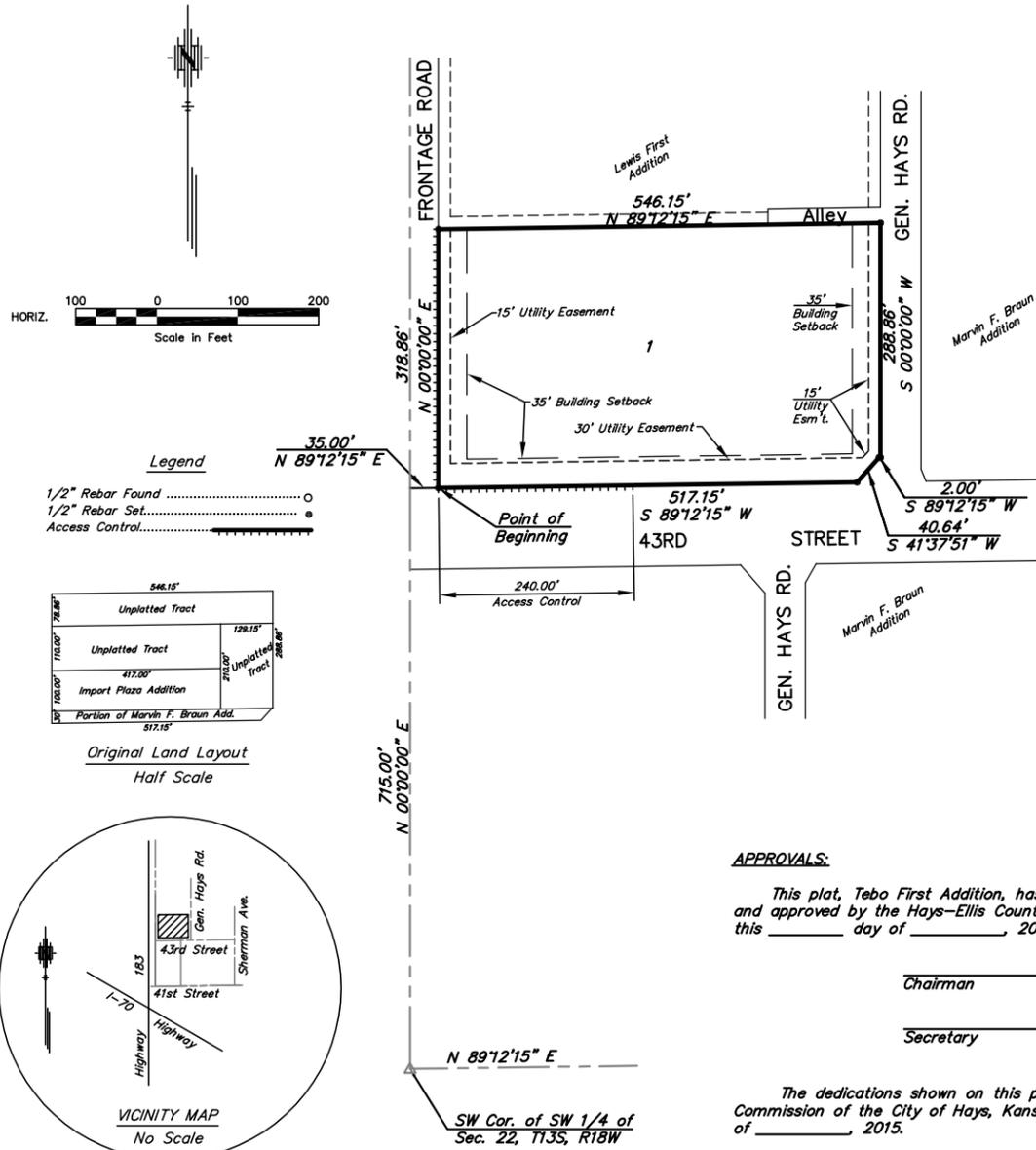


Subject Area



PLAT OF TEBO FIRST ADDITION HAYS, KANSAS

A REPLAT OF THE IMPORT PLAZA ADDITION,
A REPLAT OF A PORTION OF THE MARVIN F. BRAUN ADDITION,
AND UNPLATTED TRACTS



OWNER'S CERTIFICATE:

Know all men by these presents, that we, the undersigned property owners of the land hereon described, have caused the same to be surveyed and platted into Lots and Easements, the same to be known as "Tebo First Addition", in Hays, Kansas. The easements as indicated on the accompanying plat are hereby granted to the public for the purpose of constructing, operating, maintaining, and repairing all public utilities.

Stephen D. Tebo

Shari Tebo

NOTARY CERTIFICATE:

State of Kansas, County of Ellis, ss:
Be it remembered that on the _____ day of _____ 2015, before me, a Notary Public in and for said County and State, came Stephen D. Tebo and Shari Tebo, husband and wife, to me personally known to be the same persons who executed the foregoing instrument of writing and duly acknowledged the execution of same. In testimony whereof, I have hereunto set my hand and affixed my notarial seal, the day and year above written.

My Commission Expires _____
Notary Public

DESCRIPTION

That part of the Southwest Quarter of Section 22, Township 13 South, Range 18 West, of the 6th Principal Meridian, Ellis County, Kansas, described as follows:

Commencing at the southwest corner of said Southwest Quarter; thence on an assumed bearing of North 00 degrees 00 minutes 00 seconds East, along the west line of said Southwest Quarter, a distance of 715.00 feet; thence North 89 degrees 12 minutes 15 seconds East a distance of 35.00 feet to the intersection of the Vine Street east right of way line with the 43rd Street north right of way line, and the point of beginning of the land to be described; thence North 00 degrees 00 minutes 00 seconds East, along the east Vine Street right of way line a distance of 318.86 feet to the southwest corner of the Lewis First Addition; thence North 89 degrees 12 minutes 15 seconds East, along the south line of the Lewis First Addition, a distance of 546.15 feet, to the southeast corner of the Lewis First Addition, said point being on the General Hays Road west right of way line; thence South 00 degrees 00 minutes 00 seconds West, along said General Hays Road right of way, a distance of 288.86 feet; thence South 89 degrees 12 minutes 15 seconds West a distance of 2.00 feet; thence South 41 degrees 37 minutes 51 seconds West a distance of 40.64 feet to a point on the 43rd Street north right of way line; thence South 89 degrees 12 minutes 15 seconds West, along said 43rd Street right of way, a distance of 517.15 feet to the point of beginning. This tract contains 3.987 acres.

OWNER'S CERTIFICATE:

Know all men by these presents, that we, the undersigned property owners of the land hereon described, have caused the same to be surveyed and platted into Lots and Easements, the same to be known as "Tebo First Addition", in Hays, Kansas. The easements as indicated on the accompanying plat are hereby granted to the public for the purpose of constructing, operating, maintaining, and repairing all public utilities.

Bradley S. Tebo

Sue Ann Tebo

NOTARY CERTIFICATE:

State of Kansas, County of Ellis, ss:
Be it remembered that on the _____ day of _____ 2015, before me, a Notary Public in and for said County and State, came Bradley S. Tebo and Sue Ann Tebo, husband and wife, to me personally known to be the same persons who executed the foregoing instrument of writing and duly acknowledged the execution of same. In testimony whereof, I have hereunto set my hand and affixed my notarial seal, the day and year above written.

My Commission Expires _____
Notary Public

APPROVALS:

This plat, Tebo First Addition, has been submitted to and approved by the Hays-Ellis County Planning Commission this _____ day of _____, 2015.

Chairman

Secretary

The dedications shown on this plat accepted by the City Commission of the City of Hays, Kansas, this _____ day of _____, 2015.

Eber Phelps, Mayor

ATTEST:

Brenda Kitchen, City Clerk

John T. Bird, Attorney for the City of Hays

RECORDED:

State of Kansas, County of Ellis, ss:

This is to certify that this instrument was filed for record in the Register of Deeds Office on the _____ day of _____, 2015 in Book _____, Page _____.

Register of Deeds

Deputy

EASEMENTS:

Easements are hereby dedicated for public use, as utility easement right-of-way, which are shown as lying between the dashed lines in widths indicated and as set forth on this plat, and said easements may be employed for the purpose of installing, repairing and maintaining gas lines, electric lines, telephone lines, and all other forms and types of public utilities, now or hereafter used, by the public over, under and along the strips marked "Utility Esm't."

SURVEYOR'S CERTIFICATE:

I, Harvey Ruder, a Registered Land Surveyor in the State of Kansas, do hereby certify this Plat to be true and correct to the best of my knowledge.

Harvey Ruder
Date

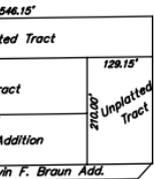
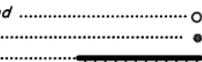


**RUDER ENGINEERING
& SURVEYING, LLC**
1376 Butterfield Trail Rd.
Hays, Kansas 67601
785-259-1382

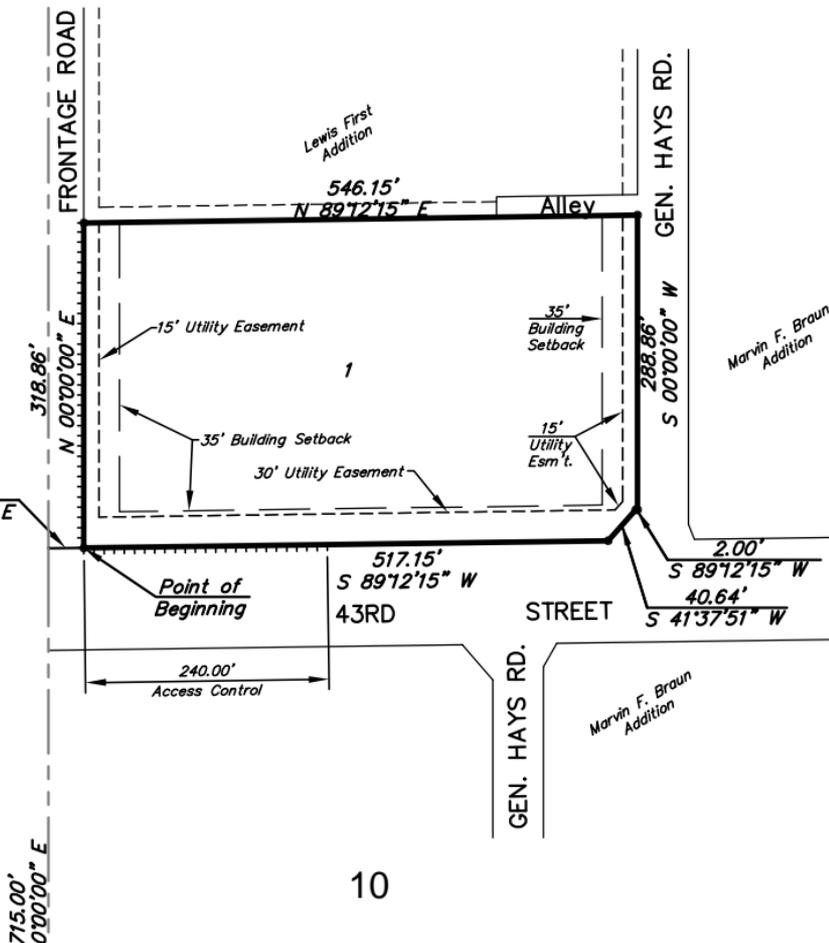


Scale in Feet

Legend

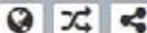


Land Layout
Half Scale





4310 Vine Street, Hays, KS, United States X



PRINTABLE MAPS & DIRECTIONS



onlinemapfinder

CLICK HERE

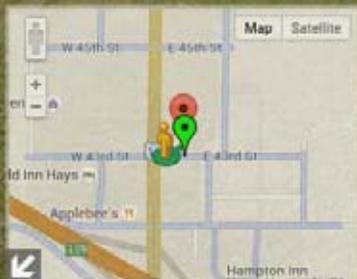
© 2014 Google

© 2014 Google

NEXTECH
wireless

Simple
Plans

PRICED



E 43rd St

E 43rd St

11



4310 Vine Street, Hays, KS, United States X



PRINTABLE MAPS & DIRECTIONS

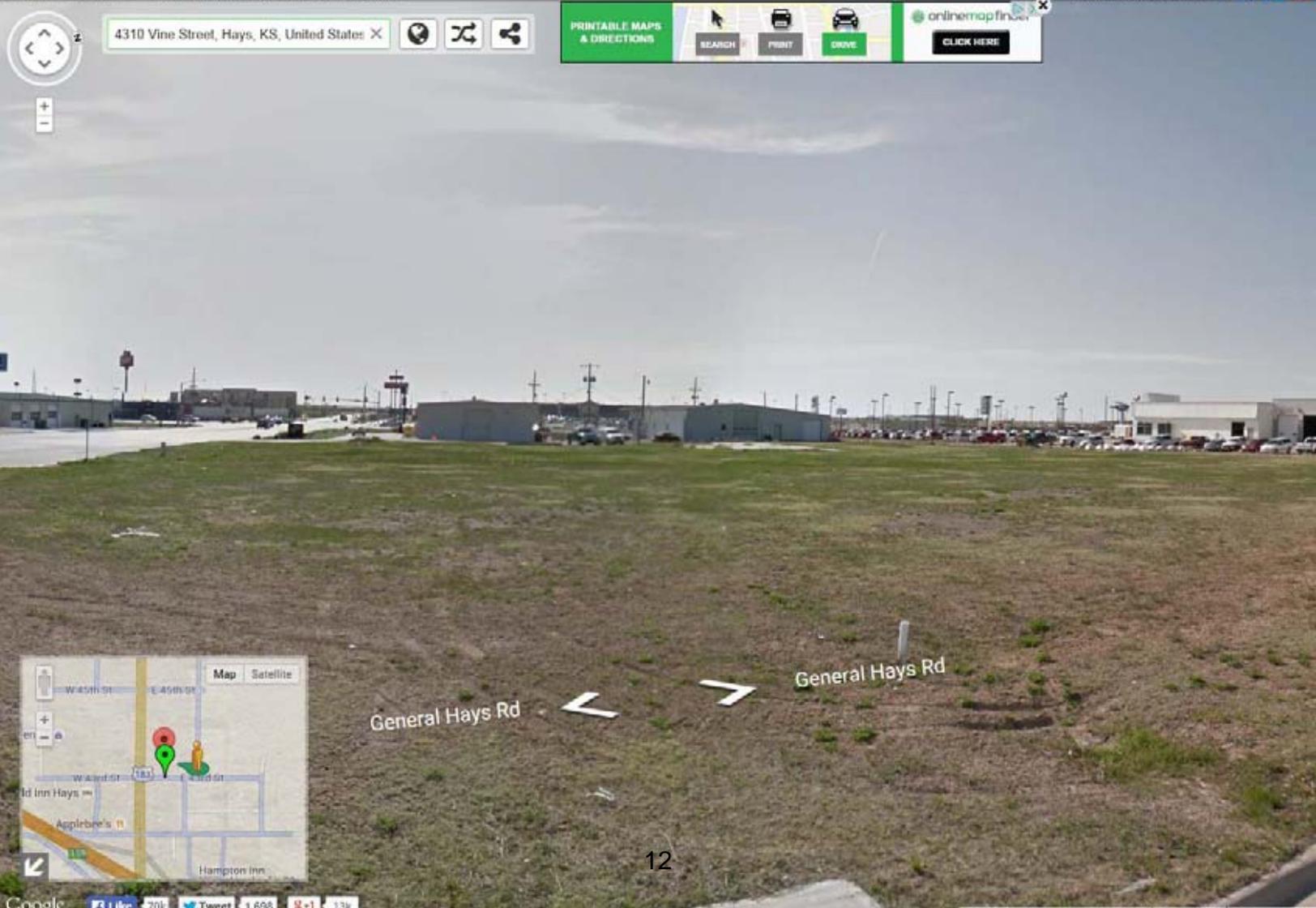
SEARCH

PRINT

DRIVE

onlinemapfinder

CLICK HERE



General Hays Rd ← → General Hays Rd

RESOLUTION

GOVERNING BODY OF THE CITY OF HAYS, KANSAS, TO THE PUBLIC:

WHEREAS, Stephen D. and Shari Tebo, husband and wife, and Bradley S. and Sue Ann Tebo, husband and wife, have presented to the Governing Body of the City of Hays, Kansas, a certain plat of TEBO FIRST ADDITION, A REPLAT OF THE IMPORT PLAZA ADDITION, A REPLAT OF A PORTION OF THE MARVIN F. BRAUN ADDITION AND UNPLATTED TRACTS, situated within the corporate limits of the City of Hays, Kansas, being lots, streets, alleys comprising the following described real estate, to-wit:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 13 SOUTH, RANGE 18 WEST, OF THE 6TH PRINCIPAL MERIDIAN, ELLIS COUNTY, KANSAS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER, THENCE ON AN ASSUMED BEARING OF NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 715.00 FEET; THENCE NORTH 89 DEGREES 12 MINUTES 15 SECONDS EAST A DISTANCE OF 35.00 FEET TO THE INTERSECTION OF THE VINE STREET EAST RIGHT OF WAY LINE WITH THE 43RD STREET NORTH RIGHT OF WAY LINE, AND THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE EAST VINE STREET RIGHT OF WAY LINE A DISTANCE OF 318.86 FEET TO THE SOUTHWEST CORNER OF THE LEWIS FIRST ADDITION; THENCE NORTH 89 DEGREES 12 MINUTES 15 SECONDS EAST, ALONG THE SOUTH LINE OF THE LEWIS FIRST ADDITION, A DISTANCE OF 546.15 FEET, TO THE SOUTHEAST CORNER OF THE LEWIS FIRST ADDITION, SAID POINT BEING ON THE GENERAL HAYS ROAD WEST RIGHT OF WAY LINE; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, ALONG SAID GENERAL HAYS ROAD RIGHT OF WAY, A DISTANCE OF 288.86 FEET; THENCE SOUTH 89 DEGREES 12 MINUTES 15 SECONDS WEST A DISTANCE OF 2.00 FEET; THENCE SOUTH 41 DEGREES 37 MINUTES 51 SECONDS WEST A DISTANCE OF 40.64 FEET TO A POINT ON THE 43RD STREET NORTH RIGHT OF WAY LINE; THENCE SOUTH 89 DEGREES 12 MINUTES 15 SECONDS WEST, ALONG SAID 43RD STREET RIGHT OF WAY, A DISTANCE OF 517.15 FEET TO THE POINT OF BEGINNING, WITH SAID TRACT CONTAINING 3.987 ACRES,

to be known as TEBO FIRST ADDITION, A REPLAT OF THE IMPORT PLAZA ADDITION, A REPLAT OF A PORTION OF THE MARVIN F. BRAUN ADDITION AND UNPLATTED TRACTS to the City of Hays, Kansas; and,

WHEREAS, the said plat has been examined and considered by the Hays Area Planning Commission of the City of Hays, Kansas; and,

WHEREAS, the City Attorney of the City of Hays, Kansas, has found that the

proposed plat conforms to the requirements of the statutes in such matters made and provided;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS, that the City of Hays, Kansas, hereby approves the plat of TEBO FIRST ADDITION, A REPLAT OF THE IMPORT PLAZA ADDITION, A REPLAT OF A PORTION OF THE MARVIN F. BRAUN ADDITION AND UNPLATTED TRACTS, to the City of Hays, Kansas, and the City Clerk is instructed to endorse such approval on said plat.

Passed and adopted by the Governing Body of the City of Hays, Kansas, this 25th day of June, 2015.

Eber Phelps - Mayor

ATTEST:

BY _____
Brenda Kitchen - City Clerk

(SEAL)

Commission Work Session Agenda

Memo

From: Kim Rupp, Director of Finance

Work Session: June 18, 2015

Subject: Commercial Insurance Renewal 2015/2016

Person(s) Responsible: Kim Rupp, Director of Finance
Tanner Burns, Arthur J Gallagher & Co
Kevin Waters, Arthur J Gallagher & Co
Jessica Govic, Arthur J Gallagher & Co

Summary

The City's Commercial Insurance Policy with BRIT Insurance will expire on 7/1/15. Arthur J. Gallagher provides for critical insurance oversight for the City as the Insurance Broker. Requested quotes to the incumbent carriers by Arthur J. Gallagher resulted in a responsive and responsible bid in the amount of \$187,023. The outcome of Gallagher's negotiation translates into a \$2,638 decrease. City staff recommends pursuing the 2015/2016 Commercial Insurance renewal with the incumbent insurance companies BRIT, Hartford, Old Republic, Hanover and National Union Fire as per the expiring policies.

Background

Each year City staff and its Insurance Broker complete the task of reviewing and preparing for the renewal of the Commercial Insurance package. Below is a chart showing the history of premiums on this package the last five years.

| | 2011/2012 | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 |
|-----------------|----------------------|---------------------|--------------------|--------------------|--------------------|
| Annual Premiums | \$202,145 +14.65% | \$191,552 -5.24% | \$196,523 +2.6% | \$189,661 -3.5% | \$187,023 -1.4% |

The package this year includes the following categories. For further detail please refer to the attached definitions page.

- *Commercial Property*
- *Inland Marine/Scheduled Equipment*
- *Equipment Breakdown*
- *Crime*
- *General Liability*
- *Public Entity Management Liability*
- *Law Enforcement Liability*
- *Employment Practices Liability*
- *Airport Liability*

- *Commercial Auto*
- *Umbrella*
- *Public Entity Cyber Liability*

The City's Insurance Broker, Arthur J. Gallagher & Co., negotiated renewal terms early with the incumbent carriers for the City's 2015-2016 insurance programs.

Discussion

The following is a breakdown of the various lines of coverage in the City's insurance program.

Arthur J. Gallagher negotiated flat or nearly flat renewal rates across all lines of coverage, plus a big decrease to the Airport Liability policy. Across the commercial insurance market, average rates are flat so the renewal is in keeping with this marketplace average. Gallagher achieved this by leveraging their market relationships, large volume of clients with our current carriers, and their depth of understanding of public entities and the underwriting criteria involved in the pricing of policies.

The Broker also informed us that there is limited competition among insurers in the state at the city's current rate and deductible levels, which are very competitive. Based on today's market, this is a very competitive renewal.

Property and Scheduled Equipment

Exposures for buildings were flat over the prior year. The Auto count decreased by 6% and the equipment values decreased by 3%. Gallagher negotiated aggressively to keep deductibles flat and improve rates achieving a .9% decrease in total premium.

Equipment Breakdown

The City moved their Equipment Breakdown coverage from BRIT to Harford Insurance Company last year, recognizing significant improvements in both policy limits and reduced deductible. This line of coverage is increasing by 1% or \$34, which continues to represent a more robust program with better terms than the previous program.

Crime

The City also moved their Crime coverage away from BRIT last year to Hanover Insurance Company. The Hanover program offered a wide array of coverages with an increase in limits from \$100,000 to \$500,000. This line of coverage will maintain a flat premium rate with no changes in coverage amounts.

General Liability

No change in terms/conditions.

Public Entity Management Liability

No change in terms/conditions and premium.

Law Enforcement Liability

No change in terms/conditions and premium.

Employment Related Practices

No change in terms/conditions and premium.

Airport Liability

Arthur J. Gallagher has also negotiated a 32% reduction which equates to \$1,212 in premium savings.

Commercial Auto

No change in terms/conditions and premium.

Umbrella

No change in terms/conditions and premium.

Public Entity Cyber Liability

No change in terms/conditions and premium. This is one area of the insurance market where increases are common due to the large amount of data breaches that occur every day. A flat renewal for this line of coverage is a notable negotiating success.

Legal Consideration

There are no known legal obstacles to proceeding as recommended by City staff.

Financial Consideration

Current Program:

The renewal for 2015/2016 amounts to \$187,023 a decrease of \$2,638 as compared to last year.

Options

The City Commission has the following options:

- Renew the policy with BRIT Insurance, Hartford Insurance, Old Republic Insurance, Hanover Insurance and National Union Fire Insurance as per expiring.
- Provide staff with further guidance.

Recommendation

City Administration recommends renewing the 2015/2016 Commercial Insurance renewal with the incumbent insurers for \$187,023, a decrease of \$2,638.

Action Requested

Authorize the City Manager to renew the 2015/2016 insurance coverages with the incumbent insurers for \$187,023 to be funded from the Intergovernmental Insurance and Surety line item.

Supporting Documentation

Commercial Insurance categorical definitions
Insurance Proposal as prepared by Arthur J Gallagher & Co

Commercial Insurance package categorical definitions

Commercial Property: Provides coverage for permanent structures and the contents of those structures. It can also provide business interruption coverage and loss of rents coverage.

Inland Marine: This is also referred to as scheduled equipment and provides physical damage coverage for items not meeting the definition of commercial property or automobiles: Example - road graders, backhoes, lights, tornado sirens, police equipment etc.

Crime: Provides coverage for employee dishonesty, forgery & alteration, money & securities, computer fraud and funds transfer.

General Liability: Provides coverage to all of the public entity premises and operations within the coverage territory, unless specifically excluded, for third party bodily injury and property damage.

Public Entity Management Liability: Provides coverage for loss that results from the conduct of duties by or for a public entity and is caused by a wrongful act. Wrongful act means an error or omission. It includes defense for claims or suits alleging criminal, malicious, dishonest or fraudulent conduct until determinations or admission of such conduct in a legal proceeding.

Law Enforcement Liability: Provides coverage for bodily injury, personal injury or property damage that results from law enforcement activities or operations and is caused by a wrongful act while conducting those activities or operations.

Employment Practices Liability: Provides coverage for wrongful employment practice offenses committed by an insured against your employees and independent contractors including: employment discrimination, wrongful employment termination, employment-related harassment, retaliatory action against employees, wrongful, excessive or unfair discipline, wrongful hiring, supervision, demotion or failure to promote, employment-related misrepresentation, defamation, libel, slander disparagement or invasion of privacy.

Airport Liability: Provides coverage for bodily injury and property damage resulting from the premises and operations of the airport. This coverage is excluded under the general liability so coverage is provided by a separate general liability specifically for airports.

Commercial Auto: Provides bodily injury and property damage liability for any auto claim. In addition physical damage is provided for scheduled autos at actual cash value and hired autos physical damage limited to \$50,000.

Umbrella: Provides additional limits of liability for general liability, automobile liability, law enforcement liability, employment related practices, cyber liability and public entity management liability. This coverage is important in the event the suit is brought in court outside the State of Kansas and the city does not have benefit of the immunity granted by the Kansas Torts Claims Act.

Public Entity Cyber Liability: Provides communications, media, network and information security liability coverage.

City of Hays, KS

1507 Main Street
Hays, KS 67601

Proposal of Insurance

Presented: June 2, 2015

Commercial Package, Airport Liability, Crime, Cyber Liability,
Boiler & Machinery

Effective: July 1, 2015 to July 1, 2016

PUBLIC SECTOR PRACTICE



Arthur J. Gallagher & Co.

Tanner Burns, ARM
Area Vice President
Arthur J. Gallagher Risk Management Services, Inc.
2345 Grand Boulevard, Suite 400
Kansas City, MO 64108
tanner_burns@ajg.com
www.ajg.com

Jessica E. Govic, CLCS
Area Vice President
Arthur J. Gallagher Risk Management Services, Inc.
Public Sector
The Gallagher Centre
Two Pierce Place
Itasca, IL 60143
jessica_govic@ajg.com
www.ajg.com

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| Supporting Documentation | |
| Named Insureds | |
| Schedules | |
| Statement of Values | |

Confidentiality Statement

We consider as confidential any information presented by Arthur J. Gallagher Risk Management Services, Inc. in our Proposal of Insurance and Risk Management Services, as well as subsequent verbal and written communications between our organizations.

We ask that other brokers not have access to our material and that information presented in this proposal be shared only with those who have a need to know within your city.

We make our commitment to you that information already received from you, and any additional to follow, will be treated with the same high level of respect and confidentiality.

ATTENTION

This proposal of coverage is intended to facilitate your understanding of the insurance program we have arranged on your behalf. It is not intended to replace or supersede your insurance policies.

Service Team

Fax Number: (630) 285-4062
Office Hours: 9:00 a.m. to 5:00 p.m.
Monday – Friday
The Gallagher Centre
Two Pierce Place
Itasca, IL 60143

A service team approach will be implemented for City of Hays, KS to provide a senior level availability for all of your services and risk management needs as well as daily service requirements.

Property and Casualty Team

Production Contacts

Tanner Burns

Area Vice President

Primary Role: Overall account oversight and service delivery

Direct: (816) 329-0857
Cell: (316) 706-7055
tanner_burns@ajg.com

Jessica E. Govic, CLCS

Area Vice President

Primary Role: Program design and insurer negotiation, service delivery

Direct: (630) 285-4323
jessica_govic@ajg.com

Service Team Contacts

Carolyn Short

Account Executive

Primary Role: General questions, service delivery, contract review, endorsements, and quality control

(816) 395-8558
carolyn_short@ajg.com

Aubrey Meyer

Senior Account Representative

Primary Role: Certificates and endorsements

Direct: (816) 935-8593
aubrey_meyer@ajg.com

Nikki Edwards

Client Service Manager

Primary Role: Marketing, invoicing, certificates, and endorsement backup for Kansas City

Direct: (630) 694-5437
nikki_edwards@ajg.com

Claim Contacts

Pat Emerson

Senior Claim Manager

Primary Role: Coordination of all claims reporting, except Workers Compensation

Direct: (630) 285-3614
pat_emerson@ajg.com

Jim Krueger

Claim Specialist

Direct: (630) 694-5488
james_krueger@ajg.com

Greg Bradley

Workers Compensation Claim Specialist

Direct: (816) 395-8632
Cell: (816) 645-7161
greg_bradley@ajg.com

The Gallagher Team Approach

For more information on Gallagher's compensation arrangements, please visit www.ajg.com/compensation.

Account Service

At Arthur J. Gallagher & Co., we strive for long-term relationships. Insurance relationships begin with solid, cost-effective insurance programs, but endure because of excellent service. We will address the day-to-day needs of your organization in a timely manner, and by being proactive regarding your insurance program throughout each insurance term and market cycle. In these ways, we can address your changing insurance needs.

Renewals

At each renewal, we will meet with you to establish a renewal game plan, determining how many markets should be approached, how pricing is in the insurance marketplace, and what specific needs must be addressed. We will then approach markets we feel will present the best alternatives, and present each alternative at renewal as an option, even if we still feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

We make ourselves accountable by working with you to develop a written service schedule that meets your needs. You can track our service by referring to our written service commitment. Service becomes especially important as you continue to change and prosper.

As a top national broker, we have access to over 150 insurance companies and wholesalers. This maximizes your insurance options in any given policy year situation. In addition, the relationships we have cultivated with our markets are excellent. Our integrity and influence in the marketplace gives us an edge over other brokers. These factors are especially important to consider as the insurance needs of your organization become more complex, requiring more sophisticated solutions.

During the policy year, Arthur J. Gallagher & Co. will strive to provide the following service standards:

Premium Allocations

We will provide premium breakdown by department, if requested.

Automobile Identification Cards

ID cards will be issued upon binding of coverage.

Phone Calls

Phone calls will be returned within one working day of receipt.

Certificates of Insurance

Certificates of Insurance will be issued within one working day of receipt.



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

The Gallagher Way of Doing Business



Normally, we don't like to pat ourselves on the back.

But every so often our clients or someone in the industry will share with us how they feel about our partnership, the services we provide or how we conduct business. And at Arthur J. Gallagher & Co. we're especially proud of our accomplishments.



Gallagher named one of the World's Most Ethical Companies for 2015.¹

Arthur J. Gallagher & Co. was recently named one of the World's Most Ethical Companies for 2015 – our fourth consecutive year on the list. Gallagher, the only insurance broker to make the list, joins a small, distinguished group of companies committed to operating at the highest standards of conduct.

You manage your business. Let Gallagher manage your risk.

Arthur J. Gallagher & Co. operates differently than most insurance brokers. Our expert advisors are ready to get inside your business and truly understand your operations, your thinking, your past experiences and future plans. Only then can we architect solutions that truly support your objectives.



Gallagher recognized as one of America's Best Employers by Forbes magazine.²

Gallagher has been recognized by *Forbes* magazine as one of America's Best Employers in 2015. This is the inaugural year for America's Best Employers.

The magazine considered 1,100 U.S.-based employers with more than 2,500 domestic employees. America's Best Employers were selected across 25 industry sectors, including insurance. Results were based on an independent survey of 20,000 employees at large companies which focused on 6 categories.

*You deserve a broker
who places the client first.*

¹ The Ethisphere Institute, March 2015.

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Arthur J. Gallagher & Co.

Scope of Responsibilities

Arthur J. Gallagher Risk Management Services, Inc. is responsible for only the coverages and services outlined in this Arthur J. Gallagher Risk Management Services, Inc. proposal.

Co-Broker Arrangement applies:

- Yes
 No

Arthur J. Gallagher Risk Management Services, Inc. is responsible for the placement of the following lines of coverage:

- Commercial Property
- Inland Marine
- General Liability and Employee Benefits Liability
- Public Officials Errors & Omissions
- Employment Practices Liability
- Law Enforcement Liability
- Automobile Liability and Physical Damage
- Umbrella Liability
- Crime
- Cyber Liability
- Airport Liability

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Arthur J. Gallagher Risk Management Services, Inc. (AJGRMS). If you need help placing other lines of coverage or covering other types of exposure, please contact your AJGRMS representative.

Market Review

Obtaining a comprehensive and competitively priced program of insurance in the marketplace requires more than access to the market. Past experience and credibility with markets are the foundation of a successful campaign for your company. Accurate and detailed specifications are essential in all of Arthur J. Gallagher Risk Management Services, Inc. communications to each insurance company contacted.

| Insurance Carrier | Coverages | <u>Carrier Position</u> <ul style="list-style-type: none"> • Quoted • Declined & Reason • Indication • Verbal Quote |
|---|--|---|
| Underwriters at Lloyd's, London | General Liability, Employee Benefits Liability, Law Enforcement Liability, Public Officials Liability, Automobile Liability, and Physical Damage | Quoted |
| Hartford Steam Boiler Inspection and Insurance Company | Boiler and Machinery | Quoted |
| Hanover Insurance Group | Crime | Quoted |
| National Union Fire Insurance Company of Pittsburgh, PA | Cyber Liability | Quoted |
| Old Republic Insurance Company | Airport Liability | Quoted |

Carrier Ratings and Admitted Status Rating Levels and Categories

Copies of the Best's Insurance Reports on the insurance companies are available upon your request.

Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

| Carriers that Quoted | A.M. Best's Rating | Admitted/ Non-Admitted |
|---|--------------------|------------------------|
| State National Insurance Company (Brit) | A VIII | Admitted |
| Hanover Insurance Group | A XIV | Admitted |
| Hartford Steam Boiler Inspection and Insurance Company | A++ X | Admitted |
| National Union Fire Insurance Company of Pittsburgh, PA | A XV | Admitted |
| Old Republic Insurance Company | A+ XI | Admitted |

If the above indicates coverage is placed with a non-admitted carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.
 The above A.M. Best Rating was verified on the date the proposal document was created.

| Level | Category | Level | Category | Level | Category |
|---------|----------------|---------|---------------|-------|-----------------------------------|
| A++, A+ |Superior | B, B- |Fair | D |Poor |
| A, A- |Excellent | C++, C+ |Marginal | E |Under Regulatory Supervision |
| B++, B+ |Very Good | C, C- |Weak | F |In Liquidation |
| | | | | S |Rating Suspended |

| Financial Size Categories | | | | | |
|---------------------------|---------|----|-------------|----------|------------------------|
| FSC I | | | Up to 1,000 | FSC IX | 250,000 to 500,000 |
| FSC II | 1,000 | to | 2,000 | FSC X | 500,000 to 750,000 |
| FSC III | 2,000 | to | 5,000 | FSC XI | 750,000 to 1,000,000 |
| FSC IV | 5,000 | to | 10,000 | FSC XII | 1,000,000 to 1,250,000 |
| FSC V | 10,000 | to | 25,000 | FSC XIII | 1,250,000 to 1,500,000 |
| FSC VI | 25,000 | to | 50,000 | FSC XIV | 1,500,000 to 2,000,000 |
| FSC VII | 50,000 | to | 100,000 | FSC XV | 2,000,000 or more |
| FSC VIII | 100,000 | to | 250,000 | | |

(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at <http://www.ambest.com/ratings/notice>.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at <http://www.ambest.com>. See Guide to Best's Credit Ratings for explanation of use and charges.

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GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Best's Financial Strength Ratings

| | Rating | Descriptor | Definition |
|-------------------|---------|------------------------------|---|
| Secure | A++, A+ | Superior | Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations. |
| | A, A- | Excellent | Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations. |
| | B++, B+ | Good | Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations. |
| Vulnerable | B, B- | Fair | Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions. |
| | C++, C+ | Marginal | Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions. |
| | C, C- | Weak | Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions. |
| | D | Poor | Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions. |
| | E | Under Regulatory Supervision | Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations. |
| | F | In Liquidation | Assigned to companies placed in liquidation by a court of law or by a forced liquidation. |
| | S | Suspended | Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements. |

Rating Modifiers

| Modifier | Descriptor | Definition |
|----------|--------------|---|
| u | Under Review | Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications. |
| pd | Public Data | Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010) |
| s | Syndicate | Indicates rating assigned to a Lloyd's syndicate. |

Rating Outlooks

Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

| | |
|----------|--|
| Positive | Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level. |
| Negative | Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level. |
| Stable | Indicates low likelihood of a rating change due to stable financial/market trends. |

Under Review Implications

Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.

| | |
|------------|---|
| Positive | Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event. |
| Negative | Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event. |
| Developing | Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event. |

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

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Public Entity Package

- Underwriters at Lloyd’s, London

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Brit

Coverage: Property, Inland Marine, Equipment Breakdown
Carrier: Underwriters at Lloyd's London
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Valuation Type | Deductible | Premium* |
|--------------------------------|--------------|------------------|-----------------------------|-----------|
| Building and Personal Property | \$46,001,737 | Replacement Cost | \$10,000 Unless Noted Below | \$116,103 |
| Equipment Breakdown | Included | Replacement Cost | \$10,000 | Included |

* Premium does not include Terrorism premium of \$2,087 for applicable coverage lines.

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

| | Limit | Deductible |
|---|-------------|------------|
| • Contractors Equipment – Scheduled | \$3,199,074 | \$2,500 |
| • Contractors Equipment – Unscheduled (\$2,500 maximum per any one item applies) | \$350,000 | \$2,500 |
| • Special Property – Traffic Signals, Signs, Warning Sirens/Airport Lights, and Lighting Systems | \$4,250,697 | \$2,500 |
| • Special Property – Fences and Pedestrian Bridges | \$934,897 | \$2,500 |

Additional Coverages:

| | Limit | Deductible |
|--|--|-------------------|
| • Automated External Defibrillator | \$5,000 | Policy Deductible |
| • Collapse | Limit Extended | Policy Deductible |
| • Commandeered Property of Others (Other than Automobiles) | \$250,000 | Policy Deductible |
| • Debris Removal of Covered Property | 25% of Loss + \$25,000 Per Location | Policy Deductible |
| • Emergency Evacuation Expense | \$25,000 | Policy Deductible |
| • Emergency Real Estate Consulting Fee | \$5,000 | Policy Deductible |
| • Employee Dishonesty | \$50,000 | \$250 Deductible |
| • Exterior Building Glass | Included | Policy Deductible |
| • Fire Department Service Charge | \$25,000 | No Deductible |
| • "Fungus," Wet Rot, Dry Rot, and Bacteria – Limited Coverage | \$15,000 | Policy Deductible |
| • Inventory and Appraisal Cost for Claim Preparation | \$10,000 | Policy Deductible |
| • Lease Cancellation Moving Expenses | \$2,500 | Policy Deductible |
| • Money and Securities | \$25,000 | Policy Deductible |
| • Pollutant Cleanup and Removal | \$25,000 | Policy Deductible |
| • Preservation of Property | Included | Policy Deductible |
| • State Forest Fire Expense | \$25,000 | Policy Deductible |
| • Temporary Meeting Space | \$1,000 | No Deductible |
| • Water Damage, Other Liquid, Powder, or Molten Material Damage | Included | Policy Deductible |

Coverages Extensions:

| | Limit | Deductible |
|--|-----------------------|-------------------|
| • Accounts Receivable – Per Occurrence On Premises/ Off-Premises | \$250,000/\$50,000 | Policy Deductible |
| • Animals and Canines – Per Animal and Per Occurrence | \$1,500/\$10,000 | Policy Deductible |
| • Appurtenant Building or Structures | \$10,000 | Policy Deductible |
| • Arson Reward | \$25,000 | No Deductible |
| • Building Ordinance or Law – Coverage A (Undamaged) | Included | Policy Deductible |
| • Coverage B (Demolition) and Coverage C (increased Cost of Construction) | \$350,000 | Policy Deductible |
| • Business Income | \$100,000 | Policy Deductible |
| • Extra Expense | \$1,025,000 | Policy Deductible |
| • Business Income – Loss of Tax Revenue | \$100,000 | No Deductible |
| • Change in Temperature, Electrical Damage and Off-Premises Utility Services – Direct Damage | \$50,000 | Policy Deductible |
| • Communication Towers | \$100,000 | Policy Deductible |
| • Contractors Equipment – Nonowned – Per Item and Per Occurrence Limit | \$500,000/\$500,000 | \$2,500 |
| • Emergency Portable Equipment –Police and Fire | \$215,418 | \$2,500 |
| • Emergency Portable Equipment – Guns, Tasers, Cameras, Radios, etc. | \$490,000 | \$2,500 |
| • Employees Tools – Per Employee and Per Occurrence Limit | \$500/\$1,500 | Policy Deductible |
| • Fair or Exhibitions | \$50,000 | Policy Deductible |
| • Fine Arts – Per Item and Per Occurrence Limit | \$5,000/\$100,000 | Policy Deductible |
| • Fire Equipment Recharge | \$25,000 | No Deductible |
| • Footbridges and appurtenant Structures | \$25,000 | Policy Deductible |
| • Foundations of Machinery, Swimming Pools, and Underground Pipes | Limit Extended | Policy Deductible |
| • Golf Course Greens – Limited Perils | \$100,000 | Policy Deductible |
| • Lock Replacement | \$25,000 | \$50 Deductible |
| • Newly Acquired or Constructed Property – Each Building Limit/Contents Limit | \$1,000,000/\$500,000 | Policy Deductible |
| • Nonowned Detached Trailers | \$5,000 | Policy Deductible |
| • Outdoor Property | \$25,000 | Policy Deductible |
| • Paved Surfaces | \$100,000 | Policy Deductible |
| • Personal Computers, Communication Equipment, EDP Equipment, Electronic Data or Media – Per Occurrence and Away from Premises | \$652,826/\$10,000 | \$2,500 |
| • Personal Effects – Per Person/Each Location and Occurrence Limit | \$25,000/\$50,000 | Policy Deductible |
| • Personal Property Off-Premises or in Transit | \$100,000 | Policy Deductible |
| • Recertification Expense | \$5,000 | Policy Deductible |
| • Rental Expense – Contractor’s Equipment | \$10,000 | Policy Deductible |
| • Retaining Walls | \$10,000 | Policy Deductible |
| • Sign Coverage | \$25,000 | Policy Deductible |
| • Spoilage – See Utility Service Direct Damage | \$25,000 | Policy Deductible |
| • Surface Water (Locations situated in a 100- or 500-year flood plain are excluded) | \$25,000 | Policy Deductible |
| • Theft Damage to Nonowned Buildings | \$50,000 | Policy Deductible |

City of Hays, KS

| | Limit | Deductible |
|--|--------------------|-------------------|
| • Underground Sprinkler Systems | Included | Policy Deductible |
| • Underground Water Seepage – Per Premise | \$10,000 | Policy Deductible |
| • Unnamed Locations | \$250,000 | Policy Deductible |
| • Valuable Papers and Records – Cost of Research (Other than Electronic Data) On-Premises Limit and Away from Premises Limit | \$250,000/\$50,000 | Policy Deductible |

Exclusions include, but are not limited to:

- Nuclear Hazard
- War and Military Action
- Mine Subsidence

Endorsements include, but are not limited to:

- Surface Water and Sewer and Water Backup Exclusion

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Authorization to Bind
- Signed Terrorism form

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Coverage: General Liability
Carrier: Underwriters at Lloyd's, London
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Deductible | Premium |
|---|-------------|------------|----------|
| Bodily Injury and Property Damage | \$500,000 | \$0 | Included |
| Personal and Advertising Injury | \$500,000 | Included | Included |
| Employee Benefits Injury | \$500,000 | None | Included |
| Specific Perils – Damage to Premises Rented to You | \$500,000 | Included | Included |
| Medical Payments | | Included | Included |
| General Aggregate | \$2,000,000 | Included | Included |
| Products – Completed Operations Aggregate | \$2,000,000 | Included | Included |
| Sexual Molestation Per Claim | \$250,000 | Included | Included |
| Failure to Supply – Utility Operations (other than sudden & accidental) | \$500,000 | Included | Included |

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Punitive Damages included where allowed by state law
- Broad form Governmental Entities definition of insured includes all boards and commissions operated by and under the direction of the insured entity, Volunteers as Insureds, Mobile or Leased equipment contracts, Users of Golfmobiles and parties to Mutual aid Agreements
- Owned watercraft up to 50 feet in length are covered
- Expanded Host Liquor Liability included

Statement of Defense Costs:

- In addition to Policy Limit, and if so:
 - Limited

Insuring Agreement:

- Pay on Behalf

Exclusions include, but are not limited to:

- Asbestos
- Workers Compensation and Similar Laws
- Aircraft, Auto, or Watercraft
- Airport Liability
- Attorneys' Professional Services
- Contractual Liability
- Damage to Impaired Property or Property Not Physically Injured

- Damage to Property
- Damage to “Your Product”
- Damage to “Your Work”
- Distribution of Materials in Violation of Statutes
- Electronic Data
- Eminent Domain
- Employers Liability
- Employment-Related Practices
- Engineers, Architects, or Surveyors Professional
- Expected or Intended Injury
- Failure to Supply
- “Law Enforcement Activities”
- Liquor Liability
- Medical Payments Exclusion
- “Medical Professional Services”
- Medical and Related Facilities Activities
- Mobile Equipment
- Nuclear Energy Liability
- “Personal and Advertising Injury”
- Pollution
- Recall of Products, Work, or Impaired Property
- Specific Perils – Damage to Premises Rented to You coverage
- Strike, Riot, Civil Commotion or Mob Action
- Underground Storage Tanks
- War
- Workers Compensation and Similar Laws

Endorsements include, but are not limited to:

- Package First Coverage Form
- Liability Coverage Part

Premium Terms:

- Minimum Premium: 50% of Gross Premium
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Quote is subject to receipt of a currently signed original application prior to inception date.
- Fireworks are excluded until underwritten and approved. If coverage is desired, please forward a copy of the contract with the pyrotechnic and complete our loss control questionnaire. Please forward this information at least 30 days prior to the event. Each event must be separately underwritten and endorsed.
- Signed Terrorism Acceptance/Rejection Form for all applicable coverages.
- Signed Client Authorization to Bind Coverage.

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Coverage: Public Officials Liability
Carrier: Underwriters at Lloyd's, London
Form Type: Claims-Made Full Prior Acts for Unknown Incidents
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Deductible |
|-------------------------------------|---------------------------|------------|
| Each Wrongful Act | \$1,000,000 | \$10,000 |
| Annual Aggregate | \$2,000,000 | Included |
| Key Individual Replacement Expenses | \$25,000 Per Claim | None |
| Terrorist Travel Reimbursement | \$5,000 Per Policy Period | None |
| Identify Theft Protection | \$5,000 Per Claim | None |

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Full Prior Acts coverage offered to most entities having continuous Claims-Made coverage for past five years
- Punitive Damages included where allowed by state law
- Civil Rights Violations, Zoning, Land Use (other than Eminent Domain or Inverse Condemnation), Permits, and Licenses are covered
- Identity Theft Protection reimburses certain public officials for expenses, such as notarizing documents, certified mail expenses, and loan application fees incurred as a direct result of Identity Theft
- Key Individual Replacement Expenses pays miscellaneous costs such as advertising, travel, lodging and meals, overtime pay, costs of verifying background and references, and certain legal expenses incurred by the Named Insured to replace key public officials if that person suffers a fatal injury
- Consent to Settle included

Statement of Defense Costs:

- In addition to Policy Limit, and if so:
 - Limited

Exclusions include, but are not limited to:

- Based upon or attributable to any insured gaining profit, advantage or remuneration to which the insured is not entitled
- For any damage arising from "bodily injury," sickness, emotional distress, mental anguish, disease or death of any person, or for damage to or destruction of any property, including diminution of value or loss of use thereof
- "Law Enforcement Activities"
- As a result of a strike, riot, civil commotion, or mob action
- Any "public officials wrongful act"
- Employment-Related Practices
- Failure to provide, professional services to anyone other than the Named Insured by any member of the medical profession, or by any lawyer, architect, engineer, or accountant

- By the Named Insured or on its behalf
- Aircraft, Auto, or Watercraft
- Failure to remedy dangerous circumstances or conditions known to you prior to the policy period
- Libel, slander, defamation, invasion of privacy, wrongful eviction, assault, battery, malicious prosecution or abuse of process

Endorsements include, but are not limited to:

- Package First Coverage Form
- Liability Coverage Part

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Client Authorization to Bind Coverage

Claims-Made – Claim Definition and Claim Reporting Provisions:

- “Claim” means a written notice from any party that it is their intention to hold an insured responsible for “loss” resulting from a “public officials wrongful act” covered by this Coverage Form.

Insured’s Duties in the Event of a “Claim” or “Suit”

- In the event of a “claim,” written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be given by or for the insured to us or any of our authorized agents as soon as practical.
- If a “claim” is made or a “suit” is brought against the insured, the insured will as soon as practicable forward to us every demand, notice, summons, or other process received by them or their representative.
- The insured will cooperate with us and, at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions, and trials, and will assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of “suit(s),” as well as in the giving of written statement or statements to our representatives and defense. In the event of a “claim” occurring likely to involve us hereunder, the insured will not make any payment, assume any liability, or incur any expense without our consent first being obtained. We will have full discretion in the handling of any “claim,” and the insured will give full information and assistance as we may reasonably require.

Extended Reporting Period Criteria:

- Refer to attached policy form for Extended Reporting Period Criteria.

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Coverage: Employment Practices Liability
Carrier: Underwriters at Lloyd's, London
Form #: Specimen upon request
Form Type: Claims-Made Full Prior Acts for Unknown Incidents
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Deductible |
|------------------------------------|--|------------|
| Each Wrongful Act | \$1,000,000 | \$25,000 |
| Annual Aggregate | \$1,000,000 | Included |
| Non-Monetary Defense | \$10,000 Per Claim \$50,000 Per Policy Period | Included |
| Workplace Violence Counseling | \$5,000 Per Policy Period | None |
| Back-Wages – No Prior Acts applies | \$10,000 Per Claim | \$5,000 |

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Full Prior Acts coverage offered to most entities having continuous Claims-Made coverage for past five years
- Punitive Damages included where allowed by state law.
- Broad definition of wrongful act including refusal to employ, termination of employment, false arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, discrimination, invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or any other act, omission, or policy attributable to anyone's employment.
- Sexual Harassment, American with Disabilities Act, Title VII claims are covered.
- Workplace Violence Counseling reimburses the insured for expenses incurred for the counseling of employees necessary due to an incident of Workplace Violence. The deductible does not apply.
- Non-Monetary Defense limit included, with higher limits available, provides defense coverage for claims having no monetary damage demand.
- Back wages limit included with higher limits available.
- Consent to Settle included.

Exclusions include, but are not limited to:

- Any damage arising from "bodily injury," sickness, disease, or death of any person, or for damage to or destruction of any property, including diminution of value or loss of use thereof; however, for the purpose of this exclusion, "bodily injury" does not include emotional distress or mental anguish.
- Assault and battery; except for reasonable force used to protect persons or property.
- Alleging any violation of civil rights other than employment-related civil rights.
- Any "employment practices wrongful act(s)" which takes place prior to the "policy period" if the insured had knowledge of circumstances which could reasonably be expected to give rise to a "claim."

- Any activity concerning an “employee benefit plan,” welfare plan or retirement plan, or self-insurance fund, including any obligation under the Employee Retirement Income Security Act, or COBRA, and any subsequent amendments thereto or any similar local, state, or federal law or regulation.
- For back wages, overtime or similar “claim(s),” even if designated as liquidated damages, under any federal, state, or local statutes, rules, ordinances, or regulations, if such “claim(s)” arise out of a “employment practices wrongful act” committed prior to the effective date of this policy; or for “claim(s)” arising from collective bargaining agreements.
- Aircraft, Auto, or Watercraft.

Endorsements include, but are not limited to:

- Package First Coverage Form
- Liability Coverage Part
- Non-Monetary Back Wages Endorsement

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Client Authorization to Bind Coverage

Claims-Made – Claim Definition and Claim Reporting Provisions:

- Claim means:
 - A written notice from any party that it is their intention to hold the insured responsible for “loss” resulting from an “employment practices wrongful act” covered by this Coverage Form
 - Any notice that requires you to attend an administrative hearing conducted by the EEOC or by any state agency with a similar purpose.

Insured’s Duties In The Event Of A “Claim” Or “Suit.”

- In the event of a “claim,” written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be given by or for the insured to us or any of our authorized agents as soon as practicable.
- If a “claim” is made or a “suit” is brought against the insured, the insured will as soon as practicable forward to us every demand, notice, summons, or other process received by them or their representative.
- The insured will cooperate with us and, at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions, and trials and will assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of “suit(s),” as well as in the giving of written statement or statements to our representatives and defense. In the event of a “claim” occurring likely to involve us hereunder, the insured will not make any payment, assume any liability, or incur any expense without our consent first being obtained. We will have full discretion in the handling of any “claim,” and the insured will give full information and assistance as we may reasonably require.

Extended Reporting Period Criteria:

- Refer to attached policy form for Extended Reporting Period Criteria.

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Coverage: Law Enforcement Liability
Carrier: Underwriters at Lloyd's, London
Form #: Specimen upon request
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Deductible |
|----------------------------|--|----------------------|
| Each Person | \$1,000,000 | \$5,000 |
| Each Wrongful Act | \$1,000,000 | Included |
| Annual Aggregate | \$2,000,000 | Included |
| Non-Monetary Defense | \$10,000 Per Claim \$50,000 Per Policy Period | Included Included |
| Line of Duty Death Benefit | \$50,000 Per Officer | None |

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Punitive Damages included where allowed by state law
- Approved Moonlighting and Mutual Aid Agreements are covered
- Broad definition of insured includes elected and appointed officials and all auxiliary and volunteer officers
- Civil Rights Violations, Intentional Acts, Vehicular Hot Pursuit, Failure to Protect, Excessive Force, False Arrest, and Failure to Adequately Train or Supervise are covered
- Consent to Settle included
- Line of Duty Death Benefit provides reimbursement to the Department for benefits paid to the family of officers fatally injured while on duty
- Non-Monetary Defense limit included, with higher limits available, provides defense coverage for claims having no monetary damage demand

Defense Costs:

- In addition to Policy Limit, and if so:
 - Limited

Exclusions include, but are not limited to:

- Employment-Related Practices.
- For "claim(s)," demands, or actions seeking relief or redress in any form other than monetary damages, or for any fees, costs, or expenses which the insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief; however, we will afford defense to the insured for such actions, "claim(s)," "suit(s)," or demands in which monetary damages are requested if not otherwise excluded.
- Arising out of the rendering of, or failure to render any medical services by any licensed medical personnel.
- For liability assumed by the insured under any contract or agreement. This exclusion does not apply to liability for damages:

City of Hays, KS

- For “personal injury” or “bodily injury” to:
 - An employee of the insured arising out of and in the course of employment by the insured;
 - An auxiliary law enforcement officer or volunteer law enforcement officer serving under the direction and control of the insured;
 - The spouse, child, parent, brother, or sister of that employee, or auxiliary volunteer law enforcement officer as a consequence of a. or b. above
- For “personal injury,” “bodily injury,” or “property damage” arising out of the ownership, maintenance, operation, use, “loading or unloading,” or entrustment to others of any:
- Arising out of “property damage” to:
 - Property which is owned by, rented by, loaned, to or occupied by any insured;
 - Premises which have been sold, given away, or abandoned by the insured if the “property damage” arises out of any part of those premises;
 - Property in the care, custody, and control of any insured.

Endorsements include, but are not limited to:

- Package First Coverage Form
- Liability Coverage Part

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Client Authorization to Bind Coverage

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Coverage: Automobile Liability
Carrier: Underwriters at Lloyd's, London
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Symbols | Deductible | Premium |
|-------------------------|--------------------------------------|---------|---------------|----------|
| Combined Single Limit | \$500,000 | 1 | None | \$39,110 |
| Medical Expense | \$5,000 | | Included | |
| Uninsured Motorist | \$50,000 | | | |
| Underinsured Motorist | \$50,000 | | | |
| Excess Hired | Included | | Included | |
| Nonowned Liability | Included | | Included | |
| Auto Physical Liability | | | | |
| Comprehensive | Actual Cash Value or Cost of Repair, | 7, 8 | \$1,000 | |
| Collision | whichever is less minus deductible | 7, 8 | \$1,000 | |
| Garagekeepers | | | | |
| Comprehensive | \$25,000 | | \$500/\$2,500 | |
| Collision | \$25,000 | | \$1,000 | |

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Fleet Coverage Endorsement adds coverage for commandeered autos, newly acquired organizations, blanket additional insured wording for insured contracts, waiver of subrogation, fellow employee, extended towing coverage, extended glass coverage, rental reimbursement, communication equipment, employee vehicle deductible reimbursement, blanket loss payable clause, medical payments, hired auto physical damage, and 120-day cancellation provision
- Replacement Cost coverage for Emergency Rescue Vehicles
- Emergency Response Provider Extension Endorsement includes extended debris removal and pollution cleanup, expected or intended injury exception for damage resulting from protecting persons or property, fellow employee coverage, nonowned vehicle deductible reimbursement, additionally acquired emergency units and equipment, recertification expense, hired and substitute emergency unit physical damage, rental reimbursement, and extended towing

Statement of Defense Costs:

- In addition to Policy Limit, and if so:
 - Limited

Insuring Agreement

- Pay on Behalf

Exclusions include, but are not limited to:

- Expected or Intended Injury
- Contractual
- Workers Compensation
- Employee Indemnification and Employers Liability
- Fellow Employee
- Care, Custody, or Control
- Handling of Property
- Movement of Property by Mechanical Device
- Operations
- Completed Operations
- Pollution
- War
- Racing

Endorsements include, but are not limited to:

- Package First Coverage Form
- Deductible Liability
- Medical Payments
- Freezing Coverage – Fire and Other Emergency Vehicles

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Uninsured/Underinsured Motorist selection/rejection form must be received by Underwriters prior to inception date
- Underwriters at Lloyd's, London requires that the City of Hays perform MVR reviews annually on all drivers and prior to hiring new drivers
- Signed Client Authorization to Bind Coverage

Description of Covered Auto Designation Symbols

| Symbol | Description of Covered Auto Designation Symbols | |
|--------|---|---|
| 1 | Any "Auto" | |
| 7 | Specifically Described "Autos" | Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability coverage any "trailers" you don't own while attached to any power unit described in Item Three). |
| 8 | Hired "Autos" Only | Only those "autos" you lease, hire, rent, or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees," partners (if you are a partnership), members (if you are a limited liability company), or members of their households. |

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Coverage: Umbrella or Excess Liability
Carrier: Underwriters at Lloyd's, London
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Retention | Premium |
|------------------|-------------|-----------|---------|
| Each Occurrence | \$1,000,000 | \$10,000 | \$8,039 |
| Annual Aggregate | \$1,000,000 | | |

* Premium does not include Terrorism premium of \$201.

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Coverage A is follow form excess over underlying liability coverages
- Coverage B is Umbrella Liability with a \$10,000 retained limit
- Typically extends over all underlying liability coverages quoted
- Separate Aggregate Protection, commonly known as "SILO Aggregate," as respects to Coverage A only, applies the aggregate separately to each underlying coverage shown on the Umbrella declarations

Statement of Defense Costs:

- In addition to Policy Limit, and if so:
 - Limited

Insuring Agreement:

- Indemnity

Exclusions include, but are not limited to:

- Alcoholic Beverages
- Automobile First Party Coverage
- Employers Liability
- Nuclear Liability
- Owned Property and Damage to "Your Products" or "Your Work"
- Product Recall
- Pollution Liability
- War
- Watercraft

Endorsements include, but are not limited to:

- Package First Coverage Form
- Liability Coverage Part

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Client Authorization to Bind Coverage

Claims-Made – Claim Definition and Claim Reporting Provisions:

- Refer to the underlying coverages for the claims definition

Notification of Injury, Damage, or Claim:

- Notification of injury, damage or claim must be in accordance with F. Duties in the Event of Occurrence, Claim, or “Suit” as stated in SECTION V – CONDITIONS of this policy
- Any “insured’s” failure to comply with any of the Duties in the Event of Occurrence, Claim, or “Suit” will void any Extended Reporting Period coverage under this policy and we will promptly refund any additional premium you paid for the Extended Reporting Period coverage

Extended Reporting Period Criteria:

- Refer to the underlying coverages for the Extended Reporting Period Criteria
- We will determine the additional premium for the Supplemental Extended Reporting Period in accordance with our rates
- The Supplemental Extended Reporting Period Endorsement will set forth the terms, not inconsistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded is excess over any other insurance available under policies in force after the Supplemental Extended Reporting Period starts
- How Extended Reporting Periods Apply:
 - Extended Reporting Periods apply ONLY to claims for injury or damage which occur before the end of the “Policy Period” but NOT before the Retroactive Date shown in the Declarations
 - Extended Reporting Periods do NOT:
 - ◆ Extend the “Policy Period” or change the scope of coverage provided
 - ◆ Reinstate or increase the Limits of Liability applicable to any claim to which this insurance applies, except as described in subparagraph 3 of SECTION I – INSURING AGREEMENTS, C
 - Extended Reporting Periods may NOT be cancelled once in effect

Boiler & Machinery

- **Hartford Steam Boiler Inspection and Insurance Company**

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

HSB

Coverage: Boiler & Machinery
Carrier: Hartford Steam Boiler Inspection and Insurance Company
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Deductible | Premium* |
|--------------------|--------------|------------|----------|
| Boiler & Machinery | \$50,000,000 | \$1,000 | \$4,446 |

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

| Limit | |
|--------------------------------|--------------|
| • Property Damage | \$50,000,000 |
| • Business Income | Included |
| • Extra Expense | Included |
| • Service Interruption | Included |
| • Contingent Business Income | \$2,500,000 |
| • Off Premises Property Damage | \$2,500,000 |
| • Perishable Goods | Included |
| • Data Restoration | \$2,500,000 |
| • Demolition | \$2,500,000 |
| • Ordinance or Law | \$2,500,000 |
| • Expediting Expenses | Included |
| • Hazardous Substances | \$2,500,000 |
| • Newly Acquired Locations | Included |
| • Green | \$25,000 |
| • Mold | \$25,000 |

Other Conditions:

- Newly Acquired Locations: 365 Days
- Notice of Cancel other than nonpayment: 90 Days
- Omnibus Location Wording
- The words “on the same site” are deleted from Valuation a.(2).
- Extended Period of Restoration: 365 Days
- Interruption of Service Waiting Period: 4 Hours
- Miscellaneous Unnamed Locations Limit: \$1,000,000 (Applies to locations you own or lease that are not listed on the Schedule of Locations)

Exclusions include, but are not limited to:

- Earth Movement
- Nuclear Hazard
- War or Military Action
- Fungus, Wet Rot and Dry Rot

City of Hays, KS

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Authorization to Bind

Note:

- The above is only a summary of the major exclusions in this policy. Please review the actual policy for a complete listing of exclusions.

Crime

- **Hanover Insurance Group**

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Hanover

Coverage: Crime
Carrier: Hanover Insurance Group
Form Type: Discovery
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Deductible | Premium* |
|--|-----------|------------|----------|
| Employee Theft – Per Loss ⁽¹⁾ | \$500,000 | \$2,500 | \$1,840 |
| Forgery or Alteration | \$100,000 | \$1,000 | Included |
| Inside the Premises – Theft Money and Securities | \$100,000 | \$1,000 | Included |
| Inside the Premises – Robbery or Safe Burglary of Other Property | \$100,000 | \$1,000 | Included |
| Outside the Premises | \$100,000 | \$1,000 | Included |
| Computer Fraud | \$100,000 | \$1,000 | Included |
| Funds Transfer Fraud | \$100,000 | \$1,000 | Included |
| Money Orders and Counterfeit Paper Currency | \$10,000 | \$250 | Included |

* Option II: Agreement 1 at \$100,000 limit with \$1,000 deductible for \$1,505 per year.

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Government Crime

Exclusions include, but are not limited to:

- Confidential Information
- Government Action
- Indirect Loss
- Legal Fees, Costs and Expenses
- Nuclear Hazard
- Pollution
- War and Military Action

Endorsements include, but are not limited to:

- Add Faithful Performance of Duty
- Endorsement A – Delete Employee Exclusion
- Illinois Changes
- Include Treasurer or Tax Collector

⁽¹⁾ This coverage limit includes all employees, including those needing to be bonded by law unless City ordinances require separate named bonds.

City of Hays, KS

Premium Terms:

- Minimum Premium: N/A
- Minimum Earned, Annual and Minimum Deposit: N/A

Conditions of the Quote, Coverages, or Binding:

- Signed Authorization to Bind Coverage
- Completed and Signed Application within 30 days of binding

Cyber Liability

- National Union Fire Insurance Company of Pittsburgh, PA

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Option 1

Coverage: Cyber Liability
Carrier: National Union Fire Insurance Company of Pittsburgh, PA
Form #: Claims-Made and Reported Security /Privacy and Media Liability
Form Type: Discovery – Event Management
 Occurrence Cyber Extortion
Retroactive Date: July 1, 2009
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Retention | Premium* |
|--|---|----------------------|----------|
| Limit of Liability | \$2,000,000 | \$25,000 | \$14,852 |
| Regulatory Action Sublimit of Liability | \$250,000 | \$25,000 | Included |
| Event Management/Electronic Data Sublimits | Electronic Data – \$500,000 Event Response – \$100,000 | \$25,000 \$25,000 | Included |
| PCI-DSS Assessment | \$250,000 | \$25,000 | Included |
| Reputation Guard | \$100,000 | \$0 | Included |
| Cyber Extortion | Policy limit | \$25,000 | Included |

* \$2,000,000 limit is available for \$20,976. Premium is subject to Surplus Lines Taxes and Fees. See Bindable Quote and Compensation Disclosures Schedule.

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Coverages include, but are not limited to:

- Punitive Damages are included where insurable by law

Statement of Defense Costs:

- Within Policy Limit (expenses erode policy limit)

Exclusions include, but are not limited to:

- Fraudulent or Criminal Acts, Errors, or Omissions of the Insured Organization (with final adjudication)
- Bodily Injury/Property Damage
- Patent Infringement

Endorsements include, but are not limited to:

- Notice of Claim (reporting by e-mail)
- Notice of Claim Provision Amendatory Endorsement (60-day post policy reporting period)
- Wrongful Act Definition Amendatory Endorsement
- Cyber Edge Risk Tool Endorsement
- Per Person Privacy Event Coverage Endorsement
- Fines and Penalties Coverage Endorsement
- Economic Sanctions Endorsement
- Choice of Panel Counsel Endorsement
- Confidential Information Definition Amendatory Endorsement
- Criminal Reward Coverage Extension
- PCI Compliance Exclusion Endorsement – May be removed upon confirmation of PCI compliance
- Retention Amendatory Endorsement

Premium Terms:

- Minimum Premium: N/A, including
- Minimum Earned, Annual and Minimum Deposit: N/A – Except with Change of Control or purchase of ERP

Conditions of the Quote, Coverages, or Binding:

- Signed Client Authorization to Bind

Claims-Made – Claim Definition and Claim Reporting Provisions:

- Refer to the **attached** policy form for the definition of a claim and incident or claim reporting provisions

Extended Reporting Period Criteria:

- Refer to the attached policy form for the Extended Reporting Period Criteria.

Airport Liability

- **Old Republic Insurance Company**

Coverage Highlights/Summary of Terms & Conditions of Recommended Carrier Quotations

Old Republic

Name Insured: City of Hays, KS
Coverage: Airport Liability
Carrier: Old Republic Insurance Company
Form Type: Per Occurrence
Effective: July 1, 2015 to July 1, 2016

| Coverage | Limit | Retention | Premium* |
|---|-------------|-----------|----------|
| Each Occurrence Limit | \$1,000,000 | \$0 | \$2,633 |
| Products Completed Operations Aggregate Limit | \$1,000,000 | \$0 | Included |
| Personal and Advertising Injury Aggregate Limit | \$1,000,000 | \$0 | Included |
| Malpractice Aggregate Limit | \$1,000,000 | \$0 | Included |
| Fire Damage Limit Any One Fire | \$100,000 | \$0 | Included |
| Medical Expense Limit Any One Person | \$3,000 | \$0 | Included |
| Medical Expense Limit Any One Occurrence | \$15,000 | \$0 | Included |
| Hangarkeepers Limit – Any One Aircraft | \$1,000,000 | \$0 | Included |
| Hangarkeepers Limit – Any One Occurrence | \$1,000,000 | \$0 | Included |
| Nonowned Aircraft Liability | Not Covered | \$0 | Included |
| Hangarkeepers Deductible | | | Included |
| Any One Aircraft | \$1,000 | \$0 | Included |
| Any One Occurrence | \$1,000 | \$0 | Included |

* Premium does not include TRIA premium of \$263. Premium may be subject to Surplus Lines Taxes. See Bindable Quote and Compensation Disclosure Schedule.

The following is a general summary of the Insuring Agreement. Actual policy form should be sought for complete terms and conditions.

Airport Location:

- Hays Regional Airport – Hays, KS

Coverages include, but are not limited to:

- Products Completed Operations – Annual Aggregate Limit
- Personal Injury and Advertising Injury – Annual Aggregate Limit
- Malpractice – Annual Aggregate Limit
- Extended Coverage – War, Hijacking, and Other Perils – Annual Aggregate Limit
- Fire Damage Limit – Any One Fire
- Hangarkeepers

Exclusions include, but are not limited to:

- Unintentional Discrimination
- Parachuting Operations
- Noise and Pollution
- War, Hijacking, Terrorism

- TRIA
- Radioactive Contamination
- Date Recognition
- Contractual Liability
- Air Meet, Contest or Exhibition
- Control Tower
- Workers Compensation/Employers Liability
- Bleachers, Grandstands

Endorsements include, but are not limited to:

- Airport Limited Enhancement Coverage Endorsements
- Volunteers Endorsement
- Trade or Economic Sanctions
- War Perils

Premium Terms:

- Premium is Fully Earned

Special Provisions:

- 90-day Notice of Cancellation – 10-day Notice for Nonpayment of Premium
- Defense is in Addition to “Each Occurrence” Limit
- Policy is not Subject to Audit

Conditions of the Quote, Coverages, or Binding:

- Terrorism Election Form for Completion Signature

Coverages for Consideration

- Coverages are highlighted here to review available coverages which you should consider. These coverages are included in the coverage section of this proposal only if quoted and highlighted as covered.
 - A proposal for any of the coverages can be provided.
 - The recommendations and considerations summarized in this section are not intended to identify all exposures.
 - If Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.
-
- Obtain certified appraisals for all buildings owned by the city to determine adequate valuations at replacement cost.

Premiums/Fees Comparison: Expiring to Recommended Carriers

| Line of Coverage | 2014-2015 Expiring Program | 2015-2016 Renewal Program | Change |
|---------------------------|-------------------------------|------------------------------|--------|
| 1. Public Entity Package | \$164,712 | \$163,252 | -0.9% |
| 2. Airport Liability | 3,845 | 2,633 | -31.5% |
| 3. Cyber Liability | 14,852 | 14,852 | 0.0% |
| 4. Crime | 1,840 | 1,840 | 0.0% |
| 5. Equipment Breakdown | 4,412 | 4,446 | 0.8% |
| 6. Brokerage Fee | 20,000 | 20,000 | 0.0% |
| 7. Total Expiring Premium | \$209,661 | | |
| 8. Total Renewal Premium | | \$207,023 | -1.3% |

| Statement of Values | Expiring Values | Renewal Values | Change |
|---------------------|-----------------|----------------|--------|
| 1. Property Values | \$45,953,930 | \$46,001,737 | 0.1% |
| 2. Equipment Values | \$3,295,034 | \$3,193,981 | -3.1% |
| 3. Number of Autos | 157 | 148 | -5.7% |

Note: Surplus Lines Taxes, if applicable, are included in the “Bindable Quote and Compensation” pages. These taxes are in addition to the above fees.

Carrier Payment Plan

Premiums for the policies are due and payable as billed, in full or as insurance company installments.

| Carrier | Payment Schedule |
|----------------------|--------------------------|
| All Coverages Quoted | Annual, due at inception |

Bindable Quotations and Compensation Disclosure Schedule

For the coverage options you choose to have us bind, premiums are due and payable as billed, in full or as insurance company installments. Premiums may be financed, subject to acceptance by an approved finance company. Note: Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.

| Carrier Name and Coverage | (1) Est. Annual Premium | Fee Income, if applicable | (2) Comm. % | Wholesaler MGA or Intermediary | | | |
|---|----------------------------|---------------------------|----------------|--|--|---------------------------|-------------|
| | | | | (3) Name | (4) Broker % (Insert **** if applicable) | AJG- Owned Yes/No | |
| Package (Casualty Lines) | | | | | | | |
| Certain Underwriters at Lloyd's, London | \$163,252 | N/A | 0% | N/A | N/A | | |
| Boiler & Machinery | | | | | | | |
| Hartford Steam Boiler Inspection & Insurance Company | \$4,446 | N/A | 0% | Risk Placement Services, Inc. | 10.00% | Yes | |
| Airport Liability | | | | | | | |
| Old Republic Insurance Company | \$2,633 | N/A | 0% | AJG Bonds | 15.00% | Yes | |
| Crime | | | | | | | |
| Hanover Insurance Company | \$1,840 | N/A | 0% | AJG Bonds | 20.00% | Yes | |
| Cyber Liability | | | | | | | |
| National Union Fire Insurance Company of Pittsburgh, PA – Option I | \$14,852 | N/A | 0% | Gallagher Cyber Risks and Professional Liability Group | 7.75% | Yes | |
| National Union Fire Insurance Company of Pittsburgh, PA – Option II | \$20,976 | N/A | 0% | Gallagher Cyber Risks and Professional Liability Group | 7.75% | Yes | |
| Brokerage Fee | | | | | | | |
| Arthur J. Gallagher Risk Management Services, Inc. | | \$20,000 | N/A | N/A | N/A | | |
| Surplus Lines Taxes/Fees | | | | | | | |
| Non-Admitted Carriers | | | | State | Tax % | Actual Tax Dollars | Fees |
| N/A | | | | | | | |

See next page for all applicable disclaimers.

Please note: The asterisks below are only applicable if triggered in the Bindable Quotations and Compensation Disclosure Schedule.

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the [Compensation Disclosure](#) or contact your Gallagher representative for additional information.

1. * **If the premium is shown as an indication:** The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
 - ** A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
2. Commission rate is a % of annual premium, excluding fees and taxes.
 - *** Gallagher is receiving commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
3. We were able to obtain more advantageous terms and conditions for you through an intermediary/wholesaler.
4. **** The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

Gallagher Disclosures

Proposal Disclaimer

The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including Commercial Automobile, Burglary and Theft insurance, Surety insurance, Farmowners Multiple Perils, and Professional Liability (although Directors & Officers Liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate Terrorism policy. Please note that a separate Terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" Terrorism policy be purchased to satisfy those obligations.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, "We are an Open Society," and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher Companies occasionally receive both commissions and fees.

2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as "supplemental commissions" are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. **Note:** Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.
3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.
4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client's account, the facility may have earned and retained customary brokerage commission or fees for its work.
5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value-added service.
6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.
7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order to achieve these goals, we gather and analyze data about our customers and their insurance coverage. This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

Questions/Concerns

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

Compliance Officer
Arthur J. Gallagher & Co.
Two Pierce Place, 20th Floor
Itasca, IL 60143

Additional Changes and Developments to Your Program/Business/Operations

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your risk management program. The types of changes that concern us include, but are not limited to, those listed below:

1. Any newly assumed contractual liability, granting of indemnities, hold harmless agreements, or waivers of subrogation.
2. Circumstances which may require increased liability insurance limits.
3. Any changes in fire or theft protection, such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to same.
4. Immediate advice of any changes to scheduled equipment such as contractors' equipment, electronic data processing, etc.
5. Property of yours that is in transit, unless we have previously arranged for the insurance.
6. Any changes in existing premises, including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed, or occupied.



Client Signature Requirements



Arthur J. Gallagher & Co.

Client Authorization to Bind Coverage

After careful consideration of Gallagher’s proposal dated June 2, 2015, the City of Hays, KS accepts the following coverage(s).

Please check the desired coverage(s).

| | | Line of Coverage | Carrier |
|---------------------------------|---------------------------------|----------------------------------|---|
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Package (Property and Liability) | Certain Underwriters Lloyd’s, London |
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Crime | Hanover Insurance Company |
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Boiler & Machinery | Hartford Steam Boiler Inspection & Insurance Company |
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Cyber Liability – \$1,000,000 | National Union Fire Insurance Company of Pittsburgh, PA |
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Cyber Liability – \$2,000,000 | National Union Fire Insurance Company of Pittsburgh, PA |
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Airport Liability | Old Republic Insurance Company |

| TRIA/Terrorism Coverage | Line of Coverage | Carrier |
|---------------------------------|---------------------------------|--|
| <input type="checkbox"/> Accept | <input type="checkbox"/> Reject | Bind TRIA Terrorism Coverage Act as quoted |

| Provide Quotations or Additional Information on the Following Coverage Considerations | | |
|---|-----------------------------|---------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | Line of Coverage Description |

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages. The City of Hays, KS confirms the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

Client Signature

Dated

Gallagher Compensation Agreement

THIS COMPENSATION AGREEMENT is made and entered into and effective the 1st day of July, 2015 (“Effective Date”) by and between CITY OF HAYS, KS, a Kansas City municipality (“Client”), and ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., an Illinois corporation (“Gallagher”).

I. TERM AND TERMINATION

This Agreement shall commence on the Effective Date for a term of one (1) year and shall automatically renew on the first anniversary of the Effective Date and annually thereafter for additional five- (5) year terms but may be terminated by either party at any time upon one hundred twenty (120) days prior written notice.

II. OBLIGATIONS OF GALLAGHER

Gallagher will provide the services set out on Exhibit A attached hereto (collectively, the “Services”) to Client. If the Services include the placement of insurance coverages, Gallagher will use its commercial best efforts to secure such insurance coverages on Client’s behalf. In the event an insurance company cancels or refuses to place such insurance coverages, Gallagher will use its commercial best efforts to obtain the coverage from another insurance company.

III. OBLIGATIONS OF CLIENT

Client shall remunerate Gallagher its usual and customary brokerage commission for the Services. In addition to or in lieu of commission, Client shall pay Gallagher an annual fee of \$20,000 for the Services, which such fee may be revised at the time of renewal of this Agreement by the execution of an amendment to this Agreement signed by the parties hereto. If work is required to be performed in addition to the Services, Client agrees to compensate Gallagher for such additional work at its usual and customary rates. So long as the terms and conditions of the Services are substantially similar and Gallagher’s performance is acceptable, in subsequent years the annual fee shall be increased 0% over the prior year, and shall be payable and earned as provided herein.

IV. DISCLOSURES

A. In addition to such fees and commissions provided herein, Gallagher may also receive investment income on fiduciary funds temporarily held by it, such as premiums or return premiums. Other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers, captive managers and similar parties, some of which may be owned in whole or in part by Gallagher’s corporate parent, may earn and retain usual and customary commissions and fees in the course of providing insurance products to clients. Gallagher may also participate in contingent and supplemental commission arrangements with insurance companies. Contingent commission arrangements provide for additional contingent compensation if underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. Supplemental commissions, unlike contingents, are known at the effective date of the policy, but are typically paid later and apart from when usual and customary commission is paid. Any such fees or commission will not constitute compensation to Gallagher under Section III. above.

City of Hays, KS

- B. Gallagher's fees under this Agreement shall be earned on the Effective Date (and any renewal thereof), and payable on invoicing. Client is responsible for payment of premiums for all insurance placed by Gallagher on its behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement, at its option, without notice to Client. In addition, and not in lieu of the right to terminate, Gallagher reserves the right to apply return premiums or any other payment up to \$5,000 received by Gallagher on Client's behalf to any amounts owed by Client to Gallagher unless such return premiums or other payments are disputed by Client.
- C. Where applicable, insurance coverage placements which Gallagher makes on Client's behalf, may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees, to the Internal Revenue Service (federal), various state(s) departments of revenue, state regulators, boards or associations. In such cases, Client is responsible for the payment of such taxes and/or fees, which will be identified separately by Gallagher on invoices covering these placements. Under no circumstances will these taxes or other related fees or charges be offset against the amount of Gallagher's brokerage fees or commissions referred to herein.
- D. Gallagher will not be operating in a fiduciary capacity, but only as Client's broker, obtaining a variety of coverage terms and conditions to protect the risks of Client's enterprise. Gallagher will seek to bind those coverages based upon Client's authorization, however, Gallagher can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact Gallagher with questions on these or any other issues of concern.

V. LIMITATION OF LIABILITY

Gallagher's liability to Client, arising from any negligent acts or omissions of Gallagher, whether related to the Services provided hereunder or not, shall not exceed \$20 million in the aggregate. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

| | |
|---|------------------|
| IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above. | |
| ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC. | CITY OF HAYS, KS |
| By: _____ | By: _____ |
| Name: _____ | Name: _____ |
| Title: _____ | Title: _____ |

Exhibit A

Services

Perform risk management services, which Client may from time to time need or require. The services include:

Arthur J. Gallagher & Co. receives from the City of Hays an annual fee for providing brokerage and administrative services.

The services that Arthur J. Gallagher & Co. will provide the City of Hays include, but are not limited to the following:

- Provide information regarding insurance markets from the standpoint of cost, service, coverage, and security.
- Keep client informed of changes in insurance market conditions that may affect the insurance program.
- Coordinate and develop renewal information with client.
- Assist in the preparation of materials, specifications, and underwriting data required by insurers.
- Market required insurance coverages.
- Prepare and present a formal annual renewal presentation to the client.
- Place coverage as instructed by client.
- Review the accuracy and adequacy of all policies, policy endorsements, and invoices prior to delivery.
- Assist the client in the design of policy form as needed.
- Issue binders, certificates of insurance, and other coverage verification documents as required.
- Assist staff in identifying and monitoring loss exposures including two loss prevention seminars.
- Present policy coverage questions to underwriters.
- Assist in obtaining settlements from insurers for losses that penetrate excess insurance layers.
- Act as liaison with insurance companies and any Claim Administrators.
- Be available to answer day-to-day questions from staff personnel.
- Attend client meetings when requested.

Claims Reporting Instructions

For all of your coverages within this proposal, unless otherwise noted:

- Immediately report any incident, claim, or suit to:

For Property, Inland Marine, General Liability, Automobile Liability and Physical Damage, Public Officials Liability, and Law Enforcement claims report to:

TPA or Carrier Name: Underwriters at Lloyd's London
By Fax: 1 (800) 748-6159
By E-mail: www.risxfacs.com

For Airport Liability claims report to:

TPA or Carrier Name: Arthur J. Gallagher Risk Management Services, Inc.
By Mail – Address: 6399 South Fiddlers Green Circle, Suite 200
Greenwood Village, CO 80111
By Phone: (303) 889-2592

For Crime claims report to:

TPA or Carrier Name: Hanover Insurance Company
By Mail – Address: 440 Lincoln Street
Worcester, MA 01653
By Phone: (630) 760-3005
By Email: khilligoss@hanover.com

For Cyber claims report to:

TPA or Carrier Name: National Union Fire Insurance Co. of Pittsburgh, PA
By Mail – Address: AIG Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225
By Phone: (888) 602-5246
By Email: c-claim@ajg.com

- If notice of incident, claim, or suit is received, refer to the policy conditions clause “Duties in the event of.”

Commission Work Session Agenda

Memo

From: Kim Rupp, Director of Finance

Work Session: June 18, 2015

Subject: Set Public Meeting Date for Wastewater Facility Plan Discussion to Meet SRF Terms and Conditions

Person(s) Responsible: Kim Rupp, Director of Finance
Stan Christopher, HDR

Summary

One of the first requirements in applying for a State Revolving Loan (SRF) is to hold a public meeting to communicate to the public the purpose of the Wastewater Facility Plan. The City Commission will be asked to set a public meeting date of July 16, 2015. City staff recommends the Commission set the public meeting date.

Background

Planning is in motion for the upgrade and reconstruction of the Wastewater Facility. Preliminary estimates indicate the total cost to be \$28,000,000. The Kansas State Revolving Loan Fund is the most cost effective option to fund this project. Given that fund includes federal dollars, there are many requirements to be met to file an application for the SRF. Stan Christopher with HDR, our Owner Representative on this project, will be here to make a presentation on the project plan.

Discussion

The public meeting on July 16, 2015 will be held to communicate to the public the purpose of the Wastewater Facility Plan. It will include a discussion of the new proposed effluent limits, the evaluation of treatment alternatives, the costs to construct the proposed alternatives, the costs to operate the facilities, and the anticipated impacts on the sewer user rates. It will also discuss the environmental impacts of the proposed project. The public attending the meeting will be given the opportunity to provide comments and ask questions related to the project. Minutes of the meeting and the interaction with the public will be completed.

Legal Consideration

There are no known legal obstacles to proceeding as staff has recommended.

Financial Consideration

This is a requirement of the SRF application therefore to even apply for the loan to fund the \$28,000,000 project it is necessary to conduct this public meeting. There will be

discussion at this meeting about the costs of the upgrades, future operational costs, and what impacts that will have on user charges.

Options

The City Commission has the following options:

- Set public meeting date of July 16, 2015
- Provide further direction to staff

Recommendation

Staff recommends that the City Commission set a public meeting date of July 16, 2015 to communicate to the public the purpose of the Wastewater Facility Plan.

Action Requested

Set a public meeting date of July 16, 2015 to communicate to the public the purpose of the Wastewater Facility Plan.

Supporting Documentation

NA