

**MINUTES  
ALTA TOWN COUNCIL MEETING  
THURSDAY  
JUNE 24, 2010  
8:30 AM  
ALTA COMMUNITY CENTER  
ALTA, UTAH**

- 1) The Mayor called the meeting to order. All members of the Town Council were present for this meeting.
- 2) Discussion with possible action on the awarding of the Town Insurance bid for the period July 1, 2010- June 30, 2011.

The Mayor explained that at the last Town Council meeting, the Town Council considered moving the Town insurance from Travelers to the Utah Local Governments Trust (the “Trust”). There were some questions brought up and the Council requested that Josh McKell from the Trust come back today with some answers to those questions.

**There was a motion by Paul Moxley to open the floor to discussion on the Town Insurance bid. There was a second by Dave Richards. .**

The Mayor opined that the Town should move to the Trust for their insurance coverage but only if the Town Council’s questions are answered satisfactorily regarding the coverage comparison.

Steve Gilman commented that if we go with the Trust it will be a \$6,000 savings to the Town this year alone. Most of the savings are in the non-commissioned aspect of the Trust operation.

Paul Moxley asked that if we include the cost of the tail coverage, would be the same as the cost quoted by Travelers. He also asked if the coverage with the Trust is as good as the coverage with Travelers.

The Mayor felt that there still would be a saving if we went with the Trust.

Josh McKell and Golden Thomas from the Trust opined that the Trust policy is far broader than the policy with Travelers. Mr. Thomas gave some examples to the Town Council. He went on to explain that the limit of coverage, which is \$3 million on the Trust policy, applies to all lines of coverage including auto, property, and liability.

The Mayor asked for the price of the “tail” coverage if the Trust wrote that policy. For the record the Trust calls this coverage a “nose”. Josh explained that the annual cost for nose coverage to the Town would be approximately \$2,000.

Cliff asked if the cost of the nose coverage would go down each year. Josh opined that it generally does not go down from year to year.

There was some discussion on the statute of limitations on certain claims. It depends on the claim.

Josh also explained that through the Trust, the Town could buy “nose” coverage year after year. Through Travelers the Town would only be able to buy that type of coverage for one year.

Cliff asked Josh McKell if there has been a definitive analysis between the Travelers coverage and the Trust coverage.

Mr. Thomas, after comparing the Travelers policy to the Trust policy, opined there was nothing that provided him any concern. The Travelers policy is a standard policy and the only item that came to his attention that the Trust had never addressed was the avalanche coverage. The Travelers policy does have more exclusions than the Trust policy.

Paul had some additional questions on whether or not the Trust would have covered the claim(s) made by the Shrontz Estate. Josh opined that the Trust would have had to do a thorough review of the claims before they could truly offer an opinion on that matter. Mr. Thomas opined, though, that there have been several instances where the Trust has covered the attorney’s fees even though there might have been a question as to whether or not they were ultimately going to cover the liability.

Paul followed through by stating that this is where the reservation of rights letter comes in from an insurance carrier.

Steve asked why the Town had not gone with the Trust in the past. John Guldner explained that the Town had looked at and received bids from the Trust in the past but at that time the Trust did not have as big a pool backing them up and they did not have a long track record. Also, the Town, at that time, had just come out of the Sugarplum lawsuit.

Cliff wanted to make sure that the Trust was covering any property or liability damage that results from an avalanche. Even though the Town is not responsible for any type of avalanche control in the canyon or in the Town, we would probably be brought into a claim if something happens. Mr. Thomas tried to assure the Council that the Town would be covered for any claims that arose resulting from avalanche control work.

Dave Richards asked if the Town would have to buy “nose” coverage in future years to protect ourselves from a claim that is filed as a result of action taken in the past years. Golden commented that the Town could buy “nose” coverage for the next few years but most municipalities only buy it for two to three years.

Golden also explained that if for some reason the Town moves from the Trust in the next couple of years, the Town would not have to buy “nose” coverage because the Trust policy is on an occurrence policy and not a claims made policy.

Dave Richards stated that as it relates to avalanches and coverage for our buildings, avalanche is not an exclusion so, implicitly, coverage like this is an inclusion. In the Trust policy, earthquake and flood are named as being covered. Dave asked if it were possible to put avalanche in the list of events that are covered. Golden will look into that for the Town.

The Mayor closed discussion on this matter.

**Dave Richards made a motion to award the Town’s property and casualty insurance and “nose” coverage for a total of \$41,200 to the Utah Local Governments Trust for the 2010/2011 policy year. There was a second by Cliff Curry. The Mayor called for a vote on the motion. The vote was unanimous with all members of the Town Council present and voting in favor of the motion. The motion was carried.**

**There was a motion by Paul Moxley to adjourn the meeting. There was a second by Steve Gilman and the motion was carried.**

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

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Katherine S.W. Black  
Town Clerk