



**Northwest Fire District
Governing Board**
13535 North Marana Main Street
Marana, Arizona

SCHEDULED

MEMORANDUM NO. {{item.tracking_number}}

Date:	April 23, 2024
To:	Governing Board
From:	Raymond Thibault, Procurement & Contract Specialist Kim Sotomayor, Director
Division:	Human Resource Services
Type of Action:	Formal Action/Motion
Strategic Plan Goals:	Support and reinforce the critical functions of personnel related services
Agenda Item:	Approval of the Second Amendment to the Participation Agreement with Securis Insurance Pool, Inc. to Provide Workers' Compensation and Employer's Liability Insurance

RECOMMENDATION:

Staff recommends approval of the Second Amendment to the Participation Agreement with Securis Insurance Pool, Inc. to provide workers' compensation and employer's liability insurance.

MOTION:

Move to approve the Second Amendment to the Participation Agreement with Securis Insurance Pool, Inc. to provide workers' compensation and employer's liability insurance.

DISCUSSION:

On March 26, 2024, the Securis Insurance Pool, Inc. Board voted to amend Section 4.3 of the Participation Agreement. The amendment changes the new member capitalization period from four years to six years, and is also redlined in the attached participation document:

4. Capitalization. Each Member joining the Pool shall contribute to the initial capitalization ("Capitalization") of the Pool as follows:

1. Capitalization Cost. The Member will pay sixty percent (60%) of the Member's initial annual contribution as defined in Section 9 for the Member's first year in the Pool.

2. Less than a Full Year Term. Should a Member's initial term of membership in the Pool be less than a full year, the Member's initial contribution will be annualized for purposes of determining Capitalization.

3. Payment(s). Capitalization payments will be made payable in equal annual installments over a six (6) year period. Member may choose to prepay its Capitalization.

All other sections of the agreement remain unchanged.

The Securis Board believes the capitalization requirement is essential for new members to gain ownership in the pool. However, with the pool entering its fifth year and achieving greater financial strength each year, the Board found it appropriate to update the term of the capitalization requirement to allow potential new members a longer period to pay the capitalization costs. This will help with the recruitment of new members to the pool.

ALTERNATIVES:

None recommended.

Fiscal Impact

FISCAL YEAR: 23/24

BUDGETED Y/N: N/A

AMOUNT REQUESTED: N/A

FISCAL IMPACT: The budget for this service is included in the FY23/24 adopted budget.

Attachments

Second Amendment to the Participation Agreement with Securis Insurance Pool, Inc.