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COUNTY DEPARTMENT AGENDA REQUEST

Department/Division: Finance

Department Head: Mary S. Holland

Presenter, if needed: Ted Burgess

Preferred Meeting Date: Wednesday, December 3, 2008

Wording for the Agenda:

Approval of a recommendation by the Finance Department to purchase an umbrella liability insurance policy to comply with provisions of agreements whereby the County leases space on communications towers.

Background/History/Details:

As part of the county's emergency communications system, the county has agreements with other entities to use space on six communications towers, in addition to the one owned by the county. One of the towers belongs to Peachtree City. The other five belong to private corporations. Lease agreements with the corporations require the county to carry up to $5,000,000 of the general liability insurance. Travelers has quoted a price of $16,225 for an umbrella policy that would meet this requirement.

What action are you seeking from the Board of Commissioners?

Authorization to purchase the umbrella coverage, which will bring the county in compliance with insurance provisions of the lease agreements.

If this item requires funding, please describe:

Funding for this request is currently budgeted in the Insurance category.

Has this issue come before the Commissioners in the past? No

If so, when?

Do you need audio-visual for the presentation? No

Back-up Material Submitted? Yes

STAFF USE ONLY

Approved by Finance? Yes

Reviewed by Legal? Yes

Approved by Purchasing? Yes

Approved by Administrative Staff? Yes

Staff Notes

Administrator's Approval Yes

Confirmed Meeting Date Wednesday, December 3, 2008

- ○ Recognition/ Presentation
- ○ Public Hearing
- ○ Old Business
- ○ New Business
- ◉ Consent
- ○ Report
- ○ Other

Fayette County GEORGIA

Where Quality Is A Lifestyle

To: Mary S. Holland

From: Ted L. Burgess

Date: November 5, 2008

Subject: Umbrella Liability Policy for Leased Communications Towers

The county's emergency communications system uses seven towers, to which antennas and other communications equipment are attached. The "prime" tower is located at 116 Volunteer Way, and is owned by the county. There are six "remote" towers which are owned by other entities. One of the remote towers is owned by Peachtree City, and space on it is provided free of charge, with no formal, written contract. The county leases space on the other five towers, at little or no cost.

Although the tower owners provide virtually free space, the five leased from private businesses do require the county to carry general liability insurance to protect them against insurable risks. While there are some differences between the agreements, they require up to $5,000,000 of general liability insurance. The attached display contains specific information about the towers.

The county's current property and casualty insurance includes general liability insurance of up to $2,000,000 per occurrence, with a maximum annual aggregate of $2,000,000. To come into compliance with the lease agreements, the county needs to purchase additional umbrella coverage of $3,000,000. Travelers – the current insurance carrier – has quoted the county a price of $16,225 for an umbrella policy that would cover the six remote towers. The additional umbrella coverage would extend only to the leased towers at the quoted price. It would not extend to county-owned property, due to sovereign immunity considerations.

MSH/tlb
Attachment