

ORDINANCE NO. 4599

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, TO AMEND CHAPTER 2, ADMINISTRATION, SECTION 2-170 TO CHANGE THE DEDUCTIBLE AMOUNT PAID BY CITY DEPARTMENTS FOR ANY PROPERTY LOSS FROM \$1,000.00 TO AN AMOUNT SET BY A SCHEDULE THAT MAY BE MODIFIED ANNUALLY AS DETERMINED BY THE SAFETY AND RISK MANAGEMENT DIRECTOR IN CONSULTATION WITH THE CITY ATTORNEY AND CITY TREASURER.

WHEREAS, the City Council held a public hearing on June 27, 2023; and

WHEREAS, the Loss Trust Fund excludes from coverage the first one thousand dollars (\$1,000.00) of any property loss, such loss shall be paid by the separate departments within the city; and

WHEREAS, it is in the best interest of the City to allow the Safety and Risk Management Director, in consultation with the City Attorney and City Treasurer, to establish a schedule that may be modified annually to set the initial deductible of a property loss, such loss to be paid by the separate departments within the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. Section 2-170 of the Scottsdale Revised Code is hereby amended to read as follows:

Sec. 2-170. Loss trust fund.

- (a) A trust to be known as the "Declaration of Trust for City of Scottsdale, Arizona Self-Insured Loss Trust Fund" shall be established pursuant to Arizona Revised Statutes § 11-981 and maintained for payment of the risk management program's operating expenses, claims administration, defense services, losses, anticipated losses, and insurance premiums. Such trust shall not be used for any other purpose. The amount of money to be appropriated to the trust shall be based on:
 - (1) Loss experience.
 - (2) Workers' compensation and unemployment experience.
 - (3) Projected exposure to risk.
 - (4) Insurance premium costs, including costs for health, accident, life and disability.
 - (5) Risk management program operating expenses.
- (b) Unless approval for payment has been obtained from the trustees, the coverage provided by the trust shall not apply to loss, claims or defense and related costs or fees for the following:
 - (1) Arising from any expenditure for any purpose not specified in A.R.S. § 11-981.

- (2) Arising from any routine maintenance costs necessary for the reconstruction, repair, replacement, upgrading, or rebuilding of any city owned storage facility necessary for the storage of materials that may be considered as contaminants or pollutants.
 - (3) Arising from intentional and willful wrongful act(s) of an employee.
 - (4) For claims arising directly or indirectly out of any actual or alleged taking of property, condemnation, inverse condemnation, dedication, enforcement or interpretation of a land use, zoning or subdivision ordinance or regulation, for the regulatory approval or disapproval of any development or redevelopment project, and contract disputes except when the dispute involves insurance coverage.
 - (5) Claims for punitive damages arising out of the willful violation of a penal statute or ordinance.
 - (6) Claims arising out of acts of bad faith or fraud committed by or at the direction of an individual with affirmative dishonesty or actual intent to deceive or defraud.
 - (7) Claims which are covered by a valid insurance policy or which are deemed uninsurable under law.
 - (8) Claims for healthcare/dental services not covered in the city's plan design, provided, however, that the director and benefits manager may mutually agree to pay such individual claims as the circumstances may warrant.
 - (9) Any claim based upon a person gaining in fact any personal profit or advantage to which he was not legally entitled.
 - (10) Any claim when a service was allegedly rendered for compensation from a source other than the city and when the city is not liable.
 - (11) Inventory shrinkage and damages to city property that has customarily been repaired by city employees.
 - (12) ~~The first one thousand dollars (\$1,000.00)~~ initial deductible of any property loss as set by a schedule that may be modified annually as determined by the Safety and Risk Management Director in consultation with the City Attorney and City Treasurer, such loss shall be paid by the separate departments within the city.
 - (13) Lost wages not covered under the workers' compensation laws of the state or any other state.
- (c) An audit of the loss trust fund shall be performed annually by an external auditor and the report shall be kept on file for a minimum of five (5) years.

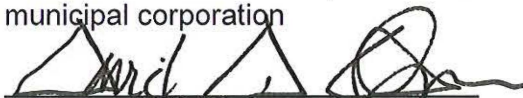
PASSED AND ADOPTED by the City Council of the City of Scottsdale, Maricopa County, Arizona this 27th day of June, 2023.

ATTEST:



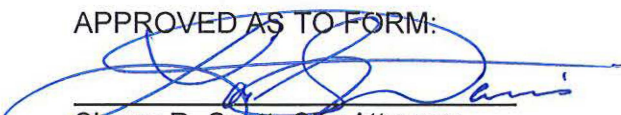
Ben Lane, City Clerk

CITY OF SCOTTSDALE, an Arizona
municipal corporation



David D. Ortega, Mayor

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney
By: Lori S. Davis, Deputy City Attorney