



CONSENT AGENDA ITEM NO. 8.J

FOR COUNCIL: March 22, 2021

SPONSOR: Public Works Department and Finance Department

WARD IMPACTED: City-Wide Impact

SUBJECT: Consideration and action on 1) a Resolution Recognizing the Ownership Change of ServLine from Sunbelt Insurance Group to HomeServe USA and Authorizing the City Manager to Approve a New Application to Take Advantage of ServLine's In-House Claim Management, and 2) an Ordinance Amending the City of Bloomington Water Leak Adjustment Policy, as requested by the Public Works Department and the Finance Department.

RECOMMENDED MOTION:

The proposed Resolution and Ordinance be approved.

STRATEGIC PLAN LINK:

- Goal 4. Strong Neighborhoods
- Goal 1. Financially Sound City Providing Quality Basic Services

STRATEGIC PLAN SIGNIFICANCE:

- Objective 4f. Residents increasingly sharing/taking responsibility for their homes and neighborhoods
- Objective 4e. Strong partnership with residents and neighborhood associations
- Objective 1d. City services delivered in the most cost-effective, efficient manner

BACKGROUND: Public Works is recommending approval of a resolution that recognizes a change in ownership of ServLine from Sunbelt Insurance Group to HomeServe USA and authorizing the City Manager to sign a new application, and/or related documents, for the same insurance to take advantage of changes in claim management; and an ordinance amending language in the City Code regarding the City of Bloomington Water Leak Adjustment Policy to reflect the ServLine's change in ownership.

The City considered and established formal Water Leak Protection, Private Water Line Protection, and Private Sewer Lateral Protection programs through ServLine, a subsidiary of Sunbelt Insurance Group, during the December 10, 2018, Council meeting with the programs being active on May 1, 2019. HomeServe USA purchased ServLine in December 2019. Since that time, ServLine staff has gained the ability to process claims, as well as administer the programs, and desires to move claims management in-house in lieu of relying upon the current underwriter to perform those duties. These desired changes require ServLine to change underwriters and therefore the City must reapply at this time or next spring for our current offerings to continue.

ServLine, a specialty insurance carrier, offers programs through the City of Bloomington covering Water and Sewer Leak Protection, Water Line Protection, and Sewer Lateral Protection. The leak protection program, an opt-out program, covers excess water charges, utility taxes, sewer charges, and BNWRD charges, up to \$500 per year, from potable water

leaks on qualifying residential accounts. The Water Line and Sewer Lateral programs cover repairs or necessary replacement of a cracked or broken water service line or sewer lateral. The Water Line and Sewer Lateral programs are opt-in programs that each cover up to \$10,000 of repair or replacement work. Please see the attached ServLine flier and following link for additional information -

<https://www.cityblm.org/government/departments/finance/utility-billing/servline>.

The current programs offered through the City will not be changing. The coverages, limits, inclusions and exclusions, costs, and ServLine staff will remain the same. This change does provide efficiencies for the City. City staff will be dealing with one team since the claims team will be combined with the administration team, receive reimbursement electronically, and receive claim payments quicker and more often.

Staff recommends continuing these programs with ServLine and making the necessary changes at this time, rather than waiting until next spring.

City staff is aware of heightened concerns regarding the current COVID-19 pandemic. However, this agenda item is operational in nature and expected to have little to no impact on City resources or finances.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

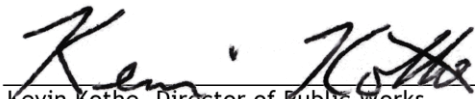
FINANCIAL IMPACT: These services are provided based on fees paid by residential water and sewer customers. This program is intended to be cost-neutral for the City; given the 10 percent administration fee which is in place to cover the City's cost to administer the program.

COMMUNITY DEVELOPMENT IMPACT: Goal UEW-1. Provide quality public infrastructure within the City to protect public health, safety and the environment, Objective UEW-1.5. Reliable water supply and distribution system that meets the needs of the current and future residents, Objective UEW-1.7. Reliable and efficient collections systems (sanitary sewer, combined sewer, and storm sewer systems) to protect public health, safety and the environment.

Respectfully submitted for Council consideration.

Prepared by: Robert Yehl, Assistant Director of Public Works

Reviewed by:


Kevin Kothe, Director of Public Works

3/8/2021


Chris Tomerlin, Budget Manager

3/10/2021


Jeffrey R. Murgens, Corporation Counsel

3/16/2021


Tara Henry, Legislative Assistant

3/18/2021

Recommended by:



Tim Gleason, City Manager

Attachments:

- PW 4B Resolution_ServLine Program Continuation 03222021
- PW 4C Ordinance_ServLine Program Continuation 03222021
- PW 4D Cancellation_ServLine Program Continuation 03222021
- PW 4E Leak Application_ServLine Program Continuation 03222021
- PW 4F Leak Policy_ServLine Program Continuation 03222021
- PW 4G Line Application_ServLine Program Continuation 03222021
- PW 4H Line Policy_ServLine Program Continuation 03222021
- PW 4I Program Flier_ServLineServices 03222021

RESOLUTION NO. 2021 - ____

A RESOLUTION RECOGNIZING THE OWNERSHIP CHANGE OF SERVLIN FROM SUNBELT INSURANCE GROUP TO HOMESERVE USA AND AUTHORIZING THE CITY MANAGER TO APPROVE A NEW APPLICATION TO TAKE ADVANTAGE OF SERVLIN'S IN-HOUSE CLAIM MANAGEMENT

WHEREAS, the City Council approved a formal Water Leak Protection, Private Water Line Protection, and Private Sewer Lateral Protection programs through ServLine, a subsidiary of Sunbelt Insurance Group, on December 10, 2018, with the programs being active on May 1, 2019; and

WHEREAS, although ServLine still continues to operate, HomeServe USA purchased ServLine in December 2019 and the City desires to update any approvals and documents to reflect such ownership change; and

WHEREAS, since the initial approval of the ServLine programs, ServLine has gained the ability to process claims, as well as administer the programs, and desires to move claims management in-house in lieu of relying upon the current underwriter to perform those duties; and

WHEREAS, the City believes the move to ServLine's in-house administration of claims will provide efficiencies for the City and is supportive thereof; and

WHEREAS, these desired changes require ServLine to change underwriters and therefore the City must reapply for the City's current offerings to continue.

NOW, THEREFORE, BE IT ORDAINED/RESOLVED by the City Council of the City of Bloomington, McLean County, Illinois:

Section 1. That the recitals set forth above are incorporated herein.

Section 2. The City Council recognizes the purchase of ServLine from Sunbelt Insurance Group to HomeServe USA and any previous approvals related to the insurance program identifying Sunbelt Insurance Group shall be changed to HomeServe USA.

Section 3. The City Manager, or designated representative, is authorized to execute and/or approve any necessary applications, or related documents, to continue service with HomeServe USA and/or ServLine, its affiliates, subsidiaries, and/or assignees for the continuation of opt-out water leak protection, opt-in water line protection, and opt-in sewer lateral protection to residential water and sewer customers.

Section 4. This Resolution shall be in full force and effect immediately after its passage and approval.

PASSED this 22nd day of March 2021.

APPROVED this ____ day of March 2021.

CITY OF BLOOMINGTON

Tari Renner, Mayor

ATTEST

Leslie Smith-Yocum, City Clerk

ORDINANCE NO. 2021 - __

AN ORDINANCE AMENDING THE CITY OF BLOOMINGTON
WATER LEAK ADJUSTMENT POLICY

BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF BLOOMINGTON, ILLINOIS:

SECTION 1. That The document titled "City of Bloomington Water Leak Adjustment Policy," incorporated by reference be amended as follows:

SECTION 2. Water Leak Adjustment Protection

The City of Bloomington has partnered with ~~Sunbelt~~ HomeServe USA and/or ServLine, its affiliates, subsidiaries, and/or assignees, hereinafter referred to as "Servline," to provide the City's residential water customers with water leak adjustment insurance coverage for one (1) adjustment of up to \$500 each year. This coverage provides payment of unexpectedly high City services utility bills due to qualifying leaks. See item H below for services impacted by this protection. The following conditions, provisions, and limitations apply:

SECTION 2. In the event that any section, clause, provision, or part of this Ordinance shall be found and determined to be invalid by a court of competent jurisdiction, all valid parts that are severable from the invalid parts shall remain in full force and effect.

SECTION 3. The City Clerk is hereby authorized to publish this ordinance in pamphlet form as provided by law.

SECTION 4. This ordinance shall be effective immediately after the date of its publication as required by law.

SECTION 5. This ordinance is passed and approved pursuant to the home rule authority granted Article VII, Section 6 of the 1970 Illinois Constitution.

PASSED this 22nd day of March 2021.

APPROVED this ___ day of March 2021.

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Leslie Smith-Yocum, City Clerk