



CITY OF KINGMAN COMMUNICATION TO COUNCIL

TO: Honorable Mayor and City Council

FROM: Tina Moline

MEETING DATE: December 16, 2025

AGENDA SUBJECT: Request to Utilize Contingency Appropriations in the Insurance Services Fund

SUMMARY:

The City's insurance (property, vehicle, liability, and excess) costs have increased by 10%-15% annually over the last few years. These increases can be attributed to industry trends as well as the City's actual experience, such as a larger number of insurable property, equipment, vehicles and claims. While it was expected that insurance costs would increase by 15% in FY26, the budgeted amount reflected a \$0 increase.

FY	Cost
FY23	\$683,947
FY24	\$743,864
FY25	\$822,421
FY26	\$941,105

There is sufficient budget capacity within the Insurance Services Fund to absorb some of the increase, but, in order to cover the full increase, a transfer of \$75,000 in contingency appropriations within the Insurance Services Fund is necessary.

As information, the City of Kingman, along with 77 other Arizona municipalities, is a member of the Arizona Municipal Risk Retention Pool (AMRRP) which is a risk-sharing pool owned and operated by the members. AMRRP has provided municipally focused insurance programs and coverages since 1987. Even with such a large member group, AMRRP's programs have still been subject to the industry's trends of rising costs.

FISCAL IMPACT:

There will be a fiscal impact of \$75,000 to the Insurance Services Fund.

STAFF RECOMMENDATION:

Approve Request to Utilize Contingency Appropriations in the Insurance Services Fund

SUGGESTED MOTION:

Approve Request to Utilize Contingency Appropriations in the Insurance Services Fund