



**Hallandale Beach**  
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400 South Federal Hwy  
Hallandale Beach, FL 33009

## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	November 19, 2018		<b>Item Type:</b> <i>(Enter X in box)</i>	<b>Resolution</b> <div style="text-align: center;">X</div>	<b>Ordinance</b>	<b>Other</b>	
<b>Fiscal Impact:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <i>(Enter X in box)</i>	<b>1st Reading</b>		<b>2nd Reading</b>	
	<div style="text-align: center;">X</div>		<b>Public Hearing:</b> <i>(Enter X in box)</i>	<div style="text-align: center;">Yes</div>	<div style="text-align: center;">No</div> <div style="text-align: center;">X</div>	<div style="text-align: center;">Yes</div>	<div style="text-align: center;">No</div>
<b>Funding Source:</b>	Workers' Compensation Fund		<b>Advertising Requirement:</b> <i>(Enter X in box)</i>	<b>Yes</b>		<b>No</b> <div style="text-align: center;">X</div>	
<b>Account Balance:</b>	1820-545060 \$160,000		<b>Quasi Judicial:</b> <i>(Enter X in box)</i>	<b>Yes</b>		<b>No</b> <div style="text-align: center;">X</div>	
<b>Project Number :</b>	<div style="text-align: center;">N/A</div>		<b>RFP/RFQ/Bid Number:</b>	<div style="text-align: center;">N/A</div>			
<b>Contract/P.O. Required:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> <i>(Enter X in box)</i>  <div>Safety <input checked="" type="checkbox"/></div> <div>Quality <input checked="" type="checkbox"/></div> <div>Vibrant Appeal <input type="checkbox"/></div>				
	<div style="text-align: center;">X</div>						
<b>Sponsor Name:</b>	Nydia M. Rafols Sallaberry, Interim City Manager		<b>Department:</b> <b>Human Resources/ Risk Management</b>	Jim Buschman, Risk Manager			

### Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, DECLARING A UNIQUE CIRCUMSTANCE FOR THE BROKERAGE OF MUNICIPAL INSURANCE PRODUCTS; RATIFYING THE RENEWAL OF THE CITY'S EXCESS WORKERS' COMPENSATION INSURANCE WITH FLORIDA MUNICIPAL TRUST FUND IN THE AMOUNT OF ONE HUNDRED FIFTY-FIVE THOUSAND THREE HUNDRED FORTY EIGHT DOLLARS (\$155,348.00); AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS TO EFFECTUATE THE INSURANCE AS PROVIDED FOR IN FISCAL YEAR 2018-2019 BUDGET; AND PROVIDING AN EFFECTIVE DATE.

## **Staff Summary:**

### **Background:**

The City of Hallandale Beach Commission was recommended to approve the renewal of the City's Excess Worker's Compensation insurance coverage. Due to the cancellation of the October 17, 2018 City Commission Meeting, it was necessary to make the required first installment payment by no later than October 26, 2018. Therefore, staff is requesting ratification of said action by the City Commission.

The City of Hallandale Beach maintains a Self-Insured Fund to comply with Florida Statute 440. The purpose of this Statute is to assure the quick and efficient delivery of disability and medical benefits to an injured worker should he/she sustain an on the job injury.

As part of the Self-Insured Program, the City currently purchases an Excess Insurance policy with a Self-Insured Retention (SIR) of \$350,000. Self-Insured Retention is known as the limit to which an entity will pay all costs related to any one claim. Therefore, the City is required by Florida Statute to pay such costs as medical, indemnity, and other related cost up to the SIR limit of \$350,000 on any one claim or accident. Any amount incurred above the SIR limit would be covered by the Excess Insurance Policy.

### **Current Situation:**

The Florida Municipal Insurance Trust (FMIT) is an insurance trust fund administered by the Florida League of Cities. Participating members are comprised of Municipalities, Villages, Townships and Water Districts from within the State of Florida.

This year, staff again is able to renew coverage at the same self-insured retention level of \$350,000. With the high cost of medical care, along with the statewide increase in heart and lung cases, it is uncertain if the Trust Fund will continue to offer this low retention level. Please note that effective October 1, 2018, the statute which governs the Workers' Compensation Program was changed to add indemnity payments to emergency responders who are diagnosed with Post Traumatic Stress Disorder (PTSD). This means that should an emergency responder be placed off work by a treating physician, the City would be required to pay for lost wages. Also, during the last legislative session, a bill was introduced to include cancer presumption for firefighters should they be diagnosed with certain cancers. This ultimately was not passed but it is anticipated that this will be brought up again during the current session and many are anticipating a high probability of passage. It should be noted that private insurance carriers will not provide any retention level below \$750,000 for government entities which have police and fire personnel.

After submitting rating information to the League Underwriting Department, a renewal premium of \$155,348 is submitted for the renewal of this insurance for Fiscal Year 18/19. This represents a slight decrease from last fiscal year's premium of \$156,864. It should be noted that the Trust Fund completes an audit for all government entities usually in the month of December, therefore, it is possible that the final premium might increase or decrease slightly prior to the end of the fiscal year.

**Why Action is Necessary:**

Pursuant to Chapter 23, Section 23-10, of the City Code of Ordinances, City Manager's purchasing authority for equipment, supplies, and contractual services is \$50,000.00. As expenses for Florida Municipal Insurance Trust are in excess of \$50,000.00, City Commission ratification is needed.

**Analysis/Fiscal Impact:**

The cost for FY 18/19 Excess Workers' Compensation Insurance through the Florida Municipal Trust is \$155,348.

**Proposed Action:**

Staff recommends approval of the attached Resolution ratifying the purchase of Excess Workers' Compensation Insurance through the Florida Municipal Insurance Trust in the amount of \$155,348 and authorizing the City Manager to execute all related documents to effectuate the insurance for FY 18/19.

**Attachment(s):**

Exhibit 1 - Resolution

Exhibit 2 - Renewal Quote for FY 18/19

Prepared by:

Reviewed by:



Jim Buschman, Risk Manager



Andrea Lues, Procurement Director