



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

City of Hallandale Beach City Commission Agenda Cover Memo

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|---|---------------------------------|-----------|---|---|----------------------------|---|-----------|--|--|--|--|--|--|
| Meeting Date: | October 2, 2019 | | Item Type: <i>(Enter X in box)</i> | Resolution X | Ordinance | Other | | | | | | | |
| Fiscal Impact: <i>(Enter X in box)</i> | Yes | No | Ordinance Reading: <i>(Enter X in box)</i> | 1st Reading N/A | | 2nd Reading N/A | | | | | | | |
| | X | | | Yes | No | Yes | No | | | | | | |
| | | | Public Hearing: <i>(Enter X in box)</i> | | X | | X | | | | | | |
| Funding Source: | Workers' Compensation Fund | | Advertising Requirement: <i>(Enter X in box)</i> | Yes | | No | | | | | | | |
| | | | | | | X | | | | | | | |
| Account Balance: | 1820-545060 \$175,000 | | Quasi Judicial: <i>(Enter X in box)</i> | Yes | | No | | | | | | | |
| | | | | | | X | | | | | | | |
| Project Number : | N/A | | RFP/RFQ/Bid Number: | N/A | | | | | | | | | |
| Contract/P.O. Required: <i>(Enter X in box)</i> | Yes | No | Strategic Plan Priority Area: <i>(Enter X in box)</i> Safety <input checked="" type="checkbox"/> Quality <input type="checkbox"/> Vibrant Appeal <input type="checkbox"/> | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | X | | | | | | | | | | | |
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| Sponsor Name: | Greg Chavarria, City Manager | | Department: Human Resources/Risk Management | | 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 EIGHTY-TWO THOUSAND THREE HUNDRED FIFTEEN DOLLARS (\$182,315); AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS TO EFFECTUATE THE INSURANCE AS PROVIDED FOR IN FISCAL YEAR 2019-2020 BUDGET; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Background:

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 we again were able to renew coverage at the same self-insured retention level of \$350,000. Traditional excess workers' compensation carriers which are licensed to underwrite coverage in Florida, will not provide a SIR under \$750,000 to agencies which have police and fire personnel.

After submitting rating information to the League Underwriting Department, a renewal premium of \$182,315 is submitted for the renewal of this insurance for Fiscal Year 19/20. This represents an increase from last fiscal year's premium of \$162,186. Approximately 25% of the City's premium is based on Fire Rescue personnel; so, should the department transfer to the Broward Sheriff's Office, the City will receive a premium credit.

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, Appropriations required, (a) no obligation for expenditures of City funds may be incurred except pursuant to, and only to the extent of, a specific appropriation of funds in the budget. This provision shall apply, without being limited to, any formal or informal contractual obligation for the purchase of lease supplies, services or equipment, and personal services. No money may be drawn from the treasury of the city nor may the appropriate city officials execute any check, draft, warrant, note or other negotiable instrument, except pursuant to, and only to the extent of, a specific appropriation of funds in the budget to be debited for such payment.

Fiscal Impact:

The cost for FY 19/20 Excess Workers' Compensation Insurance through the Florida Municipal Trust is \$182,315.

PROPOSED ACTION:

Staff recommends approval of the attached Resolution authorizing the City Manager to purchase Excess Workers' Compensation Insurance through the Florida Municipal Insurance Trust in the amount of \$182,315 and authorize the City Manager to execute all related documents to effectuate the insurance for FY 19/20.

ATTACHEMENT(S):

Exhibit 1 – Proposed Resolution/Ordinance
Exhibit 2 – Renewal Quote for Fiscal Year 2019/2020