

**STATEMENT OF BUDGET IMPACT**  
**(Policy Number 94-45)**  
**Budgetary Review of Proposed Resolution &**  
**Ordinances with Financial Implication.**

**Date:** February 24, 2016

**File:** BIS 16 – 107

**File:** TMP-2016-073

**Proposed Legislation:**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE AN AGREEMENT BETWEEN MUTUAL OF OMAHA LIFE INSURANCE COMPANY AND THE CITY OF HOLLYWOOD FOR LONG TERM DISABILITY INSURANCE IN AN ANNUAL AMOUNT NOT TO EXCEED \$60,000.

**Statement of Budget Impact:**

1.  No Budget Impact associated with this action;
2.  Sufficient budgetary resources identified/available;
3.  Budgetary resources not identified/unavailable;
4.  Potential Revenue is possible with this action;
5.  Will not increase the cost of Housing;
6.  May increase the cost of Housing; (CDAB review required)

**Explanation:**

This Resolution seeks authorization for the appropriate City Officials to enter into an agreement between Mutual of Omaha Life Insurance Company and the City for the provision of long term disability insurance for various City employees. In 2015, the City's agent of record, L.B. Bryan and Company, had solicited quotes from various long term disability insurance providers and recommended a coverage proposal from Mutual of Omaha based upon a three (3) year agreement with an estimated initial annual premium of \$46,821.36 beginning on May 1, 2015. Since the inception of the coverage, the number of covered lives has increased as well as the covered monthly payroll amount on which the annual premium is calculated. Based upon the current number of covered lives, 233, and the covered monthly payroll, the estimated annual premium will be approximately \$55,000 beginning May 1, 2016. Due to the anticipated future fluctuations in the number of covered lives and the covered monthly payroll it is

anticipated that the annual premium will grow to an amount not to exceed \$60,000 prior to the end of the three year term of the agreement.

Pursuant to §38.40(C)(9) of the City's Purchasing Ordinance, purchases of insurance through the City's agent of record are exempt from the competitive bid and competitive proposal requirements of the Ordinance. However, such purchases with an estimated annual cost in excess of \$50,000 require prior City Commission approval.

Funding for the anticipated cost of the annual premium to be paid for long term disability insurance coverage for covered employees to be incurred in FY 2016, in an amount not to exceed \$60,000, is available in the Self Insurance Fund (58) in account #58.1241.00000.590.009199. Funding to cover the anticipated annual premium costs for long term disability insurance coverage in future fiscal years will be proposed as part of the applicable fiscal year's operating budget subject to the approval of the City Commission.

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