

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

**Date:** September 8, 2014

**File:** BIS 14 – 259

**File:** TMP-2014-00513

**Proposed Legislation:**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO BIND THE POLICIES FOR EXCESS LIABILITY/WORKERS' COMPENSATION INSURANCE, STATUTORY ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE, CRIME INSURANCE, FIDUCIARY LIABILITY INSURANCE FOR THE GENERAL EMPLOYEES' RETIREMENT FUND, BOILER AND MACHINERY/EQUIPMENT BREAKDOWN INSURANCE AND FLOOD INSURANCE FOR A NOT TO EXCEED AMOUNT OF \$672,872.00 FOR WHICH QUOTES WERE SOLICITED BY ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES.

**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 bind certain insurance policies for the following lines of insurance: excess liability/workers' compensation, statutory accidental death and dismemberment, crime, fiduciary liability for the General Employees' Retirement Fund, boiler and machinery/equipment breakdown and flood. Previously, pursuant to a Notice of Bid Availability designated as RFP-4344-13-IS and issued on April 17, 2013, bid responses were solicited from interested, qualified parties to be designated as the City's broker of record. Upon the review of the proposals received in response, a committee recommended the Arthur J. Gallagher Risk Management Services as the highest ranked bid response. The City

Commission, via Resolution R-2013-086, adopted and approved on April 17, 2013, listed the firm of Arthur J. Gallagher Risk Management Services, "Gallagher", as the top ranked bidder and authorized City staff to negotiate with Gallagher to be designated as the City's broker of record.

Gallagher has solicited seventeen (17) different insurance carriers for various lines of insurance as detailed above and has received quotes from the majority of firms solicited. Gallagher has determined that the total renewal cost to provide the same insurance coverage in FY 2015 will be \$672,872.00 resulting in a small increase over the cost of the FY 2014 insurance coverage. Additionally, cyber liability insurance coverage has been added at no additional cost to the City's excess liability insurance coverage and the total loss limits and several sub-limits have been increased for the City's boiler and machinery/equipment insurance at no additional cost. Moreover, the terms and conditions of the fiduciary liability insurance for the General Employees' Retirement Fund remain unchanged with the addition of a revised Failure to Fund Exclusion.

Funding for the cost of the various insurances coverages presented by Gallagher for the City Commission's consideration and approval will be made available in the Self-Insurance Fund, Fund 58, as part of the proposed FY 2015 Operating Budget subject to the adoption and approval by the City Commission of the proposed FY 2015 Operating Budget.

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