

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO NEGOTIATE A GLOBAL SETTLEMENT AND RELEASE BETWEEN THE CITY AND ARMANDO SILVA FOR A WORKERS' COMPENSATION CLAIM IN AN AMOUNT NOT TO EXCEED \$607,000.00.

WHEREAS, the City of Hollywood (the "City") has been advised by its workers' compensation attorney, third party administrator and excess carrier that the best course of action would be to resolve Armando Silva's (the "Claimant") workers' compensation claim relating to injuries that occurred on October 29, 2012, which were found to be compensable; and

WHEREAS, on October 29, 2012, Mr. Silva sustained multiple injuries when his motorcycle struck a traffic island/median while pursuing two vehicles. The injuries were found to be compensable and he received extensive treatment. Mr. Silva was not able to return to work as a police officer and on November 20, 2015 was awarded an "in the line of duty" disability by the Police Pension Board; and

WHEREAS, as a result of this accident, Mr. Silva filed a number of third party claims for which the City of Hollywood filed recovery liens; and

WHEREAS, to date more than \$1.1 million has been paid out on this claim; and

WHEREAS, because the amount paid out on this claim exceeds the City's self - insurance retention level (\$600,000.00), the City's excess workers' compensation carrier (Star Insurance, Co.) will reimburse the City for all additional amounts paid out on this claim and must also approve the settlement of this claim; and

WHEREAS, Star Insurance, Co. has approved the terms of this settlement; and

WHEREAS, a Medicare Set Aside (MSA) study was conducted, submitted & approved by the Centers for Medicare & Medicaid Services (CMS) in the amount of \$356,691.00. In order to save money the City will purchase an annuitized MSA which requires a payment of \$231,746.00. The MSA takes into account future medical needs and prescription costs; and

WHEREAS, Andrew Borah, the City's workers' compensation attorney, is requesting authorization to negotiate a global settlement with the claimant not to exceed \$607,000.00. This amount includes \$375,000.00 to be paid directly to Mr. Silva, \$231,746.00 for the purchase of the annuitized MSA and the additional \$254.00 is being allocated for a possible fluctuation in the purchase price of the annuity by the time the Commission approves the settlement; and

WHEREAS, authorization of this settlement would completely close Mr. Silva's workers' compensation claim and remove any liens the City of Hollywood has against his third party claims. Additionally, the agreement includes the provision that he will not be able to treat any of his industrial injuries under his regular health insurance; and

WHEREAS, the proposed settlement agreement and release is attached hereto as Exhibit 1; and

WHEREAS, it is recommended that the City Commission authorize an amount not to exceed \$607,000.00 in an attempt to reach a global settlement with the claimant; and

WHEREAS, funding has been identified and will be available in the Fiscal Year 2018 budget in the City's Self Insurance Fund (Fund 58), and the City's excess workers' compensation insurance carrier will reimburse the City for the additional payments to be made as a part of the settlement;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the above-described settlement is hereby approved payable from the City's self-insurance fund.

Section 2: That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2017.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGALITY
For the use and reliance of the
City of Hollywood, Florida, only.

DOUGLAS R. GONZALES, CITY ATTORNEY