



# MEMORANDUM

## City of Venice

### Human Resources Department

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TO: City Council

THROUGH: Edward F. Lavalley, City Manager

FROM: Alan Bullock, Director of Human Resources

DATE: September 1, 2020

COUNCIL APPROVAL: Yes

MEETING DATE: September 8, 2020

STRATEGIC PLAN GOAL: Provide Efficient, Responsive Government with High Quality Services

SUBJECT: Property & Liability Insurance for Fiscal Year 2021

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**Background:** As you may recall, the city selected The Gehring Group in 2018 to act as its new agent/broker for property & liability insurance. In so doing, the city has since realized a \$7,500 annual savings in fees and has experienced an enhanced service level.

**Requested Action:** The Gehring Group has negotiated with the incumbent carrier Florida Municipal Insurance Trust for part of the property and casualty portion of the City's Insurance program. Property values at risk increased with the addition of the Public Safety Facility from \$94.5 million to \$105.8 million, however given the nature of the PSF hardened structure projected insurance premium rate per hundred dollar of value for the entire schedule actually dropped from a projected 0.498 to 0.481, this partially helped offset a 'hardening' insurance market, one with increasing premiums, driven by various factors. For the Workers' Compensation (WC) portion of the program FMIT maintained at \$200,000 per claim retention as the expiring policy, this retention is expected to continue to cap WC losses to the program in the future, helping to keep the program financially sustainable and predictable. Projected payroll also increased for the city from \$19.4 million to \$22.6 million, increased payroll over time, new positions being created and WC legislation being enacted all significantly increase exposures to the WC program.

Please note that because of increased losses due to hurricanes the property insurance market continues to be 'hardened' significantly, and in light of this the proposed program renewal is very good.

All other lines of insurance recommended for placement by the Gehring Group were similar in coverage and cost with prior year policies.

The following representatives of The Gehring Group and FMIT will be present at the September 08, 2020 Council meeting to give a short presentation on the proposed Fiscal Year 2021 coverage:

Ray Carter, Risk Management Consultant, The Gehring Group

Clay Austin, Director of Trust Services, FMIT And/Or Luckner Francois Account Executive

If for an agenda item, this document and any associated backup created by City of Venice staff has been reviewed for ADA compliance: Yes

City Attorney Review/Approved: N/A

Risk Management Review: Yes

Finance Department Review/Approved: Yes

Funds Availability (account number): Property & Liability Insurance Fund 504

**ORIGINAL(S) ATTACHED:** Premium recap (not to exceed amounts)

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