

**ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE**

AGENDA

March 12, 2020

8:00 am – Sunshine Center – Auditorium

Members: Chair Ed Montanari, Vice Chair Amy Foster, Gina Driscoll, and Robert Blackmon

Alternate: Brandi Gabbard

Support Staff: Kewa Wright, Legislative Aide

A. Call to Order

B. Approval of Agenda

C. Approval of February 13, 2020 Minutes

D. New/Deferred Business

- a. 2020 Property Insurance Renewals (**Chris Guella/Blaise Mazzola**)

F. Upcoming Meetings Agenda/Tentative Issues

1. March 26

- a. External Audit (**Anne Fritz**)
- b. Marketing Evaluation Update (**Deputy Mayor/Nina Mahmoudi**)

2. April 9

- a. Grants Quarterly Update (**Shrimatee Ojah-Maharaj**)
- b. SBE Contracts Quarterly Report (**Jessica Eilerman**)
- c. Social Action Funding Program (**Theresa Jones**)

G. Adjournment

**ST. PETERSBURG CITY COUNCIL
BUDGET, FINANCE & TAXATION COMMITTEE**

Minutes

February 13, 2020

8:00 am – Sunshine Center – Auditorium

Present: Chari Ed Montanari, Gina Driscoll, Robert Blackmon, Brandi Gabbard (Alternate)

Absent: Vice Chair Amy Foster

Also: Assistant City Attorney, Macall Dyer; Deputy Mayor/City Administrator, Dr. Kanika Tomlin; Assistant City Administrator, Tom Greene; Chief Financial Officer, Anne Fritz; Controller Manager, Erika Langhans; Budget Director, Elizabeth Makofske; Senior Deputy City Clerk, Cathy E. Davis; Legislative Aide, Kewa Wright

A. Call to Order

CM Montanari called the meeting to order at 8:00 pm with the above persons present.

B. Approval of Agenda

CM Gabbard made a motion to approve the agenda. **All were in favor of the motion.**

C. Approval of January 30, 2020 Minutes

CM Driscoll made a motion to approve the minutes. **All were in favor of the motion.**

D – (a) Debt Issuance

Controller Manager, Erika Langhans addressed the committee to recommend approval of a resolution to issue up to \$25 million non-ad-valorem revenue note (Series 2020) from JP Morgan Chase with a 10-year amortization, at a fixed rate of 1.70%. Mr. Tom Greene, Assistant City Administrator explained that the purpose for this borrowing was to advance some of the Penny for Pinellas projects. Mr. Greene also added that over the next 10 years, we are estimating around \$320 million of Penny resources to come in. The cash flow from the Penny will cover the principal of the loan and the General Fund will bear the interest component.

CM Gabbard made a move to send the resolution to full Council for consideration at the February 13 meeting. All were in favor.

D – (b) 1st Quarterly Financial Reports

Investments:

Chief Financial Officer, Anne Fritz started the presentation by providing a brief overview of the two main investment policies, the General Policy and Alternate Investment Policy and explained the portfolios and investment funds for each policy.

As of December 31, 2019, the General Policy had a book value of \$802.5 million, a market value of \$807.4 million, with a market gain of \$4.9 million. The Alternate Investment Policy had a book value of \$31.9 million, market value of \$41.4 million, with a market gain of \$9.4 million. Ms. Fritz briefly discussed the General Policy Portfolio and informed the committee that details of the holdings in each portfolio is in their backup.

The Short-Term Portfolio and Core Portfolio had a book value of \$426.2 million, market value of \$429.9 million with a market gain of \$3.7 million. In addition, Ms. Fritz briefly explained the portfolios on Debt Service, Bond Proceeds and Water Cost Stabilization.

In terms of the total Investment Policy (General) Portfolio earnings for the past 12 months (excluding Blackrock), was \$18.5 million, with an annualized rate of return of 2.33%. When you compare the Portfolio's Book Value Earning Rates with Merrill Lynch Index, it has been stable and increasing steadily. Ms. Fritz informed the committee that the City is in compliance with its Liquidity Disclosure and Diversification Schedule.

On a side note, Ms. Fritz informed the committee of a recent meeting with the Investment Oversight Committee (IOC) regarding action taken for recommendation to the BF&T committee. The IOC is requesting a change to the Alternate Investment Policy to change the Kopsick Arboretum Investment Fund from internally managed to externally managed, and further recommend the utilization of Greystone Consulting to externally manage the Kopsick Arboretum Investment Fund. Ms. Fritz explained the rationale for IOC making this recommendation.

CM Driscoll made a motion to approved IOC's recommendation and bring the language back to the BF&T committee for review. All were in favor.

Debt:

As of December 31, 2019, the City had \$80.673 million in general governmental debt (principal only, with the Pier comprising most of it). Ms. Fritz displayed a chart to the committee on the various outstanding debt issuances and the general governmental debt principal and interest by fiscal year, in addition to the funding sources. In addition, Ms. Fritz also highlighted the City's high credit ratings under Moody's Investors Service, Inc. and Fitch Ratings, Inc.

Pensions:

Ms. Fritz provided a snapshot of the Quarterly Pension Investment Data as of December 31, 2019 for the ERS Pension Plan, Police Pension Plan and Fire Pension Plan. Data for the solvency tests for market value vs. actuarial is as follows: The percentage funded for the actuarial present value of benefits was 105.31% for ERS, 118.13% for Fire and 101.68% for Police. The

percentage funded for the actuarial accrued liability was 92.18% for ERS, 111.05% for Fire and 93.67% for Police.

Weeki Wachee:

Ms. Fritz reported that at the end of the first quarter, the Weeki Wachee Fund had an undesignated amount of \$2.1 million.

Budget vs. Actuals

A snapshot of the sources of revenue and expenditures were provided in the General Funds Group for FY16 – FY20. Most expenditures are derived from salaries and the majority of revenue are from property taxes.

Following the presentation, the committee asked questions and provided comments.

FY20 1st Quarter Budgetary Performance Report:

Ms. Makofske presented the committee with an overview of first quarter budgetary performance report. The following was presented:

FY20 Stoplight Report:

- The General Fund beginning balance is \$30.529 million (includes \$835k in remaining BP resources)
- True Operating beginning fund balance (excluding BP) is \$29.694 million
- BP Settlement – all BP resources have been appropriated

FY20 General Fund Overview (as of December 31, 2019):

- Revenue projections are \$282.949 million (\$2.663 million over the amended budget amount – includes only Irma reimbursement that has been received by the end of the 1st quarter)
- 21 projects have been submitted to FEMA, with one more to be submitted in the near future (estimated projects total \$8.792 million with 7.903 million of that is reimbursable)
 - As to date, \$2.593 million has been received in FEMA reimbursements
- General Fund Expenditure projections are \$290.162 million (\$2.264 million over the amended budget)
- Estimating to use \$3.971 million of General Fund balance in FY20 compared to the amended budget expectation of a \$4.370 million use of fund balance
- The projected FY20 General Fund balance (\$26.558 million) is \$12.634 million above the Core General Fund 5% target fund balance of \$13.924 million
- The projected FY20 General Fund Group of Funds balance (\$61.870 million) is \$5.912 million above the General Fund Group of Funds 20% Target of \$55.958 million
- A total of 27 CIP projects were completed and closed in the first quarter of FY20

There were questions and discussion throughout the presentations.

E. Adjourned at 9:21 am

F. Upcoming Meetings Agenda/Tentative Issues

1. March 12

a. 2020 Property Insurance Renewals (**Chris Guella/Blaise Mazzola**)

2. March 26

a. External Audit (**Anne Fritz**)

b. Marketing Evaluation Update (**Deputy Mayor/Nina Mahmoudi**)

**BUDGET, FINANCE AND TAXATION COMMITTEE
PENDING/CONTINUING REFERRALS**

March 12, 2020

Topic	Return Date	Date of Referral	Prior Meeting	Referred by	Staff	Notes
2020 Property Insurance Renewals	3/12/20	Annual			Blaise Mazzola/Chris Guella	
External Audit	3/26/20	Annual			Anne Frtiz	
Marketing Evaluation Update	3/26/20				Deputy Mayor/Nina Mahmoudi	
Grants - Quarterly Report	4/9/20 Q1 & Q2	Quarterly		City Council	Shrimatee Ojah-Maharaj	
SBE contracts - Quarterly Report	4/9/20 Q1 & Q2	Quarterly		Ordinance	Jessica Eilerman	
Social Action Funding Program	4/9/20	Annual			Theresa Jones	
Discussion on developing a plan for funding non-utility infrastructure projects that currently do not have a dedicated funding source	4/23/20	2/6/20		Gina Driscoll		

Quarterly Financial Reports	Q2 = 5/14/20 Q3 = 8/13/20 Q4 = 11/12/20	Quarterly	2/13/20	City Council	Fritz/Makofske	
Draft Consolidated Plan and Proposed Budget. Approval of draft for publication and comment	6/11/20	Annual			Joshua Johnson	
2021 Management Evaluation	10/8/20			Ordinance	Boriana Pollard	
Grants - Quarterly Report	10/8/20 Q3 & Q4	Quarterly		City Council	Shrimatee Ojah-Maharaj	
SBE contracts - Quarterly Report	10/8/20 Q3 & Q4	Quarterly		Ordinance	Jessica Eilerman	
Review language to change the Alternate Investment Policy to change to Kopsick Arboretum Investment Fund from internally managed to externally managed...	TBD		2/13/20		Anne Frtiz	2/13/20: Once language is completed, staff will report back to BF&T to review
2021 Health Insurance Renewal and Status update on current year health plan	Jan. 2021	Annual		BF&T	Chris Guella/Vicki Grant	
Discussion of exceptions for legal defense fund suggested by Free Speech for People and process for retaining outside legal counsel	TBD	11/2/17		Darden Rice		

**BUDGET, FINANCE & TAXATION COMMITTEE
WEEKI WACHEE PROJECT LIST**

March 12, 2020

<i>TOPIC</i>	<i>DATE REFERRED</i>	<i>REFERRED BY</i>	<i>RETURN DATE</i>	<i>STAFF RESPONSIBLE</i>	<i>SPECIAL NOTES</i>
Skating Rink to the Southside CRA	7.19.18	Wheeler-Bowman		Jefferis	
Exercise Zone and Playground in Broadwater Park	7.19.18	Wheeler-Bowman		Jefferis	
I-375 Park Project	1.23.20	Gina Driscoll		Jefferis	

MEMORANDUM

TO: Members of Budget, Finance and Taxation City Council Committee

FROM: Christopher M. Guella, Director, Human Resources

DATE: March 4, 2020

SUBJECT: Annual Renewal of the City of St. Petersburg's Property Insurance;
Approving a supplemental appropriation in the amount of \$326,784 from the unappropriated balance of the Commercial Insurance Fund (5127) to the Human Resources Department, Commercial Insurance Division (090-1925).

The property insurance coverage currently in effect for the City of St. Petersburg has a renewal date of April 1, 2020. The City's property insurance coverage has three separate programs; the Water Resources Program, the General Property Program, and the Highly Protected Risk Program.

The property insurance industry incurred significant losses in 2017, 2018, and 2019 due to several natural disasters, including Hurricanes Harvey, Irma, Maria, Nate, Florence, Michael, Dorian, Barry, Tropical Storm Imelda and the 2018 California wildfires. Accordingly, property insurance premium rates have substantially increased across the country.

As of the most recent renewal, the limit of insurance on the Water Resources Program was \$457,384,400, which is equal to the total insured value (TIV) of the property in the program. The deductible for Named Windstorm and Flood is 5% of the TIV at the affected location subject to a minimum of \$1,000,000. The deductible for all other perils is \$250,000. The Water Resources Program currently has four carriers who are responsible for their respective percentages of a loss.

The General Property Program consists of multiple insurers and multiple tiered layers of coverage with carriers at the primary layer insuring the initial amounts of a loss, and those in subsequent layers insuring higher loss amounts. Last year, the City of St. Petersburg also participated by self-insuring 10% of the \$50,000,000 primary layer of coverage, which equates to a risk of \$5,000,000 per occurrence. As of the last renewal, the TIV was \$794,312,176 and the current limit of insurance is \$350,000,000. The current deductible for Named Windstorm and Flood in the General Property Insurance Program is 5% of the total insured value at the affected location subject to a minimum of \$1,000,000. The deductible for all other perils is \$100,000.

The Highly Protected Risk Program consists of properties that have undergone extensive loss control inspections and have been determined to be a highly protected risk by the carrier's engineering consultants. There are currently three properties in this program; the Municipal Services Center, Police Headquarters and the Sundial Parking Garage. The program is insured for 100% of TIV which is \$124,454,700. The current deductible for Named Windstorm is 5% of TIV for the affected location and has a flood deductible of \$500,000. The deductible for all other perils is \$100,000.

When evaluating reimbursement claims filed as the result of a disaster, FEMA considers among other factors the deductible for Named Windstorm and Flood considered to be "typical" for the geographic region. As can be seen from the attached chart detailing property insurance obtained

by other cities in Florida, the 5% deductible for Named Windstorm and Flood is “typical”. Accordingly, it is likely that FEMA will look for the City of St. Petersburg to also have a 5% deductible for this coverage if claims reimbursement is considered.

The 2020 proposed Water Resources Program detailed in the attachments consists of five carriers and an insurance coverage limit of \$475,176,191 which equals the total insurable value at a premium of \$1,458,499. This represents a 13.09% increase in premium rate from 2019. Terrorism coverage for the Water Resources program is an additional premium of \$27,983.

The 2020 proposed General Property Program detailed in the attachments provides a program with 20 participants including the City. The program offers insurance coverage with a total insurable value of \$814,068,632 and a total limit of \$353,000,000 at a premium of \$2,736,557 with the City’s participation. This represents an 10.64% increase in premium rate from last year. There are four options provided. Last year the City selected the option to include Terrorism coverage on Tropicana Field, Albert Whitted Airport, City Hall, current Police Department, and Al Lang Field, renewal of this coverage will result in a premium of \$37,375.

The St. Pete Pier™ is currently under construction and an estimated additional \$42,979,280 in TIV is expected to be added to the General Property Program and removed from the current Builders Risk Policy as properties are completed. Accordingly, there is an option to grant approval up to the estimated additional premium of \$180,061 to add these new properties to the General Property Program once completed. Additionally, we have received estimates for Boiler & Machinery and Terrorism coverage for an estimated premium of \$3,766. Approval of the premiums at this time will streamline the additions of these properties and prevent any temporarily uninsured or underinsured properties. The above numbers represent an annual cost. Premium will be prorated based on the date each property enters the program.

The Highly Protected Risk program consists of one insurer and a coverage limit of \$125,857,500 which equals the total insurable value at a premium of \$424,234. This represents a 7% increase in premium rate from last year. The premium includes Boiler & Machinery coverage as well as terrorism coverage and provides the City with additional \$10,000,000 of flood coverage and wind coverage equal to the TIV at the three insured locations.

The City’s April 1, 2020 renewal also includes the General Property Program Boiler & Machinery policy at a premium of \$20,919; the Fine Arts policy at a premium of \$15,287; the Crime policy at a premium of \$21,374; and the Cyber Liability policy at a premium of \$27,446.

Staff recommends the Water Resources Program including NFIP Policies and Terrorism coverage.

Staff recommends the General Property Program including Boiler & Machinery coverage, NFIP policies, and Terrorism coverage on Tropicana Field, Albert Whitted Airport, City Hall, current Police Department, and Al Lang Field. In addition, staff recommends the approval of the estimated premium for General Property, Boiler & Machinery, and Terrorism coverage for the St. Pete Pier™ properties.

Staff recommends the Highly Protected Risk Program without change to the named windstorm deductible and NFIP policies.

Finally, staff recommends the Fine Arts policy, Crime policy, and Cyber Liability policy.

Cost/Funding/Assessment Information: The total expenditure for the City including Brown and Brown's broker fee of \$82,800 is \$5,104,312. The total expenditure is \$770,223 more than the 2019 total expenditure. Funds will be available after the approval of a supplemental appropriation in the amount of \$326,784 from the unappropriated balance of the Commercial Insurance Fund (5127) to the Human Resources Department, Commercial Insurance Division (090-1925).

ATTACHMENTS:

Water Resource Program Comparison Highlights
General Property Program (Includes Tropicana) Comparison Highlights
Highly Protected Risk Program Highlights
Detailed Comparison of Property Insurance with Other Cities
List and Total Premiums of All Policies
Premium Comparison from 2006-2020
Proposed Resolution

City of St. Petersburg, Florida

Property Comparison Highlights (brief description as of 3-3-20)

Water Resources Program

	Total Insured Value (TIV)	Limit of Insurance	Major Deductibles	Layers	# of Insurer Participants	Cost
4-1-20	475,176,191	475,176,191 Sublimits: <u>Flood Annual Aggregate</u> All Zones: 50,000,000 Zones V & A: 20,000,000	<u>Named Windstorm</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>Flood</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>All Other Perils</u> 250,000	1	5	<u>1,458,499</u> 3,069 rate per mil TIV 13.09% increase over 2019 TRIA (terrorism): 27,983 Engineering: 16,000 NFIP Flood: 37,070
4-1-19	457,384,400	457,384,400 Sublimits: <u>Flood Annual Aggregate</u> All Zones: 50,000,000 Zones V & A: 20,000,000	<u>Named Windstorm</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>Flood</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>All Other Perils</u> 250,000	1	4	<u>1,240,426</u> 2,714 rate per mil TIV 5.04% increase over 2018 TRIA (terrorism): 16,271 Engineering: 16,000 NFIP Flood: 28,263

Option – Reduce Flood Sublimit Zones V & A to \$15M Premium savings - \$30,463

Major Underwriting Issues

- Coastal Wind & Flood: Large concentrated values at risk.
- Coastal Wind & Flood: Each underwriter has limited capacity available in the Tampa Bay area, which is selectively allocated.
- Coastal Flood: 211,060,300 of values in Flood Zones V and A (close to sea level)

Property Comparison Highlights (brief description as of 3-3-20)

General Property Program (including Tropicana, excluding Municipal Services Center, New Police Headquarters, Sundial Parking Garage & Water Resources)

	Total Insured Value (TIV)	Limit of Insurance	Major Deductibles	Layers	# of Layer Participants	Cost
4-1-20	814,068,632	353,000,000 <u>Sublimits:</u> 100,000,000 combined maximum for Named Windstorm & Flood Named Windstorm limit is per occurrence and Flood limit is an annual aggregate	<u>Named Windstorm</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>Flood</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>All Other Perils</u> 100,000	5	20	2,961,557 <u>City Participation (225,000)</u> 2,736,557 3,638 rate per mil TIV 10.64% increase over 2019 Boiler & Machinery: 20,919 NFIP Flood: 18,535 Fine Arts: 15,287 Crime: 21,374 Cyber: 27,446
4-1-19	794,312,176	350,000,000 <u>Sublimits:</u> 100,000,000 combined maximum for Named Windstorm & Flood Named Windstorm limit is per occurrence and Flood limit is an annual aggregate	<u>Named Windstorm</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>Flood</u> 5% of TIV at affected location(s) (subject to a 1,000,000 minimum) <u>All Other Perils</u> 100,000	5	15	2,611,536 <u>City Participation (189,300)</u> 2,422,236 3,288 rate per mil TIV 6.17% increase over 2018 Boiler & Machinery: 19,947 NFIP Flood: 14,883 Fine Arts: 8,983 Crime: 20,115 Cyber: 25,212

Option 1: Terrorism – Continue coverage on: Tropicana Field, Albert Whitted Airport, City Hall, Police Dept. properties, and Al Lang Field, Additional Cost: \$37,375 (2019 Premium \$32,504)

Option 2: Estimated full annual premium to add St. Pete Pier™ properties as they become insurable – Premium will be prorated according to date entering program. Boiler - Additional Value \$25,150,000 - \$690.00; Terrorism – Additional Values \$42,979,280 - \$3,076; General Property – Additional Values \$42,979,280 - \$180,061

Option 3: Increase Named Windstorm Deductible to 7.5% at affected locations per occurrence – Cost Savings: \$60,000

Option 4: Increase Flood Deductible to 7.5% at affected locations per occurrence – Cost Savings: \$60,000

Major Underwriting Issues

- Coastal Wind & Flood: Large concentrated values at risk
- Coastal Wind & Flood: Each underwriter has limited capacity available in the Tampa Bay area, which is selectively allocated
- Coastal Flood: 174,526,050 of values are in Flood Zones V and A (close to sea level)
- Tropicana Field (352,280,100): Extraordinarily high single structure value (increases the probable maximum loss of the insurance program)
- Tropicana Field: Unique Aging Roof Construction (lack of historical and actuarial loss data makes insurers uncomfortable)

City of St. Petersburg, Florida

Property Comparison Highlights (brief description as of 3-2-20)

Highly Protected Risk Program (includes Municipal Services Center with Parking Garage, Police Headquarters and Sundial Parking Garage)

	Total Insured Value (TIV)	Limit of Insurance	Major Deductibles	Layers	# of Insurer Participants	Cost
4-1-20	125,857,500	125,857,500 <u>Flood Annual Aggregate</u> 10,000,000	<u>Named Windstorm</u> 5% of TIV at affected location(s) <u>Flood</u> 500,000 per location <u>All Other Perils</u> 100,000	1	1	424,233.09 3,906 rate per mil TIV (Sundial Garage & MSC) 7% Increase over 2019 2,780 rate per mil TIV PD HQ 6.78% Increase over 2019
4-1-19	124,454,700	124,454.700 <u>Flood Annual Aggregate</u> 10,000,000	<u>Named Windstorm</u> 5% of TIV at affected location(s) <u>Flood</u> 500,000 per location <u>All Other Perils</u> 100,000	1	1	392,370 3,650 rate per mil TIV (Sundial Garage & MSC) 2,604 rate per mil TIV PD HQ

Option: Increase Named Windstorm Deductible to 7.5% - cost savings \$9,346.09

Notes: Boiler & Machinery and TRIA (Terrorism) is included with no option to remove. NFIP program applicable to Sundial Garage and Municipal Services Center, premium \$6,365 as compared to \$5,763 in 2019.

Major Underwriting Issues

- Coastal Wind & Flood: Large concentrated values at risk.
- Coastal Wind & Flood: Each underwriter has limited capacity available in the Tampa Bay area, which is selectively allocated.

Florida City FY 2019 Property Insurance Comparison

Program	Wind Limits	Wind Deductible	Flood Limits	Flood Deductible
St. Petersburg				
General Property	Named: 100 Mil Unnamed: 350 Mil	Named: 5% w/ 1 Mil min Unnamed: 100,000	100,000,000	5% of TIV w/ 1 Mil min
Water Resources	Named/Unnamed: 457 Mil	Named: 5% w/ 1 Mil min Unnamed: 250,000	All Zones: 50 Mil. Zones A&V: 20 Mil	5% of TIV w/ 1 Mil min
Highly Protected Risk	Named/Unnamed: 124 Mil	Named: 5%. Unnamed: 100,000	10 Mil Aggregate (two locations)	500,000 per location
Tampa				
Non-Water or Sewer	Named: 60 Mil Unnamed: 160 Mil	5% w/ 500,000 min	All Zones: 60 Mil	All Zones: 5% w/ 500,000 min Zones A&V: 100,000
Water & Sewer Program	Named: 50 Mil Unnamed: 150 Mil	5% w/ 500,000 min	All Zones: 50 Mil	5% w/ 500,000
Orlando				
Property	50 Mil	3% w/ 500,000 min	25 Mil	500,000
Ft. Lauderdale				
Property	50 Mil	5 Mil on utilities Mil on non-utilities	25 Mil	Zones A&V: 100,000
Jacksonville				
Property	400 Mil	Named: 5%, w/ 25 Mil max Unnamed: 100,000	All Zones: 400 Mil Zone A&V: 100 Mil	Named: 5%, w/ 25 Mil max Unnamed: 100,000
Miami				
City Property	40 Mil	5% w/ 250,000 min	55 Mil	All Zones: 5% w/ 250,000 min Zones A&V: 1 Mil
Utility Property	15 Mil	Named: 3% w/ 1 Mil min Unnamed: 250,000	10 Mil	3% w/ a 1 Mil min

**Property Insurance Premiums
Effective April 1, 2020**

General Property	
General Property	\$2,736,557
Boiler & Machinery	\$20,919
Fine Arts	\$15,287
Crime	\$21,374
Cyber	\$27,446
Terrorism	\$37,375
NFIP Flood	\$18,535
Total	\$2,877,493

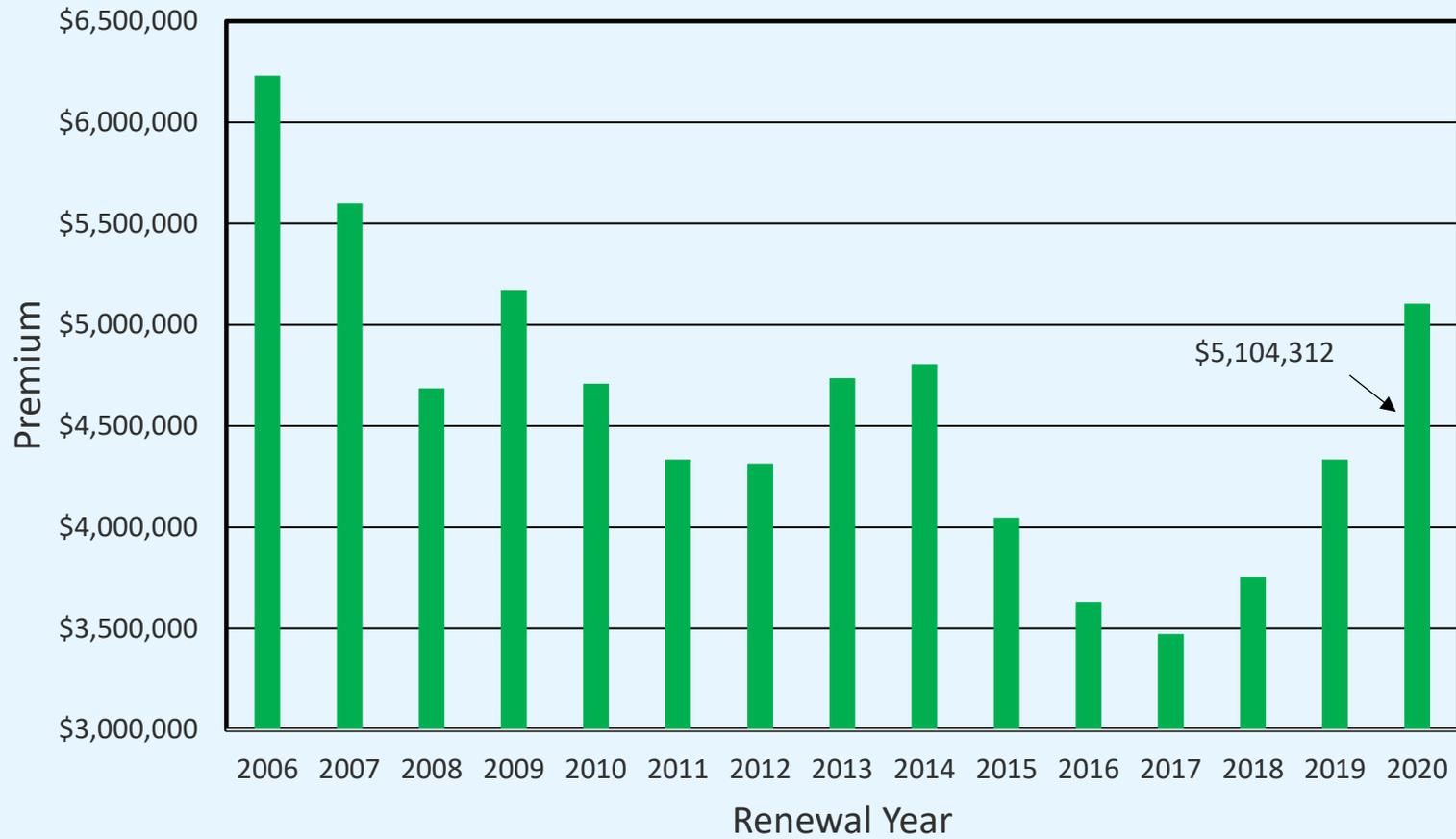
Water Resources	
Water Resources Property	\$1,458,499
TRIA (Terrorism)	\$27,983
Engineering (Starr Tech)	\$16,000
NFIP Flood	\$37,070
Total	\$1,539,552

Highly Protected Risk (HPR)	
HPR Property	\$424,233
Boiler & Machinery (included)	\$0
TRIA Terrorism (included)	\$0
NFIP Flood	\$6,365
Total	\$430,598

Add New St. Pete Pier Buildings	
General Property Addition	\$180,061
Boiler & Machinery	\$690
Terrorism	\$3,076
Total	\$183,827

Total Premiums	\$5,031,470
Broker Fee	\$82,800
Total Expenditure as of 4/1/20	\$5,114,270

Property Insurance Premiums 2006-2019



Resolution No. 2020-_____

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ACCEPT THE PROPOSALS SUBMITTED BY BROWN & BROWN OF FLORIDA, INC. (I) TO PROVIDE PROPERTY INSURANCE COVERAGE EFFECTIVE APRIL 1 2020, AT A TOTAL ESTIMATED COST OF \$4,930,443, WHICH COST INCLUDES THE BROKER FEE TO BE PAID TO BROWN & BROWN OF FLORIDA, INC., AND (II) TO PROVIDE ADDITIONAL PROPERTY INSURANCE COVERAGE FOR COMPONENTS OF THE ST. PETE PIER™ EFFECTIVE ON OR AROUND MARCH 13, 2020 FOR SOME COMPONENTS AND CONTINUING UNTIL COMPLETION OF THE PROJECT FOR OTHER COMPONENTS AT A TOTAL COST NOT TO EXCEED \$183,827; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THESE TRANSACTIONS; APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$326,784 FROM THE UNAPPROPRIATED BALANCE OF THE COMMERCIAL INSURANCE FUND (5127) TO THE HUMAN RESOURCES DEPARTMENT COMMERCIAL INSURANCE DIVISION (090-1925); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City's current property insurance coverage expires as of March 31, 2020; and

WHEREAS, due to the limited number of markets for coverage of this nature and the specialized nature of property insurance programs of this scope, it was determined that it would be most advantageous for the City to utilize the firm of Brown & Brown of Florida, Inc. as its designated broker for the purpose of securing proposals for coverage for the policy period April 1, 2020 to March 31, 2021 at a fixed fee of \$82,800 (in lieu of 10% commission); and

WHEREAS, Brown & Brown has secured a proposal to provide property insurance for properties assigned to the Water Resources Department for an insured value and limit of \$475,176,191 (fire and named and non named wind) and Flood annual aggregate (\$50,000,000 for all zones and \$20,000,000 for zones V & A) with a five percent Named Windstorm and Flood deductible for an annual cost, including National Flood Insurance Policies, Terrorism Coverage, and Loss Engineering fee, of \$1,539,552 including taxes and assessments; and

WHEREAS, Brown & Brown has secured a proposal to provide property insurance for the General Property Program including Tropicana Field for a total insured value of \$814,068,632 and a coverage limit of \$353,000,000 (fire & non named wind) with a combined coverage limit of \$100,000,000 for Named Wind Storm per occurrence and Flood annual aggregate with a five percent Named Windstorm and Flood deductible with the City self insuring ten percent of the first layer of \$50,000,000 coverage for an annual cost of \$2,736,557; and

WHEREAS, Brown & Brown of Florida Inc. has estimated a cost of \$183,827 to add up to \$42,979,280 of coverage to the General Property Program, Terrorism Coverage, and Boiler & Machinery Insurance for the St. Pete Pier™ commencing March 13, 2020 for some components and continuing until completion of the Project for other components; and

WHEREAS, Brown & Brown has secured proposals for Boiler & Machinery coverage, Fine Arts coverage, Crime coverage, Cyber Liability coverage, National Flood Insurance Policies, and Terrorism Coverage on Tropicana Field, former Police Headquarters, City Hall, Albert Whitted Airport, and Al Lang Field for an annual cost of \$140,936; and

WHEREAS, Brown & Brown. has secured a proposal for the Highly Protected Risk program which includes the Municipal Services Center, Sundial Parking Garage, and Police Headquarters for an insured value and limit of \$125,857,500, with a Flood Annual Aggregate of \$10,000,000, a 5% Named Windstorm deductible, a \$500,000 per location flood deductible, and a \$100,000 all other perils deductible for an annual cost including National Flood Policies, Boiler and Machinery coverage, and Terrorism for an annual cost of \$430,598; and

WHEREAS, except for the coverage for components of the St. Pete Pier™, the coverages identified above will be for a one-year period commencing on April 1, 2020; and

WHEREAS, coverage for components of the St. Pete Pier™ will commence on the date purchased and remain in effect until March 31, 2021; and

WHEREAS, Section 2-202 of the City Code requires that the purchase of property insurance must be approved by City Council; and

WHEREAS, Administration recommends approval of this Resolution.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that the Mayor or his designee is authorized to accept the proposals submitted by Brown & Brown of Florida, Inc. (i) to provide property insurance coverage effective April 1, 2020, at a total estimated cost of \$4,930,443, which cost includes the broker fee to be paid to Brown & Brown of Florida, Inc., and (ii) to provide additional property insurance coverage for components of the St. Pete Pier™ effective on or around March 13, 2020 for some components and continuing until completion of the project for other components at a total cost not to exceed \$183,827;

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute all documents necessary to effectuate these transactions.

BE IT FURTHER RESOLVED that there is hereby approved from the unappropriated balance of the Commercial Insurance Fund (5127), the following supplemental appropriation for Fiscal Year 2020:

Commercial Insurance Fund (5127)

Human Resources Department, Commercial Insurance Division (090-1925) \$326,784

This resolution shall become effective immediately upon its adoption.

Approved by:

/s/ Macall Dyer
City Attorney (Designee)
00497541

Administration: Thomas Greene

Budget: E Makofski