

City of Coral Gables City Commission Meeting
Agenda Item H-5
April 12, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Human Resources Director, Elsa Jaramillo-Velez

Public Speaker(s)

Tony Abella, Consultant with Arthur J. Gallagher Risk Management

Agenda Item H-5 [Start: 10:49:27 a.m.]

A Resolution authorizing the renewal of the property and casualty insurance program, which includes, but is not limited to, property, general liability, automobile liability, public officials errors and omissions, workers compensation, other ancillary lines of insurance coverage and insurance broker fees through Arthur J. Gallagher Risk Management Services, Inc. in the amount of \$2,020,890, for the policy period of May 1, 2016 to May 1, 2017.

Mayor Cason: We are going to try to shoehorn in H-5, before we go to the time, this is a resolution on insurance. City Manager.

City Manager Swanson-Rivenbark: We'll ask Elsa to come up. This has also been to the Insurance Advisory Board. We have a consultant that helps us review it. I'm very excited about the fact that we have an increased coverage at a reduced price, and we are taking that savings and

putting it back into making sure that we can realize even more savings in the future. I also spoke to you about the acquisition of public art that the City is doing the Alice A. Koch sculpture, we want to make sure that we are protected under a separate art rider as a part of that. We have our consultant and also our insurance representative here to answer questions, but they did do an excellent job at making sure that the City is well covered with increased coverages and I'm very pleased with the savings that resulted from it.

Ms. Jaramillo-Velez: As the Manager mentioned, this is a resolution to approve the City's insurance property and casualty insurances. I know we are running late because you have a time certain item, so I'm going to ask Tony Abella from Gallagher to make a brief presentation regarding this item.

Mr. Abella: Thank you very much. This is my 35th year serving the City, and we have done several things, but mostly we are taking advantage of the marketplace. The insurance marketplace is very soft right now, we've improved the coverage in various areas, but we've also managed to improve on the pricing, but the pricing is very much due to the market conditions and the market conditions all we do is we remarket the Citizen insurance every year. We look for insurance companies, we look for continuity. We've been insured by Lloyds of London now for a number of years and they were willing to renew at a lower price and we were also able to improve on most of the property insurance, and on the liability insurance. We are of course working on the specialty on the art, and been able to take care of that also increased the art coverage from \$250,000 to \$2.5 million. If you have any questions, I'd be happy to answer.

Mayor Cason: So the cost -- is that gone from \$2.174 million to \$2.020 (million) yet another reduction.

Mr. Abella: Yes.

Mayor Cason: Great.

City Manager Swanson-Rivenbark: This isn't a controversial item, but it's a big ticket and so, as a policy we don't want to put large items in Consent, we would rather have you vote individually, but it came with a strong recommendation of staff, and also the review of the Insurance Advisory Board, in addition to our consultant.

Mayor Cason: I'm glad to see the art in there with our Alicia Koch sculpture coming in at the end of a straight road, where cars like to go speeding. It should be enough to cover that.

Mr. Abella: Sure.

Commissioner Slesnick: Is this art coverage just for those two center islands or is this for all art coverage in the City?

Mr. Abella: It's for all art.

Commissioner Slesnick: In the City.

Mr. Abella: There is some art that should be appraised and we are working with the City on that, because some items, like some of the valuable items that were at the Merrick House, there is an issue of how much is any piece there worth, so we need to have those appraised to be able to recover quickly from the insurance.

Commissioner Slesnick: And you think \$2.5 million is enough?

Mr. Abella: Well, at this point the problem is we don't have appraisal on enough items to warrant justifying any more than that. We can adjust that number to whatever is needed once we have an appraisal.

Mayor Cason: We paid a million for the Alicia I Koch, if I'm not mistaken, so that would certainly cover it. The workers comp in the past was a big, three or four years ago when we had that street sweeper accident and so on, is that – and we've got a number of programs to training our staff to...

Mr. Abella: Two programs that you have, that have been incredibly successful. One is the workers comp; working with the employees, providing training, helping new employees, particularly using employees that have experience to accompany employees that are new. Your workers comp experience has been incredibly reduced in the last five years, consistently year after year. There is another item that has improved, is the effort that has been made in the last two years for taking care of sidewalks, that has also reduced the number of sidewalks. You know sidewalks do not generally generate catastrophic accidents, but they do injure people, and now that we have the maintenance going on its certainly improves, we have a lot less claims.

Mayor Cason: We do expect after Miracle Mile is redone, and all those terrible sidewalks are fixed that part could go down even more in the next years.

Mr. Abella: Absolutely.

Mayor Cason: Great.

Mr. Abella: The improvement in the Miracle Mile is going to certainly help maintain the low incidents that we have right now.

Mayor Cason: Great.

Commissioner Slesnick: And I want to ask one more question. I remember when the Coral Gables Country Club burned down, and it was really underinsured and it never really recovered until someone came in and rebuilt it several years later. Are all of our buildings that the City owns, insured for what you think for the correct amount?

Mr. Abella: You probably recall that at the time the City was not insuring the Country Club.

Commissioner Slesnick: The Country Club was doing its own insurance.

Mr. Abella: I was watching the fire with the City Manager from across the street and he was surprised to find out that they were not insured because the Country Club was insuring itself, that doesn't happen anymore.

Commissioner Slesnick: And not very well.

Mr. Abella: That doesn't happen anymore.

Mayor Cason: Alright. Do we have a motion on H-5?

Commissioner Lago: So moved.

Mayor Cason: Commissioner Lago makes the motion, Commissioner Keon seconds it. City Clerk

Vice Mayor Quesada: Yes

Commissioner Slesnick: Yes

Commissioner Keon: Yes

Commissioner Lago: Yes

Mayor Cason: Yes

(Vote: 5-0)

Mayor Cason: Thank you again.

Vice Mayor Quesada: And thank you for the great work.

Mayor Cason: Great work – great work.

[End: 10:56:10 a.m.]