

**LEE COUNTY BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

BLUE SHEET NO: 20031085

1. REQUESTED MOTION:

ACTION REQUESTED: Approve not-to-exceed expenditure of \$3,512,953 for the purchase of excess property and casualty insurance coverage for the period 10/1/03 - 10/1/04.

WHY ACTION IS NECESSARY: To purchase excess insurance to protect the County's assets against unexpected loss.

WHAT ACTION ACCOMPLISHES: Enables the Risk Management office to purchase the necessary insurance to protect the County's assets against property and casualty losses.

2. DEPARTMENTAL CATEGORY: 01
COMMISSION DISTRICT #: County Wide

CIE

3. MEETING DATE:
09-23-2003

4. AGENDA

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE

- (Specify)*
- STATUTE
 - ORDINANCE
 - ADMIN. CODE (AC 4-1)
 - OTHER

6. REQUESTOR OF INFORMATION

A. COMMISSIONER:
B. DEPARTMENT: Budget Services
C. DIVISION: Risk Management
BY: Wayne Fiyalko, CCM, CPM
[Signature]
Risk Program Manager

7. BACKGROUND:

On June 17, 2003 the Board approved Blue Sheet #20030660 authorizing the Risk Management office to commence negotiations with the number one ranked firm of Arthur J. Gallagher & Co. for Insurance Brokerage Services. Subsequently, we negotiated favorable terms and have contracted with Arthur J. Gallagher & Co. to provide us with Insurance Brokerage Services, which includes placement/purchase of property and casualty insurance for one year with the option to renew these insurance coverages through the same broker for two additional one-year periods upon mutual agreement of both parties.

The not-to-exceed expenditure of \$3,512,953 is within FY03-04 projected budget and is inclusive of all fixed costs. This expenditure represents an increase of 34% (\$1,000,653) from the prior year's cost of reinsurance for Lee County's Insurance Program. The increase in premium is a result of the following:

- (1.) Difficult insurance market for public entities;
- (2.) Increase of \$138 million (24%) in Insured Property Values;
- (3.) \$16 million (19.6%) increase in annualized estimated payroll;
- (4.) Increase in the number of vehicles, 202 (25%) and units of mobile equipment 530 (25%).

Insured Property Values include adding County Utilities, Hendry Street Building, Mobile Voting Equipment and City of Palms Park to the County's Statement of Value for FY 03-04

8. MANAGEMENT RECOMMENDATIONS:

The Risk Manager recommends approval of the not-to-exceed expenditure of \$3,512,953.

9. RECOMMENDED APPROVAL

DEPARTMENT DIRECTOR	Purchasing	Human Relations	County Administration			OTHER	COUNTY ATTORNEY	COUNTY MANAGER
<i>[Signature]</i>	<i>[Signature]</i>		<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>		<i>[Signature]</i>	<i>[Signature]</i>

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECEIVED BY
COUNTY ADMIN: *[Signature]*
9/11
11:40 a.m.
COUNTY ADMIN FORWARDED TO: *[Signature]*
9-11-03
4:30 PM

Rec. by CoAtty
Date: 9/11/03
Time: 9:40 AM

Forwarded To:
C. Adams
9/11/03 10:40 AM

Funds will be available in Account #GC5133857700.504520, Self-Insurance Property & Liability Insurance and Bonds, in the amount of \$2,798,525.

Funds will be available in Account #GC5133857700.503190, Other Professional Services, in the amount of \$175,000.

Funds will be available in Account #PE5414742101.504520, DOT Tolls, Bridge Operating, Transportation Facility - Cape Coral Bridge, Insurance and Bonds.

Funds will be available in Account #PE5414742102.504520, DOT Tolls, Bridge Operating, Transportation Facility - Sanibel Bridge, Insurance and Bonds.

Funds will be available in Account #PE5414742103.504520, DOT Tolls, Bridge Operating, Transportation Facility - MidPoint Bridge, Insurance and Bonds.