



**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	<u>\$6,250,000</u>	<u>\$ 6,250,000</u>	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	-----	-----	-----	-----	-----
In Kind Match (County)	-----	-----	-----	-----	-----
<b>NET FISCAL IMPACT</b>	<u>\$ 6,250,000</u>	<u>\$ 6,250,000</u>	_____	_____	_____
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	-----0-----	-----	-----	-----	-----

Is Item Included In Current Budget? Yes X No. \_\_\_\_\_  
 Budget Account No.: Fund see below Agency Org. Object 4501  
 Reporting Category \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

Funding is provided by the following funds:  
 Fund 5010 @ \$ 9,757,090 (Risk Management) 5010 | 700 | 7130 | 4501  
 Fund 4100 @ \$ 2,302,910 (Airports) 4100 | 120 | various | 4501  
 Fund 1450 @ \$ 440,000 (Convention Center) 1450 | 710 | 7420 | 4501

C. Departmental Fiscal Review: *Cathy Kueh*

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

*[Signature]* OFMB  
 3/10/10  
 3/10/10  
 3/10/10  
 3/10/10  
 3/10/10

*[Signature]* Contract Administration 3/11/10

**B. Legal Sufficiency:**

*[Signature]* 3/15  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

This summary is not to be used as a basis for payment.

Background and Justification:

The current \$150 million (only \$100 million of which includes coverage for "wind") structuring of coverage was based upon a variety of factors including probable maximum loss (PML) estimates, as well as the affordability and availability of insurance. A February 2009 updated hurricane catastrophe analysis was again commissioned by Arthur J. Gallagher & Co. The RMS catastrophe model produced an estimated "Gross Loss including Demand Surge" PML of \$109.8 million at the 100 year hurricane level. "Gross Loss" is the estimated insured damage and "Demand Surge" factors in the impact of the post event inflation of building materials and labor. It should be noted that the combined insured losses of Frances & Jeanne was \$3.3 million and insured losses from Wilma was \$6.5 million. These results provide a reasonable level of comfort if only \$100 million of "wind" coverage is purchased again this year. Assuming that it can be purchased for \$50,000 or less, an increase in coverage to \$200 million for loss by other than "wind" is being recommended to cover facilities with replacement values in excess of \$150 million, such as the Courthouse, PBIA Main Terminal and the Criminal Justice Center.

The current Liability/Crime Package policy provides various types of liability insurance coverage of \$5 million, inclusive of the County's \$500,000 self-insured retention. It also provides limited coverage (\$50,000) for employee dishonesty and theft of money and securities.

The following chart provides a comparison of the actual annual cost by line of insurance for the period 4/1/09 - 3/31/10 to the estimated not-to-exceed cost for the period 4/1/10 - 3/31/11.

Insurance Cost Comparison

Type	Expiring Actual Annual Cost	Estimated Not- To- Exceed Cost
Liability/Crime Package	\$ 1,203,200	\$ 1,100,000
Excess Property	\$ 11,063,272	\$ 11,114,000
Terrorism	\$ 194,560	\$ 180,000
Flood	\$ 28,845	\$ 40,000
Boiler & Machinery	\$ 65,938	\$ 66,000
TOTAL	\$ 12,555,815	\$ 12,500,000

**BUDGET AVAILABILITY STATEMENT**

REQUEST DATE: 3/10/10 REQUESTED BY D. Cohen, Risk Mgmt PHONE:

AMOUNT: \$2,302,910 AGENDA DATE: \_\_\_\_\_

**BUDGET ACCOUNT NUMBER (IF KNOWN)**

FUND: 4100 DEPT: 120 UNIT: Various<sup>(1)</sup> OBJ: 4501

FUNDING SOURCE: Airport Revenues

BAS APPROVED BY: *DM Semira* DATE: 3/10/10

<sup>(1)</sup> 1230, 1250, 1260, 1320, 1340, 1430, 1451, 1452, 1550

**BUDGET AVAILABILITY STATEMENT**

REQUEST DATE: 2 REQUESTED BY ? PHONE: 233-3132

AMOUNT: \$ 440,000 AGENDA DATE: ?

**BUDGET ACCOUNT NUMBER (IF KNOWN)**

FUND: 1450 DEPT: 710 UNIT: 7420 OBJ: 4501

FUNDING SOURCE: Bud Tax

BAS APPROVED BY:  DATE: 3/9/10  
Ernest Pena-Rodriguez