

**MOUNTAIN BROOK CITY COUNCIL
SPECIAL MEETING AGENDA**

**TEMPORARY CITY HALL
3928 MONTCLAIR ROAD, SUITE 230
MOUNTAIN BROOK, AL 35213**

FEBRUARY 20, 2013, 5:30 P.M.

1. Discussion regarding the fountain and memorials for the municipal complex project.
2. Discussion regarding the City's workers' compensation excess liability coverage.
3. Announcement: The next regular meeting of the City Council is Monday, February 25, 2013, at 7 p.m.
4. Other business.
5. Comments from residents.
6. Adjourn.

BRASFIELD & GORRIE L.L.C.

ESTIMATE WORKSHEET

PROJECT: Mountain Brook Municipal Complex
 LOCATION: Mountain Brook, AL
 ARCH/ENG.: Williams Blackstock Architects
 DESCRIPTION: Police Memorial

PAGE NUMBER: 1
 DATE: 02/07/13
 SUMMARY BY: BT
 PRICED BY: BT
 CHECKED BY: RM

ITEM	DESCRIPTION	QTY	UNIT	MATERIAL		LABOR		SUB / EQUIP		TOTAL
				Unit Cost	Material	Unit Cost	Labor	Unit Cost	Sub Price	
1	Machine Excavate Pad and Footing (includes stone backfill) - B&G	1	ls	1.00	150.00	168.00	168.00	960.00	960.00	1,278.00
2	Concrete Paver Setting Bed (3") - B&G (2 men @ \$20/hr for 2 hr)	1	cy	95.00	95.00	20.00	80.00	0.00	0.00	175.00
3	Concrete Slab (4") - B&G (2 men @ \$20/hr for 2 hr)	2	cy	95.00	190.00	20.00	80.00	0.00	0.00	270.00
4	Concrete Footing (12") - B&G (2 men @ \$20/hr for 2 hr)	2	cy	95.00	190.00	20.00	80.00	0.00	350.00	620.00
5	Rebar Material and Installation - B&G (2 men @ \$20/hr for 2hr)	1	ls	250.00	250.00	20.00	80.00	0.00	0.00	330.00
6	Formwork Material and Installation - B&G (2 men @ \$20/hr for 3 hr)	75	bf	1.50	112.50	20.00	120.00	0.00	0.00	232.50
7	Brick Pavers Installation - Southern Pavers	92	sf	3.00	276.00	0.00	0.00	13.97	1,285.00	1,561.00
8	Lighting for future - Griffin Electric	1	ls	0.00	0.00	0.00	0.00	2,150.00	2,150.00	2,150.00
9	Set Existing Concrete and Granite Base- B&G (2 men @ \$20/hr for 3 hr)	1	ls	0.00	0.00	0.00	120.00	0.00	0.00	120.00
10	Daily Cleanup and Dumpster Rent - B&G (2 men @ \$20/hr for 2 hr)	1	ls	0.00	0.00	20.00	80.00	0.00	300.00	380.00
11	Patch Waterproofing at basement walls	1	ls	0.00	0.00	0.00	0.00	680.00	680.00	680.00
12										
13										
14										
15										
16										
17										
18										
19										
20										
	SUB TOTAL				1,264		808		5,725	7,797

Clarifications:

- B&G not responsible for structural stability of existing concrete base or granite base during installation or after installation
- Any changes or modifications to landscaping not included because none were shown on drawings
- Electrical price includes conduit only. No panel or wire size specified.
- We exclude any design of the memorial

Material Tax	9.00%	114
PRT/Insurance (Labor)	48.15%	389
Insurance/Bonds/Permits	1.50%	117
Overhead and Profit	10.00%	842
TOTAL		\$9,258

Design Costs (by others)

TBD

STOLISMA INC

4814 5th Avenue South
Birmingham, AL 35222

To Whom It May Concern:

In regard to the 9/11 memorial base to be constructed for the Mountain Brook Municipal Complex, Stolisma Inc. will provide the following.

We will provide ¾" silicon bronze plate, rod, materials, hardware etc. to facilitate the fabrication of the memorial base. We will have possession of the beam for the duration of construction up to the time of delivery to the site for installation.

Expected fabrication time is 8-12 weeks.

Installation is included in our scope with the understanding that suitable means of lifting and footing will be provided by Brasfield & Gorrie as agreed.

The total cost of the project as outlined will be \$30,000 payable in three installments. The initial payment of \$15,000 to start the project with two successive payments of \$7,500 each. The first due upon delivery of materials to our shop and the final due upon installation of the monument.

We are very excited at the opportunity to be able to work on this project and look forward to a flawless installation.

Shea Scully
Stolisma Inc.

Memorandum

DRAFT

To: Sam Gaston, City Manager
CC: Mayor and members of the City Council
From: Steven Boone
Date: 2/19/2013 (revised)
Re: Workers' compensation stop loss policy renewal options

History

The City is self-insured with respect to workers compensation (W/C). The City currently utilizes a third-party administrator (TPA) for claims review and processing. The City also purchases a stop loss policy to limit its exposure (required by law). The expired policy provided that the City was responsible for the first \$500,000 for an individual claim (SIR). The expiring policy provides for a [City] liability limit of \$1 million per occurrence and \$2 million in the aggregate. The policy came up for renewal 2/1/2013. The renewal quote reflected an increase in the specific retention from \$500,000 to \$550,000 (10%) plus a 6% increase in the premium from \$55,421 to \$58,502 (negotiated down from \$63,475).

In my opinion, the City's claims experience does not justify the increase in the retention coupled with the premium increase (the increases are being driven by the market according to our agent of record). I therefore requested a proposal from another insurer with the following options:

Alternative Proposal

Fully insured (no deductible)	\$392,912	Not recommended by MWCF
Fully insured (\$250,000 deductible)	168,241	Not recommended by MWCF
Fully insured (\$500,000 deductible)	122,264	Not recommended by MWCF

Self-insured (\$350,000 retention/no aggregate limit)	\$ 98,228	
Self-insured (\$250,000 retention/\$811,997 agg limit	\$ 94,228	(quote updated Feb. 19, 2013)

Renewal of Current Policy

Self-insured-\$550,000 retention (SIR)	58,502	
Cancellation of the TPA agreement	<u>12,000</u>	(Services incl. in the \$98,228 price)
Total renewal (current policy)	<u>70,502</u>	

Extra cost to buy down the SIR and aggregate limits \$ 23,726

While the City has never incurred a claim that exceeded the policy's specific limit, seven figure claims are certainly possible (our largest claim to date stands at \$115,000 lifetime).

The decision to be made is whether the reduced specific retention amount (from \$550,000 to \$250,000) coupled with the reduced aggregate limit is worth the additional \$23,726 premium.

I polled the members of the Finance Committee. Three members thought the reduced City exposure was prudent. One of the three expressed that they felt the \$23,726 premium for a \$300,000 reduction of the

specific limit seemed high. The remaining members expressed that they had no experience with workers' compensation matters.

I recommend that the City bind the more costly (but lower exposure) option offered by the Municipal Workers' Compensation Fund.

Below is a summary analysis and projection of the workers' compensation cost for 2013:

	2013 Budget	Renewal	MWCF Change
Budget	\$230,890		
Actual expense as of 01/31/2013		\$34,779	\$34,779
TPA contract (Resolution No. 2012-040)		12,000	Included
Stop loss policy premium		58,502	94,228
Estimated claims costs 2/1-9/30/2013 ⁽¹⁾		<u>70,000</u>	<u>70,000</u>
Net cost (projected)	<u>\$230,890</u>	<u>\$175,281</u>	<u>\$199,007</u>
Specific Retention Amount		<u>\$550,000</u>	<u>\$250,000</u>

⁽¹⁾ Actual claims costs will vary.