

Minutes of TIFA LLC Continued Meeting
March 30, 2021
11:00 a.m.
City of Titusville Water Resources
Mourning Dove Water Plant
2836 Garden Street
Titusville, Florida

Persons in Attendance

Mike Brown, Miami Corporation, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Sean Stauffer, City of Titusville, Water Resources Director
Richard Broome, City of Titusville, City Attorney
Andrew Jantzer, City of Titusville, Water Resources Deputy Director by telephone
Pat Gagliardi, Farmton Water Resources (by telephone)
Helen Hutchins, Farmton Water Resources (by telephone)
Jim Perry, GMS LLC

Jim Perry conducted the meeting.

Roll Call

Staff Reports/Informational Items

I. Discussion of Insurance Options

Ms. Hutchins stated, at the last meeting the managers provided me with instructions to bind the general liability policy that we had obtained a renewal quote on. I completed the binding process, and the general liability policy is in place for TIFA.

We did not have an insurance quote yet on the property insurance and I finally received the property insurance quote yesterday. The managers requested that I obtain a quote on the full value of the wellfields at \$7 million with a \$100,000 deductible and an above ground only assets, which we determined was roughly \$3.8 with \$100,000 deductible. I provided both scenarios to Marsh our marketer and they marketed it to the various carriers they have access to.

Out of five carriers only one provided a quote, and that is the current carrier. At the same time I went back and forth with Anthony Morales of Brown and Brown Insurance who has been researching additional markets to look for places to put the property coverage and as of yesterday he had not been able to identify any carriers willing to entertain the risk.

They had a minimum premium requirement regardless of value of asset, a 70% increase year over year, multiple insurers will cover the risk, 87 ½% of the risk is covered in one layer and their minimum premium is \$55,000, the other 12 ½% their minimum premium was \$133,000 so it is another \$16,000 to get to the total \$55,000 premium.

We can elect to self-insure the property risk and discontinue the property policy and the managers would direct staff to calculate an appropriate self-insurance reserve and fund the reserve. Our current level of reserves for the entity is \$300,000 with the property insurance in place and that number was arrived at with the assumption that it was the cost to replace one well should it go down. I do not know what the process would be for the city to agree to that scenario. The other scenario would be to go ahead with the property policy, agree to pay the premium and if we do that we are over budget and would require a budget amendment to be done. Based on the calculation that I did it would increase the water rate from \$1.11 per thousand gallons to \$1.13 per thousand gallons. Either situation will require action by the board followed by an action most likely of city counsel and a concurrence by Farmton Water.

The managers and staff discussed the steps needed to self-insure, the amount of reserves to be able to do that along with the process of amending the management agreement that is in place and with the existing policy lapsing in a few days the members took the following action.

Member Brown moved to authorize staff to bind the property insurance policy for the increased premium of \$72,260 and begin work on self-insurance immediately thereafter. Member Ball concurred and the motion passed.

The managers and staff discussed doing a mid-year budget amendment and water rate amendment if required and to bring a funding solution of that budget amendment to the July meeting.

Other Business

Public Comment

Next Scheduled Meeting

The next meeting will be held April 22, 2021 at 11:00 a.m.

Open Items

Adjournment

Member Ball moved to adjourn the meeting at 12:23 p.m. Member Brown concurred and the meeting adjourned.