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JUL 14 2021

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FINANCE DIRECTOR'S OFFICE CITY OF ALLENTOWN BUDGET TRANSFER REQUEST FORM

TO: Seth O'Neill, Director	FROM: John P. Ferry
BUREAU: Department of Finance	BUREAU: RISK Management

TRANSFER DETAIL

Date of Request: 8-Jul-21	Fund: RISK	Transfer Amount: \$200,000.00
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FROM (DEBIT)

ACCOUNT (All 15 digits) and ACCOUNT TITLE	TRANSFER AMOUNT (\$)	ORIGINAL APPROPRIATION (\$)	CURRENT ACCOUNT TOTAL (\$)	ACCOUNT TOTAL AFTER TRANSFER (\$)
081-02-8001-0001-44 Legal Services	\$200,000.00	1,000,000.00	\$817,360.34	617,360.34
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				-
				-
				-
				-
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TO (CREDIT)

081-02-8001-0001-36 Property and Casualty Ins	\$200,000.00	\$540,000.00	\$57,009.00	257,009.00
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*Brew*

Reason Transfer is Required:

City Excess Insurance premiums have increased in 2021 and exceeded the amount originally appropriated. Please see attached document for increase amounts CY2020 to CY2021. RISK Management and the Solicitor are seeking add'l excess insurance for Child Abuse/Molestation coverage and the premium will be paid from these transferred funds.

Reason Funds are Available for Transfer:

After discussion with the Solicitor the anticipated legal services/settlements for 2021 should not require the budgeted \$1,000,000 and it was agreed to transfer \$200,000 from Legal Services to cover our insurance premiums.

TRANSFER AUTHORIZATIONS WITHIN & BETWEEN PROGRAMS

	Amount not more than \$5,000.00		
XXXXXXX	Amount is greater than \$5,000.00		
Department Head/Deputy Director:	<i>Melony Sells</i>	Date:	<i>7/14/2021</i>
Director of Finance/Deputy Director:	<i>Jessica Bergant</i>	Date:	<i>7/14/21</i>
City Controller (if amount is greater than \$5,000):	<i>[Signature]</i>	Date:	<i>7-15-21</i>
Mayor/Managing Director (if amount is greater than \$5,000):	<i>[Signature]</i>	Date:	<i>7/15/21</i>
Referred to City Council in accordance with the provisions of the Administrative Code, Section 130.04:			Date:

CITY COUNCIL

Julio Guridy, President:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:
Cynthia Mota, Vice President	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:
Ce-Ce Gerlach, Councilperson	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:
Candida Affa, Councilperson	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:
Joshua Siegel, Councilperson	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:
Ed Zucal, Councilperson	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:
Daryl Hendricks, Councilperson:	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Date:

Coverage	Expiring	Renewal	% of Increase	Notes
Property	\$90,900	\$104,500	15% Increase	CNA wanted a 20% increase and we were successful in negotiating this down to a 15% - The reasons for the increase are Loss Performance in the industry, which is approximately 1.17%; reinsurance costs have increased 18-20% last year and are anticipated to increase 18-20% this year (possibly higher), hurricanes, wildfires, looting/rioting/fires water damage, etc.
Excess WC	\$98,800	\$112,173	13.5% Increase	This is up slightly but once again extremely aggressive. The rate increased 8% over the expiring rate; the expiring rate was .1882 and the renewal rate is .2033; There was a 5% increase in the payroll exposure.
Auto Physical Damage	\$56,008	\$62,603 - 2% rate increase	11.7% Increase	The auto coverage industry is still seeing rate increases of approximately 10-15% overall. The actual rates only increased 2% by class of vehicle, but the total premium increase is 11.7%. Services truck rate is 1.82 vs 1.86 at a 2% increase and Dump trucks are 3.64 vs 3.71 at 2% rate increase. The carrier originally wanted a 5% rate increase, which equated to a 15% premium increase; however, we were successful in negotiating this down to a 2% increase and an overall 11.7% premium increase.
Inland Marine	\$39,482	\$41,921	6.2% Increase	No Rate increase; increase is all due to exposures; 2015 Fire Truck was added for \$425,506 in value; expiring premium does not include the newly added golf carts, etc, as Nationwide still hasn't processed the endorsement.
Public Official/EPL	\$94,750	\$103,869	9.6% Increase	Greenwich Quote Option - Greenwich reduced its premium from the original quote of \$105,635 to \$103,869
Law	\$245,765	\$245,765	Flat	There was no change in this premium from the expiring term.
Cyber	\$36,347	\$49,681* Subject to final approval of the Chubb Questionnaire	37% Increase	The industry claims for this sector have increased dramatically and the carriers are taking hefty rate/deductible increases on this line of coverage. Chubb has reduced the limit of coverage from the expiring \$2M limit down to a \$1M limit. They have also increased the retention from \$25K to \$50K and add several exclusionary endorsements (Solar Winds, etc. copies attached). Due to the decrease in coverage limits, we did obtain a quote for an Excess layer to obtain the \$2M limit. The Excess Cyber quote is listed below. We also marketed this line of coverage and the responses are outlined in the Marketing Summary page of the proposal.
Excess Cyber \$1M X \$1M	N/A	\$45,760* Subject to final approval of the Chubb Questionnaire		Indian Harbor quoted \$1M X Chubb \$1M Limit in the amount of \$45,760. The coverage follows form over Chubb Policy
Crime 3-Yr Policy	\$13,822	\$15,285	10.5% Increase	3.69 Per year Average increase considering a 3-year policy term
<b>TOTAL</b>	<b>\$675,874</b>	<b>\$781,557</b>	<b>15.6% Increase</b>	<b>Total include the Greenwich Public Officials/EPL Option</b>