

**8. CONSENT AGENDA**

- g. Approval of staff recommendation to decline the offer to purchase windstorm, hail and storm surge insurance coverage for the Fishing Pier, boardwalks and dune walkovers from the Florida League of Cities at a cost of \$70,234 for fiscal year 2009-2010



## MEMORANDUM

**THRU:** JUDIE ZIMOMRA, CITY MANAGER  
**TO:** CITY COUNCIL  
**FROM:** JIM ISOM, ADMINISTRATIVE SERVICES DIRECTOR  
**DATE:** SEPTEMBER 18, 2009

**SUBJECT: WINDSTORM, HAIL, AND STORM SURGE INSURANCE**

The Florida League of Cities has notified the City that they are now able to provide windstorm, hail and storm surge insurance coverage for wharves, docks, boardwalks, boat ramps and dune walkovers. They have listed 59 City items by location for potential insurance coverage, ten of which are located at Bowman's Beach.

The Florida League of Cities has offered to provide insurance for the City's Lighthouse Pier, beach walkovers and boardwalks with specific building limits for each, which has a total building limit of \$1,172,283, at a cost of \$70,234 for fiscal year 2009-2010 (see attached letter and location/item listing). The premium is high because these exposures sit above, on or at sea level and most likely will suffer some type of loss or damage in a catastrophic event or storm surge. While coverage is also available, usually through a surplus lines insurance market, the cost versus the amount to repair or replace is cost prohibitive.

The City obtained funding from the Lee County Tourist Development Council (TDC) in 1998 to make major renovations to the fishing pier. During the last four years, FEMA reimbursed the City for the replacement or repair of 15 beach dune walkovers and TDC funded the replacement of six walkovers. Therefore, should these structures be destroyed during severe weather, the City could potentially obtain funding, as in the past, from the Lee County Tourist Development Council and could also receive a favorable response from FEMA, if the severe weather event was a declared disaster. Additionally, the City has established a reserve for insurance deductibles that could be used for reconstruction.

Staff recommends that the City decline the Florida League of Cities offer to insure the fishing pier, beach walkovers and boardwalks due to the exorbitant cost.

Concur:

Gates Castle  
Gates Castle, Public Works Director

9/18/09  
Date

## Piers, Wharves and Docks

<u>FMIT #</u>	<u>Location #</u>	<u>Member Name</u>	<u>Address</u>	<u>Building Description</u>	<u>Building Limit</u>	<u>Wind Pricing</u>
0531	004-004	City of Sanibel	2001 Algiers Lane, Sanibel, FL	Beach Boardwalk Handicapped	\$28,800	\$1,584.00
0531	004-005	City of Sanibel	2001 Algiers Lane, Sanibel, FL	Beach Walkover Eastern	\$24,024	\$1,321.32
0531	004-006	City of Sanibel	2001 Algiers Lane, Sanibel, FL	Beach Walkovers 2nd from east	\$19,110	\$1,051.05
0531	004-007	City of Sanibel	2001 Algiers Lane, Sanibel, FL	Beach Walkovers western	\$19,110	\$1,051.05
0531	005-001	City of Sanibel	Lighthouse Road, Sanibel, FL	Fishing Pier	\$149,400	\$8,217.00
0531	005-008	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Boardwalk Gulf Path	\$84,000	\$4,620.00
0531	005-009	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Boardwalk Emerg Path Pier	\$108,000	\$5,940.00
0531	005-010	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Boardwalk Pier	\$31,200	\$1,716.00
0531	005-011	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Walkovers Handicapped	\$16,380	\$900.90
0531	005-012	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Walkovers 2nd from east	\$27,300	\$1,501.50
0531	005-013	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Walkovers 3rd from east	\$21,840	\$1,201.20
0531	005-014	City of Sanibel	Lighthouse Road, Sanibel, FL	Beach Walkovers 4 from east	\$28,665	\$1,576.58
0531	014-001	City of Sanibel	Seagrape Lane (Gulf), Sanibel, FL	Beach Walkover Gulf	\$57,330	\$3,153.15
0531	015-001	City of Sanibel	Buttonwood Lane (Gulf), Sanibel, FL	Beach Walkover Gulf	\$64,155	\$3,528.53
0531	016-001	City of Sanibel	East Gulf Dr (Colony), Sanibel, FL	Beach Walkover Colony	\$54,600	\$3,003.00
0531	017-001	City of Sanibel	Beach Road, Sanibel, FL	Beach Walkover Gulf	\$60,060	\$3,303.30
0531	018-001	City of Sanibel	Nerita Street, Sanibel, FL	Beach Walkover Gulf	\$46,410	\$2,552.55
0531	019-001	City of Sanibel	Donax Street, Sanibel, FL	Beach Walkover Gulf	\$62,244	\$3,423.42
0531	020-001	City of Sanibel	Fulgur Street, Sanibel, FL	Beach Walkover Gulf	\$58,695	\$3,228.23
0531	021-004	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk Most eastern	\$23,040	\$1,267.20
0531	021-005	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk 2nd from east	\$19,200	\$1,056.00
0531	021-006	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk Picnic Bridge	\$21,120	\$1,161.60
0531	021-007	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk Main Boardwalk	\$21,600	\$1,188.00
0531	021-008	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk east of Main	\$21,600	\$1,188.00
0531	021-009	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk east of Main	\$18,000	\$990.00
0531	021-010	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk east of Main	\$18,000	\$990.00
0531	021-011	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk Handicapped Pavilion	\$21,600	\$1,188.00
0531	021-012	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk south of Main	\$21,600	\$1,188.00
0531	021-013	City of Sanibel	Bowman Beach, Sanibel, FL	Beach Boardwalk Parking to Restrooms	\$25,200	\$1,386.00
					<b>\$1,172,283</b>	<b>\$64,475.57</b>

Loc	Bldg	Address	Occupancy	Construction	Wind	Cause of Loss	Bldg Lmt	Premium
004	004	2001 Algiers Lane Sanibel, FL	Beach Boardwalk Handicapped	Frame	Excluded	Basic	\$28,800	\$1,656
004	005	2001 Algiers Lane Sanibel, FL	Beach Walkover Eastern	Frame	Excluded	Basic	\$24,024	\$1,382
004	006	2001 Algiers Lane Sanibel, FL	Beach Walkovers 2nd from east	Frame	Excluded	Basic	\$19,110	\$1,099
004	007	2001 Algiers Lane Sanibel, FL	Beach Walkovers western	Frame	Excluded	Basic	\$19,110	\$1,099
005	001	Lighthouse Road Sanibel, FL	Fishing Pier	Joisted Masonry	Excluded	Basic	\$149,400	\$8,591
005	008	Lighthouse Road Sanibel, FL	Beach Boardwalk Gulf Path	Frame	Excluded	Basic	\$84,000	\$4,830
005	009	Lighthouse Road Sanibel, FL	Beach Boardwalk Emerg Path Pier	Frame	Excluded	Basic	\$108,000	\$6,210
005	010	Lighthouse Road Sanibel, FL	Beach Boardwalk Pier	Frame	Excluded	Basic	\$31,200	\$1,794
005	011	Lighthouse Road Sanibel, FL	Beach Walkovers Handicapped	Frame	Excluded	Basic	\$16,380	\$941
005	012	Lighthouse Road Sanibel, FL	Beach Walkovers 2nd from east	Frame	Excluded	Basic	\$27,300	\$1,570
005	013	Lighthouse Road Sanibel, FL	Beach Walkovers 3rd from east	Frame	Excluded	Basic	\$21,840	\$1,256
005	014	Lighthouse Road Sanibel, FL	Beach Walkovers 4 from east	Frame	Excluded	Basic	\$28,665	\$1,648
010	002	Tarpon Bay Drive Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$49,140	\$2,825
014	001	Seagrape Lane (Gulf) Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$57,330	\$3,297
015	001	Buttonwood Lane (Gulf) Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$64,155	\$3,689
016	001	East Gulf Dr (Colony) Sanibel, FL	Beach Walkover Colony	Frame	Excluded	Basic	\$54,600	\$3,140
017	001	Beach Road Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$60,060	\$3,454
018	001	Nerita Street Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$46,410	\$2,668
019	001	Donax Street Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$62,244	\$3,579
020	001	Fulgur Street Sanibel, FL	Beach Walkover Gulf	Frame	Excluded	Basic	\$58,695	\$3,375
021	004	Bowman Beach Sanibel, FL	Beach Boardwalk Most eastern	Frame	Excluded	Basic	\$23,040	\$1,325
021	005	Bowman Beach Sanibel, FL	Beach Boardwalk 2nd from east	Frame	Excluded	Basic	\$19,200	\$1,104
021	006	Bowman Beach Sanibel, FL	Beach Boardwalk Pinic Bridge	Frame	Excluded	Basic	\$21,120	\$1,215
021	007	Bowman Beach Sanibel, FL	Beach Boardwalk Main Boardwalk	Frame	Excluded	Basic	\$21,600	\$1,242
021	008	Bowman Beach Sanibel, FL	Beach Boardwalk east of Main	Frame	Excluded	Basic	\$21,600	\$1,242
021	009	Bowman Beach Sanibel, FL	Beach Boardwalk east of Main	Frame	Excluded	Basic	\$18,000	\$1,035
021	010	Bowman Beach Sanibel, FL	Beach Boardwalk east of Main	Frame	Excluded	Basic	\$18,000	\$1,035
021	011	Bowman Beach Sanibel, FL	Beach Boardwalk Handicapped Pavilion	Frame	Excluded	Basic	\$21,600	\$1,242
021	012	Bowman Beach Sanibel, FL	Beach Boardwalk south of Main	Frame	Excluded	Basic	\$21,600	\$1,242
021	013	Bowman Beach Sanibel, FL	Beach Boardwalk Parking to Restrooms	Frame	Excluded	Basic	\$25,200	\$1,449
							\$1,221,423	\$70,234

**PIERS, WHARVES, DOCKS, BOARDWALKS, DUNE CROSSOVERS  
(Optional Quote)**

Insurer: Florida Municipal Insurance Trust

Insured: City of Sanibel

Coverage: Piers, Boardwalks, Walkovers

Perils: Windstorm, Hail, Flood, Storm Surge

Policy Period: 10/01/2009 to 10/01/2010

Property Location(s): Per Attached Schedule

Total Insured Value: \$1,221,423

Valuation: Replacement Cost

Deductible: 5% of TIV/Minimum \$10,000 per location, per occurrence or  
the  
Deductible listed on the Declaration Page whichever is greater.

Premium: \$70,234.00 or available individually

Payment Terms: Will include in Quarterly Installment if purchased.