	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	August 12, 2014	
RESOLUTION OR ORDINANCE NUMBER	R-14-57	
AGENDA TITLE	**Authorization to renew Flood Insurance coverage for City owned Flood Zone A properties**	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson, Finance Director	
FISCAL INFORMATION	Cost as recommended:	$67,041
	Budget Line Item:	010-5-163-452 - $989 900-5-046-452 – $27,134 900-5-047-452 - $38,918
	Balance Available	010-5-163-452 - $1,096 900-5-046-452 - $24,852 900-5-047-452 - $41,633
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	To renew flood insurance coverage for the 14 properties the City owns located in Flood Zone A.	
BACKGROUND	This will be our sixth year with coverage from the National Flood Insurance Program. Prior to purchasing insurance through the NFIP, the City did have flood coverage; however, it was incorporated in with our property and casualty coverage. When we went with OneBeacon as our carrier five years ago, our policy coverage changed and it was recommended we purchase separate flood coverage.	

SPECIAL NOTES	The Flood Insurance Reform Act of 2012 implemented a phase-out of certain discounts moving toward a risk-based rate. As a result of this Act, rate increases were expected to be between 6-19%.
ANALYSIS	We continue to work with Arthur J. Gallagher on this coverage as they are the broker for our property and casualty insurance. There is only one quote for this coverage as it is only available thru the NFIP, so the pricing would be the same. The annual premium to renew our coverage is through American Bankers Insurance Company is $67,041, a 10.76% increase over our 2013 premium. Some details of the policy are as follows: • Deductibles range between $1,000 to $2,000 per location with a maximum coverage of $500,000 per building. The City does have additional flood coverage through our OneBeacon general property coverage, so it will cover losses over the $500,000 coverage with NFIP for those buildings valued over that amount. Our general property policy also has flood coverage for ALL City owned properties not specifically listed in Flood Zone A. • If FEMA has paid a loss as a result of flood on a property and there is a second occurrence at that location that causes damage, they will not provide assistance unless NFIP coverage is in place. For the properties this policy will cover, we have received FEMA assistance for repairs to three of the locations as a result of the 2007 flood. (FEMA assistance previously received: Penn Street Liftstation – $270,806; WW Treatment Plant - $10,363; Water Treatment Pump House and Retaining Wall - $64,960. Total FEMA assistance for Flood Zone A properties - $346,129). In the event a FEMA claim would ever be filed in the future, we would need this coverage in place to receive FEMA assistance.
PUBLIC INFORMATION PROCESS	N/A

BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends approving the proposed coverage and paying the annual premium of $67,041 to ensure adequate coverage for our Flood Zone A properties.
REFERENCE DOCUMENTS ATTACHED	Premium break down per location.

RESOLUTION NO. R-14-57

A RESOLUTION TO AUTHORIZE ISSUANCE OF A PURCHASE ORDER FOR $67,041 FOR FLOOD INSURANCE TO AMERICAN BANKERS INSURANCE COMPANY FOR CITY OWNED PROPERTY LOCATED IN FLOOD ZONE A.

BE IT RESOLVED, by the Board of Commissioners of the City of Coffeyville, KS, that the Finance Director be and is hereby authorized and directed to issue a purchase order for $67,041 to American Bankers Insurance Company for flood insurance on city owned property located in Flood Zone A.

Insurance Company	American Bankers Insurance Company
Policy Coverage Period	09/26/2014 to 09/25/2015

ADOPTED THIS 12th DAY OF AUGUST 2014.

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James Falkner, Mayor

ATTEST:

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Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

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Paul Kritz, City Attorney

National Flood Insurance Coverage Renewal

Description	Address	Building Value	Contents Value	2009 Premium	2010 Premium	2011 Premium	2012 Premium	2013 Premium	2014 Premium
Lift Station/Pumps/Generator	801 N. Penn Street	$ 260,000	$ -	$ 2,532	$ 2,529	$ 2,575	$ 2,677	$ 2,872	$ 3,579
Maintenance Storage Building	503 E. CR 1400	$ 15,000	$ -	$ 235	$ 240	$ 235	$ 235	$ 235	$ 274
Sludge Digesters and Control Room	503 E. CR 1400	$ 3,689,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553	$ 8,200
Sludge Holding Tank and Pump Building (Pump and Control Coverage Only)	503 E. CR 1400		$ 200,000	$ 2,806	$ 2,975	$ 2,995	$ 3,050	$ 3,150	$ 3,934
Equalization Basin	503 E. CR 1400	$ 1,139,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553	$ 8,200
Raw Sewage Pump (Controls Only)	503 E. CR 1400		$ 126,000	$ 4,035	$ 4,085	$ 3,820	$ 3,631	$ 3,631	$ 3,815
Lab Control Building	503 E. CR 1400	$ 1,405,000	$ -	$ 843	$ 654	$ 654	$ 654	$ 654	$ 651
Blower Building	503 E. CR 1400	$ 785,000	$ -	$ 843	$ 654	$ 654	$ 654	$ 654	$ 651
Sludge Handling Building	503 E. CR 1400	$ 899,000	$ -	$ 11,463	$ 12,893	$ 12,892	$ 12,892	$ 12,892	$ 8,963
Chemical and Filtration Building	1702 River Rd	$ 8,594,000	$ 125,000	$ 7,110	$ 7,251	$ 7,441	$ 7,831	$ 8,578	$ 10,734
Pump House	1702 River Rd	$ 1,407,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553	$ 8,200
Upflow Clarifiers Building	1702 River Rd	$ 5,104,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553	$ 8,200
Building/Lift Station/Pumps/Generator	1605 S. Walnut	$ 6,603,000	$ -	$ 843	$ 654	$ 654	$ 654	$ 654	$ 651
Warehouse - Public Svc/Water Distribution	1106 River Rd	$ 629,000	$ 160,000	$ 1,508	$ 996	$ 996	$ 996	$ 996	$ 989
			Total Premium	**$ 52,558**	**$ 53,835**	**$ 54,580**	**$ 56,498**	**$ 60,528**	**$ 67,041**

Vendor 50391

010-5-163-452		$ 989
900-5-046-452		$ 27,134
900-5-047-452	(WWTP)	$ 34,688
900-5-047-452	(Liftstations)	$ 4,230
		$ 67,041