	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	September 22, 2015	
RESOLUTION OR ORDINANCE NUMBER	R-15-119	
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:	$14,560
	Budget Line Item:	900-5-046-452 – $7,333 900-5-047-452 - $7,227
	Balance Available	010-5-163-452 - $1,088 900-5-046-452 - $29,847 900-5-047-452 - $42,810
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	To renew flood insurance coverage for properties the City owns located in Flood Zone A. (See attached maps)	
BACKGROUND	This will be our seventh year of coverage from the National Flood Insurance Program. We work with Arthur J. Gallagher (AJG) 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 through any carrier. This is a federal pricing structure and is the same to any agent.	

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	The annual premium to renew our current NFIP coverage through American Bankers Insurance Company is $75,689, a 17.6% increase over our 2014 premium. We budgeted a 10% increase. Since receiving the quote, staff has been reviewing the policies to assess the risks associated at each of our locations in Flood Zone A. Staff also requested additional quotes at two deductible limits to calculate the change in the premium associated with a higher deductible. FEMA personnel are working with our Engineering Department to update the 1970 version flood maps to more accurately reflect properties considered to be in Flood Zone A. Many of the city properties previously shown to be in Flood Zone A, will no longer be in that zone once the maps are updated and approved by FEMA. These properties as shown in yellow on the attached spreadsheet. Most of these properties did not flood in 2007. Those that did were lift stations and remediation has been done to change to submergible pumps and elevate all related controls well above flood levels. Staff feels we should be able to remove these properties from NFIP coverage as we have a low risk that these locations would incur a sizable loss in the future. The insurance company has advised if we were to remove these locations from our NFIP coverage, they would not pay on any flood loss as those properties are still technically considered to be in Flood Zone A until FEMA officially approves the new maps. FEMA staff has indicated their approval has been pushed back at least 6 months as they are working to update some additional aspects of the maps prior to finalizing them. Another aspect to consider is if these properties were to be flooded and it were to fall into the parameters of being a FEMA incident, FEMA would only pay on amounts above what we could have insured through

	the NFIP. Staff is also working to procure a quote on the Animal Shelter facility and Crematory as they have not been added to the NFIP policies. An elevation certificate will be required for each location to obtain the quote. After careful consideration of our history with each location, the remediation done at the lift stations and the potential savings to the city, staff is recommending we no longer cover the nine locations shown in yellow on the spreadsheet. We are also recommending we increase our deductibles on the remaining three locations to $10,000. Staff recommends no longer insuring the Maintenance Storage Building due to the low valuation placed on the building ($15,000) and the Equalization Basin as there is nothing at the location that would be at risk if flooded. If the commission does not agree with this recommendation, we still have the option to renew all policies at either deductible level ($3,000 or $10,000) depending on the commission's risk assessment.
PUBLIC INFORMATION PROCESS	
BOARD OR COMMISSION RECOMMENDATION	
STAFF RECOMMENDATION	Staff recommends approving the proposed coverage and paying the annual premium of $14,560 to American Bankers Insurance Company.
REFERENCE DOCUMENTS ATTACHED	Premium break down per location Maps of each coverage location

RESOLUTION NO. R-15-119

A RESOLUTION TO AUTHORIZE ISSUANCE OF A PURCHASE ORDER FOR $14,560 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 $14,560 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	09/26/2015 to 09/25/2016

ADOPTED THIS 22nd DAY OF SEPTEMBER 2015.

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Christopher V. Williams, Mayor

ATTEST:

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Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

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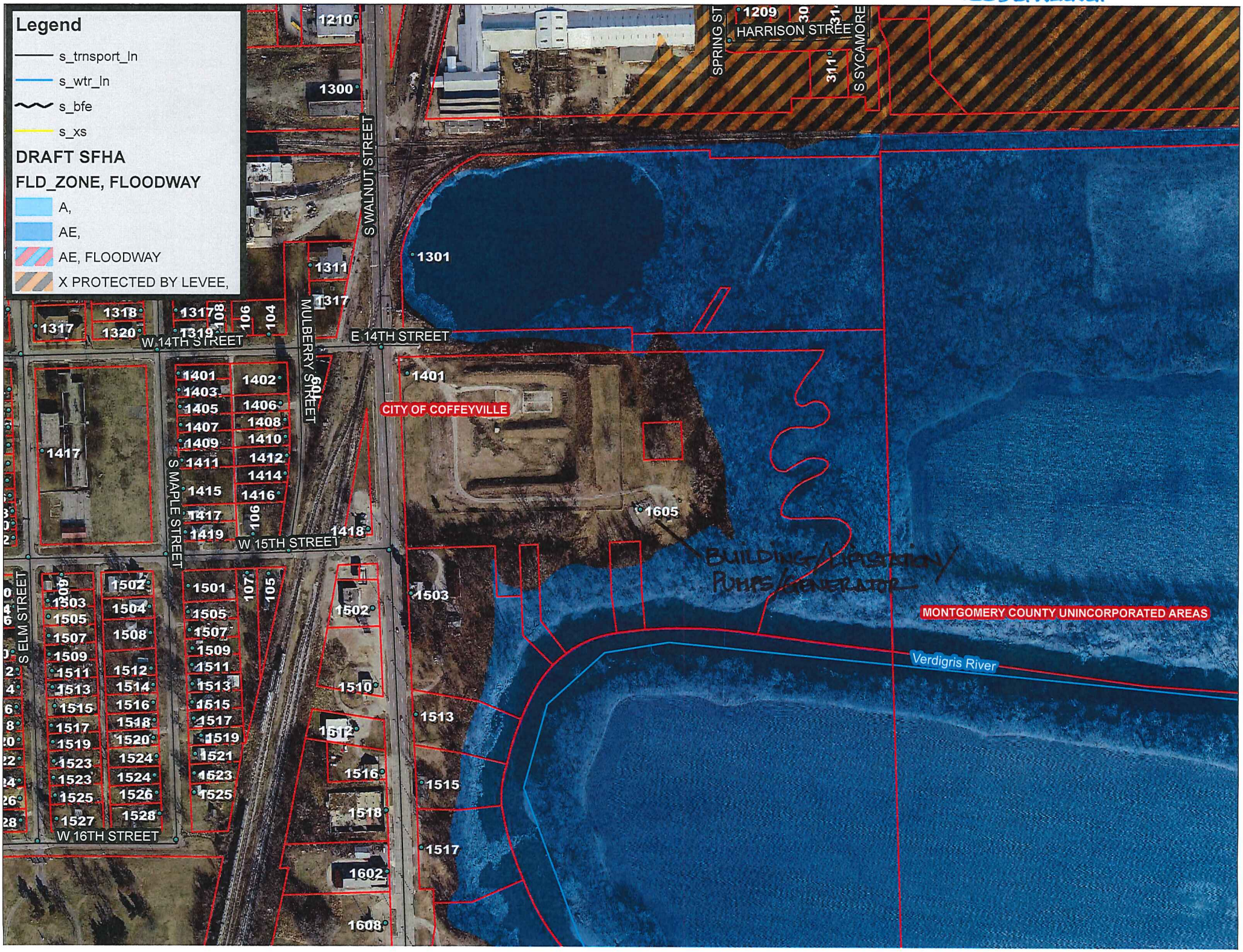
Paul Kritz, City Attorney

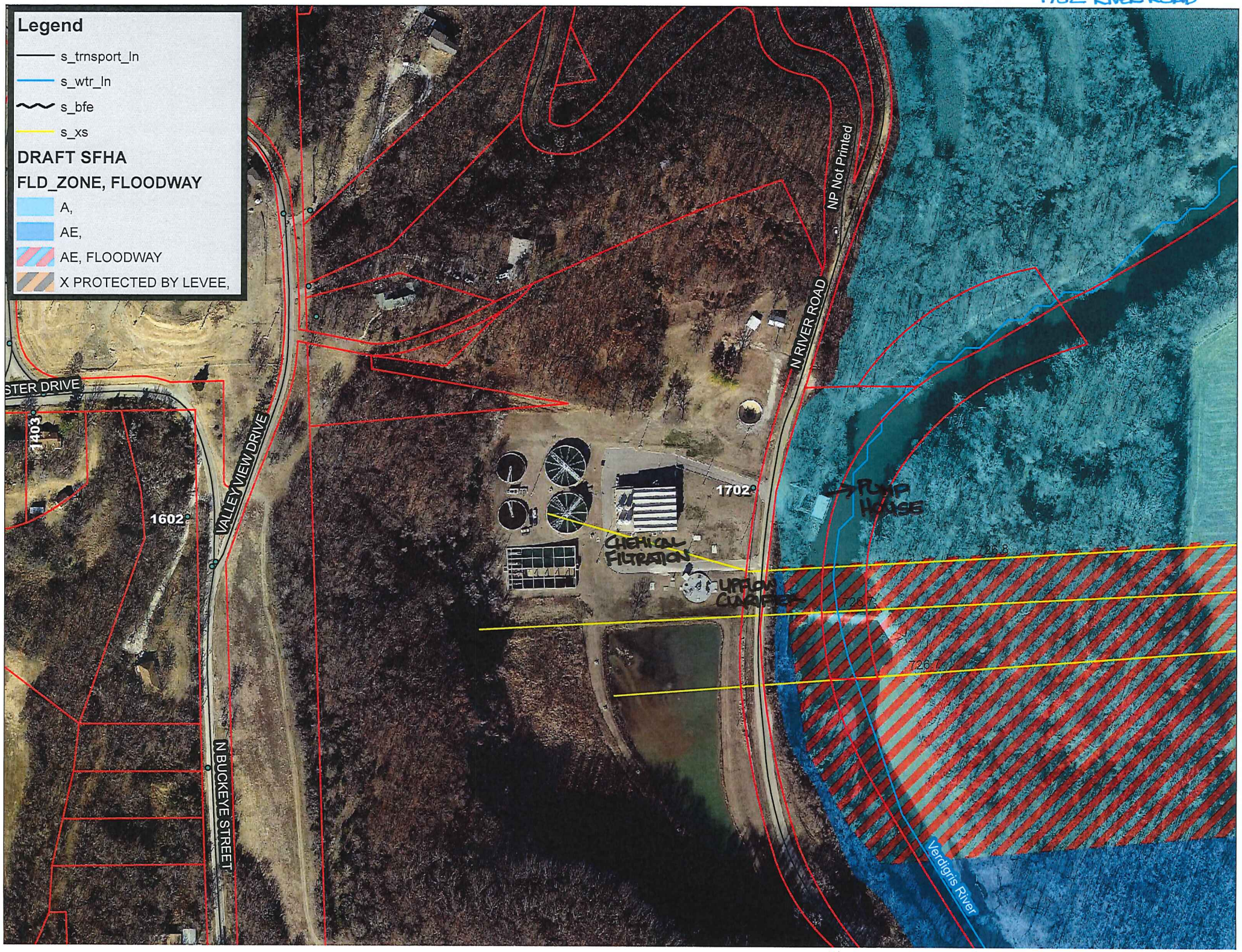
Loc	Policy#	Building	Contents	Eff Date	Address	Renewal Option A	With 3k deductible	With $10K deductible	Comments
1	AB00070414	$500,000	$160,000	#########	1106 River Road Public Service & Water Distrib, Coffeyville, KS 67337	$1,366	$1,300	$1,177	
14	AB00070413	$500,000	$0	#########	1605 S Walnut Building/Lift Station/Pumps, Coffeyville, KS 67337	$995	$949	$844	submergible equipment
13	AB00070410	$500,000	$125,000	#########	1702 River Rd Chemical And Filtration Bld, Coffeyville, KS 67337	$11,823	$11,479	$10,161	
9	AB00070411	$500,000	$0	#########	1702 River Road Pump House, Coffeyville, KS 67337	$9,076	$8,772	$7,333	
6	AB00070412	$500,000	$0	#########	1702 River Road Upflow Clarifiers And Building, Coffeyville, KS 67337	$9,076	$8,772	$7,333	
8	AB00070407	$500,000	$0	#########	503 County Road 1400 Sludge Digester & Control, Coffeyville, KS 67337	$9,076	$8,772	$7,333	
12	AB00070409	$500,000	$0	#########	503 E County Road 1400 Equalization Basin, Coffeyville, KS 67337	$9,076	$8,772	$7,333	Structure is designed to flood
3	AB00070406	$15,000	$0	#########	503 E County Road 1400 Maintainence Storage Bldg, Coffeyville, KS 67337	$543	$538	$510	Remove Due to Low Property Value
10	AB00070408	$0	$200,000	#########	503 E County Road 1400 Sludge Holding Tank &Pu, Coffeyville, KS 67337	$4,504	$4,399	$3,873	
11	AB00070417	$500,000	$0	#########	503 East County Road 1400 Blower Building, Coffeyville, KS 67337	$995	$949	$844	
4	AB00070416	$500,000	$0	#########	503 East County Road 1400 Lab Control Building, Coffeyville, KS 67337	$995	$949	$844	
2	AB00070415	$0	$126,000	#########	503 East County Road 1400 Raw Sewage Pump -Controls Only, Coffeyville, KS 67337	$4,425	$4,177	$3,661	
5	AB00070404	$500,000	$0	#########	503 East County Road 1400 Sludge Handling Building, Coffeyville, KS 67337-8029	$9,641	$9,029	$7,617	
7	AB00070405	$260,000	$0	#########	801 N Penn St Lift Station/Pumps/Generator, Coffeyville, KS 67337	$4,098	$3,968	$3,354	submergible equipment
						$75,689	$72,825	$62,217	
		$500,000	$200,000		503 E County Road 1400 Animal Shelter, Coffeyville, KS 67337				
		$50,000			503 E County Road 1400 Crematory, Coffeyville, KS 67337				

1106 RIVER ROAD

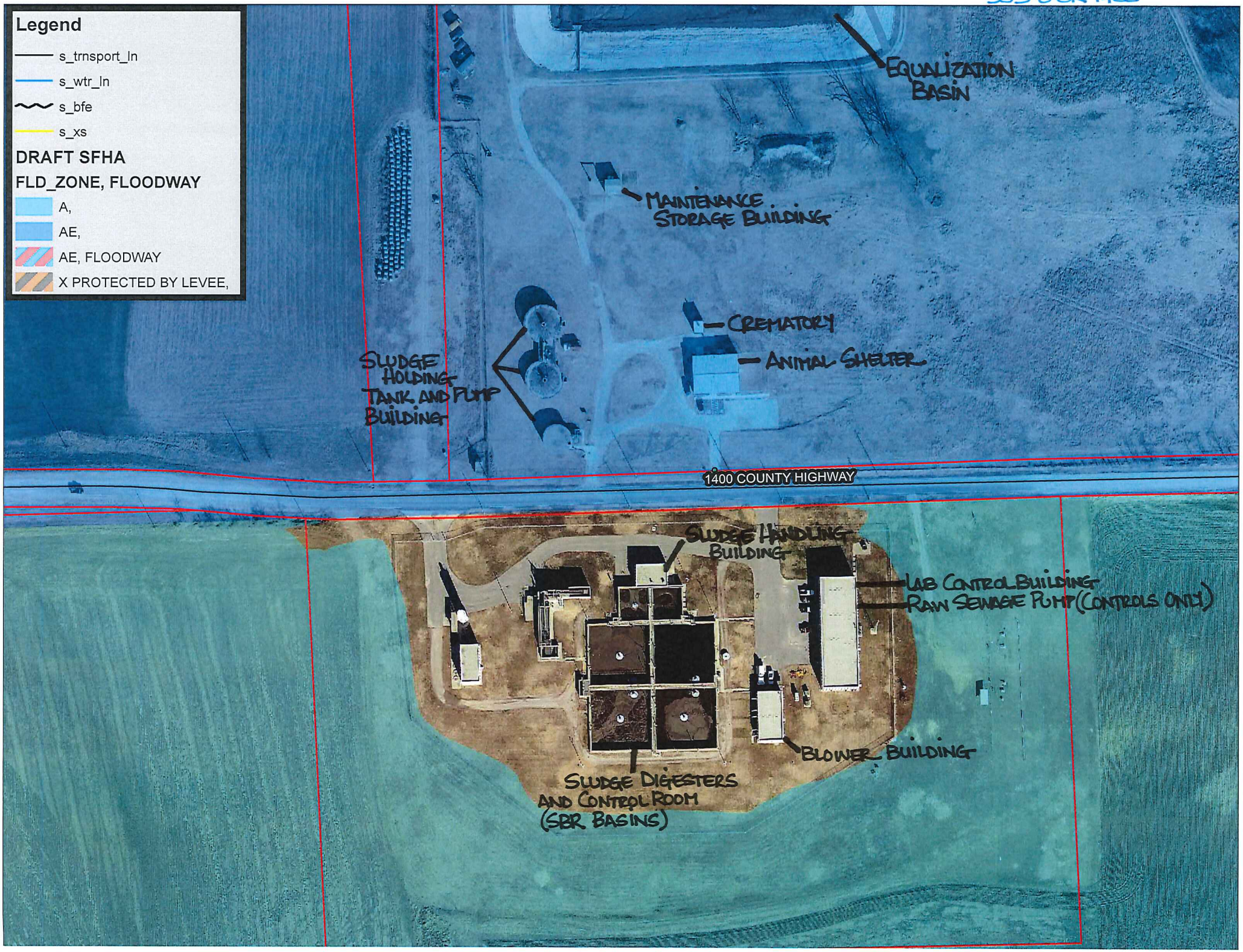
1605 S. WALNUT



1702 RIVER ROAD



503 E CR 1400


Legend
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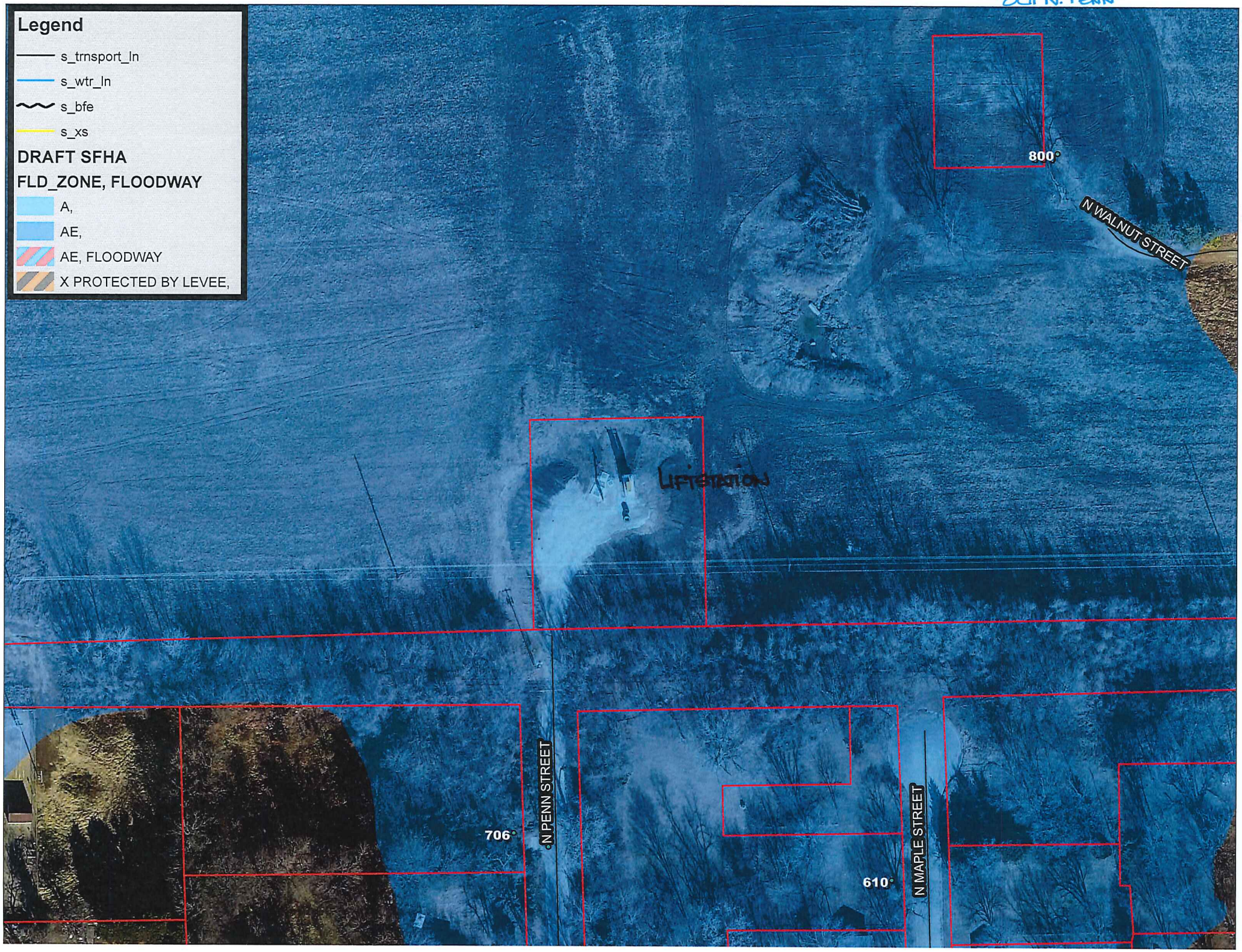
s_wtr_ln
s_bfe
s_xs
DRAFT SFHA
FLD_ZONE, FLOODWAY
A,
AE,
AE, FLOODWAY
X PROTECTED BY LEVEE,
EQUALIZATION BASIN
MAINTENANCE STORAGE BUILDING
CREMATORY
ANIMAL SHELTER
SLUDGE HOLDING TANK AND PUMP BUILDING
1400 COUNTY HIGHWAY
SLUDGE HANDLING BUILDING
LAB CONTROL BUILDING
RAW SEWAGE PUMP (CONTROLS ONLY)
BLOWER BUILDING
SLUDGE DIGESTERS AND CONTROL ROOM (SBR BASINS)

801 N. PENN


Legend
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s_wtr_ln
s_bfe
s_xs
DRAFT SFHA
FLD_ZONE, FLOODWAY
A,
AE,
AE, FLOODWAY
X PROTECTED BY LEVEE,
800
N WALNUT STREET
LIFTSTATION
706
N PENN STREET
610
N MAPLE STREET