	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	12/27/2016	
RESOLUTION OR ORDINANCE NUMBER	R-16-155	
AGENDA TITLE	A resolution to authorize the issuance of a purchase order to Kansas Eastern Region Insurance Trust (KERIT) for workers compensation insurance coverage for the City of Coffeyville to be effective January 1, 2017 through December 31, 2017.	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson	
FISCAL INFORMATION	Cost as recommended:	$218,990.00
	Budget Line Item:	Various Funds/Departments – Line Item 370
	Balance Available	$264,354.00
	New Appropriation Required:	[] Yes [X] No
PURPOSE	Authorizes issuance of a purchase order for workers compensation coverage for FY 2017.	
BACKGROUND	In 2013, the city joined Kansas Eastern Region Insurance Trust (KERIT) for workers compensation coverage. As part of this Trust, the City has a membership agreement for three years. KERIT was established in 1986 as a member-driven organization committed to developing a workers compensation program where its members are knowledgeable, fully engaged and accountable.	

SPECIAL NOTES	There are currently 18 members (15 cities, 2 counties and 1 parks & rec board) who each have a representative on the KERIT Board of Trustees. Each member is required to attend quarterly board meetings to allow for frequent review of claims and financials, involvement in claims management and communication of program goals. KERIT offers an average of 50 hours of safety training per year to each member. Premium discounts are offered through KERIT PLUS which benchmarks improvements of each member organization. The KERIT PLUS program advocates timely reporting of claims, post offer physical assessments, wellness programs, physical assessments of public safety personnel, facility inspections, safety committees, accident investigations, and safety training/orientation programs. Another benefit to KERIT is the potential to receive annual dividends based on the pools performance for the year. Since 2014, we have had the opportunity to receive dividends in future years based on the group's performance. We will continue to focus on maximizing our KERIT PLUS discount by maintaining our current training efforts along with an emphasis in our highest incident areas (slips, trips & falls and sprains & strains). Our safety committee also plans to perform more on the job safety inspections to ensure a safe workplace for our employees.

<table>
<tr><td>ANALYSIS</td><td>The City’s experience modification factor increased from a 1.14 in 2016 to 1.37 for 2017. The experience modification factor is calculated on frequency, severity and costs over the previous three years (2013, 2014, 2015).
<table>
<tr><td>Year</td><td>Premium</td><td>Losses</td><td>Loss Ratio</td></tr>
<tr><td>2013</td><td>$148,586</td><td>$352,071.</td><td>259%</td></tr>
<tr><td>2014</td><td>$238,786</td><td>$171,487.</td><td>72%</td></tr>
<tr><td>2015</td><td>$211,975</td><td>$61,526.</td><td>29%</td></tr>
</table>
Staff recently received the renewal quote for workers compensation coverage from KERIT. The quoted premium of $218,990.00 is $7,015 higher than 2016. The increase is due in part to payroll increase of $71,604 over 2016 and the high losses from 2013. Actual increase was reduced due to KERIT Board reducing all loss rates to $1.85 per $100 of payroll as a result of cash and asset balances in accordance with their fund balance policy.</td></tr>
<tr><td>PUBLIC INFORMATION PROCESS</td><td>N/A</td></tr>
<tr><td>BOARD OR COMMISSION RECOMMENDATION</td><td>N/A</td></tr>
<tr><td>STAFF RECOMMENDATION</td><td>Staff recommends adoption of the resolution to continue workers compensation insurance coverage with KERIT.</td></tr>
<tr><td>REFERENCE DOCUMENTS ATTACHED</td><td></td></tr>
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RESOLUTION NO. R-16-155

A RESOLUTION TO AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER TO KANSAS EASTERN REGION INSURANCE TRUST (KERIT) FOR WORKERS COMPENSATION INSURANCE COVERAGE FOR THE CITY OF COFFEYVILLE TO BE EFFECTIVE JANUARY 1, 2017 THROUGH DECEMBER 31, 2017.

BE IT RESOLVED, by the Board of Commissioners of the City of Coffeyville, Kansas, that the Finance Director be and is hereby authorized and directed to issue a purchase order to Kansas Eastern Region Insurance Trust (KERIT) in the sum of $218,990 for workers compensation insurance for the City of Coffeyville to be effective January 1, 2017 through December 31, 2017.

ADOPTED THIS 27th DAY OF DECEMBER 2016.

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Christopher V. Williams, Mayor

ATTEST:

_____
Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

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Paul Kritz, City Attorney