	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	August 27, 2013	
RESOLUTION OR ORDINANCE NUMBER	R-13-69	
AGENDA TITLE	**Authorization to renew Flood Insurance coverage for City owned Flood Zone A properties**	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Angie Naden, Treasurer	
FISCAL INFORMATION	Cost as recommended:	$60,528
	Budget Line Item:	010-5-163-452 - $996 900-5-046-452 – $21,684 900-5-047-452 - $37,848
	Balance Available	010-5-163-452 - $1,566 900-5-046-452 - $19,656 900-5-047-452 - $36,330
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	To renew flood insurance coverage for the 12 properties the City owns located in Flood Zone A.	
BACKGROUND	This will be our fifth 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 four years ago, we had to purchase separate flood coverage.	

SPECIAL NOTES	While the line item budget available for the wastewater portion of the premium expense shows it will be over budget after paying the flood insurance premium, the line item the water portion of the premium will be coded to shows a surplus. Net effect on the fund as a whole – there are enough funds allocated in fund 900 for insurance premiums to cover the cost of the flood coverage.
ANALYSIS	We continue to work with Arthur J. Gallagher on this coverage as they are the broker for our property and casualty insurance, and thus have just the one quote. The annual premium to renew our coverage which is through American Bankers Insurance Company is $60,528, a 7% increase over our 2012 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	

BOARD OR COMMISSION RECOMMENDATION	
STAFF RECOMMENDATION	Staff recommends approving the proposed coverage and paying the annual premium of $60,528 to ensure adequate coverage for our Flood Zone A properties.
REFERENCE DOCUMENTS ATTACHED	Premium break down per location.

RESOLUTION NO. R-13-69

A RESOLUTION TO AUTHORIZE ISSUANCE OF A PURCHASE ORDER FOR $60,528 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 City Treasurer be and is hereby authorized and directed to issue a purchase order for $60,528 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	09/26/2013 to 09/25/2014

ADOPTED THIS 27th DAY OF AUGUST 2013.

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David George, 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
Lift Station/Pumps/Generator	801 N. Penn Street	$ 260,000	$ -	$ 2,532	$ 2,529	$ 2,575	$ 2,677	$ 2,872
Maintenance Storage Building	503 E. CR 1400	$ 15,000	$ -	$ 235	$ 240	$ 235	$ 235	$ 235
Sludge Digesters and Control Room	503 E. CR 1400	$ 3,689,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553
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
Equalization Basin	503 E. CR 1400	$ 1,139,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553
Raw Sewage Pump (Controls Only)	503 E. CR 1400		$ 126,000	$ 4,035	$ 4,085	$ 3,820	$ 3,631	$ 3,631
Lab Control Building	503 E. CR 1400	$ 1,405,000	$ -	$ 843	$ 654	$ 654	$ 654	$ 654
Blower Building	503 E. CR 1400	$ 785,000	$ -	$ 843	$ 654	$ 654	$ 654	$ 654
Sludge Handling Building	503 E. CR 1400	$ 899,000	$ -	$ 11,463	$ 12,893	$ 12,892	$ 12,892	$ 12,892
Chemical and Filtration Building	1702 River Rd	$ 8,594,000	$ 125,000	$ 7,110	$ 7,251	$ 7,441	$ 7,831	$ 8,578
Pump House	1702 River Rd	$ 1,407,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553
Upflow Clarifiers Building	1702 River Rd	$ 5,104,000	$ -	$ 5,085	$ 5,226	$ 5,416	$ 5,806	$ 6,553
Building/Lift Station/Pumps/Generator	1605 S. Walnut	$ 6,603,000	$ -	$ 843	$ 654	$ 654	$ 654	$ 654
Warehouse - Public Svc/Water Distribution	1106 River Rd	$ 629,000	$ 160,000	$ 1,508	$ 996	$ 996	$ 996	$ 996
			Total Premium	**$ 52,558**	**$ 53,835**	**$ 54,580**	**$ 56,498**	**$ 60,528**

010-5-163-452		$ 996
900-5-046-452		$ 21,684
900-5-047-452	(WWTP)	$ 34,322
900-5-047-452	(Liftstations)	$ 3,526
		$ 60,528