



# **AGENDA**

## **ASTORIA CITY COUNCIL**

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**Tuesday, June 27, 2017**

**12:00 PM**

**City Hall, Council Chambers**

**1095 Duane Street**

**Astoria OR 97103**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. WORKERS COMPENSATION INSURANCE**
- 4. NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS (NON-AGENDA)**

**THE MEETINGS ARE ACCESSIBLE TO THE DISABLED. AN INTERPRETER FOR THE HEARING IMPAIRED MAY BE REQUESTED UNDER THE TERMS OF ORS 192.630 BY CONTACTING THE CITY MANAGER'S OFFICE AT 503-325-5824.**



# CITY OF ASTORIA

Founded 1811 • Incorporated 1856

Date June 23, 2017

## MEMORANDUM

TO: MAYOR AND CITY COUNCIL

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: WORKERS' COMPENSATION INSURANCE

### DISCUSSION/ANALYSIS

The City of Astoria has carried Workers' Compensation Insurance with Citycounty Insurance Services (CIS) since 2011 at which time it was moved from Liberty Northwest. During the insurance renewal proposal process the City received initial information Workers' Compensation rates should be expected to increase in the range of 25% - 30% from the amounts paid in the prior year. This involves a combination of factors including the City specific claims history, the CIS pool of claims, the City estimated payroll for FY 2017-18 and the overall category claim adjustments. All of these factors together are reviewed by insurance company underwriters to develop the proposed rates for each entity in the pool. Last year the City experienced approximately a 15% increase. This figure was established utilizing the same payroll projection across both years so we could see the impact of category increases and modification factors.


Propel Insurance is our agent of record and they have been working with CIS since mid-April to determine what final rate increase would be for FY 17-18. Propel has worked with Finance Director Brooks to submit information early to provide time for review and negotiation on various aspect of the premiums. The early submittal and negotiations resulted in reducing the proposed increase to approximately 22%. At the same time City staff asked Propel to see if a comparative quote could be obtained from an outside insurance agency. Propel was able to quickly work with SAIF Corporation and obtained a very competitive bid.

City staff has had a long and successful working relationship with CIS so it was important to offer CIS the opportunity to provide a best and final review of their Workers' Compensation Insurance proposal which staff received on June 21, 2017. Although CIS did reduce the proposal there is still approximately \$ 45,500 in saving the City could recognize by changing insurance coverage to SAIF. In addition staff anticipates some intangible benefits which SAIF may provide which are not available with CIS and some tangible benefits which may be available after we have been with SAIF for a year.

Staff is recommending initiating a Notice of Election for SAIF to bind City of Astoria Workers' Compensation Insurance for FY 17-18.

**RECOMMENDATION**

It is recommended that Council authorize the City Manager to execute the Election for City of Astoria Workers' Compensation Insurance with SAIF Corporation for coverage effective July 1, 2017.

By:   
Susan Brooks, CPA  
Director of Finance & Administrative Services



## CITY OF ASTORIA

### Notice of Election for Guaranteed Cost Plan

Period: 07/01/2017 - 07/01/2018

Quote: 764122

Plan: 3

Agency: PROPEL INSURANCE

Producer: SCOTT FARMER

#### Premium Estimate:

Modified premium	\$215,833
Annual prepay discount (3.5%)	\$7,554
Standard premium	\$208,279
Premium discount	\$35,315
Total premiums and assessments	\$186,177

Payroll reporting frequency: Annual

Please visit [saif.com](http://saif.com) and choose *Safety and health* for information about safety or choose *Employer Guide* for information about reporting payroll, paying online, filing and managing a claim, and coverage.

I, the undersigned, as a legal representative of the company listed above, do hereby authorize SAIF Corporation to issue the policy and determine workers' compensation premiums according to the plan selection on this form. I have read, understand, and agree to the terms and conditions of this plan as set forth in the proposal.

\_\_\_\_\_  
Authorized signature of insured

\_\_\_\_\_  
Date signed

**Please return this page to:**

**SAIF CORPORATION  
400 High St SE  
Salem, OR 97312-1000**



**CITY OF ASTORIA**

**Prepay Installment**

**Period:** 07/01/2017 - 07/01/2018

**Quote:** 764122

**Plan:** 3

**Please return this page with remittance.**

Annual prepay installment due by **07/10/2017: \$186,177**

Write the quote or policy number indicated in this document on your check. Make check or money order payable to:

SAIF CORPORATION  
400 High St SE  
Salem, OR 97312-1000

<b>SAIF use only</b>			<b>ERIMAT</b>
Date received _____	Amount received _____		Check no. _____
Bond Company _____	Bond no. _____		