

A work session of the Astoria Common Council was held at the above place at the hour of 12:00 pm.

Councilors Present: Jones, Brownson, and Mayor LaMear.

Councilors Excused: Nemlowill and Price

Staff Present: City Manager Estes, Finance Director Brooks. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

WORKERS' COMPENSATION INSURANCE

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 percent 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 FY2017-18 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 percent 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 FY2017-18. 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 percent. 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 FY2017-18.

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.

Director Brooks explained the differences between the policies offered by CIS and SAIF and how those differences affected insurance rates. She recommended the City purchase worker's compensation insurance from SAIF and confirmed the City's other insurance policies would still be purchased from CIS.

City Council Action: Motion made by Councilor Jones, seconded by Councilor Brownson, to execute the Election for City of Astoria Workers' Compensation Insurance with SAIF Corporation for coverage effective July 1, 2017. Motion passed unanimously. Ayes: Councilors Jones, Brownson, and Mayor LaMear. Nays: None.

NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS (NON-AGENDA)

There were none.

ADJOURNMENT

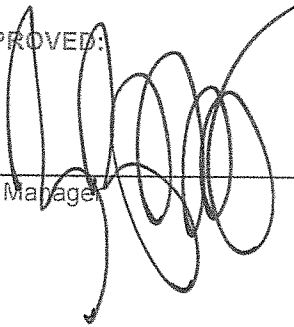
There being no further business, the meeting was adjourned at 12:13 pm.

ATTEST:



Finance Director

APPROVED:



City Manager