



AGENDA ITEM ANALYSIS

Project/Issue Name: 22-R-30 A Resolution of the City Council Authorizing the City Administrator to Enter into an Agreement with Midwest Public Risk for Property and Liability Insurance for Fiscal Year 2022-2023.

Submitted By: Meghin Cook, Finance Director

Date: June 21, 2022

Issue Statement

Authorization for City Administrator, David Cameron to enter into an agreement with Midwest Public Risk for Property and Liability Insurance for Fiscal Year 2022-2023.

Discussion and/or Analysis

The City of Republic currently utilizes Midwest Public Risk (MPR) for its insurance needs. MPR is not an insurance company in the traditional definition, but rather a State authorized insurance pool for municipalities.

The City of Republic currently utilizes Midwest Public Risk (MPR) for its insurance needs. MPR is not an insurance company in the traditional definition, but rather a State authorized insurance pool for municipalities. The City of Republic is not required to obtain bids to renew the services of MPR. The City received the invoice for continued service, and it included a rate increase for the renewal term. The increase is \$14,655 or 6% over the 2021/2022 rates. 4.5% of this increase is made up of an overall increase in rates to the Property and Liability Program that the MPR Board approved. The remainder is due to increases in payroll and property acquired by the City over the previous year.

Comparison 2021 Renewal vs 2022 Renewal

2021-2022			2022-2023		
FY Property Contributions Detail					
Property Premium	Insured Vehicles	Member Contribution	Insured Values	Member Contribution	
Buildings	45,362,671	\$ 94,628	49,032,671	\$ 103,976	
Contents	3,310,140	\$ 6,905	3,310,140	\$ 7,019	
Electronics	63,628	\$ 1,316	630,628	\$ 1,337	
Vehicles - APD	5,817,303	\$ 12,135	6,215,350	\$ 13,180	
Equipment - Inland Marine	3,580,780	\$ 7,470	3,597,730	\$ 7,629	
Other Property	1,815,430	\$ 3,787	1,815,430	\$ 3,850	
Total - Property	60,516,952	\$ 126,241	64,601,949	\$ 136,991	
FY Liability Contributions Detail					
Liability Premium					
Total Payroll	6,253,434	\$ 129,288	8,718,166	\$ 133,193	
Invoice Total		\$ 255,529		\$ 270,184	



This invoice is approximately \$10,682 more than we originally budgeted for 2022 Budget across all funds. Below is a breakdown that will be updated with the next budget amendment:

Department	Account Number	2022 MPR Inv TOTAL	2022 MPR Budget	Difference
Admin	100-150-62010	\$ 29,364.30	\$ 16,965.50	\$ (12,398.80)
Animal Control	100-390-63010	\$ 2,416.45	\$ 1,200.00	\$ (1,216.45)
Community Development	100-710-63010	\$ 8,611.10	\$ 7,500.00	\$ (1,111.10)
Fire	100-350-63010	\$ 40,174.39	\$ 40,000.00	\$ (174.39)
Parks & Rec	210-510-63010	\$ 55,043.29	\$ 55,000.00	\$ (43.29)
Police Department	100-320-63010	\$ 34,579.59	\$ 45,600.00	\$ 11,020.41
Municipal Court	100-210-63010	\$ 8,418.19	\$ 7,800.00	\$ (618.19)
PW Admin	Split out	\$ 4,730.01	\$ 5,001.00	\$ 270.99
Streets	220-422-63010	\$ 17,218.54	\$ 10,435.00	\$ (6,783.54)
Water	510-442-63010	\$ 25,309.06	\$ 20,000.00	\$ (5,309.06)
Wastewater	520-430-63010	\$ 44,319.27	\$ 50,000.00	\$ 5,680.73
		\$270,184.19	\$259,501.50	\$ (10,682.69)
PW Admin Split:				
Street Admin	220-421-63010	\$ 1,576.67	\$ 1,500.00	\$ 90.33
Water Admin	510-441-63010	\$ 1,576.67	\$ 1,500.50	\$ 90.33
Wastewater Admin	520-431-63010	\$ 1,576.67	\$ 2,000.50	\$ 90.33

2022 MPR Invoice Budgeted	270,184
2022 MPR Budgeted	259,502
Difference	10,683

The 5-year comparison of premiums for plan coverage is below:

2018/2019 Premium	2019/2020 Premium	2020/2021 Premium	2021/2022 Premium	2022/2023 Premium
\$ 218,275	\$ 222,641	\$ 239,339	\$ 255,529	\$ 270,184

In addition, the City earns a 2% Loss Control Credit on its policy.

MPR has a clause that requires a 90-day notice of intent to withdraw or be charged a 25% fee on the total premium amount. The City had the intent to go out to bid in 2022 as previously stated in last year's item analysis, however, with staffing change over this was lost in the process. Therefore, the City will be working on this process at the beginning of the 2023 Fiscal Year. With this said, City staff is recommending staying with MPR for one more year.

The invoice with a Property and Liability Contributions Detail is included in this Exhibit.

Recommended Action

City Staff recommends City Council approve Midwest Public Risk as the property and liability insurance provider for 2022-2023.