



AGENDA ITEM ANALYSIS

Project/Issue Name: 23-R-58 A Resolution of the City Council Authorizing Payment to Missouri Rural Services Workers' Compensation Insurance Trust for the Additional Premium Coverage for 2022-2023.

Submitted By: Lisa Addington, Chief of Staff; Bob Ford, Finance Director

Date: 10/17/2023

Issue Statement

The City's worker's compensation insurance policy requiring an additional premium for the audited period of April 1, 2022, through March 31, 2023.

Discussion and/or Analysis

Each year, when we present the worker's compensation insurance premium for the upcoming year, it is an estimated premium subject to audit mid-year. Each year, we do receive an additional premium amount to be paid as our payroll numbers increase from the creation of the estimated premium to the time of the audit. This past summer, our worker's compensation premium was audited for the period of 4/1/22 – 3/31/2023, which revealed a significant increase in payroll, resulting in the additional premium. The increase in payroll was due to (2) COLA, merit increases, and additional positions, specifically within the Public Safety groups that contributed to the majority of this premium increase.

A thorough audit was also conducted by Human Resources and the Finance Department to ensure the accuracy of the information reported by Missouri Rural Services Worker Insurance Trust. We anticipate an additional premium to our worker's compensation insurance premium again next year at this time. However, we have implemented a new process to ensure Missouri Rural receives accurate payroll numbers just before the estimated premium is received. We believe this will aid us in closing the gap between the estimated premium and the audited premium amounts.

Recommended Action

Payment of the additional audited premium invoice amount of \$81,521 paid to Missouri Rural Services Workers' Compensation Insurance Trust for the period of 2022/2023 is recommended.