City of Villa Rica

CITY MANAGER: TOM BARBER
CITY CLERK: ALISA DOYAL
CITY ATTORNEY: C. DAVID MECKLIN

571 W BANKHEAD HWY
VILLA RICA, GA. 30180
770.459.7000 | VILLARICA.ORG

SPECIAL CALLED CITY COUNCIL MEETING AGENDA

Holt-Bishop Justice Center, Municipal Courtroom, 101 Main Street
June 30, 2022 | 5:00 PM

Meeting Call to Order (Mayor Gil McDougal)

Adoption of the Agenda (Mayor Gil McDougal)

Public Comment (We ask that you sign in for Public Comment before the meeting begins. Please state your Name and Address for the record and limit your comments to three minutes.)

A. Executive Session (C. David Mecklin, City Attorney)

1. Meeting to discuss or deliberate upon the appointment, employment, compensation, hiring, disciplinary action or dismissal, or periodic evaluation or rating of a public officer or employee as provided in Georgia Code section 50-14-3(b)(2).

B. Governing Body

1. Presentation of Police Recruitment Video

C. Human Resources (Lena Taylor, Director)

1. Worker's Compensation Insurance Renewal July 1, 2022

D. Finance (Jennifer Hallman, Director)

1. Approve Updated Customer Sanitation Rates due to GFL's 5% Rate Increase

E. Adjournment

CITY OF VILLA RICA

City Council Meeting
Agenda Item Cover Sheet

SUBJECT: Approve Workers Compensation Renewal
AGENDA DATE: 6-30-2022

DATE PREPARED: 6-23-2022
PREPARED BY: Lena Taylor

AMOUNT: $170,531
GL ACCOUNT #: Workers Comp Line Item – All Departments
FUNDING SOURCE: Various Funds, Personnel Expenses
BUDGETED ITEM? Yes

PURPOSE: To approve a workers compensation renewal with Bitco.

BACKGROUND: Historically, the plans have run from March 10 to March 10. In 2022, we did a short-term 3-month renewal so that we could get a June 30th renewal. We approached the following brokers requesting quotes-United Heartland/Accident Fund Group, American Interstate Insurance Company, Risk Innovations Wholesale Brokers, McGowan Governmental Underwriters, Travelers and Bitco. More detailed feedback regarding findings is attached per the Market Due Diligence Report. To summarize, Bitco was the only qualified group that chose to bid.

We are currently coming off a short-term renewal as Bitco was willing to extend our policy through June 30, 2022. The company has underwritten our policy since 2016, with our scheduled credits (highlighted in yellow) trending up. Bitco gave us another 18% credit [which Mallory Agency requested] because they wanted to keep us as a client; it is discretionary but because our claims were low, they felt it was good business practice. Our total invoice for the Audit period of March 10, 2021 through March 10, 2022 is $173,614.00 which is the lowest we've had in recent years. The quote for June 30, 2022 to June 30, 2023 is even lower at $170,531.

In addition, they are trending to be the best, focused on worker's comp with municipalities that have more hazardous job duties like Police Officers and Public Works. Which many companies are not underwriting due to these departments.

These are the same rates (per attached summary comparison) that were given to us in the short-term renewal and have considerably trended down though our payroll has increased.

2021/22		2022/23
Expiring class/rate		Upcoming rate
7380	6.77	6.69
7520	4.00	3.57
7580	4.23	3.71
7720	4.00	3.38
8380	3.85	3.36
8742	.33	.31
8810	.16	.14
9015	5.19	4.39
9063	1.34	1.13
9101	5.73	4.54
9102	5.41	4.30
9402	9.92	8.39
9403	12.76	11.00
9410	4.98	4.16

STAFF RECOMMENDATION: Approval.

IMPACT: Bitco has reduced our premiums at a steady rate and is willing to underwrite us though we have departments that are considered hazardous.

MOTION: I move to approve the workers compensation renewal with Bitco for the period of June 30, 2022-June 30, 2023, for an amount not to exceed $170,531.

Workers Compensation

2022 - 2023 Summary

MALLORY AGENCY
P.O. Box 1209, LaGrange, GA 30241
www.malloryagency.com
#morewithmallory

Market Due Diligence Report

Meet the Team

MATT MALLORY | CEO & PRINCIPAL | CWCA
(706) 302-6070
mattm@malloryagency.com

LIBBY WILLINGHAM | EVP & PRINCIPAL | CIC, CWCA, AAI
(706) 302-2363
libbyw@malloryagency.com

ALLISON FOLDS | COMMERCIAL LINES ACCOUNT EXECUTIVE
(706) 884-3339
allisonf@malloryagency.com

Account History

JANUARY 2016

After working with City Management we reduced the per claim deductible from $10,000 to $2,500. Pure premium cost was reduced from $97,588 by GMA to $85,343. An immediate savings of $12,245 and reduction in per claim cost.

2017

Due to Prior claims issues we worked closely with HR and Bitco to audit all claims. We communicated & advised you to expect an increase in Experience Modification Rate due to prior claim frequency and severity issues.

2017 to Present

Our team worked closely with HR (Stephanie Rooks) to audit all claims. This is done to both facilitate care for injured workers and close claims more quickly; reducing costs and improving the Experience Modification Factor. In turn, saving the city dollars in premium costs and deductibles paid out.

Premium Audits - Continuous

Audit issues were experienced in the past. Due to payroll misclassification and incorrect projections the city was experiencing unexpected audits. We worked closely with HR to set up Class Codes and assignments in the payroll systems to better forecast and more accurately allocate payrolls.

Marketing Summary

Carrier Partners Approached & Industry Feedback

- United Heartland/Accident Fund Group
    - Municipalities at one time were a targeted industry
    - Due to claims experience they no longer fall within appetite
    - Declined to offer terms
- American Interstate Inusrance Company
    - Carrier writes larger accounts with harder to place exposures
    - Municipalities with law enforcement falls outside their scope
    - Declined to offer terms
- Risk Innovations Wholesale Brokers
    - Carriers writing municipalities are limited
    - Key Risk declined to offer terms - Key Risk has written Villa Rica in the past
    - Able to offer terms from non-rated carriers
    - Due to unrated status we advised carrier to close their file
- McGowan Governmental Underwriters
    - Professional Firm focusing on Governmental Entities
    - Strong Partner for our Firm
    - Travelers was approached, but they no longer write Workers Compensation only. They require all lines of coverage including Property, Casualty, Auto and Workers Compensation
    - Bitco has performed extremely well and continues to be one of the most competitive carriers in terms of rates, service and consistency

Moving Forward

DATE	ACTIVITY
BY 8/1/22	Receive Renewal Policy Documents from Carrier. Deliver policy onsite to review and discuss questions, claims, etc.
MONTHLY	Receive and review claims report to monitor and manage all existing claims. This can be done via report to your team, Zoom or phone call.
QUARTERLY	Onsite visits to review loss control, claims, etc.
JANUARY 2023	Begin discussions on renewal terms, payroll projections and review of Property, Casualty and Auto Program for potential partnership

CITY OF VILLA RICA GEORGIA 18 26 "CITY OF GOLD"

Stronger Together

MALLORY AGENCY
Insurance & Risk Management Since 1907

City of Villa Rica - WC Comparison

Class Code	Description	2019 / 2020 Actual			2020/2021 Actual			2021/2022 Projected			2022/2023 Projected		
		Rate	Payroll	Premium	Rate	Payroll	Premium	Rate	Payroll	Premium	Rate	Payroll	Premium
7380	Drivers	7.1	$ 37,175.00	$ 2,639.00	6.91	$ 40,908.00	$ 2,827.00	6.77	$ 37,175.00	$ 2,517.00	6.69	$ 52,703.04	$ 3,526.00
7520	Waterworks	4.42	$ 716,323.00	$ 31,661.00	4.25	$ 775,731.00	$ 32,969.00	4.00	$ 716,323.00	$ 28,653.00	3.57	$ 910,678.54	$ 32,511.00
7580	Sewage Disposal Plant	4.59	$ 431,196.00	$ 19,792.00	4.16	$ 357,803.00	$ 14,885.00	4.23	$ 431,196.00	$ 18,240.00	3.71	$ 476,435.48	$ 17,676.00
7720	Police Officers	4.15	$ 2,400,583.00	$ 99,624.00	4.25	$ 2,439,784.00	$ 103,691.00	4	$ 2,400,583.00	$ 96,023.00	3.38	$ 2,672,098.08	$ 90,317.00
8380	Auto Mechanics/Shop	4.32	$ -	$ -	3.98	$ -	$ -	3.85	$ -	$ -	3.36	$ 154,252.80	$ 5,183.00
8742	City Administrator	0.4	$ 387,437.00	$ 1,550.00	0.33	$ 19,954.00	$ 66.00	0.33	$ 387,437.00	$ 1,279.00	0.31	$ 446,487.70	$ 1,384.00
8810	Clerical Office	0.2	$ 1,599,316.00	$ 3,199.00	0.17	$ 1,868,527.00	$ 3,176.00	0.16	$ 1,599,316.00	$ 2,559.00	0.14	$ 1,876,426.40	$ 2,627.00
9015	Building/Prop Management	5.58	$ 174,429.00	$ 9,733.00	5.45	$ 157,438.00	$ 8,580.00	5.19	$ 174,429.00	$ 9,053.00	4.39	$ 282,903.92	$ 12,419.00
9063	YMCA, YWCA, YMHA or YWHA, Institution - All Employees & Clerical	1.39	$ 52,678.00	$ 732.00	1.35	$ -	$ -	1.34	$ 52,678.00	$ 706.00	1.13	$ 57,469.88	$ 649.00
9101	School - All Other	6.5	$ 106,602.00	$ 6,929.00	5.92	$ 102,137.00	$ 6,047.00	5.73	$ 106,602.00	$ 6,108.00	4.54	$ 119,631.62	$ 5,431.00
9102	Lawn Maintenance	6.06	$ 227,216.00	$ 13,769.00	5.67	$ 205,281.00	$ 11,639.00	5.41	$ 227,216.00	$ 12,292.00	4.3	$ 277,424.73	$ 11,929.00
9402	Public Works	11.16	$ 560,144.00	$ 62,512.00	11.16	$ 638,795.00	$ 71,290.00	9.92	$ 560,144.00	$ 55,566.00	8.39	$ 986,029.87	$ 82,728.00
9403	Garbage Refuse/Collecting	14.15	$ 195,647.00	$ 27,684.00	13.59	$ 182,505.00	$ 24,802.00	12.76	$ 195,647.00	$ 24,965.00	11	$ 194,315.68	$ 21,375.00
9410	City Employees NOC	6.55	$ 588,457.00	$ 38,544.00	5.29	$ 682,200.00	$ 36,088.00	4.98	$ 588,457.00	$ 29,305.00	4.16	$ 599,324.86	$ 24,932.00
Total Payrolls			**$ 7,477,203.00**			**$ 7,471,063.00**			**$ 7,477,203.00**			**$ 9,106,182.60**	
Manual Premium				$ 318,368.00			$316,060.00			$287,266.00			$312,687.00
Increased Limits				$3,502.00			$3,477.00			$3,160.00			$3,440.00
Deductible	($2,500 Ded)	0.967		($9,551.00)	0.968		($10,114.00)			($10,054.00)	0.962		($11,882.00)
Sch Credit		0.75		($85,888.00)	0.74		($77,232.00)			($67,794.00)	0.82		($44,907.00)
Drug Free Credit				($19,325.00)	7.50%		($16,486.00)			($14,471.00)	7.50%		($15,343.00)
Premium Disc.				($27,886.00)			($23,383.00)			($20,168.00)	0.886		($21,572.00)
Expense Constant				$140.00			$140.00			$140.00			$140.00
Terrorism				$2,168.00			$2,166.00			$2,243.00			$2,732.00
Exp Mod		1.1		$31,232.00	0.96		($12,377.00)	0.93		($19,626.00)	0.82		($54,764.00)
Total				**$212,760.00**			**$182,251.00**			**$173,614.00**			**$170,531.00**

CITY OF VILLA RICA

City Council Meeting
Agenda Item Cover Sheet

SUBJECT: To approve the updated customer sanitation rates due to GFL's 5% rate increase because of rising fuel costs effective July 1, 2022.

AGENDA DATE: 06/30/22

DATE PREPARED: 06/10/22
PREPARED BY: Jennifer Hallman, Finance Director

AMOUNT: Approx. $11,100 (3 months)
GL ACCOUNT #: 540-4500-522110
FUNDING SOURCE: Solid Waste Operating Budget
BUDGETED ITEM? No

PURPOSE: To approve the updated customer sanitation rates due to GFL's 5% rate increase because of rising fuel costs effective July 1, 2022.

BACKGROUND:
Due to the rising cost of fuel, GFL is implementing a 5% rate increase beginning July 1, 2022. Per their contract: "*In the event that the cost of fuel as reported by the U.S. Energy Information Administration's, On Highway Diesel Prices, Lower Atlantic Region, meets or exceeds an average cost of $3.83 per gallon for a 30-day period a 5% surcharge will be added. The surcharge will remain in effect until the average cost reduces below $3.83 for a 30-day period.*"

GFL Rate - Current vs. New			
	Current GFL Rate	5% Increase	New GFL Rate
First Cart	$ 13.75	$ 0.69	$ 14.44
Second Cart	8.50	0.43	8.93
Low Income Senior	13.75	0.69	14.44

VR Customer Rate - Current vs. New			
	Current VR Rate	Increase	New VR Rate
First Cart	16.04	0.69	16.73
Second Cart	8.50	0.43	8.93
Low Income Senior	12.03	0.52	12.55

STAFF RECOMMENDATION: To approve the updated customer sanitation rates due to GFL's 5% rate increase because of rising fuel costs effective July 1, 2022.

IMPACT: Rate increase of $0.69 for the first cart; an increase of $0.43 for the second cart. There will also be an increase of $0.52 for the low-income senior cart.

MOTION: I move to approve the updated customer sanitation rates due to GFL's 5% rate increase because of rising fuel costs effective July 1, 2022.