

**CITY OF WEIRTON
TUESDAY, JUNE 29, 2021**

**COUNCIL MEETING – SPECIAL
11:00 A.M. - COUNCIL CHAMBERS**

PRAYER

PLEDGE OF ALLEGIANCE

MEETING CALLED TO ORDER

ROLL CALL

Executive Session shall be held only if a majority vote of the members of the governing body vote to hold an executive session and the items for consideration shall consist of any and all of those contained within West Virginia Code 6-9A-4.

NEW BUSINESS:

1. A Resolution to Enter Into a Contract for Workers Compensation Insurance Coverage for the City of Weirton. (City Manager)

ADJOURNMENT

PRAYER

**MEETING MINUTES
WEIRTON CITY COUNCIL**

Special Council Meeting
Council Chambers
Weirton, WV 26062

Tuesday, June 29, 2021, 11:00 a.m.

Councilman Tim Connell recited the opening prayer and led the Pledge of Allegiance.

City Clerk Kimberly Long called the meeting to order and conducted roll call.

ROLL CALL

Mayor and Council Members in Attendance

Harold E. Miller	Mayor	IN PERSON
Tim Connell	Councilmember Ward 1	IN PERSON
Mike Adams	Councilmember Ward 2	BY TELEPHONE
Fred S. Marsh	Councilmember Ward 3	IN PERSON
George E. Ash, Sr.	Councilmember Ward 4	ABSENT
Flora Perrone	Councilmember Ward 5	IN PERSON
Enzo Fracasso	Councilmember Ward 6	IN PERSON
Terry Weigel	Councilmember Ward 7	IN PERSON

City Officials in Attendance

Diana Smoljanovich	Finance Director	IN PERSON
Vince Gurrera	City Attorney	IN PERSON
DeeAnn Pulliam	Assistant City Manager	IN PERSON
Pamela Wright	Employee Benefits Administrator	IN PERSON
W. Coty Shingle	Park Board Executive Director	IN PERSON
Brian Stewart	IT Analyst	IN PERSON
Kimberly Long	City Clerk	IN PERSON

Request by Council to convene into Executive Session consistent with West Virginia Code 6-9A-4.

No motion was made to go into Executive Session.

NEW BUSINESS:

- 1. A Resolution to Enter Into a Contract for Workers Compensation Insurance Coverage for the City of Weirton. (City Manager)
Motion to Approve: Councilman Fracasso**

Discussion:

Councilman Marsh – “Mr. Mayor, the Finance Committee just met and talked to both parties regarding their proposals, and after discussion, we felt it was best that we send this to Council without a recommendation, and let Council decide what they want to do.”

Each representative was afforded the opportunity to address Council.

Mr. Matt Provenzano from Assured Partners, Pro Ventures, LLC, spoke first. A \$500,000.00 limit was quoted because that is the only requirement necessary to tap into the umbrella. The City has a \$6 million umbrella that costs \$35,000.00 a year. The only underlying requirement to get into that umbrella is half a million dollars workers’ compensation policy. Currently, the City is carrying \$1 million on workers’ compensation. If Assured Partners quoted \$1 million, it would be about \$4,000.00 higher on the year, but it’s unnecessary spending for the City. AmTrust has the same A.M. Best rating as Encova – an “A-.” It was asked for clarification on why, if the policies are identical, is there such a large discrepancy between the two quotes. It was explained that workers’ compensation is a solid equation, and there really is no explanation on why such a large difference in price. The e-mod rating is a discounting credit based off of loss history that you can apply to the premium. This is just the rate that we got. It normally takes about 30 days to get quotes together. Luckily, it was able to be pulled together quickly this time. The result would have been the same whether there was 30 days or not to get the quote together. It was further explained that the first \$500,000.00 is the most expensive because that’s where most of the claims will fall under. The same with the umbrella insurance. It’s not a significant cost increase to go above the \$500,000.00 for the workers’ compensation policy or to increase the umbrella. The first chunk is always going to be the most expensive. If you have a claim and it affects your e-mod, then the comp piece will be affected and that cost will go up for the City. If the claim is larger and it taps into the umbrella, then the premium for the umbrella is going to go up. The e-mod has improved for the City and that is what led to this good rate. There are only three companies in West Virginia that offers workers’ compensation insurance for municipalities - AmTrust, Encova and Travelers. With Travelers, you must have a packaged deal with them. It was explained that the workers’ compensation policy covers the first \$500,000.00 of a claim, and then a secondary policy would cover the rest. Whatever the claims hits, it will affect the cost of that policy. It was recommended that the City review the policy every March and place it out for bid.

Mr. Doug Velegol, Assure America spoke. Encova understands the municipal business. The bid represents a \$40,000.00 - a 20% - reduction compared to last year. This includes the factors related to the \$2.3 million claim that Encova has paid. Encova was founded on the principals of risk management. There are only 3 carriers in the state that will do municipal business - Travelers (but you have to have a package with them), Encova and AmTrust. Encova has paid every single claim. The COVID claim the City had was the first in the state for a COVID-related death and that's why it took so long to get paid. It was an employee-to-employee transmission. It was an unprecedented situation. In about 3 months' time, a decision will be made that will determine whether that claim will affect the City's e-mod. If it does, the e-mod rating will go above 2, and the City will be paying a significantly higher rate. Encova is in over 50% of the municipalities. They will defend that from impacting the City's e-mod. It was clarified that robust risk control means that there is a quarterly meeting with the City's Benefits Administration to go through every claim that the City has and looks for corrective actions to mitigate that in the future. Assure America was not comfortable with the bid that they received from AmTrust. It was explained that every year the policy gets reviewed. The rates did increase; there is such a thing as rates by job class and then there are the premiums. The premiums reduced by \$20,000.00 even before Assure America went back to Encova; however, the City's rates increased across the board, and that was due large in part to the \$2.3 million claim. That claim may impact the City's e-mod rating. After receiving notice regarding the reviewing of proposals for Workers Comp , Assure America went back to Encova, and the price that came back was \$176,000.00. The NCCI rating committee will be the one to determine whether the COVID claim impacts our e-mod or not. Encova is entrenched in West Virginia and has a good relationship with the NCCI, and will go to battle to make sure the claim doesn't affect the City's e-mod.

Mr. Provenzano confirmed that Assured Partners also has a risk management program and has already been working with the City on risk management from the general liability side.

Workers' compensation policies are regulated by the state. The state tells you what has to be in a worker's compensation policy.

Mr. Velegol reiterated that the \$213,000.00 quote was for last year. This year's quote came in at \$193,000.00. Then, after speaking with the underwriters, it went down lower.

Councilman Connell made a Motion to Approve Entering Into a Contract for Workers' Compensation Insurance Coverage for the City of Weirton with the Assured Partners policy for \$1 million of coverage.

Motion Approved: 4/1/1

Councilman Marsh abstained from voting due to not receiving the financial assets of either company to tell me what they can pay.

Councilwoman Perrone voted against the Resolution. Council has not been given the opportunity to make an adequate vetting of the policies – cost vs. coverage decision in this moment.

ADJOURNMENT

**Motion to Adjourn: Councilman Marsh
Motion Approved 6/0**

Councilman Tim Connell recited the closing prayer.

Minutes approved at the July 16, 2021 Special Council Meeting.
Signed: *Kimberly Long*, City Clerk