

**Fiscal Comments
Commission Meeting
December 12, 2023
Regular Meeting**

**Policy Report
Commercial Insurance Package for 2024**

During the 2024 Operating Budget and 2024 – 2028 CIP process, the City Commission approved \$465,900 for 2024 property and liability insurance. The 2024 expenditures are budgeted from the General Fund (\$243,800), Recreation Fund (\$109,200), Sewer Fund (\$77,900), Street Fund (\$31,100), Community Development Fund (\$1,400), Planters II Fund (\$1,300), and the CVB Fund (\$1,200). Travelers Insurance, our current provider, provided a quote of \$568,629 for the 2024 coverage. This quote exceeds the 2024 budget by \$102,729.

We are in the middle of a hard market from a rate standpoint and this is reflective in the renewal premium. A lookback at the previous years' premiums show that the 2024 quoted rates are 8.75% higher than they were in 2020/2021. Therefore, the blended increase from 2020 to 2024 is approximately 2% per year.

In addition to the increased premium, the quote includes the following changes: increased property values, increased Wind and Hail deductible from 1% to 3%, increased auto deductibles from \$1,000 to \$2,500, and increased deductibles on garbage trucks to \$5,000.

The \$102,729 increase in premiums will be paid from the General Fund, Sewer Fund, Refuse Fund, Planters II Fund, and CVB Fund reserves.

Staff recommends the City Commission approve the 2024 renewal of Insurance Coverage with Travelers Insurance in the amount of \$568,629.

**Policy Report No. PWD #23-50
Consider Award of 1 (2024) New/Unused Truck Cab and Chassis with Refuse Compaction Body**

During the 2024 Operating Budget and 2024 – 2028 CIP process, the City Commission approved \$201,500 (after trade-in) for the purchase of a new refuse truck.

The Solid Waste Foreman prepared bid specifications and researched options for purchasing the Refuse Truck. After reviewing available purchase options, department staff concluded that it would be advantageous to the City to utilize Sourcewell national pricing under the statutory authority of KSA 12-2901 for the cooperative purchase. The City is trading in a 2006 Freightliner refuse Truck with Heil 5000 compactor. Ordering the new refuse truck now will help ensure that it is delivered and useable in 2024.

Sourcewell provided a price of \$229,000 for a 'Freightliner M2 103 Plus,' with 'New Way Cobra Magnum Rear Load Body.' The trade-in value of the 2006 Freightliner Refuse Truck is \$27,500. Therefore, the price of the new truck, after trade-in is \$201,500, which is the amount that was budgeted for this purchase. There are sufficient cash reserves in the Refuse Fund to cover the 2023 encumbrance for this purchase.

Staff recommends the City Commission approve the purchase of the new Freightliner M2 103 Plus Refuse Truck with New Way Cobra Magnum Rear Load Body from Sourcewell in the amount of \$229,000.

Policy Report

Accept Low Bid for the Chiller System Replacement at Planters II

The Planters II Chiller System needs to be replaced due to age and operational issues. Due to the age of the current system, it has become extremely costly and very difficult to find parts for repairs.

The Leavenworth Housing Authority worked with Alan Lankford of Lankford Fendler & Associates for engineering and architect services to prepare the specifications and drawings for the project. Bid specs were advertised and bids were opened at the Leavenworth Housing Authority office on November 9, 2023 at 1:45PM. The bid results were as follows:

Company	Bid
D'Agostino Mechanical Contractors, Inc	\$708,325.00
Rand Construction Company	\$720,183.00

D'Agostino Mechanical Contractors, Inc. has worked with the City of Leavenworth on previous projects without any noted performance issues.

The Leavenworth Housing Authority currently has \$517,175 available in Capital Fund Program (CFP) grants and will receive an additional CFP grant in 2024 for approximately \$200,000. This provides sufficient funding for the chiller replacement project. There are sufficient reserves in the Planters II Fund to cover the differential between the currently available CFP grants and the project cost, should the additional \$200,000 in CFP grants not be available prior to project completion.

Staff recommends the approval of the contract to D'Agostino Mechanical Contractors, Inc. in the amount of \$708,325 for the Chiller System Replacement at Planters II.