

Contact: Nick Hernandez
Phone: (620) 441-4415
Fax: (620) 441-0869
nhernandez@arkansascityks.gov

City Manager's Office
City of Arkansas City
118 W. Central Ave.
Arkansas City, KS 67005



Press Release

City of Arkansas City receives 9th straight KMIT Gold Star Award

City also celebrates 10th year of KMIT membership as 'safety success story'

ARKANSAS CITY, Kan. (February 12, 2016) — Late in the winter of 2005, the City of Arkansas City had a serious problem.

The City's safety record had declined. Injuries to employees were on the rise. Workers compensation costs also were up — a lot.

In fact, things were going poorly enough that the City's workers compensation insurance carrier at the time made the decision to drop its coverage for the City.

Administrative leaders recognized that the City had “taken its eye off the ball” when it came to safety.

There were just too many accidents and injuries taking place. Too many people were being hurt on the job. And costs were mounting as a result. Even though many City functions have a fairly high risk factor — the work can be hazardous and even dangerous at times — its leaders surmised that at least of some of the injuries and missed time were preventable.

Just like for-profit businesses, cities need to be operated with business-like principles.

The City recognized that this aspect of its operation just was not running as efficiently and effectively as it could — and should — be. So the City took action.

Joining KMIT

Effective April 1, 2005, the first step taken by City leaders was to join the Kansas Municipal Insurance Trust (KMIT) workers compensation “pool,” consisting of more than 150 cities in Kansas that have banded together as a group to “self-fund” for workers compensation.

For immediate release

more

KMIT is run by a board of trustees, made up of city officials from all across the state, and managed by a professional pool administrator with years of direct city experience.

KMIT's goal is to work together with its member cities, collectively and individually, to keep workers compensation costs down by improving injury rates — through safety — and by professionally managing claims that do occur — and claims *do* happen, to all businesses — to the highest and best level possible, including arranging for the very best possible care for injuries sustained by City employees.

“Our first priority, in the case of an injury, is to obtain quality care for the injured employee,” said Marla McFarland, the City's human resources manager.

Creating a ‘safety culture’

The City also immediately set out to re-establish the strongest “safety culture” possible within its organization. A great safety culture is in place when safety *always* comes first, every minute of every day, no matter what the job or the situation — even during, and perhaps especially during, emergencies and crisis situations.

KMIT conducts annual risk control (safety) compliance audits of each member city during the first several months of every year. Members then have several months to correct any “deficiencies” found during the audit — and the standards tend to become “tougher” over time.

The highest rating a city can obtain is “Gold.” Cities that are awarded a Gold rating also receive a special 5-percent “safety discount” on the following year's annual workers compensation premium.

Earning Gold Stars

The City of Arkansas City began its relationship with KMIT by immediately putting forth a great deal of effort into qualifying for the Gold Star Award.

Even though the City was ineligible for any discount during its first full year in the KMIT Pool, which was 2006, it still completed in that first year all of the work necessary to reach the top level in risk control:

- Certifying that adequate safety policies are in place;
- Organizing and maintain an active Safety Committee;
- Maintaining records of appropriate safety trainings for each department;
- Providing safe workplaces.

The City's first Gold Discount came in 2007 and it has been receiving Gold Star Awards ever since.

Because of its overall improved performance — signified by the actual safety record, as measured by fewer injuries and a reduction in cost claims — the City's total advance discount with KMIT currently is 10 percent — 5 percent for risk-control certification alone.

In 2016, the City of Arkansas City will save about \$21,000 due to performance discounting.

To put that into perspective, the City spent about \$65,000 more for workers compensation insurance in 2006 than it will spend in 2016 — a reduction of more than 25 percent — and that is despite the City's total payroll increasing in that 10-year period. (Workers compensation pricing is based on total payroll.)

Since 2006, the City has saved more than \$500,000 due solely to its hard work in lowering the overall cost of workers compensation.

It's a simple equation: Better work practices lead to fewer injuries, which equals lower costs.

"It's always a good day when our employees go home, after a long day's work, without injury," McFarland said. "They work hard."