



**RISK MANAGEMENT  
WORKER'S COMPENSATION  
FY 2020**

Budget Presentation



# FY18 Service Summary

## Risk Management

- **Mission:**

To administer a risk management program that utilizes liability insurance, loss prevention and safety programs to prevent, reduce and minimize losses and liability exposure for the City.

# FY18 Service Summary

## Key Services provided

### Risk Management, Liability Statistics

	2016		2017		2018	
<b>Claims Filed</b>	84		115		<b>78</b>	
<b>Claims Paid</b>	59	1 <sup>st</sup> : 30 3 <sup>rd</sup> : 29	61	1 <sup>st</sup> : 10 3 <sup>rd</sup> : 51	<b>48</b>	<b>1<sup>st</sup>: 19 3<sup>rd</sup>: 29</b>
<b>Amount Paid for All Claims</b>	\$86,119.17		\$194,558.23		<b>\$137,379.67</b>	
<b>Reimbursements</b>	\$20,886.36		\$27,220.26		<b>\$18,532.61</b>	
<b>Net Paid</b>	\$65,262.81		\$167,367.97		<b>\$118,847.06</b>	
<b>Legal Fees for insured claims</b>	\$59,728.96		\$206,087.43		<b>\$65,900.51</b>	
<b>City Premium</b>	\$639,723.00		\$639,448.00		<b>\$679,356.00</b>	
<b>City 1<sup>st</sup> Party Deductible</b>	\$8,492.45		\$7,611.64		<b>\$21,958.34</b>	
<b>Total City Paid</b>	\$648,215.45		\$647,059.64		<b>\$701,314.34</b>	
<b>Premium Attributed to Insure City Property (2018 Estimate 30%* of Premium)</b>	\$191,916.90		\$191,834.40		<b>\$203,806.80</b>	

# Service Measures of Effectiveness, Key Accomplishments:

## *Risk Management:*

- Increase employee drivers' awareness to reduce claims resulting from motor vehicle accidents, including backing accidents.
- Reduce City liability on all claims through reduction in preventable accidents.

Results: Coordination with ICRMP resulted in subrogation of the City's and ICRMP's costs related to first party claims.

## *Service Issues and Concerns:*

### *Safety Issues:*

- Driving errors continue to be among the highest number of claims filed. The City participates in annual ICRMP driving awareness training. City drivers need to increase their awareness of hazards, particularly through intersections and while backing up.
- Lifting accidents, first responder physical training (Police arrest techniques or Fire combat challenge) and pushing/pulling Sanitation containers continue to be highly reported.

# Budget Comparison FY19 to FY20 – Personnel

<b>Liability Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>	
Personnel (wages, all types)	\$128,773	\$133,411	\$4,638	3.60%	
Benefits, Medical	\$17,334	\$18,391	\$1,057	6.10%	
Benefits, Other	\$29,546	\$31,332	\$1,786	6.04%	\$7,481

<b>Liability Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>
<b>Labor / Operating Split</b>				
Labor (wages + all benefits)	\$175,653	\$183,134	\$7,481	4.26%
% of budget to labor	14.71%	15.24%		
Remainder (operating & capital)	\$1,018,349	\$1,018,349	\$0	0.00%
<b>Employees</b>				
	<b>FY18</b>	<b>FY19</b>	<b>Difference</b>	<b>% change</b>
Full Time	1.5	1.5	0	0.00%

# Budget Comparison FY19 to FY20 – Operating

<b>Liability Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>	
Supplies	\$3,589	\$3,589	\$0	0.00%	
Professional Services	\$49,580	\$49,580	\$0	0.00%	
Repair Services	\$0	\$0	\$0		
Utilities	\$0	\$0	\$0		
Property Services	\$0	\$0	\$0		
Purchased Services	\$854,254	\$854,254	\$0	0.00%	
Loans	\$0	\$0	\$0		
Capital Outlay	\$0	\$0	\$0		
Debt Service	\$0	\$0	\$0		\$0

## Budget Comparison FY19 to FY20 – Revenues

<b>Liability Fund</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>
Property Tax	\$483,987	\$483,987	\$0	
Interfund Revenues	\$710,015	\$710,015	\$0	
<b>Total</b>	<b>\$1,194,002</b>	<b>\$1,194,002</b>	<b>\$0</b>	<b>0.00%</b>



# FY18 Service Summary

## Key Services provided

### Worker's Compensation Statistics

	2016	2017	2018
<b>Total Claims Filed</b>	175	188	<b>213</b>
Medically Attended	(97)	(96)	<b>(100)</b>
Non-Attended	(79)	(92)	<b>(113)</b>
<b>Claims Resulting in Time Loss From Work</b> (*Incl. kept on salary wages for FTs only)	19	5	<b>9</b>
<b>&gt; 5 days' time loss</b>			
*67%	5	4	<b>7</b>
*100%	\$4,616.67	\$5,095.31	<b>\$9,883.32</b>
	\$8,470.02	\$7,604.94	<b>\$14,751.23</b>
<b>&gt; 30 days' time loss</b>			
*67%	9	4	<b>1</b>
*100%	\$16,672.45	\$15,96.62	<b>\$6,134.52</b>
	\$31,718.85	\$23,826.30	<b>\$9,156.00</b>
<b>&gt; 60 days' time loss</b>			
*67%	5	1	<b>1</b>
*100%	\$37,350.25	\$14,080.66	<b>\$15,305.75</b>
	\$70,048.99	\$21,051.92	<b>\$22,844.40</b>

# Service Measures of Effectiveness, Key Accomplishments:

## *Workers Compensation:*

- Implement safety programs to address areas of workplace safety accidents.
- Control work comp costs to maintain a viable self-insured program with adequate resources to meet needs.

Results: Discussed issues with Moreton consultants to develop plans to potentially reduce claims related to training.

# *Service Issues and Concerns:*

## *Financial Issues:*

- Due to recent legislation (presumptive cancer and PTSD legislation for first responders), it is recommended reserves be built to a minimum of \$2 million.
- To reach this goal, the City Council has approved an increase to the experience modifier by 13% for FY2020 and has recommended an additional 10% increase for each of the next two years.
- Reserves for existing claims are \$387,413.22.
- Moreton and Company has the ability to review the City's claims history, industry standards and loss development factors to accurately determine a premium allocation for departments with a large incidence of claims. Many cities in Idaho do this by applying a surcharge or discount by department.

# Budget Comparison FY19 to FY20 – Operating

<b>Workmans Comp</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>	
Supplies	\$100	\$100	\$0	0.00%	
Professional Services	\$160,000	\$160,000	\$0	0.00%	
Repair Services	\$0	\$0	\$0		
Utilities	\$0	\$0	\$0		
Property Services	\$0	\$0	\$0		
Purchased Services	\$1,044,306	\$1,044,306	\$0	0.00%	
Loans	\$0	\$0	\$0		
Capital Outlay	\$0	\$0	\$0		
Debt Service	\$0	\$0	\$0		\$0

## Budget Comparison FY19 to FY20 – Revenues

<b>Workmans Comp</b>	<b>Budgeted FY19</b>	<b>Budgeted FY20</b>	<b>\$ Difference</b>	<b>% Difference</b>
Charges for Service	\$694,136	\$880,453	\$186,317	26.84%
<b>Total</b>	<b>\$694,136</b>	<b>\$880,453</b>	<b>\$186,317</b>	<b>26.84%</b>

## Budget Authority Increase Requests:

### *Risk Management:*

- ICRMP Premium \$ 19,954
- Petroleum Storage Tank Insurance \$ 100 Four new tanks added to policy.

### *Worker's Compensation:*

- Intermountain Claims \$ 4,000 Contract increase.
- Midwest Employers \$ 5,400 Estimated premium increase.



**City Council Guidance requested on:**

- Additional authority requested for FY 2020

