

Fund 226 - Liability Insurance

Fund Type	Liability Insurance				Control	Internal Service Funds				Budget Variance 2017-2018	% Change	
	2015 Actual	2016 Actual	2017 Amended Budget	06/30/17 Actual		2018 Adopted Budget	Forecast					
			2019	2020			2021	2022				
Revenue												
Charges for Services	1,222,767	2,221,491	2,927,618	1,462,988	2,058,123	3,016,925	3,077,264	3,138,809	3,201,585	(869,495)	-30%	
Interest Earnings	29,150	42,151	47,792	21,298	40,000	40,800	41,616	42,448	43,297	(7,792)	-16%	
Other Income	95,248	14,187	648,935	36,642	2,000	2,040	2,081	2,122	2,165	(646,935)	-100%	
Transfers In	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue	1,347,165	2,277,829	3,624,345	1,520,928	2,100,123	3,059,765	3,120,961	3,183,380	3,247,047	(1,524,222)	-42%	
Expenditures by Type												
Personnel												
Salaries & Wages	153,506	141,774	176,614	89,453	183,988	184,607	188,300	192,065	195,907	7,374	4%	
Fringe Benefits	66,042	70,991	92,185	46,139	93,457	96,180	99,239	102,407	105,686	1,272	1%	
Total Personnel	219,548	212,765	268,799	135,592	277,445	280,787	287,539	294,472	301,592	8,646	3%	
Supplies	29,641	14,130	21,062	6,693	26,076	26,076	26,076	26,076	26,076	5,014	24%	
Services & Charges												
Professional Services	166,926	262,112	237,361	148,694	188,929	189,969	191,030	192,112	193,215	(48,432)	-20%	
Printing & Advertising	-	-	55	-	-	-	-	-	-	(55)	-100%	
Education & Training	24,110	28,361	20,703	6,943	25,500	25,500	25,500	25,500	25,500	4,797	23%	
Travel	7,473	4,389	5,845	737	6,050	6,050	6,050	6,050	6,050	205	4%	
Repairs & Maintenance	903	3,874	3,500	1,408	3,500	3,500	3,500	3,500	3,500	-	0%	
Other Interfund Allocations	32,242	41,136	80,573	40,284	111,929	113,989	116,090	118,233	120,420	31,356	39%	
Insurance	1,344,998	1,047,621	1,401,364	569,464	1,012,835	1,021,664	1,030,670	1,039,855	1,049,225	(388,529)	-28%	
Other Services & Charges	676,193	581,351	1,798,324	730,312	1,106,600	1,206,600	1,206,600	1,206,600	1,206,600	(691,724)	-38%	
Total Services & Charges	2,252,845	1,968,844	3,547,725	1,497,841	2,455,343	2,567,272	2,579,440	2,591,850	2,604,510	(1,092,382)	-31%	
Capital	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	2,502,034	2,195,739	3,837,586	1,640,126	2,758,864	2,874,135	2,893,054	2,912,399	2,932,178	(1,078,722)	-28%	
Net Surplus / (Deficit)	(1,154,869)	82,090	(213,241)	(119,198)	(658,741)	185,630	227,906	270,981	314,869			
Beginning Cash Balance	5,673,981	4,519,282	4,599,205		4,385,964	3,727,223	3,912,853	4,140,759	4,411,740		Cash Reserve	
Cash Adjustments	170	(2,167)	-		-	-	-	-	-		50% of Annual expenditures	
Ending Cash Balance	4,519,282	4,599,205	4,385,964		3,727,223	3,912,853	4,140,759	4,411,740	4,726,610			
Cash Reserves Target	625,509	1,097,870	1,918,793		1,379,432	1,437,068	1,446,527	1,456,199	1,466,089			

Fund Purpose:

This internal service fund handles operations relating to business insurance and claims--property, liability, workers compensation, etc.--and the operation of the Safety & Risk Department. Revenues for this fund come from other City funds that pay a share proportionate to their anticipated liability expenses.

Explain Significant Revenue, Expenditure and Staffing Changes/Variations Below:

Workers' Compensation claim stop loss is estimated to be significantly reduced going forward, reducing revenues. The Safety & Risk Department is working towards furthering best practices for safety and, therefore, increasing supply expenditures under the assumption that prevention upfront will reduce workers' compensation claims, thus saving the City money in the future. The City's legal team continues to manage all claims against the City and has greatly reduced the amount of money paid out. This practice has allowed the City to see significant reductions in claims payouts over the past few years. Due to the Legal Department's excellent work, the 2018 budget for liability claims expense was reduced by \$900,000. Also, the allocation to the Police and Fire Departments in the General Fund was reduced by \$900,000 to take advantage of these low claim results.

Staffing (Full-Time Employees only)	2016 Actual	2017 Amended Budget	06/30/17 Actual	2018 Proposed Budget	Forecast			
					2019	2020	2021	2022
Non-Bargaining								
Director of Safety & Risk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Workers' Compensation Specialist	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Claims Adjuster	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant City Attorney *	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Non-Bargaining	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5

* One attorney is paid 50% in Fund 101 and 50% in Fund 226



Fund 226 - Liability Insurance

Accomplishments, Goals, KPI's

2017 Accomplishments & Outcomes

- As of June 30, 2017, the City's liability claims were \$95,000. This is \$66,000 less than the same time last year (\$161,000 at June 30, 2016).
- The Safety & Risk Department is working towards furthering best practices for safety and, therefore, increasing supply expenditures under the assumption that prevention upfront will reduce workers' compensation claims, thus saving the City money in the future.
- Reduction of cost related to workplace injuries of 12% over from 2016 to 2017
- Reported injuries have increased to capture early onsets of injuries, this allows early treatment which results in lower cost
- Certified 32 management personnel in "Supervisor Safety Development" through National Safety Council, which will allow an understanding of safety regulations and reduction in workplace injuries, property damage and total claims
- Reduction of vehicle incidents by 42% from 2016 to 2017

2018 Department Goals & Objectives and Linkage to City Results

Well-Governed and Administered City

Priority Based Budgeting Result: Fosters enduring financial strength and fiscal sustainability

- Due to the Legal Department's excellent work, the budget for liability claims expense was reduced by \$900,000 from 2017 to 2018

Priority Based Budgeting Result: Maintains, protects, and invests in robust physical, financial, human and technological assets

- The Safety & Risk Department is working towards furthering best practices for safety in the workplace

Priority Based Budgeting Result: Ensures reliable compliance with regulations and well-managed risk

- The City's legal team continues to manage all claims against the City and has greatly reduced the amount of money paid out

Key Performance Indicators (KPI's)

Measure	Type	Long Term Goal	2015 Actual	2016 Actual	2017 Estimated	2018 Target
- Workers' compensation claims paid	outcome	\$400,000	\$700,080	\$479,866	\$444,386	\$430,000
- Employee trainings held	quality	40 hours per employee	14 hr. per	22 hr. per	29 hr. per	35 hr. per

Types: output, efficiency, effectiveness, quality, outcome, technology

2018 Significant Changes/Challenges/Opportunities

- Workers' Compensation claim stop loss is estimated to be significantly reduced going forward, reducing revenues
- Working with local medical providers to start follow up visits via teleconference visits to reduce cost to the City
- Moved all required commercial driver drug and alcohol testing to the city clinic to reduce downtime to the department and cost to the City
- Continue audits to evaluate compliance and measure risk exposures, as well as early intervention to catch "damages" and injuries before they occur
- Development of prevention programs to educate and provide the proper "tools" for injury and damage elimination
- Continue to develop a culture of safety throughout the City