

**Function:**  
General Government

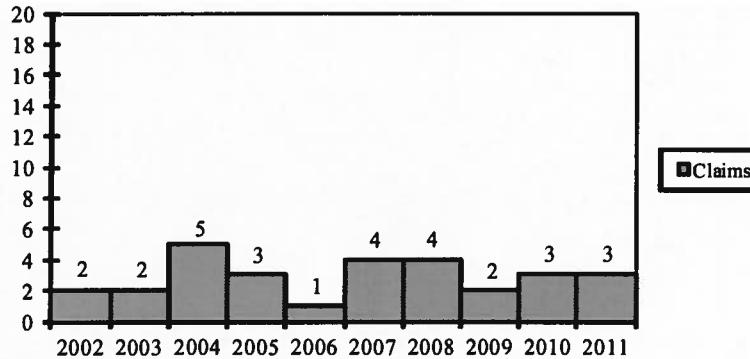
**Department:**  
City Administrator

**Activity:**  
Risk Management

**GENERAL INFORMATION**

This budget includes the City's Risk Management Program, Insurance Program, and Employee Safety Program. The budget allocates funding for the Human Resources Manager's time for Risk Management and Safety Program responsibilities. The City's Wellness Program is also involved in developing and sharing safety information with City employees. The number of lost time workers compensation claims recorded for the City during calendar year 2011 equaled 3. The history of lost time claims for the past ten years is as follows:

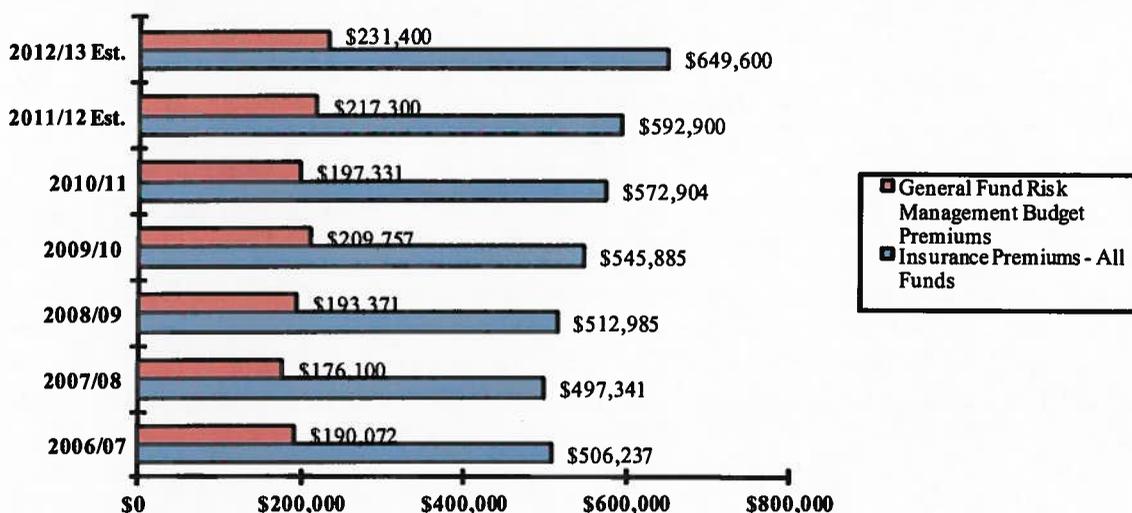
**Lost Time Workers Compensation Claims**



The goal for 2012/2013 is to continue to reduce recordable injuries.

The City's Risk Management Program involves the administration of the City's overall insurance program. A Citizen Insurance Advisory Committee consisting of representatives from various major industries in the community provides a substantial amount of assistance to the City in administering this program. Insurance costs included in this budget for fiscal years 2006/2007 through the budgeted costs for 2012/2013 as well as total City insurance premiums are shown in the following graph:

### Insurance Premium History



#### **CURRENT TRENDS AND ISSUES**

The 2011/2012 revised estimate General Fund insurance cost of \$217,300 included in this budget is \$9,600 less than the amount budgeted. This is primarily due to a credit of \$6,330 from the prior year Worker's Compensation policy audit and most policy premiums being close to or under the budgeted amounts.

The 2012/2013 estimated insurance cost of \$231,400 included in this budget is 2.0% (\$4,500) higher than the 2011/2012 budget and 6.5% (\$14,100) higher than the 2011/2012 revised estimate. The total insurance premiums (excluding employee health, dental and life insurance) for the entire City are estimated at \$649,600 for 2012/2013. This is a \$33,900 (5.5%) increase from the 2011/2012 budget of \$615,700. Of that amount \$231,400 is charged directly to the General Fund Risk Management budget with the remainder allocated to various Enterprise and other funds. Worker's Compensation insurance is allocated based on payroll costs to each of the City's departments. The increase in total premiums for 2012/2013 includes \$13,400 from the property and liability insurance for the Clark House and Sunset Park. This increase is directly related to the number and dollar amount of claims for those facilities in recent years. The 2012/2013 budget includes an estimated \$13,100 for premiums under the National Flood Insurance Program for certain City buildings. This coverage is required for the City to continue to receive FEMA reimbursements for these properties.

The budget for 2012/2013 includes a \$.31915 per \$1,000 valuation Tort Liability tax levy. The Tort Liability tax levy also provides funding of \$18,000 for the fine arts insurance policy included in the Art Center operations budget. Insurance premiums continue to be a major cost to the City which emphasizes the importance the City should continue to place on its risk management program.

#### **GOAL STATEMENT**

To develop a program for a safe and healthy environment for the employees of the City and to monitor such program in order to reduce injuries and loss exposure to the City; and to assist all departments with risk management to reduce potential injuries to persons and property to limit the City's exposure to claims against the City.

**PERFORMANCE MEASURES**

	Actual 2008/2009	Actual 2009/2010	Actual 2010/2011	Estimated 2011/2012	Estimated 2012/2013
Workers Compensation Experience Modification Factor	.84	.89	.87	.82	.77
Insurance Premiums Paid - All Funds	\$512,985	\$545,885	\$572,904	\$592,900	\$649,600
Risk Management Insurance Premiums	\$193,371	\$209,757	\$197,331	\$217,300	\$231,400
Accident Review Committee Meetings	12	12	12	12	12
Risk and Insurance Management Society (RIMS) Meetings	9	9	9	5	5

**RECENT ACCOMPLISHMENTS**

The City has maintained a positive experience modification factor for workers compensation insurance. The City's current rating is .82 which is once again an above average rating for our industry and an improvement over last year. The City also received a premium rebate for this positive loss experience and also has been granted the maximum rate reductions allowed by the state.

In cooperation with the Police and Fire departments, a bill review service was implemented to assist in saving medical costs for police/fire work related injuries. From April through November 2011, the City realized a savings of \$12,500 in these medical costs.

All employees in labor positions attended a recent training conducted by the City's workers compensation carrier covering several relevant safety topics. This was attended by approximately 100 employees and included four topics based on the City's most frequent injury issues.

The safety incentive program continues to be popular with employees. Fewer than 10 of the employees eligible to receive safety incentive time off did not meet the requirements to earn this time. In addition, approximately \$2,500 in awards was earned.

A review of the City's drug testing policy and appropriate updates is nearly complete. This will be presented for Council review in the near future.

**OBJECTIVES TO BE ACCOMPLISHED IN 2012/2013**

- \* To continue the process of implementing safety training and orientation for seasonal employees.
- \* To complete the process of creating a safety and risk management policy handbook for ease of reference.
- \* To create a training calendar for ongoing safety training within departments to be conducted during normal staff meetings.

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	<b>Actual 2009/2010</b>	<b>Actual 2010/2011</b>	<b>Budget 2011/2012</b>	<b>Revised Estimate 2011/2012</b>	<b>Budget 2012/2013</b>	<b>Percent Change</b>
<b>Expenditure Summary</b>						
Personal Services	\$ 23,143	\$ 23,680	\$ 24,500	\$ 24,900	\$ 25,400	3.67%
Commodities	5,458	8,934	12,100	12,100	12,100	0.00%
Contractual Services	233,581	226,804	244,500	237,300	251,400	2.82%
Capital Outlay	-	-	-	-	-	
Transfers	-	-	-	-	-	
<b>Total Expenditures</b>	<b><u>\$ 262,182</u></b>	<b><u>\$ 259,418</u></b>	<b><u>\$ 281,100</u></b>	<b><u>\$ 274,300</u></b>	<b><u>\$ 288,900</u></b>	<b>2.77%</b>
<b>Funding Sources</b>						
Tort Liability Taxes	\$ 251,399	\$ 254,200	\$ 225,370	\$ 225,370	\$ 249,400	10.66%
General Revenues	<u>10,783</u>	<u>5,218</u>	<u>55,730</u>	<u>48,930</u>	<u>39,500</u>	
<b>Total Funding Sources</b>	<b><u>\$ 262,182</u></b>	<b><u>\$ 259,418</u></b>	<b><u>\$ 281,100</u></b>	<b><u>\$ 274,300</u></b>	<b><u>\$ 288,900</u></b>	<b>2.77%</b>

<b>Personnel Schedule</b>						
	<b>Actual 2009/2010</b>	<b>Actual 2010/2011</b>	<b>Budget 2011/2012</b>	<b>Revised Estimate 2011/2012</b>	<b>Budget 2012/2013</b>	<b>Budget Amount 2012/2013</b>
<b>Full Time Position Allocation:</b>						
Human Resources Manager	0.25	0.25	0.25	0.25	0.25	\$ 18,600
Employee Benefits						<u>6,800</u>
<b>Total Personal Services</b>						<b><u>\$ 25,400</u></b>