

CITY OF BEAVERTON, OREGON
 FISCAL YEAR 2018-19 BUDGET
 CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE AGENCY FUND	DEPARTMENTS: CITY ATTORNEY
DEPARTMENT HEAD: BILL KIRBY	

MISSION STATEMENT:

Provide high-quality, cost-effective risk management services by making the organization safer and more resilient and safeguarding city resources from the adverse impact of loss. (*Council Goals #2: Use city resources efficiently to ensure long-term financial stability; #4: Provide responsive, cost-effective service to the community; #5: Assure a safe and healthy community; #8: Provide and support a highly-qualified and motivated city work force.*)

Services and Trends:

Services

The Insurance Agency Fund supports the city’s risk management program, which operates under the auspices of the city attorney’s office. The risk management program identifies, analyzes, evaluates and reduces the impact of risk on the city by managing and administering (1) the city’s safety and loss-control program and (2) its insurance coverages. The risk management program assists in safeguarding the city from the adverse impact of loss by purchasing insurance, responding to and resolving claims and developing programs, plans and procedures to make the organization safer and more resilient. By reducing the frequency and severity of injuries and claims, the risk management program helps reduce the financial impact those events can have on the city.

1. Safety and loss control. The city’s safety and loss control program assists city departments by consulting on safety and occupational health concerns. The risk management program surveys operations, evaluates exposures and the effectiveness of loss controls and offers suggestions where necessary. Safety training, education and motivation point the way to a safer, more productive work place.

2. Insurance coverages. The city self-insures against its workers’ compensation risks and has auto, property and general liability coverage through CIS. The risk management program oversees all aspects of the city employee work-related injury program, including working with the third-party administrator for claims management and workers’ compensation defense litigation. The risk management program receives, analyzes, and tracks all claims for auto, property or general liability claim asserted against the city. The city utilizes the services of CIS to investigate the claims, determine liability and resolve claims either through negotiation or litigation. Where appropriate, the risk management program pursues recovery of incurred losses caused by third parties.

Trends

The city’s risk management program became part of the city attorney’s office in July 2015. In October 2015, with the help of the finance department, we recommended to council that Brown and Brown Northwest (BBNW) become the city’s new insurance broker. A top priority for the risk management program is for BBNW to assist us in assessing the strengths and weaknesses of our existing risk management program and identifying opportunities and challenges for improvement. Included in the scope of work will be consideration of the pros and cons of the city self-insuring against auto and general liability claims. We will keep policymakers informed about the major findings and recommendations of the assessment. We are currently looking at options to become fully self-insured with a potential rollout in the near future. This should result in lower costs over the medium and long term. The elements of the program include loss prevention services, claims administration, legal defense, reserves and stop-loss coverage above a to-be-determined self-insured retention amount.

BUDGET HIGHLIGHTS:

The insurance agency fund’s FY 2018-19 budget is a status quo budget, intended to provide the same insurance coverages and level of risk management services as in FY 2017-18. Some deductibles were increased where it appears to make risk management and economic sense. However, we are still looking at becoming self-insured for our liability coverage. Insurance rates will increase compared to last year; percentage increase projections for insurance rates for FY 2018-19 are as follows:

- General Liability – 17% increase;
- Auto Liability – 26% increase
- Property – 10% increase
- Storage tank, Crime and Flood – 7.5% increase;
- Difference in Coverage – 7.5% increase;
- Workers’ Compensation Excess Policy –5% decrease.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2018-19 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE AGENCY FUND	DEPARTMENT: CITY ATTORNEY
PROGRAM: 0010 GENERAL LIABILITY	DEPARTMENT HEAD: BILL KIRBY

PROGRAM GOAL:

To minimize exposure to auto, property and general liability losses.

REQUIREMENTS	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGETED	FY 2018-19 PROPOSED	FY 2018-19 ADOPTED
POSITION	0.80	0.80	0.80	0.80	0.00
PERSONNEL SERVICES	\$118,602	\$115,885	\$128,850	\$131,641	\$0
MATERIALS & SERVICES	910,653	1,214,932	948,450	1,089,677	0
CAPITAL OUTLAY					
TRANSFERS	30,421	38,061	41,874	44,846	0
CONTINGENCY	0	0	51,229	28,708	0
RESERVE	0	0	1,500,000	1,500,000	0
TOTAL	\$1,059,676	\$1,368,878	\$2,670,403	\$2,794,872	\$0

Progress on FY 2017-18 Action Plan:

- Identify property claims for subrogation for 2017-18.
Risk management collected \$209,707 in no fault property claims from Jan. 1, 2017 to Dec. 31, 2017. This amount includes reimbursement from CIS for liability claims that we handled in-house.
- Continue to educate and train all departments on claims and the city's exposure to loss. A special emphasis will remain with public works and the police department.
On-going review of losses with management, loss analysis completed and reviewed at safety meetings. The number of property and liability claims were similar to the previous year.
- Continue to research the benefits of becoming fully self-insured.
The risk management team, comprised of the mayor's office, finance department and the city attorney's office, worked with the city's insurance agent to evaluate whether self-insurance against auto and general liability claims makes better sense for the city compared to purchasing auto and general liability insurance from an insurance company at a current annual cost of \$545,626. Our recommendation for FY 2018-19, is to keep the city's auto and general liability insurance in place and to continue to evaluate options to reduce the cost of insurance without assuming unreasonable risk.
- Ensure we provided the recommended data on the Agility recovery website in case of a catastrophic loss.
Work in progress. Will use Continuity of Business Operations (COOP) plan to help with inputting data.
- Become more familiar with the Enterprise Risk Management policies embodied in ISO 31000 as recommended by CIS, our primary insurer.
Work in progress. Additional work and recommendations will be sought from CIS seminars and workshops.
- Update city's risk management program policy, Resolution 3470 (1998)
No work has been done on this policy to date. Will be addressed in FY 2018/19.

FY 2018-19 Action Plan:

- Identify property claims for subrogation for 2018-19.
- Continue to educate and train all departments on claims and the city's exposure to loss. A special emphasis will remain with public works and the police department.
- Continue to research the benefits of becoming fully self-insured.
- Ensure we provided the recommended data on the Agility recovery website in case of a catastrophic loss.
- Reinstate the Risk Management Committee and meet at least 2 times a year to discuss the Risk Management Program.
- Update city's risk management program policy, Resolution 3470 (1998).

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2018-19 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE AGENCY FUND	DEPARTMENT: CITY ATTORNEY
PROGRAM: 0010 GENERAL LIABILITY	DEPARTMENT HEAD: BILL KIRBY

PERFORMANCE MEASURES & DISCUSSION:

Property and Liability Claims:	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Budgeted/Revised	FY 2018-19 Proposed
Number of general liability claims filed	50	42	40 / 35	40
Average allocated cost per liability claim	\$2,086	\$8,053	\$4,000 / \$8,272	\$4,000
Number of city property damage claims received	61	103	90 / 80	80
Claims Paid:	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Budgeted/Revised	FY 2018-19 Proposed
Damaged city property	\$99,245	\$173,108	\$125,000 / \$125,000	\$125,000
Liability claims	\$103,929	\$338,225	\$125,000 / \$225,000	\$160,000
3 rd Party property damage	\$348	\$1,150	\$2,500 / \$1,000	\$2,000

The actual number of 2016-17 liability claims totaled 42 (an average of 3.5 claims per month). This is fewer claims than we had in 2015-16. The average amount paid for the 42 claims (\$8,053) this was significantly greater than the originally projected average amount (\$3,700). As a result, the amount paid out for all liability claims in 2016-17 (\$338,225) was \$188,225 more than originally budgeted. This was a result of some employment claims. We did receive reimbursement from CIS on a significant claim.

2017-2018 is trending to be a normal year as to the number of reported claims: around 35 claims (an average of 2.9 claims per month). Unfortunately, the average cost per claim has increased so far in 2017-18. As of the end of December 2017, we had 15 new liability claims and 14 open liability claims with a payout of \$124,093 or \$8,272 per claim. If the trend continues, we anticipate the amount paid out for all liability claims in 2017-18 will be about \$225,000. This is still a bit high, but less than what we paid in 2016-17.

The number of 2016-17 property claims increased to from 61 claims to 103 (an average of 8.6 claims per month). Over half of the claims (59) were property claims that were a result of an at fault claimant. The amount paid out for all property claims also increased over the two years, from \$99,245 to \$173,108. That is \$1,681 per property claim in 2016-17.

For 2017-18, city property claims are running lower for the first six months compared to 2016-17. We are averaging 6.2 claims per month with a total payout of \$48,596 or \$1,313 per claim.

Many of the city property damage claims are a result of accidents not caused by the city (2016-17 had 59 and 2017-18 has 17 so far). The city can recover money through subrogation for these sorts of accidents involving no fault of the city. This continues to be helpful in offsetting the paid claims that were the city's fault. In 2016-17 we collected \$127,957 through subrogation and insurance company reimbursements through CIS. For 2017-18 we have collected \$34,232 through December. That represents a recovery rate of 74% of all property claim in 2016-17 and 70% for the first half of 2017-18. We also collected \$178,614 from CIS on a liability claim that we paid in-house.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2018-19 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE AGENCY FUND	DEPARTMENT: CITY ATTORNEY
PROGRAM: 0014 WORKERS' COMPENSATION	PROGRAM MANAGER: BRIAN STROHL

Program Goal: To minimize the exposure to workers' compensation losses by administering and coordinating occupational health programs that adhere to laws, rules and regulations and ensure a safe and healthy work force. *(Council Goals: Provide responsive, cost-effective service to the community; Assure a safe and healthy community; Provide and support a highly-qualified and motivated City workforce.)*

REQUIREMENTS	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 BUDGETED	FY 2018-19 PROPOSED	FY 2018-19 ADOPTED
POSITION	0.85	0.85	0.85	0.85	0.00
PERSONNEL SERVICES	\$115,039	\$118,539	\$129,388	\$130,049	\$0
MATERIALS & SERVICES	529,836	347,911	412,375	413,050	0
CAPITAL OUTLAY					
TRANSFERS	25,800	28,863	29,831	31,802	0
CONTINGENCY	0	0	217,889	149,730	0
RESERVE	0	0	500,000	500,000	0
TOTAL	\$670,675	\$495,313	\$1,289,483	\$1,224,631	\$0

Services

- Oversee all aspects of the city employee work-related injury program, including working with the third-party administrator for claims management and workers' compensation defense litigation.
- Ensure city-wide development, implementation and maintenance of safety and health programs to control and minimize hazards that could result in injury or illness to its workforce.
- Evaluate work environments, in conjunction with city departments, to review potential safety and health problems with departmental operations, procedures and facilities.
- Minimize potential risks for the city, and improve safety for the city and its residents.
- Assess and reduce public risks or liabilities associated with city programs, services and events.

Progress on FY 2017-18 Action Plan:

- Increase field-related work with the public works department and continue the ongoing training with police (defensive tactics, bike training, range, etc.) in an effort to reduce our claims count and severity.
In-field time with public works and police increased during the first half of the fiscal year. The goal remains for the second half of the fiscal year to get out regularly and participate in their activities and trainings.
- Continue to provide necessary documentation for TRISTAR for collection through Employee at Injury Program (EAIP) and the necessary reports for the OSHA 300 Log.
Extensive work has been done in an effort to collect on EAIP. TRISTAR uses a third party vendor responsible for the collection of the EAIP which has created additional work for Risk Management, but is very fruitful. Thus far from January 1, 2017 to December 31, 2017 we collected over \$49,765 through EAIP. As of December 2017, we are required to electronically submit our OSHA 300A information to OSHA. 2016 as well as 2017 have been filed.
- Hold quarterly meetings with TRISTAR to discuss problem claims and trends.
This has been done on a regular basis and other meetings/discussions take place regularly to address questionable and problem claims.
- Work with the public works director regarding the position being created for public works that may be able to assist with some risk management functions (training).
The public works director designated a specific public works employee to document training and to review and update the public works safety manual. This is an ongoing task and the assistance in this area has improved the safety culture at public works. We are also utilizing Succeed through Brown and Brown NW. This is an online training tool to help manage and record training and material safety data sheets (MSDS) (GHS).

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2018-19 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE AGENCY FUND	DEPARTMENT: CITY ATTORNEY
PROGRAM: 0014 WORKERS' COMPENSATION	PROGRAM MANAGER: BRIAN STROHL

- Continue to educate and train all departments on claims and the city's exposure to loss. A special emphasis will remain with public works and the police department.
This has been an ongoing effort and any chance we get to discuss safety issues and workers' compensation claims with those two departments, we do. Both departments do a good job assessing the injury and indicate if an unsafe condition exists and what suggestions they have to prevent a certain type of injury in the future.

FY 2018-19 Action Plan:

- Continue to work with the public works department and continue the ongoing training with police (defensive tactics, bike training, range, etc.) in an effort to reduce our claims count.
- Continue to provide necessary documentation for TRISTAR for collection through EAIP and the necessary reports for the OSHA 300 Log.
- Hold quarterly meetings with TRISTAR to discuss problem claims and trends.
- Work with the Public Works Department to make sure all required training is completed and that the Safety Manual is being reviewed and updated. Follow-up on how Succeed is working out for public works safety training.

Performance Measures & Discussion:

Workers' Compensation Claims Data:	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	Actual	Actual	Budgeted/Revised	Proposed
Workers' compensation claims filed	32	28	30 / 26	28
Value of paid workers compensation claims	\$346,117	\$147,689	\$200,000 / \$275,000	\$200,000
Lost workdays	15	114	100 / 100	100
Experience rating modifier: Target = <1.0	.68	.86	.86 / .88	.88

The city's work related injuries for FY 2016-17 decreased from the previous year. It appears that the number of work injuries for FY 2017-18 will continue to decrease slightly from the previous year. In 2016-17, we paid ~\$5,275/claim and averaged 2.3 claims/month. In 2017-18 thus far, we are averaging \$11,550/claim and we are getting 2.0 claims/month. This amount is on the high side due to ongoing litigated/disputed workers' compensation claims. We currently have 4 claims that require legal attention. Keep in mind that the payment of claims also includes claims reported in previous years, so the true amount paid per claim is not very accurate.

On-going safety training for the employees is done on a regular basis and they are constantly made aware of our policies and what is required of them to help alleviate injuries on the job. Ergonomic evaluations continue to be done and will continue into the next fiscal year. Several variations of stand-up desk units have been purchased over the last fiscal year. A focus on reviewing and updating our safety manual for the public works department continues.

The city continues to pay for time loss through salary continuation. This procedure helps keep things simple for the injured employee as well as for payroll administration. TRISTAR assists in obtaining necessary documentation for risk management's required reports (OSHA 300). They also are very good about collecting on EAIP claims and on workers' compensation restitution. For 2016-17 we collected \$43,676 through EAIP.

Our experience rating modifier has increased (from .86 to .88) due to our claims payout and claim severity over the last several years. An experience rating modifier below 1.0 reflects that our claim payout and claim severity history is better than most of our comparable entities. We are hopeful that we will see a swing in the opposite direction in the next few years and hopefully get below .80.

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 03 REVENUE
 PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
CLASS: 05 BEGINNING WORKING CAPITAL													
301	BEGINNING WORKING CAPITAL												
	1,564,171		1,375,018		1,366,362		1,366,362	1,480,831		1,480,831			
TOTAL CLASS: 05 BEGINNING WORKING CAPITAL													
	1,564,171		1,375,018		1,366,362		1,366,362	1,480,831		1,480,831			
CLASS: 35 MISCELLANEOUS REVENUES													
384	INVESTMENT INTEREST EARNINGS												
	8,169		11,815		9,100		13,800	19,100		19,100			
386	3RD PARTY SUBROGATION												
	15,351		25,438		35,000		35,000	35,000		35,000			
399	REIMBURSEMENTS - OTHER												
	2,680		227,373				4,450						
756	PERS RSRV DISTRIB-NON GAAP REV												
	1,555												
757	MED/LIFE INS PREM REFUND DISTRIBUTION												
							94						
TOTAL CLASS: 35 MISCELLANEOUS REVENUES													
	27,755		264,626		44,100		53,344	54,100		54,100			
CLASS: 40 INTERFUND TRANSFERS/LOANS													
411	TRSFERS FROM GENERAL FUND												
	275,172		357,723		411,381		411,381	411,381		411,381			
412	TRSFERS FROM STREET FUND												
	102,180		132,834		152,760		152,760	152,760		152,760			
419	TRSFERS FROM WATER FUND												
	153,032		198,941		228,792		228,792	228,792		228,792			
421	TRSFERS FROM SEWER FUND												
	110,126		143,163		164,637		164,637	164,637		164,637			
424	TRSFERS FROM REPROGRAPHICS FUND												
	4,095		5,323		6,121		6,121	6,121		6,121			
425	TRSFERS FROM GARAGE FUND												
	31,437		40,868		46,998		46,998	46,998		46,998			
426	TRSFERS FROM ISD												
	4,432		5,761		6,625		6,625	6,625		6,625			
430	TRANSFER FROM LIBRARY FUND												
	74,630		97,019		111,572		111,572	111,572		111,572			
440	TRSFERS FR STREET LIGHTING FUND												
	4,550		5,915		6,802		6,802	6,802		6,802			
441	TRSFERS FR STORM DRAIN FUND												
	83,113		108,046		124,253		124,253	124,253		124,253			

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 03 REVENUE
 PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

301 BEGINNING WORKING CAPITAL

384 INVESTMENT INTEREST EARNINGS
 INTEREST EARNINGS IS BASED ON AVAILABLE CASH BALANCES AND INTEREST RATES:
 FY 15-16 BUDGETED INTEREST EARNINGS ARE BASED UPON .50%
 FY 16-17 BUDGETED INTEREST EARNINGS ARE BASED UPON .55%
 FY 17-18 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.10%
 FY 18-19 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.75%

386 3RD PARTY SUBROGATION
 REVENUES FROM SUBGROGATING CLAIMS TO 3RD PARTIES

399 REIMBURSEMENTS - OTHER
 FY 2016-17 REFLECTS:
 INSURANCE REIMBURSEMENT EQUIPMENT DAMAGED IN BEAVERTON BUILDING WATER DAMAGE \$19,425
 INSURANCE REIMBURSEMENT VACTOR TRUCK DAMAGE \$52,800

756 PERS RSRV DISTRIB-NON GAAP REV
 RETIREMENT RESERVES \$1 MILLION DISTRIBUTION TO OPERATING FUNDS.

757 MED/LIFE INS PREM REFUND DISTRIBUTION
 MODA MEDICAL INSURANCE PREMIUM EXPERIENCE REBATE DISTRIBUTION TO OPERATING FUNDS

411 TRSFERS FROM GENERAL FUND
 ALLOCATION OF CHARGES FOR GENERAL LIABILITY AND PROPERTY INSURANCE TO ALL FUNDS

412 TRSFERS FROM STREET FUND

419 TRSFERS FROM WATER FUND

421 TRSFERS FROM SEWER FUND

424 TRSFERS FROM REPROGRAPHICS FUND

425 TRSFERS FROM GARAGE FUND

426 TRSFERS FROM ISD

430 TRANSFER FROM LIBRARY FUND

440 TRSFERS FR STREET LIGHTING FUND

441 TRSFERS FR STORM DRAIN FUND

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND

DEPT: 03 REVENUE

PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

TOTAL CLASS: 40 INTERFUND TRANSFERS/LOANS

842,767	1,095,593	1,259,941	1,259,941	1,259,941	1,259,941
---------	-----------	-----------	-----------	-----------	-----------

TOTAL PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

2,434,693	2,735,237	2,670,403	2,679,647	2,794,872	2,794,872
-----------	-----------	-----------	-----------	-----------	-----------

City of Beaverton - Finance
Budget Preparation - 2019

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND

DEPT: 03 REVENUE

PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

City of Beaverton - Finance
 Budget Preparation - 2019

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 05 PERSONNEL SERVICES

030	RISK & SAFETY OFFICER	32,694	.40	35,408	.40	37,248	.40	34,060	35,432	.40	35,432	.40
031	CITY ATTORNEY	17,578	.10	18,158	.10	18,440	.10	18,440	18,897	.10	18,897	.10
056	RECORDS MANAGER	4,030	.05	4,328	.05	4,656	.05	4,483	4,775	.05	4,775	.05
182	LEGAL SERVICES MANAGER	6,906	.10	7,573	.10	8,218	.10	7,922	8,715	.10	8,715	.10
192	ASSISTANT CITY ATTORNEY 3	10,654	.10	8,592	.10	12,247	.10	11,278	13,494	.10	13,494	.10
221	SUPPORT SPECIALIST 2	2,563	.05	2,654	.05	2,696	.05	2,706	2,796	.05	2,796	.05
299	PAYROLL TAXES AND FRINGES	44,177		39,172		45,345		41,003	45,642		47,532	

TOTAL CLASS: 05 PERSONNEL SERVICES

		118,602	.80	115,885	.80	128,850	.80	119,892	129,751	.80	131,641	.80
--	--	---------	-----	---------	-----	---------	-----	---------	---------	-----	---------	-----

CLASS: 10 MATERIALS & SERVICES

303	OFFICE FURNITURE & EQUIPMENT	11,282		6,400		13,600		12,000	10,000		10,000	
305	SPECIAL DEPARTMENT SUPPLIES	3,956		3,864		5,000		4,000	5,000		5,000	
307	MEMBERSHIP FEES	800		820		850		850	900		900	
321	TRAVEL, TRAINING & SUBSISTENCE					1,000		1,000	1,000		1,000	
328	MEALS & RELATED EXPENSE			38		100		100	100		100	
330	MILEAGE REIMBURSEMENT	42		73		100		100	100		100	
341	COMMUNICATIONS EXPENSE	107										

0377

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

- 030 RISK & SAFETY OFFICER

- 031 CITY ATTORNEY
 POSITION ALLOCATION: TO 85% GENERAL FUND AND 15% INSURANCE FUND
 (10% GENERAL LIABILITY / 5% WORKERS COMP)
- 056 RECORDS MANAGER
 POSITION ALLOCATION: 90% GENERAL FUND AND 10% INSURANCE FUND
 (5% GENERAL LIABILITY / 5% WORKERS COMP)
- 182 LEGAL SERVICES MANAGER
 POSITION ALLOCATION: 85% GENERAL FUND AND 15% INSURANCE FUND
 (10% GENERAL LIABILITY / 5% WORKERS COMP)
- 192 ASSISTANT CITY ATTORNEY 3
 POSITION ALLOCATION: 85% GENERAL FUND AND 15% INSURANCE FUND
 (10% GENERAL LIABILITY / 5% WORKERS COMP)
- 221 SUPPORT SPECIALIST 2
 POSITION ALLOCATION: 90% GENERAL FUND AND 10% INSURANCE FUND
 (5% GENERAL LIABILITY / 5% WORKERS COMP)
- 299 PAYROLL TAXES AND FRINGES
 PAYROLL TAXES AND FRINGE BENEFITS EXPRESSED AS A PERCENTAGE OF SALARY
 TOTALS 61.45% AS A CITY-WIDE AVERAGE AND CONSISTS OF THE FOLLOWING:
 37.07% IN PAYROLL TAXES CONSISTING OF 7.65% FICA, AVERAGE OF 20.74% FOR
 RETIREMENT CONTRIBUTIONS (25.39% PERS. 16.72% OPSRP GENERAL OR
 21.49% OPSRP POLICE), A 2.23% CONTRIBUTION TO THE PERS RESERVE FUND,
 AND 6.45% IN OTHER TAXES (UNEMPLOYMENT, LONG TERM DISABILITY,
 WORKERS COMPENSATION, PEHP, AND TRIMET)
 24.38% AS THE AVERAGE COST OF MEDICAL, DENTAL, LIFE AND AD&D INSURANCES

- 303 OFFICE FURNITURE & EQUIPMENT
 ERGONOMIC EQUIPMENT: TRAYS, KEYBOARDS, CHAIRS, MONITOR ARMS AND DESKS (STAND UP UNITS) \$6,500
 ADA ACCOMMODATIONS (EE) \$3,500
- 305 SPECIAL DEPARTMENT SUPPLIES
 AED SUPPLIES (BATTERIES, REPLACEMENT PADS), FIRST AID SUPPLIES
 MISCELLANEOUS \$5,000
- 307 MEMBERSHIP FEES
 RISK AND INSURANCE MANAGEMENT SOCIETY (RIMS) \$700
 SOCIETY (PRIMA) OREGON CHAPTER \$200
- 321 TRAVEL, TRAINING & SUBSISTENCE
 PUBLIC RISK MGT ASSOC REGIONAL CONFERENCE \$200
 OSHA CONFERENCE \$200
 CIS CONFERENCE \$200
 LODGING \$200
 MISC CONF EXPENSE \$200
- 328 MEALS & RELATED EXPENSE
 LUNCH AND DINNER BUSINESS MEETINGS \$100
- 330 MILEAGE REIMBURSEMENT
 MILEAGE REIMBURSEMENT FOR EMPLOYEE USE OF PERSONAL VEHICLE \$100
- 341 COMMUNICATIONS EXPENSE
 NO APPROPRIATION REQUESTED

City of Beaverton - Finance
 Budget Preparation - 2019

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
387	GENERAL LIABILITY INSURANCE												
	446,639		442,705		462,300		455,000	479,980		551,077			
388	PROPERTY INSURANCE												
	202,915		155,601		160,500		160,500	175,000		175,000			
390	PUBLIC EMPLOYEES BOND												
	600		500		500		500	500		500			
457	BVTN BLDG FLOOD DAMAGE EXPENSE												
	864		30,705										
462	ADA COMPLIANCE EXPENSE												
	3,000				3,000		3,000	3,000		3,000			
511	PROFESSIONAL SERVICES												
	36,926		62,893		54,000		54,000	56,000		56,000			
520	CITY PROPERTY DAMAGE CLAIMS												
	99,245		173,108		120,000		120,000	125,000		125,000			
521	THIRD PARTY LIABILITY CLAIMS												
	103,929		337,075		125,000		225,000	160,000		160,000			
527	THIRD PARTY PROPERTY CLAIMS												
	348		1,150		2,500		1,000	2,000		2,000			
TOTAL CLASS: 10 MATERIALS & SERVICES													
	910,653		1,214,932		948,450		1,037,050	1,018,580		1,089,677			
CLASS: 25 TRANSFERS													
801	TRSFRR TO GENERAL FD - OVERHEAD												
	10,211		17,408		17,181		17,181	18,663		18,663			
802	TRSFRR TO GENERAL FD-ACCOUNTING												
	10,483		10,947		11,842		11,842	12,229		12,229			
816	TRSFRRS TO REPROGRAPHICS FUND												
	797		525		826		826	832		832			
818	TRSFRRS TO ISD-ALLOCATED												
	8,930		9,181		12,025		12,025	13,122		13,122			
TOTAL CLASS: 25 TRANSFERS													
	30,421		38,061		41,874		41,874	44,846		44,846			
CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
991	CONTINGENCY - UNRESERVED												
					51,229			101,695		28,708			
998	RESERVE												
					1,500,000			1,500,000		1,500,000			
TOTAL CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
					1,551,229			1,601,695		1,528,708			

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE

OBJ	OBJECT DESCRIPTION	JUSTIFICATIONS
387	GENERAL LIABILITY INSURANCE	GENERAL LIABILITY (23% INCREASE) \$448,723 AUTO LIABILITY (25.9%) \$97,814 THREE TANKS AT PUBLIC WORKS GARAGE (7.5%) \$1,565 EXCESS CRIME (7.5%) \$2,975
388	PROPERTY INSURANCE	PROPERTY INSURANCE INCLUDING \$50M QUAKE AND FLOOD (7.5%) ADDED PROPERTIES CONSIDERED \$77,425 AUTO PHYSICAL DAMAGE (7.5%) \$13,000 NATIONAL FLOOD INSURANCE - 1 LOCATION (7.5%) \$3,575 PROPERTY INSURANCE EXCESS EARTHQUAKE (DIC) (7.5%) \$81,000
390	PUBLIC EMPLOYEES BOND	PUBLIC EMPLOYEE BLANKET BOND \$100 DEQ BONDS (4 X \$100) \$400
457	BVTN BLDG FLOOD DAMAGE EXPENSE	
462	ADA COMPLIANCE EXPENSE	MINOR ADA BUILDING/ACCESS IMPROVEMENTS AS NECESSARY \$3,000
511	PROFESSIONAL SERVICES	DMV (\$750) AND BACKGROUND CHECKS (\$10/PERSON X 125) \$2,000 AGENT OF RECORD FEES \$54,000
520	CITY PROPERTY DAMAGE CLAIMS	ESTIMATED PROPERTY CLAIMS LOSSES AND DAMAGES TO CITY OWNED PROPERTY \$125,000 SUBROGATION NOT INCLUDED IN AMOUNT PROPOSED
521	THIRD PARTY LIABILITY CLAIMS	ESTIMATED LOSSES DUE TO LIABILITY CLAIMS AGAINST THE CITY \$160,000 (\$160,000 ANNUAL AGGREGATE DEDUCTIBLE)
527	THIRD PARTY PROPERTY CLAIMS	ESTIMATED LOSSES DUE TO THIRD PARTY PROPERTY CLAIMS AGAINST THE CITY \$2,000 (LOST PROPERTY, FENCE REPAIRS, ETC.)
801	TRSFER TO GENERAL FD - OVERHEAD	ALLOCATION OF OVERHEAD SERVICES PROVIDED BY THE GENERAL FUND
802	TRSFER TO GENERAL FD-ACCOUNTING	ALLOCATION OF ACCOUNTING SERVICES PROVIDED BY THE GENERAL FUND
816	TRSFERS TO REPROGRAPHICS FUND	ALLOCATION OF COPIER, GRAPHICS, PRINTING, MAILING, & POSTAGE CHARGES THROUGH REPROGRAPHICS
818	TRSFERS TO ISD-ALLOCATED	ALLOCATION OF SERVICES PROVIDED BY THE INFORMATION SYSTEMS FUND \$13,122
991	CONTINGENCY - UNRESERVED	
998	RESERVE	RESERVE FOR CATASTROPHIC LOSS

City of Beaverton - Finance
 Budget Preparation - 2019
 FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION

BP WORKSHEET & JUSTIFICATION

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

TOTAL PROGRAM: 0010 GEN LIAB & COMP INS COVERAGE
 1,059,676 .80 1,368,878 .80 2,670,403 .80 1,198,816 2,794,872 .80 2,794,872 .80

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
DEPT: 40 INSURANCE DIVISION

OBJ	OBJECT DESCRIPTION
	JUSTIFICATIONS

0382

City of Beaverton - Finance
 Budget Preparation - 2019

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND

DEPT: 03 REVENUE

PROGRAM: 0014 SELF-INS WORKERS COMP INS

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 05 BEGINNING WORKING CAPITAL

301	BEGINNING WORKING CAPITAL												
		823,131		732,347		794,183		794,183		695,631		723,031	

TOTAL CLASS: 05 BEGINNING WORKING CAPITAL

		823,131		732,347		794,183		794,183		695,631		723,031	
--	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--

CLASS: 35 MISCELLANEOUS REVENUES

384	INVESTMENT INTEREST EARNINGS												
		3,909		7,309		5,300		9,300		11,600		11,600	

399 REIMBURSEMENTS - OTHER

		44,174		43,857				17,814					
--	--	--------	--	--------	--	--	--	--------	--	--	--	--	--

756 PERS RSRV DISTRIB-NON GAAP REV

2,477

757 MED/LIFE INS PREM REFUND DISTRIBUTION

94

TOTAL CLASS: 35 MISCELLANEOUS REVENUES

		50,560		51,166		5,300		27,208		11,600		11,600	
--	--	--------	--	--------	--	-------	--	--------	--	--------	--	--------	--

CLASS: 40 INTERFUND TRANSFERS/LOANS

421 TRSFERS FROM SEWER FUND

77,400

TOTAL CLASS: 40 INTERFUND TRANSFERS/LOANS

77,400

CLASS: 45 NON-REVENUE RECEIPTS

464 SELF-INS. WORKERS COMP - CITY

		529,327		505,985		490,000		490,000		490,000		490,000	
--	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--

TOTAL CLASS: 45 NON-REVENUE RECEIPTS

		529,327		505,985		490,000		490,000		490,000		490,000	
--	--	---------	--	---------	--	---------	--	---------	--	---------	--	---------	--

TOTAL PROGRAM: 0014 SELF-INS WORKERS COMP INS

		1,403,018		1,289,498		1,289,483		1,388,791		1,197,231		1,224,631	
--	--	-----------	--	-----------	--	-----------	--	-----------	--	-----------	--	-----------	--

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 03 REVENUE
 PROGRAM: 0014 SELF-INS WORKERS COMP INS

OBJ	OBJECT DESCRIPTION	JUSTIFICATIONS
-----	--------------------	----------------

301 BEGINNING WORKING CAPITAL

384 INVESTMENT INTEREST EARNINGS

INTEREST EARNINGS IS BASED ON AVAILABLE CASH BALANCES AND INTEREST RATES:
 FY 15-16 BUDGETED INTEREST EARNINGS ARE BASED UPON .50%
 FY 16-17 BUDGETED INTEREST EARNINGS ARE BASED UPON .55%
 FY 17-18 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.10%
 FY 18-19 BUDGETED INTEREST EARNINGS ARE BASED UPON 1.75%

399 REIMBURSEMENTS - OTHER

756 PERS RSRV DISTRIB-NON GAAP REV

RETIREMENT RESERVES \$1 MILLION DISTRIBUTION TO OPERATING FUNDS.

757 MED/LIFE INS PREM REFUND DISTRIBUTION

MODA MEDICAL INSURANCE PREMIUM EXPERIENCE REBATE DISTRIBUTION TO OPERATING FUNDS

421 TRSFERS FROM SEWER FUND

FY 2017-18 REFLECTS FUNDING OF A WORKERS COMPENSATION CLAIM SETTLEMENT DIRECTLY LIABLE TO THE SEWER FUND.

464 SELF-INS. WORKERS COMP - CITY

CHARGES PER EMPLOYEE FOR WORKERS COMPENSATION COSTS PROCESSED THROUGH THE PAYROLL SYSTEM. MAINTAIN A \$500,000 RESERVE TO COVER THE MAXIMUM EXPOSURE ON A SEVERE INJURY CASE

FY 2008-09 EXPERIENCE MODIFIER 1.20
 FY 2009-10 EXPERIENCE MODIFIER 1.10
 FY 2010-11 EXPERIENCE MODIFIER 1.10
 FY 2011-12 EXPERIENCE MODIFIER 1.00
 FY 2012-13 EXPERIENCE MODIFIER 0.80
 FY 2013-14 EXPERIENCE MODIFIER 0.60
 FY 2014-15 EXPERIENCE MODIFIER 0.60
 FY 2015-16 EXPERIENCE MODIFIER 0.60
 FY 2016-17 EXPERIENCE MODIFIER 1.00
 FY 2017-18 EXPERIENCE MODIFIER 1.00
 FY 2018-19 EXPERIENCE MODIFIER 1.00

City of Beaverton - Finance
 Budget Preparation - 2019

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0014 SELF-INS WORKERS COMP INS

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE

CLASS: 05 PERSONNEL SERVICES

030	RISK & SAFETY OFFICER	49,040	.60	53,112	.60	55,875	.60	51,090	53,152	.60	53,152	.60
031	CITY ATTORNEY	8,788	.05	9,080	.05	9,216	.05	9,217	9,449	.05	9,449	.05
056	RECORDS MANAGER	4,031	.05	4,328	.05	4,656	.05	4,483	4,775	.05	4,775	.05
182	LEGAL SERVICES MANAGER	3,453	.05	3,786	.05	4,111	.05	3,962	4,357	.05	4,357	.05
192	ASSISTANT CITY ATTORNEY 3	5,327	.05	4,296	.05	6,124	.05	5,640	6,747	.05	6,747	.05
221	SUPPORT SPECIALIST 2	2,565	.05	2,651	.05	2,696	.05	2,706	2,796	.05	2,796	.05
299	PAYROLL TAXES AND FRINGES	41,835		41,286		46,710		42,271	46,955		48,773	

TOTAL CLASS: 05 PERSONNEL SERVICES

		115,039	.85	118,539	.85	129,388	.85	119,369	128,231	.85	130,049	.85
--	--	---------	-----	---------	-----	---------	-----	---------	---------	-----	---------	-----

CLASS: 10 MATERIALS & SERVICES

321	TRAVEL, TRAINING & SUBSISTENCE	235		43		250		100	250		250	
326	CITYWIDE TRAINING	1,951		8,083		11,000		11,000	11,000		11,000	
328	MEALS & RELATED EXPENSE	45		36		150		100	100		100	
330	MILEAGE REIMBURSEMENT	48		50		75		75	100		100	
389	W/C EXCESS INSURANCE COVERAGE	110,355		117,925		119,800		108,870	119,800		119,800	
393	WORKERS COMP STATE ASSESSMENT	20,789		23,933		25,000		25,000	25,000		25,000	
395	PERFORMANCE BOND INSURANCE	4,800		6,618		6,600		3,915	4,300		4,300	
461	SPECIAL EXPENSE	1,792		472		2,500		2,500	2,500		2,500	

0385

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0014 SELF-INS WORKERS COMP INS

OBJ	OBJECT DESCRIPTION	JUSTIFICATIONS
-----	--------------------	----------------

- 030 RISK & SAFETY OFFICER
- 031 CITY ATTORNEY
 POSITION ALLOCATION: 85% GENERAL FUND AND 15% INSURANCE FUND
 (10% GENERAL LIABILITY / 5% WORKERS COMP)
- 056 RECORDS MANAGER
 POSITION ALLOCATION: 90% GENERAL FUND AND 10% INSURANCE FUND
 (5% GENERAL LIABILITY / 5% WORKERS COMP)
- 182 LEGAL SERVICES MANAGER
 POSITION ALLOCATION: 85% GENERAL FUND AND 15% INSURANCE FUND
 (10% GENERAL LIABILITY / 5% WORKERS COMP)
- 192 ASSISTANT CITY ATTORNEY 3
 POSITION ALLOCATION: 85% GENERAL FUND AND 15% INSURANCE FUND
 (10% GENERAL LIABILITY / 5% WORKERS COMP)
- 221 SUPPORT SPECIALIST 2
 POSITION ALLOCATION: 90% GENERAL FUND AND 10% INSURANCE FUND
 (5% GENERAL LIABILITY / 5% WORKERS COMP)
- 299 PAYROLL TAXES AND FRINGES
 PAYROLL TAXES AND FRINGE BENEFITS EXPRESSED AS A PERCENTAGE OF SALARY
 TOTALS 61.45% AS A CITY-WIDE AVERAGE AND CONSISTS OF THE FOLLOWING:
 37.07% IN PAYROLL TAXES CONSISTING OF 7.65% FICA, AVERAGE OF 20.74% FOR
 RETIREMENT CONTRIBUTIONS (25.39% PERS. 16.72% OPSRP GENERAL OR
 21.49% OPSRP POLICE), A 2.23% CONTRIBUTION TO THE PERS RESERVE FUND,
 AND 6.45% IN OTHER TAXES (UNEMPLOYMENT, LONG TERM DISABILITY,
 WORKERS COMPENSATION, PEHP, AND TRIMET)
 24.38% AS THE AVERAGE COST OF MEDICAL, DENTAL, LIFE AND AD&D INSURANCES
- 321 TRAVEL, TRAINING & SUBSISTENCE
 MISC TRAVEL \$250
- 326 CITYWIDE TRAINING
 PUBLIC WORKS - ALL OSHA REQUIRED COURSES: DEFENSIVE DRIVING, CONFINED SPACE, FORKLIFT,
 BLOODBORNE PATHOGEN, COMPETENT PERSON, LOCKOUT/TAGOUT, FALL PROTECTION, ETC \$8,000
 AED, CPR, 1ST AID \$3,000
- 328 MEALS & RELATED EXPENSE
 SAFETY COMMITTEE LUNCHES AND BROWN BAGS \$100
- 330 MILEAGE REIMBURSEMENT
 MILEAGE REIMBURSEMENT FOR EMPLOYEE USE OF PERSONAL VEHICLE (WC HEARINGS AND CONFERENCES) \$100
- 389 W/C EXCESS INSURANCE COVERAGE
 WORKERS COMPENSATION EXCESS INSURANCE (\$650K RETENTION) - 10% INCREASE \$119,800
- 393 WORKERS COMP STATE ASSESSMENT
 STATE COMPENSATION ASSESSMENT; INCLUDES EMPLOYEES AND VOLUNTEERS. \$25,000
 OUR EXPERIENCE RATING IS NOW AT .88
- 395 PERFORMANCE BOND INSURANCE
 WORKERS COMPENSATION SELF-INSURANCE SURETY BOND. \$4,300
 BOND AMOUNT LOWERED TO \$300,000
- 461 SPECIAL EXPENSE
 SAFETY INCENTIVE PROGRAM AT PUBLIC WORKS, 2018 NEW PROGRAM \$2,500

City of Beaverton - Finance
 Budget Preparation - 2019

BP WORKSHEET & JUSTIFICATION

FUND: 706 INSURANCE AGENCY FUND
 DEPT: 40 INSURANCE DIVISION
 PROGRAM: 0014 SELF-INS WORKERS COMP INS

OBJ	2016 - ACTUAL		2017 - ACTUAL		2018 BUDGETED		2018	2019 - PROPOSED		2019 - RECOMD		2019 ADOPTED	
	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	EST AMT	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE
511	PROFESSIONAL SERVICES												
	43,704		43,062		47,000		40,000	50,000		50,000			
528	WORKERS COMP CLAIMS												
	346,117		147,689		200,000		325,000	200,000		200,000			
TOTAL CLASS: 10 MATERIALS & SERVICES													
	529,836		347,911		412,375		516,560	413,050		413,050			
CLASS: 25 TRANSFERS													
801	TRSFR TO GENERAL FD - OVERHEAD												
	14,516		17,390		17,163		17,163	18,741		18,741			
802	TRSFR TO GENERAL FD-ACCOUNTING												
	10,483		10,947		11,842		11,842	12,229		12,229			
816	TRSFRS TO REPROGRAPHICS FUND												
	801		526		826		826	832		832			
TOTAL CLASS: 25 TRANSFERS													
	25,800		28,863		29,831		29,831	31,802		31,802			
CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
991	CONTINGENCY - UNRESERVED												
					217,889			124,148		149,730			
998	RESERVE												
					500,000			500,000		500,000			
TOTAL CLASS: 30 FUND BAL/CONTINGENCY/RESERVES													
					717,889			624,148		649,730			
TOTAL PROGRAM: 0014 SELF-INS WORKERS COMP INS													
	670,675	.85	495,313	.85	1,289,483	.85	665,760	1,197,231	.85	1,224,631	.85		

