

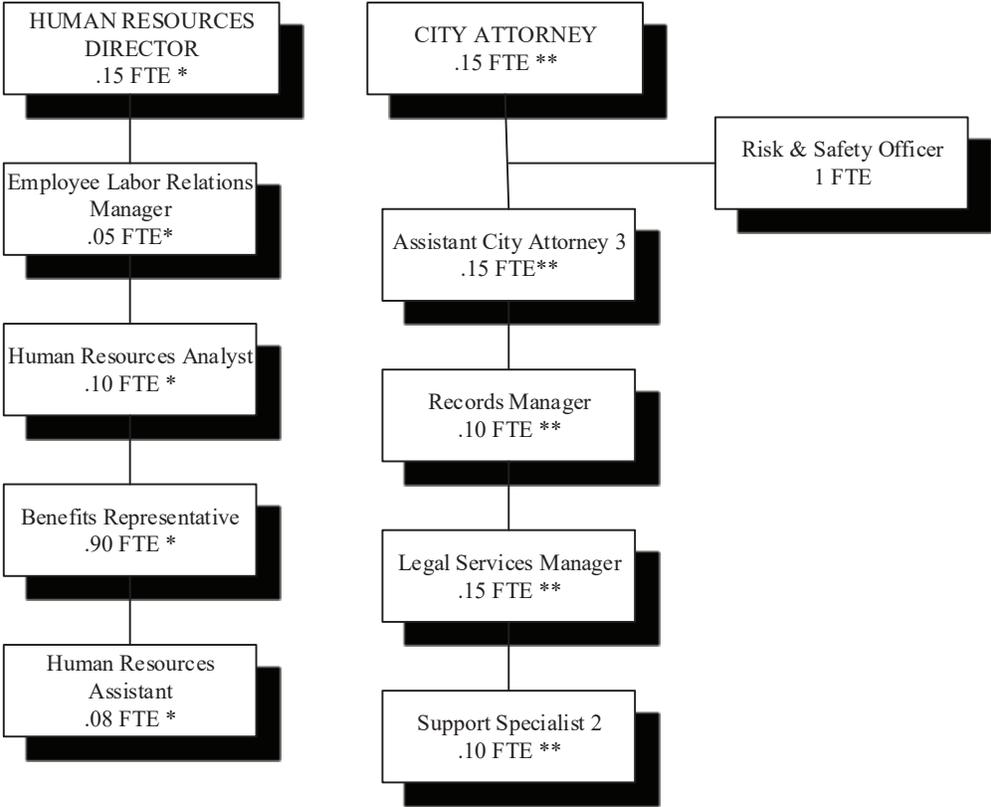
Insurance Agency Fund

- General Liability
- Workers Compensation
- Unemployment
- Medical and Dental



Insurance Agency Fund

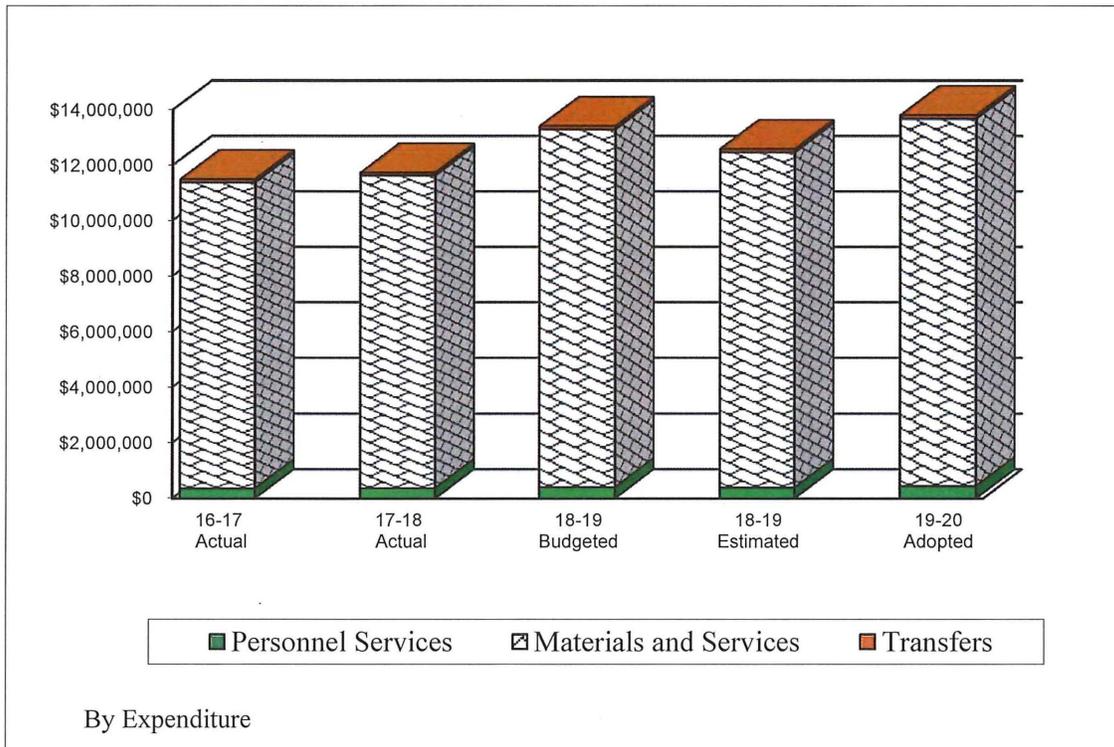
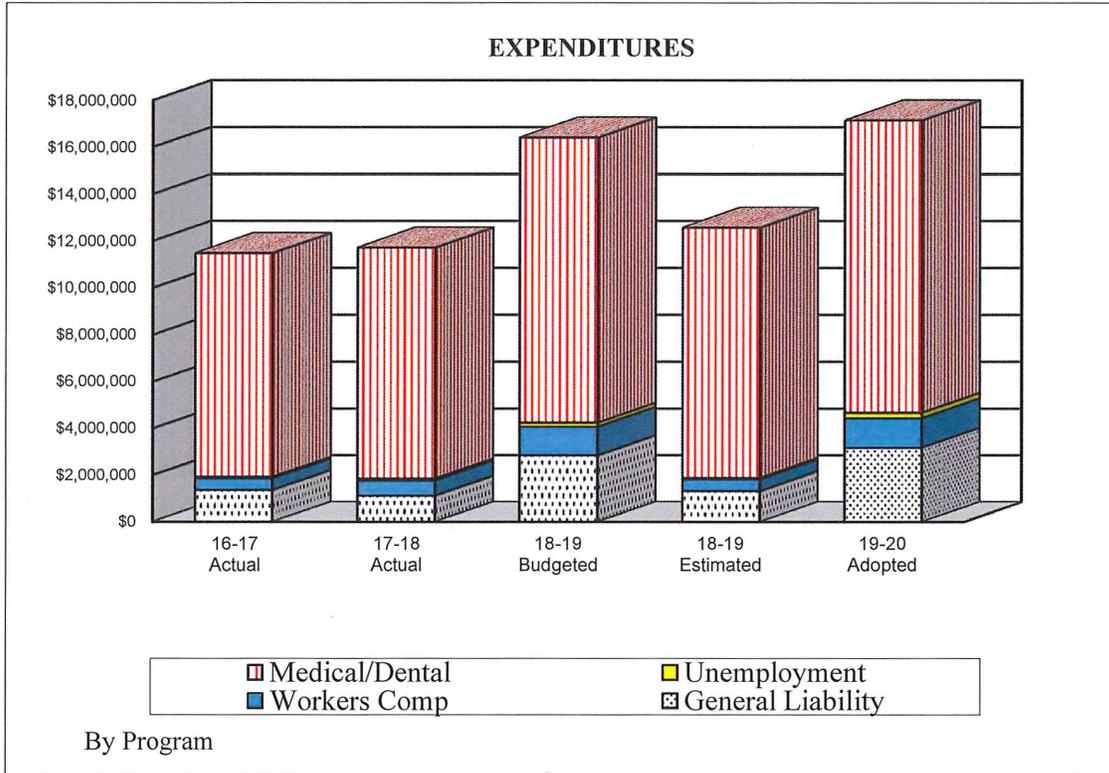
FY 2019-20 BUDGETED POSITIONS



* Partially funded in the General Fund – Human Resources Department
**Partially funded in the General Fund – City Attorney’s Office

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

INSURANCE AGENCY FUND
ADOPTED FY 2019-20



CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

**INSURANCE AGENCY FUND
SUMMARY OF REVENUES AND EXPENDITURES
AND OTHER FINANCING SOURCES & USES**

	<u>FY 2016-17 Actual</u>	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Budgeted</u>	<u>FY 2018-19 Estimated</u>	<u>FY 2019-20 Adopted</u>
Revenues:					
Interest on investments	\$30,911	\$44,102	\$49,900	\$57,500	\$69,300
Self-insurance charges	9,695,845	10,131,188	11,508,748	10,976,701	11,869,260
Miscellaneous	613,831	348,575	265,350	297,359	284,457
Sub Total Revenues	<u>\$10,340,587</u>	<u>\$10,523,865</u>	<u>\$11,823,998</u>	<u>\$11,331,560</u>	<u>\$12,223,017</u>
Expenditures:					
Personnel services	\$354,704	\$365,886	\$403,482	\$385,277	\$439,042
Materials & services	11,016,821	11,254,407	12,881,588	12,073,457	13,237,966
Capital outlay	0	0	0	0	0
Sub Total Expenditures	<u>\$11,371,525</u>	<u>\$11,620,293</u>	<u>\$13,285,070</u>	<u>\$12,458,734</u>	<u>\$13,677,008</u>
Revenues Over/Under Expenditures	(\$1,030,938)	(\$1,096,428)	(\$1,461,072)	(\$1,127,174)	(\$1,453,991)
Other financing sources (uses):					
Transfers in	\$1,095,593	\$1,337,341	\$1,259,941	\$1,259,941	\$1,574,799
Transfers out	(110,880)	(98,308)	(111,942)	(111,942)	(116,820)
Total Other Financing Sources (Uses):	<u>\$984,713</u>	<u>\$1,239,033</u>	<u>\$1,147,999</u>	<u>\$1,147,999</u>	<u>\$1,457,979</u>
Net Change in Fund Balance	(\$46,225)	\$142,605	(\$313,073)	\$20,825	\$3,988
Fund Balance/Working Capital Beginning of Year	<u>3,230,607</u>	<u>3,184,382</u>	<u>3,326,987</u>	<u>3,326,987</u>	<u>3,347,812</u>
Fund Balance (Contingency)/Working Capital End of Year	<u>\$3,184,382</u>	<u>\$3,326,987</u>	<u>\$3,013,914</u>	<u>\$3,347,812</u>	<u>\$3,351,800</u>

Contingency for FY 2019-20 adopted budget is available for appropriation upon the City Council's approval. Contingency consists of the following:

General Liability Comprehensive Insurance: \$295,726 for continuing operations and \$1.5 million designated as a catastrophic insurance reserve.

Workers Compensation Insurance: \$139,918 for continuing operations and \$600,000 in insurance reserves.

Unemployment Insurance: \$40,748 for continuing operations and \$100,000 in insurance reserves.

Medical Insurance: \$325,408 for continuing operations and \$350,000 in insurance reserves for rate stabilization .

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

FUND: 706 INSURANCE FUND	DEPARTMENTS: HUMAN RESOURCES & CITY ATTORNEY
DEPARTMENT HEADS: PATRICIA ANDERSON WIECK & BILL KIRBY	

MISSION STATEMENT:

To provide/facilitate programs, processes and strategies that will enable leaders to plan, evaluate, develop and improve the organization, to optimize contributions to City Council goals, to minimize the adverse effects of risk on the organization, and/or improve the City's ability to respond to them.

REQUIREMENTS	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGETED	FY 2019-20 PROPOSED	FY 2019-20 ADOPTED
POSITION	2.90	2.90	2.90	2.93	2.93
PERSONNEL SERVICES	\$354,704	\$365,886	\$403,482	\$439,042	\$439,042
MATERIALS & SERVICES	11,016,821	11,254,407	12,881,588	13,237,966	13,237,966
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	110,880	98,308	111,942	116,820	116,820
CONTINGENCY			618,914	801,800	801,800
RESERVE			2,395,000	2,550,000	2,550,000
TOTAL	\$11,482,405	\$11,718,601	\$16,410,926	\$17,145,628	\$17,145,628

Funding Sources:	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20
Beginning Working Capital	\$3,230,607	\$3,184,382	\$3,326,987	\$3,347,812	\$3,347,812
Interest on Investments	30,911	44,102	49,900	69,300	69,300
Miscellaneous Revenues	613,828	348,579	265,350	284,457	284,457
Transfers from Other Funds	1,095,593	1,337,341	1,259,941	1,574,799	1,574,799
Self-insurance Revenues	9,695,845	10,131,188	11,508,748	11,869,260	11,869,260

Reserves:	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20
General Liability	\$1,300,000	\$1,478,000	\$1,500,000	\$1,500,000	\$1,500,000
Workers' Compensation	440,000	500,000	500,000	600,000	600,000
Unemployment	95,000	95,000	45,000	100,000	100,000
Medical	350,000	350,000	350,000	350,000	350,000

Services and Trends:

The Human Resources Department, through employee benefits programs, assists the organization in protecting the financial and human assets of the City. The employee benefits program includes self-insured unemployment, employee medical premium-based insurance, self-insured dental, long-term disability insurance, life insurance and AD&D insurance. Services provided include financing of claims through insurance or self-insurance, wellness and loss prevention activities.

The City Attorney's Office manages the Risk Management programs with a mission to reduce the financial impact of claims, lawsuits, and employee injuries to the City; to reduce the corresponding frequency and severity of these events through the application of professional risk management techniques; and to provide a safe environment for employees to work and the public to enjoy. In doing so, the Division plays a vital role in freeing up dollars which would otherwise be spent on claims and claims-related issues, making them available for other beneficial uses throughout the City.

To meet the above goals, Risk Management provides three distinct functions:

1. 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.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET

FUND: 706 INSURANCE FUND	DEPARTMENTS: HUMAN RESOURCES & CITY ATTORNEY DEPARTMENT HEADS: PATRICIA ANDERSON WIECK & BILL KIRBY
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2. Receives, analyzes, and tracks all claims for personal injury and property damage asserted against the City. The City utilizes the services of City County Insurance Services to investigate the claims; determine if the city is liable under the applicable law; and negotiate and settle claims that are compensable.
3. The Risk and Safety Officer is also responsible for ensuring citywide development, implementation and maintenance of safety and health programs to control and minimize hazards that could result in injury or illness to its workforce. This function also evaluates working environments, in conjunction with City Departments, to review potential safety and health problems with departmental operations, procedures and facilities, thereby minimizing potential risks for the City, as well as improving safety for the City and its residents. Additionally, this function works to assess and reduce public risks or liabilities associated with the City's operations, products, services, activities and events.

Risk financing components of the program include the retention of risk through self-insurance and the transfer of risk to commercial insurance and bonds. Risk Management pursues recovery of incurred costs due to losses caused by third parties.

Budget Highlights:

An essential component of the Risk Management program is to work directly with the City departments to understand the various operations and unique needs. This information is applied to appropriate risk techniques to increase employee and supervisor safety training and awareness for the purpose of reducing accidents, injuries and claims costs.

There were changes in the health insurance plan designs for FY 18-19 that affected rates. In addition, the city acquired the services of a new broker/agent of record for health and dental insurance. For the new \$500 deductible plan (P500) benefitting SEIU and Management employees selecting MODA insurance coverage the city experienced an increase of 3% compared to the former P250 insurance plan. Members of the Beaverton Police Association remained on MODA's P200 plan causing a rate increase of 7.99%. Kaiser coverage required a 7.0% rate increase and dental insurance rates jumped by 5.6%.

For FY 19-20 the rate increases are: the MODA (P500 plan) increasing 1.74%, Kaiser 8.0% and the dental insurance plan increasing 2.0%.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 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, general liability and cyber liability coverage through CIS and other insurers. 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. We will keep policymakers informed about the major findings and recommendations of the assessment.

BUDGET HIGHLIGHTS:

The insurance agency fund’s FY 2019-20 budget is a status quo budget, intended to provide the same insurance coverages and level of risk management services as in FY 2018-19. Some deductibles were increased where it appears to make risk management and economic sense. Insurance rates will increase compared to last year; percentage increase projections for insurance rates for FY 2019-20 are as follows:

- General Liability – 10% increase;
- Auto Liability – 10% increase
- Property – 15% increase
- Storage tank, Crime and Flood – 10% increase;
- Difference in Coverage – 15% increase;
- Workers’ Compensation Excess Policy –10% increase.
- Cyber Liability - 10% increase.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 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 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGETED	FY 2019-20 PROPOSED	FY 2019-20 ADOPTED
POSITION	0.80	0.80	0.80	0.80	0.80
PERSONNEL SERVICES	\$115,885	\$124,309	\$131,641	\$139,973	\$139,973
MATERIALS & SERVICES	1,214,932	960,389	1,164,677	1,202,055	1,202,055
CAPITAL OUTLAY					
TRANSFERS	38,061	40,838	44,846	45,458	45,458
CONTINGENCY	0	0	11,182	295,726	295,726
RESERVE	0	0	1,500,000	1,500,000	1,500,000
TOTAL	\$1,368,878	\$1,125,536	\$2,852,346	\$3,183,212	\$3,183,212

Progress on FY 2018-19 Action Plan:

- Identify property claims for subrogation for 2018-19.
Risk management collected \$241,453 in no fault property claims from Jan. 1, 2018 to Dec. 31, 2018. 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 like the previous year.
- Continue to research the benefits of becoming fully self-insured.
Our recommendation for FY 2019-20, 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. The COOP plan has been downloaded into Agility's website.
- Reinstated the Risk Management Committee and meet at least 2 times a year to discuss the Risk Management Program.
Meetings have occurred and will continue. Several department heads receive monthly updates regarding our liability and WC claims.
- Update city's risk management program policy, Resolution 3470 (1998)
Work in progress that is expected to be completed this fiscal year.

FY 2019-20 Action Plan:

- Identify property claims for subrogation for 2019-20.
- 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.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 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 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Budgeted/Revised	FY 2019-20 Adopted
Number of general liability claims filed	42	30	40 / 56	40
Average allocated cost per liability claim	\$8,053	\$5,859	\$4,000	\$6,000
Number of city property damage claims received	103	83	80 / 88	90
Claims Paid:				
Damaged city property	\$173,108	\$117,188	\$125,000 / \$160,000	\$150,000
Liability claims	\$338,225	\$174,846	\$160,000 / \$200,000	\$175,000
3 rd Party property damage	\$1,150	\$907	\$2,000	\$2,000

The actual number of 2017-18 liability claims totaled 30 (an average of 2.5 claims per month). This is fewer claims than we had in 2016-17. The average amount paid for the 30 claims (\$5,859) this was less than the originally projected average amount (\$8,272). As a result, the amount paid out for all liability claims in 2017-18 (\$175,753) was less than originally budgeted. We did receive reimbursement from CIS on one significant claim.

FY 2018-19 is trending to be a higher than normal year as to the number of reported claims: around 56 claims (an average of 4.7 claims per month). The average cost per claim has decreased so far in 2018-19. As of the end of December 2018, we had 28 new liability claims and 19 open liability claims with a payout of \$111,305 or \$3,975 per claim. If the trend continues, we anticipate the amount paid out for all liability claims in 2018-19 will be about \$200,000. This is still a bit high, but similar to what we paid in 2017-18. We have received notice of a tort claim arising out of a police pursuit in which a bystander was injured and is seeking \$2M in damages against the city and the person the police were pursuing. The city denies liability for the plaintiff's injuries caused by the person being pursued. The Oregon Tort Claims Act would limit our financial exposure of the city to a maximum of approximately \$1M if the city is found liable for plaintiff's personal injuries and property damages.

The number of 2017-18 property claims decreased from 103 claims to 83 (an average of 6.9 claims per month). Over half of the claims (46) were property claims that were a result of an at fault claimant. The amount paid out for all property claims decreased, from \$173,108 to \$117,188. That is \$1,412 per property claim in 2017-18.

For 2018-19, city property claims are higher for the first six months compared to 2017-18. We are averaging 7.3 claims per month with a total payout of \$83,722 or \$1,903 per claim.

Many of the city property damage claims are a result of accidents not caused by the city (2017-18 had 46 and 2018-19 has 23 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 2017-18 we collected \$78,422 through subrogation and \$349,486 in insurance company reimbursements through CIS. For 2018-19 we have collected \$26,391 through December. That represents a recovery rate of 67% of all property claims in 2017-18 and 32% for the first half of 2018-19.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 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.

REQUIREMENTS	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGETED	FY 2019-20 PROPOSED	FY 2019-20 ADOPTED
POSITION	0.85	0.85	0.85	0.85	0.85
PERSONNEL SERVICES	\$118,539	\$122,969	\$130,049	\$138,764	\$138,764
MATERIALS & SERVICES	347,911	497,097	413,050	355,930	355,930
CAPITAL OUTLAY					
TRANSFERS	28,863	29,460	31,802	32,045	32,045
CONTINGENCY	0	0	152,781	139,918	139,918
RESERVE	0	0	500,000	600,000	600,000
TOTAL	\$495,313	\$649,526	\$1,227,682	\$1,266,657	\$1,266,657

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 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.
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, 2018 to December 31, 2018 we collected \$16,130 through EAIP. As of December 2017, we were required to electronically submit our OSHA 300A information to OSHA. 2018 has been filed and posted.
- 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. Monthly reports and quarterly claim summaries are provided as well as face to face meetings.
- 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.
About 75% of the Safety Manual has been reviewed/updated. Annual trainings are being completed and Succeed is being used regularly at Public Works as well with other departments.

FY 2019-20 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.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET
CURRENT LEVEL OF SERVICES

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

- 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.
- Increased involvement with Public Works Managers Meeting and General Facilities Safety Meeting

Performance Measures & Discussion:

Workers' Compensation Claims Data:	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Actual	Actual	Budgeted/Revised	Adopted
Workers' compensation claims filed	28	25	28 / 25	25
Value of paid workers compensation claims	\$147,689	\$306,634	\$200,000 / \$150,000	\$150,000
Lost workdays	114	1	100	100
Experience rating modifier: Target = <1.0	.86	.88	.88 / .86	.86

The city's work related injuries for FY 2017-18 decreased from the previous year. In 2017-18, we paid ~\$12,265/claim and averaged 2.1 claims/month. In 2018-19 thus far, we are averaging \$4,418/claim and we are getting 1.7 claims/month. This amount is much lower than FY 2017-18 and more typical to what we normally see. We currently have 2 claims that require legal attention (these are the files that make our payout numbers spike). 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.

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 2017-18 we collected \$19,164 through EAIP. This is lower than last FY due to injuries requiring less light duty days.

Our experience rating modifier has decreased from .88 to .86. 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 continue to see a reduction in our modifier in the next few years and hopefully get below .80.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE FUND	DEPARTMENT: HUMAN RESOURCES
PROGRAM: 0015 SELF INSURANCE UNEMPLOYMENT	DEPARTMENT HEAD: PATRICIA ANDERSON WIECK

Program Goal

To provide a cost effective unemployment insurance program that complies with state and federal laws.

REQUIREMENTS	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGETED	FY 2019-20 PROPOSED	FY 2019-20 ADOPTED
POSITION	0.15	0.15	0.15	0.18	0.18
PERSONNEL SERVICES	\$18,521	\$16,862	\$21,270	\$27,236	\$27,236
MATERIALS & SERVICES	47,399	65,254	60,000	60,000	60,000
CAPITAL OUTLAY					
TRANSFERS	517	456	832	3,653	3,653
CONTINGENCY	0	0	42,202	40,748	40,748
RESERVE	0	0	45,000	100,000	100,000
TOTAL	\$66,437	\$82,572	\$169,304	\$231,637	\$231,637

Program Objective

To minimize the City's long-term costs by processing unemployment claims appropriately.

Progress on FY 2018-19 Action Plan

- Maintain a low level of unemployment claims and respond in a timely manner. *Human Resources staff respond to all claims received from the state to ensure the accuracy of data and provide additional information to support the state in making informed decisions on whether to grant or deny unemployment benefits.*

Performance Measures	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Budgeted/Revised	FY 2019-20 Adopted
Number of unemployment insurance claims	10	9	10 / 7	10
Value of paid unemployment claims	\$74,000	\$60,000	\$60,000 / \$50,000	\$60,000

FY 2019-20 Action Plan

- Continue to maintain a low level of unemployment claims and respond in a timely manner.

Performance Outcomes and Program Trends

The FY 2018-19 rate of unemployment claims is trending steady in the number of claims.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE FUND	DEPARTMENT: HUMAN RESOURCES
PROGRAM: 0016 SELF INSURANCE EMPLOYEE MEDICAL/DENTAL	DEPARTMENT HEAD: PATRICIA ANDERSON WIECK

Program Goal

To provide a comprehensive, cost-effective health program which meets the needs of its employees and the organization.

REQUIREMENTS	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 BUDGETED	FY 2019-20 PROPOSED	FY 2019-20 ADOPTED
POSITION	1.10	1.10	1.10	1.10	1.10
PERSONNEL SERVICES	\$101,759	\$101,746	\$120,522	\$133,069	\$133,069
MATERIALS & SERVICES	9,406,579	9,731,667	11,243,861	11,619,981	11,619,981
CAPITAL OUTLAY					
TRANSFERS	43,439	27,554	34,462	35,664	35,664
CONTINGENCY	0	0	412,749	325,408	325,408
RESERVE	0	0	350,000	350,000	350,000
TOTAL	\$9,551,777	\$9,860,967	\$12,161,594	\$12,464,122	\$12,464,122

Program Objectives

To provide medical and dental insurance for employees that minimizes the adverse family and financial effects of illness. These activities support Council priority: *Look at the city's retention and compensation policies*, as well as Community Vision: *Promote and facilitate healthy lifestyles, through providing affordable access to medical and dental services, and by hosting health and wellness fairs, training and activities.*

To provide programs that assist employees in addressing issues that affect their performance. These activities support Council priority: *Look at the city's retention and compensation policies.*

To provide programs that assist employees in maximizing their financial resources. These activities support Council priority: *Look at the city's retention and compensation policies.*

To administer and coordinate occupational health programs that adhere to laws, rules and regulations and ensure a safe and healthy work force.

Progress on FY 2018-19 Action Plan

- Work to provide quality benefits at a reasonable cost to employees and to the City. *Moved Management and SEIU to P500, which provides similar benefits as P250 for a lower cost.*
- Find ways to save on excessive, redundant costs for the City. *Working on combining two different Moda plans to one P500 plan – still waiting on BPA contract negotiations. Combining Kaiser plan to one plan instead of three, as BPD still has a different plan than SEIU/Management. Looking at removing dual coverage of employee and spouse when both work for the city.*
- Continue to review current benefits and consider new options. *Looking to go out to bid for Flexible Spending Account and possibly for voluntary benefits (currently AFLAC).*

**CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET
CURRENT LEVEL OF SERVICES**

FUND: 706 INSURANCE FUND	DEPARTMENT: HUMAN RESOURCES
PROGRAM: 0016 SELF INSURANCE EMPLOYEE MEDICAL/DENTAL	DEPARTMENT HEAD: PATRICIA ANDERSON WIECK

Performance Measures

Health and Dental Insurance	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Budgeted/Revised	FY 2019-20 Adopted
Eligible FTE Positions	519.55	526.65	530 / 533	535
Medical Loss Ratio MODA (claims as a % of premiums; used for renewal)	N/A	79.7%	60.3% / 75%	75%
Medical Loss Ratio Kaiser (claims as a % of premiums; used for renewal)	80%	87.8%	89% / 88%	88%
Average annual medical insurance premium cost per eligible FTE	\$16,321	\$16,619	\$19,092 / \$19,239	\$19,300
Dental Plan Cost	\$848,565	\$859,733	\$777,654 / \$860,000	\$870,000
Average annual dental cost per eligible FTE	\$1,633	\$1,632	\$1,467 / \$1,613	\$1,626

FY 2019-20 Action Plan

- Work on streamlining benefits to reduce cost and for ease of communication and processing.
- Work to better communicate benefits to employees and provide information regarding additional benefits.
- Continue to work with providers to provide excellent benefits and customer service to our employees.

Performance Outcomes and Program Trends

There were changes in the health insurance plan designs for FY 18-19 that effected rates. In addition, the city acquired the services of a new broker/agent of record for health and dental insurance. For the new \$500 deductible plan (P500) benefitting SEIU and Management employees selecting MODA insurance coverage the city experienced an increase of 3% compared to the former P250 insurance plan. Members of the Beaverton Police Association remained on MODA's P200 plan causing a rate increase of 7.99%. Kaiser coverage required a 7.0% rate increase and dental insurance rates jumped by 5.6%.

For FY 19-20 the rate increases are: the MODA (P500 plan) increasing 1.74%, Kaiser 8.0% and the dental insurance plan increasing 2.0%.

The Health Insurance Review Committee has continued to actively research medical insurance options in advance of labor negotiations with a goal of trying to seek out options that balance cost with quality benefits. While the potential for the 2020 excise tax under the Affordable Care Act (now extended to 2022) may or may not be an issue going forward, the committee remains committed to seeking out competitive medical insurance at a fair and fiscally responsible price. The Health Insurance Review Committee was on hiatus while negotiations were underway, but are now meeting again.

The dental program continues to provide excellent dental benefits for employees and their families, encouraging and rewarding yearly preventative measures. The self-funded dental benefit shows continued high utilization. As an average annual cost per employee, dental program costs can fluctuate from year to year due to the number and types of services performed within the plan's provisions.

CITY OF BEAVERTON, OREGON
FISCAL YEAR 2019-20 BUDGET
CURRENT LEVEL OF SERVICES

FUND: 706 INSURANCE FUND	DEPARTMENT: HUMAN RESOURCES
PROGRAM: 0016 SELF INSURANCE EMPLOYEE MEDICAL/DENTAL	DEPARTMENT HEAD: PATRICIA ANDERSON WIECK

Performance Measures

Wellness Activities and Related Costs	FY 2016-17 Actual	FY 2017-18 Actual	FY 2018-19 Budgeted/Revised	FY 2019-20 Adopted
Number of employee medical screenings (pre-employment, DOT/drug testing)	190	150	150	150
Average cost per medical screening	\$225	\$225	\$225 / \$185	\$185
Average cost of wellness activities per employee	\$70	\$65	\$65 / \$50	\$78
# of Employees Who Participate in Wellness Incentive Opportunities	112	72	80	90
# of Employees Taking Part in Health Screening (BP, Cholesterol, Body Fat)	80	67	70 / 68	75

Wellness Activity Performance Outcomes and Program Trends

The City has continued to invest in the Wellness Program as a means of mitigating rising healthcare costs. Funds have been used to sustain on-site fitness classes and utilization of local fitness facilities, health screening events, nutrition programs, CSA programs, educational seminars, and other activities to promote healthy living. We re-evaluated the on-site fitness classes due to low attendance. In 2018, the Boot Camp was very successful, as we filled the weekly class with 30 employees. We contracted with Wellness Consolidated, LLC, (who provided the Boot Camp) to provide an ongoing Fitness Class twice a week, which is going well. In FY 2018-19, the Wellness program is still going strong. We have had 80 employees participating in the Wellness Incentives, 68 employees attended the Biometric Screening, two Walker Tracker Challenges with an average of 66 participants, and 150 employees attended the Wellness Fair. With help from the Wellness Committee we will evaluate current programs and see how we can increase participation and look into new ideas.

The multitude of opportunities offered to engage employees in healthy living have contributed to steady participation in the City's Wellness Program. A heavy emphasis on wellness during new employee orientation has been important in laying the foundation for participation and conscious consumerism of health services. The City continues to look for new initiatives to keep employees engaged and interested and evaluates existing activities for value and utilization.

In FY 2018-19, as in prior years, the City offers a biometric screening event which included several additional screening tests. Demand for this screening opportunity has remained consistent in recent years. For FY 2019-20 we will have the Biometric screening again and look into adding a Health Risk Assessment (through our vendors).

New and innovative programs will be offered. In FY 2018-19 more learning seminars will be added and we will operate a weekly Food Club, with the help from Wellness Consolidated, LLC. In FY 2019-20 we will work on increasing our Wellness seminars along with promoting ones from our wellness providers.