



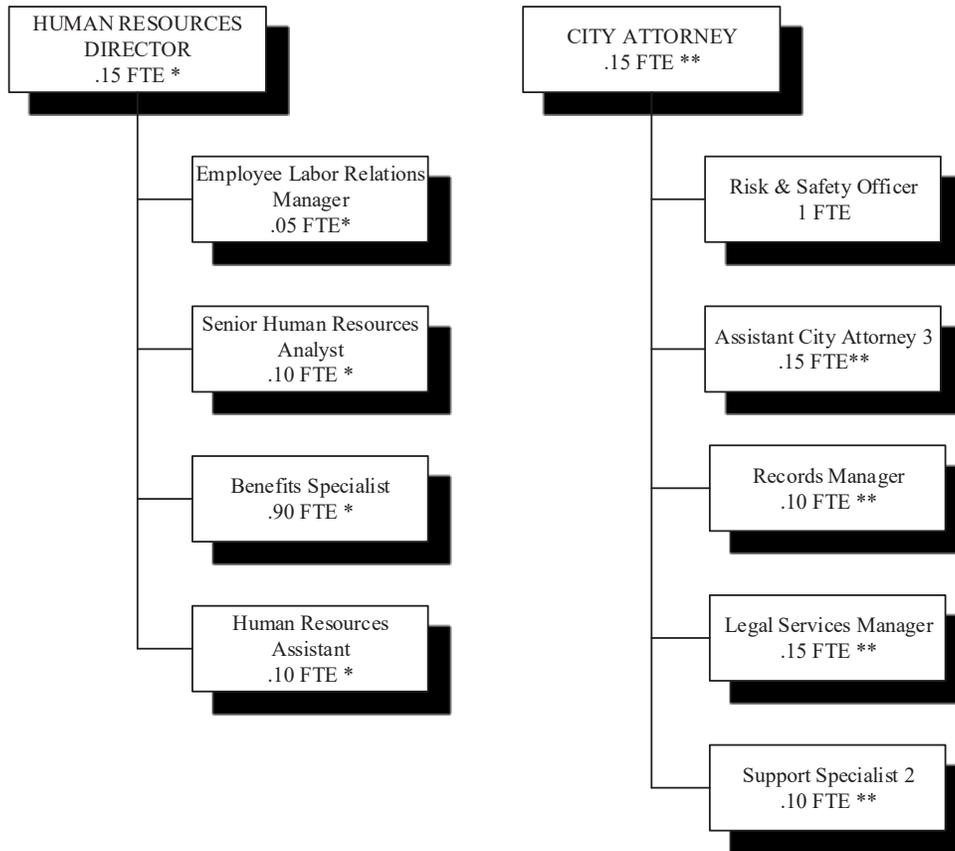
# Insurance Agency Fund

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



# Insurance Agency Fund

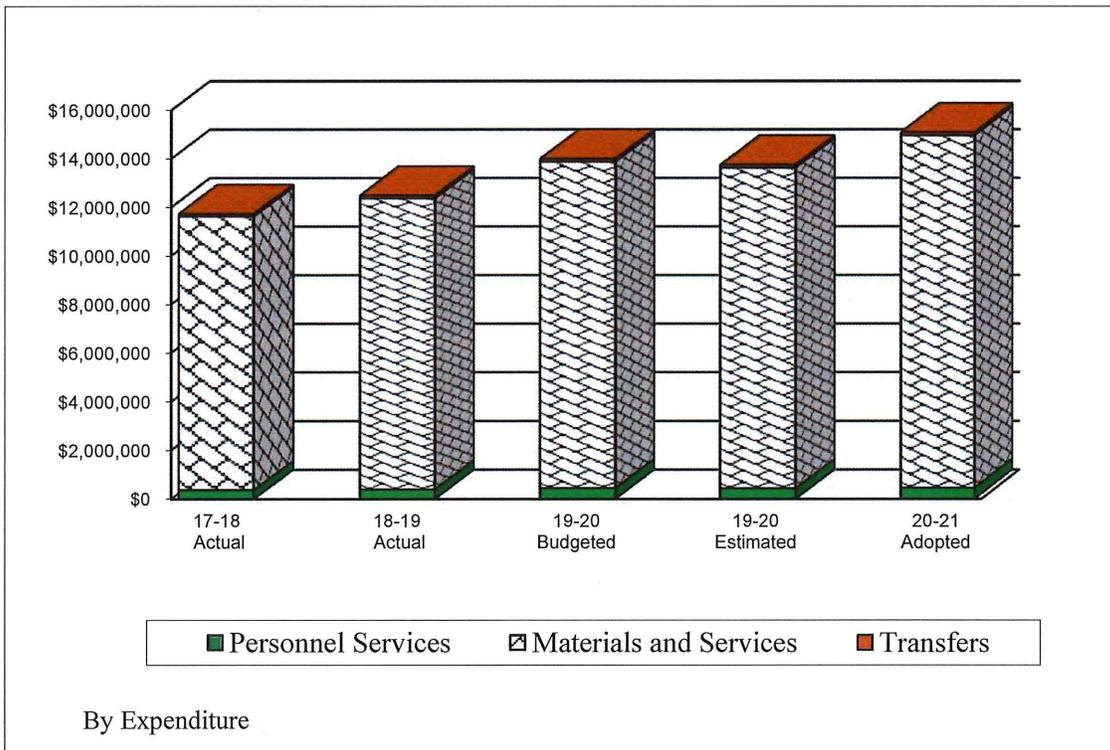
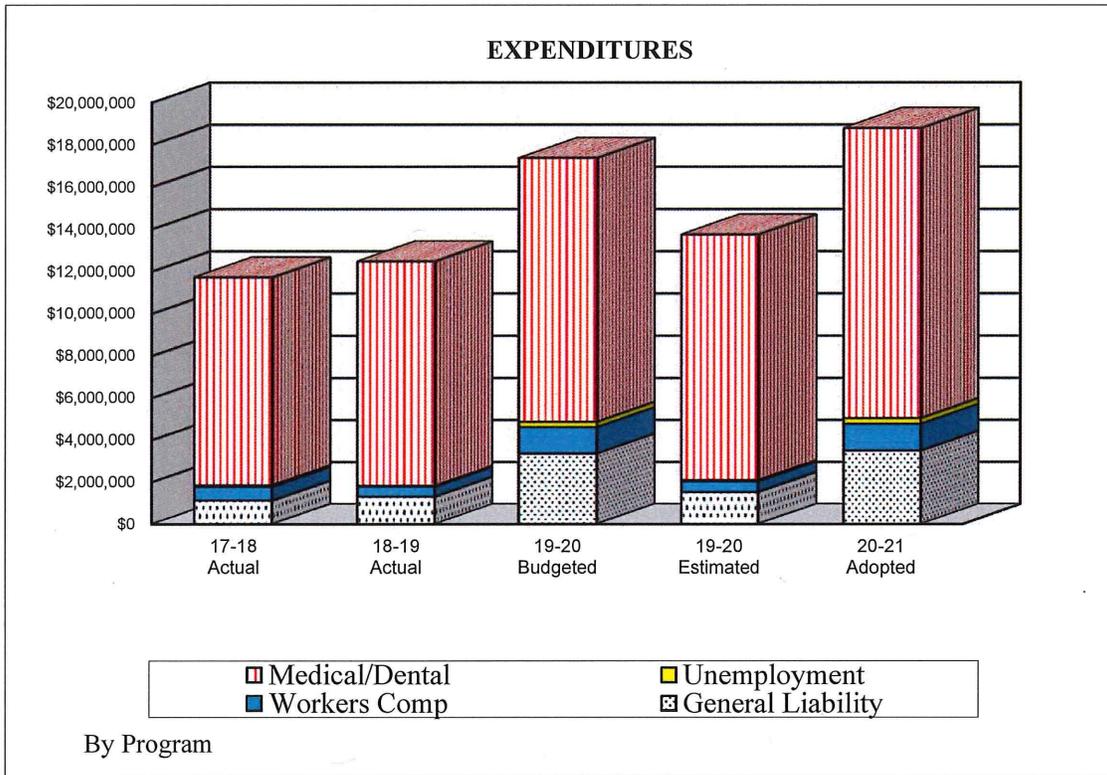
FY 2020-21 BUDGETED POSITIONS



\* Partially funded in the General Fund – Resources Department

\*\*Partially funded in the General Fund – Attorney's Office

**INSURANCE AGENCY FUND**  
 ADOPTED FY 2020-21



CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

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

	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Actual</u>	<u>FY 2019-20 Budgeted</u>	<u>FY 2019-20 Estimated</u>	<u>FY 2020-21 Adopted</u>
<b>Revenues:</b>					
Interest on investments	\$44,102	\$62,862	\$69,300	\$60,400	\$33,300
Self-insurance charges	10,131,188	10,932,836	11,869,260	11,697,522	12,816,176
Miscellaneous	348,575	331,130	422,457	1,001,229	335,000
Sub Total Revenues	<u>\$10,523,865</u>	<u>\$11,326,828</u>	<u>\$12,361,017</u>	<u>\$12,759,151</u>	<u>\$13,184,476</u>
<b>Expenditures:</b>					
Personnel services	\$365,886	\$391,899	\$439,898	\$430,704	\$451,718
Materials & services	11,254,407	11,973,379	13,435,862	13,196,307	14,507,324
Capital outlay	0	0	0	0	0
Sub Total Expenditures	<u>\$11,620,293</u>	<u>\$12,365,278</u>	<u>\$13,875,760</u>	<u>\$13,627,011</u>	<u>\$14,959,042</u>
Revenues Over/Under Expenditures	(\$1,096,428)	(\$1,038,450)	(\$1,514,743)	(\$867,860)	(\$1,774,566)
<b>Other financing sources (uses):</b>					
Transfers in	\$1,337,341	\$1,259,941	\$1,574,799	\$1,574,799	\$1,574,799
Transfers out	(98,308)	(110,246)	(116,820)	(116,820)	(119,872)
Total Other Financing Sources (Uses):	<u>\$1,239,033</u>	<u>\$1,149,695</u>	<u>\$1,457,979</u>	<u>\$1,457,979</u>	<u>\$1,454,927</u>
Net Change in Fund Balance	\$142,605	\$111,245	(\$56,764)	\$590,119	(\$319,639)
Fund Balance/Working Capital Beginning of Year	<u>3,184,382</u>	<u>3,326,987</u>	<u>3,438,232</u>	<u>3,438,232</u>	<u>4,028,351</u>
Fund Balance (Contingency)/Working Capital End of Year	<u>\$3,326,987</u>	<u>\$3,438,232</u>	<u>\$3,381,468</u>	<u>\$4,028,351</u>	<u>\$3,708,712</u>

Contingency for FY 2020-21 adopted budget is available for appropriation upon the City Council's approval. Contingency consists of the following:

General Liability Comprehensive Insurance: \$602,775 for continuing operations and \$1.5 million designated as a catastrophic insurance reserve.

Workers Compensation Insurance: \$104,635 for continuing operations and \$650,000 in insurance reserves.

Unemployment Insurance: \$65,693 for continuing operations and \$100,000 in insurance reserves.

Medical Insurance: \$335,609 for continuing operations and \$350,000 in insurance reserves for rate stabilization .

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

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

**MISSION STATEMENT:**

To provide and 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 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	2.90	2.90	2.93	2.95	2.95
PERSONNEL SERVICES	\$365,886	\$391,899	\$439,898	\$451,718	\$451,718
MATERIALS & SERVICES	11,254,407	11,973,379	13,435,862	14,507,324	14,507,324
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	98,308	110,246	116,820	119,872	119,872
CONTINGENCY			831,468	1,108,712	1,108,712
RESERVE			2,550,000	2,600,000	2,600,000
<b>TOTAL</b>	<b>\$11,718,601</b>	<b>\$12,475,524</b>	<b>\$17,374,048</b>	<b>\$18,787,626</b>	<b>\$18,787,626</b>

Funding Sources:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21
Beginning Working Capital	\$3,184,382	\$3,326,987	\$3,438,232	\$4,028,351	\$4,028,351
Interest on Investments	44,102	62,862	69,300	33,300	33,300
Miscellaneous Revenues	348,579	331,129	422,457	335,000	335,000
Transfers from Other Funds	1,337,341	1,259,941	1,574,799	1,574,799	1,574,799
Self-insurance Revenues	10,131,188	10,932,836	11,869,260	12,816,176	12,816,176

Reserves:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21
General Liability	\$1,478,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Workers' Compensation	500,000	500,000	600,000	650,000	650,000
Unemployment	95,000	45,000	100,000	100,000	100,000
Medical	350,000	350,000	350,000	350,000	350,000

**Services and Trends:**

The Human Resources Department, through the employee benefit programs, assists the organization in protecting the financial and human assets of the city. The employee benefit programs include self-insured unemployment, employee medical premium-based insurance, self-insured dental, long-term disability insurance, life insurance, Accidental Death and Dismemberment insurance, and deferred compensation. Services provided include financing of claims through insurance or self-insurance, wellness and loss prevention activities.

The city's Deferred Compensation Committee bears fiduciary and administrative responsibilities for the city's 457(b) plan. The city's Human Resources Director chairs the committee. The Committee ensured the creation of a Statement of Investment Policy and reviews investment performance of the plans on an on-going basis. The Committee is chartered with taking action to correct errors in the plan, maintain the qualified status of the plan, amend the plan as needed, and make recommendations to the Mayor for charter changes.

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.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

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

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.
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.

For Fiscal Year 2019-2020, the Kaiser and MODA medical plans were consolidated to one option for each, with rate plan increases for Kaiser at 7.5% and for MODA at 1.7%. Delta Dental's self-funded dental plan rates held steady, while a fully insured Kaiser Dental option was implemented with 45 members enrolled. The Delta Dental ortho lifetime maximum for BPA was increased from \$1,500 to \$5,000.

Additionally, a ROTH component was added to our deferred compensation plan, offering employees a post-tax withholding option through payroll.

CITY OF BEAVERTON, OREGON  
 FISCAL YEAR 2020-21 BUDGET  
 CURRENT LEVEL OF SERVICES

<b>FUND:</b> 706 INSURANCE AGENCY FUND	<b>DEPARTMENTS:</b> CITY ATTORNEY
	<b>DEPARTMENT HEAD:</b> 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 2020-21 budget is a status quo budget, intended to provide the same insurance coverages and level of risk management services as in FY 2019-20. Insurance rates will increase compared to last year, especially the property rates according to our broker. The percentage increase projections for insurance rates for FY 2020-21 are:

- General Liability – 10% increase.
- Auto Liability – 10% increase.
- Property – 20% increase.
- Storage tank, Crime and Flood – 10% increase;
- Difference in Coverage – 10% increase.
- Workers’ Compensation Excess Policy –10% increase.
- Cyber Liability – 10% increase.

NOTE: Above percentage increases are estimates. Actual amounts expected to be announced before June 30.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 706 INSURANCE AGENCY FUND	<b>DEPARTMENT:</b> CITY ATTORNEY
<b>PROGRAM:</b> 0010 GENERAL LIABILITY	<b>DEPARTMENT HEAD:</b> BILL KIRBY

**PROGRAM GOAL:**

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

REQUIREMENTS	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	0.80	0.80	0.80	0.80	0.80
PERSONNEL SERVICES	\$124,309	\$130,871	\$139,973	\$139,148	\$139,148
MATERIALS & SERVICES	960,389	1,132,473	1,399,951	1,202,355	1,202,355
CAPITAL OUTLAY					
TRANSFERS	40,838	44,050	45,458	44,500	44,500
CONTINGENCY	0	0	274,400	602,775	602,775
RESERVE	0	0	1,500,000	1,500,000	1,500,000
<b>TOTAL</b>	<b>\$1,125,536</b>	<b>\$1,307,394</b>	<b>\$3,359,782</b>	<b>\$3,488,778</b>	<b>\$3,488,778</b>

**Progress on FY 2019-20 Action Plan:**

- Identify property claims for subrogation for 2019-20.
  - Risk management collected \$28,203 in no fault property claims from July 1, 2019 to February 29, 2020.
- 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 is an ongoing effort. During monthly safety meetings all losses are discussed. Claim count for both departments is averaging higher than the previous year.
- Continue to research the benefits of becoming fully self-insured.
  - As the city's liability insurance premium increases, the appeal of becoming self-insured also increases. For now, we continue with our current insurance plan.
- Update city's risk management program policies.
  - The goal is to have policies revised within this fiscal year.

**FY 2020-21 Action Plan:**

- Identify property claims for subrogation for 2020-21.
- 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 work with Brown & Brown and CIS regarding insurance coverages and continue to view claims and exposures.
- Translate city claim forms into Spanish.

**DIVERSITY, EQUITY, AND INCLUSION:**

Examples of priority areas that the legal services program accomplished in FY 2019-20 include:

- PE1.2 – The number of translated print material increases each year. Risk Management will translate liability claim form to Spanish in calendar year 2020.
- CB2.2 – City facilities are used by culturally diverse groups for community activities and meetings. Risk Management is actively involved in the planning and mitigation of events put on by the City or events that the City sponsors. Safety and insurance are important considerations for these events.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 706 INSURANCE AGENCY FUND	<b>DEPARTMENT:</b> CITY ATTORNEY
<b>PROGRAM:</b> 0010 GENERAL LIABILITY	<b>DEPARTMENT HEAD:</b> BILL KIRBY

**PERFORMANCE MEASURES & DISCUSSION:**

<b>Property and Liability Claims:</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Budgeted/Revised</b>	<b>FY 2020-21 Adopted</b>
Number of general liability claims filed	30	46	40 / 44	45
Average allocated cost per liability claim	\$5,859	\$4,250	\$6,000 / \$3,000	\$4,500
Number of city property damage claims received	83	83	90	90
<b>Claims Paid:</b>				
Damaged city property	\$117,188	\$164,278	\$150,000	\$150,000
Liability claims	\$174,846	\$191,823	\$175,000 / \$160,000	\$160,000
3 <sup>rd</sup> Party property damage	\$907	\$3,707	\$2,000	\$2,000

The actual number of 2018-19 liability claims totaled 46 (an average of 3.8 claims per month). This is more claims than we had in 2017-18. The average amount paid for the 46 claims (\$4,250) was similar than the originally projected average amount (\$4,000). As a result, the amount paid out for all liability claims in 2018-19 (\$195,530) was more than originally budgeted. We did receive reimbursement from CIS on one significant employee claim.

FY 2019-20 is trending to be similar to last year as to the number of reported claims: around 44 claims (an average of 3.6 claims per month). The average cost per claim has decreased so far in 2019-20. As of the end of December 2019, we had 22 new liability claims and 22 open liability claims with a payout of \$63,137 or \$2,870 per claim. If the trend continues, we anticipate the amount paid out for all liability claims in 2019-20 will be about \$160,000. This is a decrease to what we paid in 2018-19. 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 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 2018-19 property claims remained the same at 83 (an average of 6.9 claims per month). Over half of the claims (43) were property claims that were a result of an at fault claimant. The amount paid out for all property claims increased, from \$117,188 to \$164,278. That is \$1,979 per property claim in 2018-19.

For 2019-20, city property claims are higher for the first six months compared to 2018-19. We are averaging 7.5 claims per month with a total payout of \$63,134 or \$1,514 claim. We are currently dealing with a high value property claim for The Beaverton Building. The cost of the claim will exceed \$200,000. Our share will be the \$50,000 deductible. A separate line item (706-40-0010-457) has been created to capture the amount paid due to the loss.

Many of the city property damage claims are a result of accidents not caused by the city (2018-19 had 43 and 2019-20 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 2018-19 we collected \$69,621 through subrogation. For 2019-20 we have collected \$22,684 through December. That represents a recovery rate of 42% of all property claims in 2018-19 and 33% for the first half of 2019-20.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 706 INSURANCE AGENCY FUND	<b>DEPARTMENT:</b> CITY ATTORNEY
<b>PROGRAM:</b> 0014 WORKERS' COMPENSATION	<b>PROGRAM MANAGER:</b> 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 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	0.85	0.85	0.85	0.85	0.85
PERSONNEL SERVICES	\$122,969	\$130,032	\$138,764	\$140,374	\$140,374
MATERIALS & SERVICES	497,097	310,548	355,930	359,000	359,000
CAPITAL OUTLAY					
TRANSFERS	29,460	31,500	32,045	32,605	32,605
CONTINGENCY	0	0	133,825	104,635	104,635
RESERVE	0	0	600,000	650,000	650,000
<b>TOTAL</b>	<b>\$649,526</b>	<b>\$472,080</b>	<b>\$1,260,564</b>	<b>\$1,286,614</b>	<b>\$1,286,614</b>

**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 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.
  - *Our claim count, including WC claims, is running a bit higher than normal. Many claims are very minor with no time off from work. Last year was a fantastic year. The City won the Gold Safety Award from the LOC and CIS based on claims that required time away from work. Our experience modifier is at an all-time low of .67.*
- Continue to provide necessary documentation for TRISTAR for collection through Employee at Injury Program (EAIP) and the necessary reports for the OSHA 300 Log.
  - *State audit reports continue to be very favorable. We have collected \$2,830 through EAIP so far for this FY. The necessary OSHA 300 Log reports have been filed.*
- Hold quarterly meetings with TRISTAR to discuss problem claims and trends.
  - *We hold scheduled meetings three times a year. Other meetings are held if needed.*
- 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.
  - *Annual trainings are scheduled. Succeed is being used regularly at Public Works for safety training, as well as in other city departments.*
- Increased involvement with public works managers meeting and general facilities safety meeting.
  - *Plan to attend public works manager meeting in the next few months. Involvement with facilities safety meetings coordinated by Travis Taylor has increased.*

**FY 2020-21 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.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

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

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

**Performance Measures & Discussion:**

<b>Workers' Compensation Claims Data:</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budgeted/Revised</b>	<b>Adopted</b>
Workers' compensation claims filed	25	25	25 / 46	32
Value of paid workers compensation claims	\$306,634	\$126,907	\$150,000 / \$125,000	\$150,000
Lost workdays	1	145	100	80
Experience rating modifier: Target = <1.0	.88	.86	.86 / .67	.67

The city's work related injuries for FY 2018-19 remained the same from the previous year. In 2018-19, we paid ~\$5,076/claim and averaged 2.1 claims/month. In 2019-20 thus far, we are averaging \$2,231 claim and we are getting 3.8 claims/month. The number of claims is much higher than FY 2018-19 and not typical to what we normally see. We currently have 1 claim that requires 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 several years

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 2018-19 we collected \$18,783 through EAIP. This is lower than last FY due to injuries requiring less light duty days.

Our experience rating modifier has decreased from .86 to .67, which is fantastic. 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 lower modifier.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 706 INSURANCE FUND	<b>DEPARTMENT:</b> HUMAN RESOURCES
<b>PROGRAM:</b> 0015 SELF INSURANCE UNEMPLOYMENT	<b>DEPARTMENT HEAD:</b> PATRICIA ANDERSON WIECK

**Program Goal**

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

REQUIREMENTS	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	0.15	0.15	0.18	0.20	0.20
PERSONNEL SERVICES	\$16,862	\$17,990	\$27,236	\$33,148	\$33,148
MATERIALS & SERVICES	65,254	25,225	60,000	60,000	60,000
CAPITAL OUTLAY					
TRANSFERS	456	526	3,653	4,554	4,554
CONTINGENCY	0	0	53,973	65,693	65,693
RESERVE	0	0	100,000	100,000	100,000
<b>TOTAL</b>	<b>\$82,572</b>	<b>\$43,741</b>	<b>\$244,862</b>	<b>\$263,395</b>	<b>\$263,395</b>

**Program Objective**

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

**Progress on Fiscal Year 2019-20 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.*

Unemployment Performance Measures	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budgeted/Revised	FY 2020-21 Adopted
Number of unemployment claims	9	7	10 / 12	12
Value of paid unemployment claims	\$60,000	\$50,000	\$60,000 / \$60,000	\$60,000

**Fiscal Year 2020-21 Action Plan**

- Strive for a low level of unemployment claims and continue to respond in a timely manner.

**Performance Outcomes and Program Trends**

The rate of unemployment claims is trending steady in the number of claims.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 706 INSURANCE FUND	<b>DEPARTMENT:</b> HUMAN RESOURCES
<b>PROGRAM:</b> 0016 SELF INSURANCE EMPLOYEE MEDICAL/DENTAL	<b>DEPARTMENT HEAD:</b> 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 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	1.10	1.10	1.10	1.10	1.10
PERSONNEL SERVICES	\$101,746	\$113,006	\$133,925	\$139,048	\$139,048
MATERIALS & SERVICES	9,731,667	10,505,133	11,619,981	12,885,969	12,885,969
CAPITAL OUTLAY					
TRANSFERS	27,554	34,170	35,664	38,213	38,213
CONTINGENCY	0	0	369,270	335,609	335,609
RESERVE	0	0	350,000	350,000	350,000
<b>TOTAL</b>	<b>\$9,860,967</b>	<b>\$10,652,309</b>	<b>\$12,508,840</b>	<b>\$13,748,839</b>	<b>\$13,748,839</b>

**Program Objectives**

To provide medical and dental insurance for employees that maximize a proactive approach to wellness and minimize the adverse 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 personal issues that may affect work 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. These activities support 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.*

**Progress on Fiscal Year 2019-20 Action Plan**

- Work on streamlining benefits to reduce cost and for ease of communication and processing. *The city moved to a single MODA or Kaiser offering to all groups (Management, SEIU and BPA). Within Delta Dental, BPA was offered the same orthodontic lifetime maximum as SEIU. The city began offering a Kaiser Dental option, and the start date of dental benefits were changed to match the start date of medical benefits which eases administration and provides the benefit to employees and their covered dependents sooner.*
- Work to better communicate benefits to employees and provide information regarding additional benefits. *With the changes from MODA-P200 to MODA-P500 for BPA, Human Resources invited MODA to present information to employees based at the Griffith Drive location. With the change in PEHP (which restricts use to post-employment) to a standard HRA plan for BPA, and the introduction of the HRA plan to Management employees, Human Resources invited the city's HRA VEBA trust provider to present at both Griffith Drive and City Hall locations.*
- Continue to work with providers to provide excellent benefits and customer service to our employees. *Human Resources continues to provide information and advocacy services to employees by being a bridge to members and their plans.*

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Health and Dental Insurance Performance Measures	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budgeted/Revised	FY 2020-21 Adopted
Eligible FTE Positions	526.65	533	535 / 555	570
Medical Loss Ratio MODA (claims as a % of premiums; used for renewal)	79.7%	75%	75% / 86.9%	80%
Medical Loss Ratio Kaiser (claims as a % of premiums; used for renewal)	87.8%	88%	88% / 87.9%	88%
Average annual medical insurance premium cost per eligible FTE	\$16,619	\$19,239	\$19,300 / \$18,699	\$19,000
Dental Plan Cost	\$859,733	\$860,000	\$870,000 / \$934,734	\$1,009,500
Average annual dental cost per eligible FTE	\$1,632	\$1,613	\$1,626 / \$1,684	\$1,771

**Fiscal Year 2020-21 Action Plan**

- Request proposals for Medical PPO plan to verify the city’s ability to acquire the best insurance rates.
- Request proposals for Flexible Spending Account vendor to improve effectiveness and efficiency of reimbursements.
- Review Health Savings Accounts and High Deductible plans with Health Insurance Review Committee with the aim of reducing overall premium costs.

**Performance Outcomes and Program Trends**

The Health Insurance Review Committee actively researches medical insurance options in conjunction with labor negotiations to seek options that balance cost with quality benefits. While the excise tax (“Cadillac tax”) under the Affordable Care Act has been repealed, the committee remains dedicated to finding competitive medical insurance at a fair and fiscally responsible price, reviewing plans and plan performance.

The dental program continues to provide excellent dental benefits for employees and covered dependents, encouraging and rewarding yearly preventative measures. The 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. In Fiscal Year 2019-2020, Kaiser Dental was added as an option.

The city’s deferred compensation fund has a balance of \$50,728,757 with over 400 contributing participants. The average participant balance is \$81,820.

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Wellness Activities and Related Costs Performance Measures	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budgeted/Revised	FY 2020-21 Adopted
Number of employee medical screenings (pre-employment, DOT/drug testing)	150	150	150 / 165	165
Average cost per medical screening	\$225	\$185	\$185 / \$185	\$185
Average cost of wellness activities per employee	\$65	\$50	\$78 / \$74	\$78
# of employees who participate in wellness incentive opportunities	72	80	90 / 80	90
# of employees taking part in health screening (BP, cholesterol, body fat)	67	68	75 / 70	80

**Wellness Activity Performance Outcomes and Program Trends**

The city continues 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.

In Fiscal Year 2019-20, Human Resources continued the city's collaboration with Wellness Consolidated, LLC, to provide on-going Feel-Good Fitness, which has been well attended. BodyCamp saw 23 participants of whom 82% met the participation criteria of attending two thirds of the classes. Yoga was offered to City Hall employees, while additional yoga classes were started at the Griffith Drive location. Human Resources is researching chair massage at the Griffith Drive location. Additional options are being explored for employees at the city's Main Library location.

Biometric screenings were moved to April to distribute Wellness events throughout the year. Fifty employees have participated to date in Fiscal Year 2019-2020 in the Wellness Incentive, as Human Resources increases marketing efforts to reach additional employees. Two Walker Tracker Challenges have been completed with an average of 64 participants and 66% meeting the challenge goal of a 6,000-step average per day. The Wellness Fair was very well attended with 200 employees and 20 exhibitors participating. In December of 2019, Human Resources introduced a new mental health collaboration with Beyond Well Solutions to provide podcasts on various well-being subjects. Employees are provided ear buds for private listening at work. For early 2020, Human Resources will be creating a survey on best ways to communicate to different locations and the wellness activities employees want, to better engage and retain employees.