

Risk Management Fund

Mission

To provide policy direction and effective management and financial support systems for all of the City's insurance coverage for employees, buildings, and equipment.

CITY OF ALLENTOWN
FUND SUMMARY - RISK FUND (081)

	<i>2012 Budget</i>	<i>2012 A & E</i>	<i>2013 Budget</i>
Revenues:			
081-6200 Retiree Health Benefit Reimbursement	838,011	807,436	839,733
081-6210 Active Employee Benefit Reimbursement	263,054	286,445	297,902
081-6220 Inactive Employee Benefit Reimbursement	63,556	42,129	43,814
081-6615 Claims Paid Reimb Risk	45,000	190,907	0
081-6688 Miscellaneous	145,916	145,916	145,916
081-6690 State Aid Pension	1,249	1,353	1,453
081-7121 Transfer From General Fund	10,277,711	10,277,711	11,399,250
081-7122 Transfer from Water Fund	1,485,895	1,485,895	1,815,450
081-7123 Transfer from Sewer Fund	1,684,674	1,684,674	2,013,100
081-7124 Transfer From Trexler Fund	185,694	185,694	234,500
081-7125 Transfer From CDBG	216,874	216,874	185,925
081-7126 Transfer From Liquid Fuels	272,494	272,494	351,750
081-7127 Transfer From Golf Course	75,759	75,759	92,125
081-7128 Transfer from Solid Waste	455,365	455,365	577,750
081-7129 Transfer from Risk Mgmt	37,016	37,016	33,500
081-7130 Transfer from 911 Fund	432,420	432,420	549,400
Total Revenue	16,480,688	16,598,088	18,581,568

CITY OF ALLENTOWN
FUND SUMMARY - RISK MANAGEMENT FUND (081)

	<i>2012 Budget</i>	<i>2012 A & E</i>	<i>2013 Budget</i>
Expenditures:			
02 PERMANENT WAGES	153,116	153,071	133,626
12 FICA	11,714	11,710	10,222
14 PENSION	5,508	30,294	6,324
16 INSURANCE - EMPLOYEE GRP	37,016	37,016	33,500
Total Personnel	207,354	232,091	183,672
32 PUBLICATIONS & MEMBERSHIP	500	500	500
34 TRAINING & PROF. DEVELOP	1,200	1,128	1,200
36 INS - PROPERTY & CASUALTY	500,661	486,605	524,220
37 INS - DENTAL, LIFE, DRUG	14,375,564	14,708,107	15,771,612
38 INS - OTHER EMPLOYEE	23,000	19,000	19,000
46 OTHER CONTRACT SERVICES	248,000	180,000	179,000
Total Services & Charges	15,148,925	15,395,340	16,495,532
56 UNIFORMS	100	100	100
68 OPERATING MATERIALS & SUPP	2,200	2,045	2,050
Total Materials & Supplies	2,300	2,145	2,150
80 SELF-INSURED LOSSES	2,122,357	1,823,612	1,647,000
86 GENERAL CITY CHARGES	55,914	55,914	58,710
99 PRIOR YEARS' COMMITMENTS	0	45,191	0
Total Sundry	2,178,271	1,924,717	1,705,710
Total Expenditures	17,536,850	17,554,293	18,387,064
Annual Fiscal Change		(956,205)	194,504

**CITY OF ALLENTOWN
FUND SUMMARY - RISK MANAGEMENT FUND (081)**

	<i>2008 Actuals</i>	<i>2009 Actuals</i>	<i>2010 Actuals</i>	<i>2011 Actuals</i>
<i>Revenues:</i>				
081-6200 Retiree Health Benefit Reimbursement	626,918	697,381	700,435	811,229
081-6210 Active Employee Benefit Reimbursement	170,788	176,346	304,391	293,588
081-6220 Inactive Employee Benefit Reimbursement	97,737	50,487	61,323	48,628
081-6418 Interest Income	166,093	95,418	51,041	0
081-6615 Claims Paid Reimb Risk	24,853	64,132	498,228	155,640
081-6688 Miscellaneous	375,274	257,464	202,779	268,722
081-6690 State Aid Pension	1,426	1,158	2,122	2,076
081-7121 Transfer From General Fund	8,625,126	8,433,196	8,968,360	9,394,265
081-7122 Transfer from Water Fund	1,536,740	1,471,879	1,507,520	1,444,665
081-7123 Transfer from Sewer Fund	1,618,484	1,623,108	1,671,110	1,607,160
081-7124 Transfer From Trexler Fund	300,208	251,063	186,200	176,600
081-7125 Transfer From CDBG	0	7,353	7,574	0
081-7126 Transfer From Liquid Fuels	277,288	296,125	279,300	260,600
081-7127 Transfer From Golf Course	66,176	57,938	59,850	71,375
081-7128 Transfer from Solid Waste	502,675	467,620	437,300	436,050
081-7129 Transfer from Risk Mgmt	28,876	30,900	31,920	33,960
081-7130 Transfer from 911 Fund	379,008	409,425	422,940	399,875
Total Revenue	14,797,670	14,390,993	15,392,393	15,404,433

**CITY OF ALLENTOWN
FUND SUMMARY - RISK FUND (081)**

	<i>2008 Actuals</i>	<i>2009 Actuals</i>	<i>2010 Actuals</i>	<i>2011 Actuals</i>
Expenditures:				
02 PERMANENT WAGES	145,345	145,037	149,398	150,745
11 SHIFT DIFFERENTIAL	12	2	0	0
12 FICA	11,058	11,038	11,028	11,095
14 PENSION	4,780	4,108	6,460	5,101
16 INSURANCE - EMPLOYEE GRP	28,876	30,900	31,920	33,960
Total Personnel	190,071	191,085	198,806	200,901
32 PUBLICATIONS & MEMBERSHIP	256	270	280	290
34 TRAINING & PROF. DEVELOP	957	622	0	377
35 INS - BC/BS	3,443,504	9,037,587	9,614,742	0
36 INS - PROPERTY & CASUALTY	535,248	440,111	551,934	461,776
37 INS - DENTAL, LIFE, DRUG	3,499,980	3,714,129	3,898,633	14,588,609
38 INS - OTHER EMPLOYEE	20,308	25,195	18,185	26,426
39 INS - HMO	5,521,889	0	0	0
44 PROF SERVICES FEES	393,650	154,675	169,398	0
46 OTHER CONTRACT SERVICES	28,544	4,856	8,708	283,206
Total Services & Charges	13,444,336	13,377,445	14,261,880	15,360,684
56 UNIFORMS	0	93	0	100
68 OPERATING MATERIALS & SUPP	1,247	191	423	1,505
Total Materials & Supplies	1,247	284	423	1,605
80 SELF-INSURED LOSSES	2,036,594	2,049,720	2,036,400	2,641,752
86 GENERAL CITY CHARGES	46,000	48,300	50,716	53,251
99 PRIOR YEARS' COMMITMENTS	31,350	7,036	40,524	20,447
Total Sundry	2,113,944	2,105,056	2,127,640	2,715,450
Total Expenditures	15,749,598	15,673,870	16,588,749	18,278,640

PROGRAM DETAIL

Bureau: Risk Management	No: 02-8001	Department: Finance	Program: Property & Casualty	No: 0001
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Program Description:

This program provides funding for bodily injury and property damage claims filed by third parties alleging City negligence. This program also provides funding for administrative expenses such as legal defense fees, claims management and loss prevention expenses, and excess insurance premiums. This program also reimburses City operating funds for losses to City-owned property (vehicles, structures, contents and other assets). The City has self-insured this risk since July 1979. Currently, we are retaining the full exposure of each general liability occurrence except for Law Enforcement Liability with a \$50,000 deductible, and \$100,000 of each occurrence for property losses.

Goal(s):

To protect City assets from loss.

To offer effective management of Property/Casualty claims.

Measurable Budget Year Objectives and Long Range Targets:

To manage the fund and enable it to respond to significant changes which have occurred within the insurance industry by:

- Assuring that adequate funding is available to obtain coverage during 2012.
- Identifying insurance coverage gaps and evaluating feasibility of purchasing coverage by July 1, 2012.

To improve claim monitoring and attempt to reduce cost of claims and claims administration by:

- Effectively managing the City's responsibility for Property/Casualty claims.

**CITY OF ALLENTOWN
PERSONNEL SUMMARY**

FUND 081 RISK MANAGEMENT
 DEPT 02 FINANCE
 BUREAU 8001 RISK MANAGEMENT
 PROGRAM 0001 PROPERTY & CASUALTY

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>		<u>2012</u>		<u>2013</u>	
	Actual				Final Budget		Actual & Estimated		Final Budget	
	Number of Permanent Positions				#	Salaries	#	Salaries	#	Salaries
15N Risk & Safety Manager	0.5	0.5	0.5	0.5	0.5	34,397	0.5	34,395	0.5	34,931
12N Accountant	0.5	0.5	0.5	0.5	0.5	31,387	0.5	31,375	0.5	31,882
09N Office Manager	0.2	0.2	0.2	0.2	0.2	10,774	0.2	10,766	-	-
Total Positions	1.2	1.2	1.2	1.2	1.2	76,558	1.2	76,536	1.0	66,813

**CITY OF ALLENTOWN
PROGRAM BUDGET**

**081 RISK MANAGEMENT
02 FINANCE
8001 RISK MANAGEMENT
0001 PROPERTY & CASUALTY**

<i>Account Number</i>	<i>2012 Budget</i>	<i>2012 A & E</i>	<i>2013 Budget</i>
0001-02 PERMANENT WAGES	76,558	76,536	66,813
0001-12 FICA	5,857	5,855	5,111
0001-14 PENSION	2,754	2,754	3,162
0001-16 INSURANCE - EMPLOYEE GRP	18,508	18,508	16,750
0001-36 INS - PROPERTY & CASUALTY	399,400	396,500	428,220
0001-46 OTHER CONTRACT SERVICES	183,500	120,000	120,000
0001-68 OPERATING MATERIALS & SUPP	2,200	2,045	2,050
0001-80 SELF-INSURED LOSSES	1,400,000	1,125,000	1,000,000
0001-86 GENERAL CITY CHARGES	32,819	32,819	34,460
0001-99 PRIOR YEARS' COMMITMENTS	0	45,191	0
Total PROPERTY & CASUALTY	2,121,596	1,825,208	1,676,566

**CITY OF ALLENTOWN
PROGRAM BUDGET**

**081 RISK MANAGEMENT
02 FINANCE
8001 RISK MANAGEMENT
0001 PROPERTY & CASUALTY**

<i>Account Number</i>	<i>2008 Actuals</i>	<i>2009 Actuals</i>	<i>2010 Actuals</i>	<i>2011 Actuals</i>
0001-02 PERMANENT WAGES	72,673	72,519	74,699	75,373
0001-11 SHIFT DIFFERENTIAL	6	1	0	0
0001-12 FICA	5,529	5,519	5,514	5,547
0001-14 PENSION	2,390	2,054	3,230	2,551
0001-16 INSURANCE - EMPLOYEE GRP	14,438	15,450	15,960	16,980
0001-36 INS - PROPERTY & CASUALTY	431,545	346,368	453,193	371,776
0001-44 PROF SERVICES FEES	348,839	96,425	108,047	0
0001-46 OTHER CONTRACT SERVICES	28,544	4,856	8,708	220,557
0001-68 OPERATING MATERIALS & SUPP	1,247	191	422	1,505
0001-80 SELF-INSURED LOSSES	1,263,965	1,319,118	1,312,290	2,075,814
0001-86 GENERAL CITY CHARGES	27,000	28,350	29,768	31,256
0001-99 PRIOR YEARS' COMMITMENTS	31,350	7,036	40,524	20,447
Total PROPERTY & CASUALTY	2,227,526	1,897,887	2,052,355	2,821,806

PROGRAM DETAIL

Bureau: Risk Management	No: 02-8001	Department: Finance	Program: Workers' Compensation	No: 0002
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Program Description:

This program funds benefits for City employees injured while working for the City. Payments include medical expenses, indemnity (at 66-2/3% of annual pay), claims management, loss prevention, and excess insurance premiums. The City has self-insured this risk since January 1978. Since October 2010 we have retained the first \$500,000 of each occurrence. Risk Management performs all the functions associated with the administration of the Risk Management fund. This program includes those safety functions intended to protect the City and its employees against loss and injury. It includes the elimination of risks through analysis, inspections, accident/incident investigation, employee training, contract review and all the functions associated with Safety Management for the City. This program is responsible for City-building ADA requirements and manages the CDL drug and alcohol testing programs.

Goal(s):

To protect City employees and assets from loss. To offer the most effective management of Workers' Compensation claims. To ensure through monitoring and evaluation that supervisors and employees are knowledgeable and accountable for safety performance in carrying out their job duties. To improve existing and initiate new safety programs and activities.

Measurable Budget Year Objectives and Long Range Targets:

To manage the fund enabling it to respond to the significant changes which have occurred within the insurance industry by assuring that adequate funding is available to obtain coverage during 2012.

To improve claim monitoring and attempt to reduce cost of claims and claims administration by:

- Using the computerized claims information system, in conjunction with on-line access to adjuster's files.
- Improving the frequency of follow-up with injured employees in order to show the City's interest and concern for their return to work.

To provide a safe and healthful work environment for City employees by:

- Review existing safety programs and implement new safety programs.
- Develop safety training programs and conduct training sessions on numerous safety and health topics.
- Manage CDL drug and alcohol testing program.
- Assist City managers in the reduction of accidents and severity rates of injury and illnesses.
- Oversee established bureau safety committees.

**CITY OF ALLENTOWN
PERSONNEL SUMMARY**

FUND 081 RISK MANAGEMENT
 DEPT 02 FINANCE
 BUREAU 8001 RISK MANAGEMENT
 PROGRAM 0002 WORKERS COMPENSATION

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>		<u>2012</u>		<u>2013</u>	
	Actual				Final Budget		Actual & Estimated		Final Budget	
	Number of Permanent Positions				#	Salaries	#	Salaries	#	Salaries
15N Risk & Safety Manager	0.5	0.5	0.5	0.5	0.5	34,397	0.5	34,394	0.5	34,931
12N Accountant	0.5	0.5	0.5	0.5	0.5	31,387	0.5	31,375	0.5	31,882
09N Office Manager	0.2	0.2	0.2	0.2	0.2	10,774	0.2	10,766	-	-
Total Positions	1.2	1.2	1.2	1.2	1.2	76,558	1.2	76,535	1.0	66,813

**CITY OF ALLENTOWN
PROGRAM BUDGET**

**081 RISK MANAGEMENT
02 FINANCE
8001 RISK MANAGEMENT
0002 WORKERS COMPENSATION**

<i>Account Number</i>	<i>2012 Budget</i>	<i>2012 A & E</i>	<i>2013 Budget</i>
0002-02 PERMANENT WAGES	76,558	76,535	66,813
0002-12 FICA	5,857	5,855	5,111
0002-14 PENSION	2,754	27,540	3,162
0002-16 INSURANCE - EMPLOYEE GRP	18,508	18,508	16,750
0002-32 PUBLICATIONS & MEMBERSHIP	500	500	500
0002-34 TRAINING & PROF. DEVELOP	1,200	1,128	1,200
0002-36 INS - PROPERTY & CASUALTY	101,261	90,105	96,000
0002-38 INS - OTHER EMPLOYEE	23,000	19,000	19,000
0002-46 OTHER CONTRACT SERVICES	64,500	60,000	59,000
0002-56 UNIFORMS	100	100	100
0002-80 SELF-INSURED LOSSES	722,357	698,612	647,000
0002-86 GENERAL CITY CHARGES	23,095	23,095	24,250
Total WORKERS COMPENSATION	1,039,690	1,020,978	938,886

**CITY OF ALLENTOWN
PROGRAM BUDGET**

**081 RISK MANAGEMENT
02 FINANCE
8001 RISK MANAGEMENT
0002 WORKERS COMPENSATION**

<i>Account Number</i>	<i>2008 Actuals</i>	<i>2009 Actuals</i>	<i>2010 Actuals</i>	<i>2011 Actuals</i>
0002-02 PERMANENT WAGES	72,672	72,518	74,699	75,372
0002-11 SHIFT DIFFERENTIAL	6	1	0	0
0002-12 FICA	5,530	5,519	5,514	5,548
0002-14 PENSION	2,390	2,054	3,230	2,550
0002-16 INSURANCE - EMPLOYEE GRP	14,438	15,450	15,960	16,980
0002-32 PUBLICATIONS & MEMBERSHIP	256	270	280	290
0002-34 TRAINING & PROF. DEVELOP	956	622	0	376
0002-36 INS - PROPERTY & CASUALTY	103,703	93,743	98,741	90,000
0002-38 INS - OTHER EMPLOYEE	20,308	25,195	18,185	26,426
0002-44 PROF SERVICES FEES	44,811	58,250	61,350	0
0002-46 OTHER CONTRACT SERVICES	0	0	0	62,649
0002-56 UNIFORMS	0	93	0	100
0002-80 SELF-INSURED LOSSES	772,630	730,602	724,110	565,938
0002-86 GENERAL CITY CHARGES	19,000	19,950	20,948	21,995
Total WORKERS COMPENSATION	1,056,700	1,024,267	1,023,017	868,224

PROGRAM DETAIL

Bureau: Risk Management	No: 02-8001	Department: Finance	Program: Employee Health Benefits	No: 0003
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Program Description:

This program centralizes the payment of health care costs. This program provides the funding and administration for all City employee-related health care, disability and life insurance benefit programs.

Goal(s):

To provide conscientious, cost-effective administration of the employee benefit programs.

Measurable Budget Year Objectives and Long Range Targets:

- To provide funding on a timely basis for payment of all health benefit insurance premiums.
- To provide a budget mechanism to enable clear recording of expenditures for the City's health care, disability and life insurance programs.

CITY OF ALLENTOWN
PERSONNEL SUMMARY

FUND 081 RISK MANAGEMENT
 DEPT 02 FINANCE
 BUREAU 8001 RISK MANAGEMENT
 PROGRAM 0003 EMPLOYEE HEALTH BENEFITS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>		<u>2012</u>		<u>2013</u>	
	Actual				Final Budget		Actual & Estimated		Final Budget	
	Number of Permanent Positions				#	Salaries	#	Salaries	#	Salaries
Total Positions	0.0	0.0	0.0	0.0	0.0	-	0.0	-	0.0	-

**CITY OF ALLENTOWN
PROGRAM BUDGET**

081 RISK MANAGEMENT
 02 FINANCE
 8001 RISK MANAGEMENT
 0003 EMPLOYEE HEALTH BENEFITS

<i>Account Number</i>	<i>2012 Budget</i>	<i>2012 A & E</i>	<i>2013 Budget</i>
0003-37 INS - DENTAL, LIFE, DRUG	14,375,564	14,708,107	15,771,612
Total EMPLOYEE HEALTH BENEFITS	14,375,564	14,708,107	15,771,612

**CITY OF ALLENTOWN
PROGRAM BUDGET**

081 RISK MANAGEMENT
02 FINANCE
8001 RISK MANAGEMENT
0003 EMPLOYEE HEALTH BENEFITS

<i>Account Number</i>	<i>2008 Actuals</i>	<i>2009 Actuals</i>	<i>2010 Actuals</i>	<i>2011 Actuals</i>
0003-35 INS - BC/BS	3,443,504	9,037,587	9,614,742	0
0003-37 INS - DENTAL, LIFE, DRUG	3,499,980	3,714,129	3,898,633	14,588,609
0003-39 INS - HMO	5,521,889	0	0	0
Total EMPLOYEE HEALTH BENEFITS	12,465,373	12,751,716	13,513,375	14,588,609

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