Risk Management

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.

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CITY OF ALLENTOWN

FUND SUMMARY - RISK MANAGEMENT FUND (081)

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Final Budget	2010 Actual & Estimated	2011 Proposed Budget
Revenues:							
Transfers from Funds							
6200 Retiree Health Benefit Reimb.	531,446	528,199	626,918	697,381	669,157	719,346	769,700
6210 Active Employee Benefit Reimb.	314,172	169,727	170,788	176,346	407,457	287,691	276,929
6220 Inactive Employee Benefit Reimb.	94,293	90,433	97,737	50,487	96,000	61,298	65,589
6418 Investment Income	141,495	299,700	166,093	95,418	151,750	11,000	15,000
6615 Claims Paid - Reimb. Risk	33,945	769,788	24,853	64,132	45,000	65,550	70,139
6688 Miscellaneous	79,368	821,237	375,274	257,464	159,000	201,790	215,915
6690 State Aid for Pension	861	859	1,426	1,158	1,760	2,122	1,244
7121 General Fund	12,319,755	8,516,979	8,625,126	8,433,196	8,968,360	8,968,362	9,394,265
7122 Water Fund	1,398,672	1,461,781	1,536,740	1,471,879	1,407,520	1,507,519	1,444,665
7123 Sewer Fund	1,843,545	1,841,606	1,618,484	1,623,108	1,571,110	1,671,109	1,607,160
7124 Trexler Fund	330,081	300,208	300,208	251,063	186,200	186,200	176,600
7125 CDBG	-	7,353	-	7,353	7,574	7,574	7,801
7126 Liquid Fuels Fund	265,232	276,736	277,288	296,125	279,300	279,300	260,600
7127 Golf Course Fund	53,628	75,856	66,176	57,938	59,850	59,850	71,375
7128 Solid Waste Fund	463,410	483,948	502,675	467,620	437,300	437,299	436,050
7129 Risk Fund	24,112	24,064	28,876	30,900	31,920	31,920	33,960
7130 911 Fund	273,336	336,896	379,008	409,425	422,940	422,940	399,875
Total Revenue	**18,167,351**	**16,005,370**	**14,797,670**	**14,390,993**	**14,902,198**	**14,920,870**	**15,246,867**
Expenditures:							
02 Permanent Wages	110,102	99,811	145,345	145,037	149,008	148,942	150,754
11 Shift Differential	-	-	12	2	-	-	-
12 FICA	8,276	7,539	11,059	11,038	11,399	11,394	11,533
14 Pension	1,530	4,233	4,780	4,108	6,459	6,460	5,101
16 Insurance - Employee Group	24,112	24,064	28,876	30,900	31,920	31,920	33,960
Total Personnel	144,020	135,647	190,072	191,085	198,786	198,717	201,348
28 Mileage Reimbursement	94	-	-	-	-	-	-
32 Publications & Memberships	272	251	256	270	500	500	500
34 Training & Prof. Development	297	451	956	622	1,200	1,000	1,200
35 Insurance - BC/BS	4,125,653	4,021,324	3,443,504	9,037,587	9,614,742	9,614,742	-
36 Insurance - Property & Casualty	348,492	294,291	535,248	440,111	585,000	580,000	540,000
37 Insurance - Medical, Dental, Life, Rx	3,163,527	3,485,649	3,499,980	3,714,129	3,898,861	3,898,861	13,482,396
38 Insurance - Other Employee	25,000	26,527	20,308	25,195	30,000	23,000	23,000
39 Insurance- HMO	2,935,654	4,393,268	5,521,889	-	-	-	-
44 Professional Service Fees	197,252	165,963	393,650	154,675	258,000	263,000	63,000
46 Contract/Service Fees	7,536	18,599	28,544	4,856	25,000	25,000	225,000
Total Services & Charges	10,803,777	12,406,323	13,444,335	13,377,445	14,413,303	14,406,103	14,335,096
56 Uniforms	-	-	-	93	100	-	100
58 Office Supplies	-	89	-	-	-	-	-
68 Operating Materials & Supplies	200	795	1,247	191	2,500	1,000	2,500
Total Materials & Supplies	200	884	1,247	284	2,600	1,000	2,600
72 Equipment	-	1,836	-	-	-	-	-
Total Capital Outlays	-	1,836	-	-	-	-	-
80 Self-Insured Losses	1,792,826	2,042,820	2,036,595	2,049,720	2,253,000	2,248,000	2,548,000
86 General City Charges	43,181	45,325	46,000	48,300	50,715	50,716	53,252
99 Reserve for Encumbrances	-	-	31,350	7,036	-	38,064	-
Total Sundry	1,836,007	2,088,145	2,113,945	2,105,056	2,303,715	2,336,780	2,601,252
Total Expenditures	**12,784,004**	**14,632,835**	**15,749,599**	**15,673,870**	**16,918,404**	**16,942,600**	**17,140,295**

PROGRAM DETAIL

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

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 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.

To assure an adequate useful life for leased City buildings and facilities.

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 2010.
- Identifying insurance coverage gaps and evaluates feasibility of purchasing coverage by July 1, 2010.

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.
- Establishing a more tenant-involved system of managing City-owned homes.
- Inventorying and evaluating vacant City-owned land.
- To inspect and prioritize repairs and upgrades to City-owned buildings

CITY OF ALLENTOWN
PROGRAM BUDGET
RESOURCE REQUIREMENTS

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

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Final Budget		2010 Actual & Estimated		2011 Proposed Budget	
Personnel Detail	Number of Permanent Positions				#	Salaries	#	Salaries	#	Salaries
15N Risk & Safety Manager	0.5	0.5	0.5	0.5	0.5	33,492	0.5	33,477	0.5	33,877
13N Risk Manager	0.2	-	-	-	-	-	-	-	-	-
12N Accountant	-	0.5	0.5	0.5	0.5	30,498	0.5	30,485	0.5	30,882
09N Office Manager	-	-	0.2	0.2	0.2	10,514	0.2	10,509	0.2	10,618
Total Positions	0.7	1.0	1.2	1.2	1.2		1.2		1.2	
Account Detail										
0001-02 PERMANENT WAGES	39,142	49,906	72,673	72,519		74,504		74,471		75,377
0001-11 SHIFT DIFFERENTIAL	-	-	6	1		-		-		-
0001-12 FICA\MEDICARE	2,950	3,769	5,529	5,519		5,700		5,697		5,766
0001-14 PENSION	526	2,116	2,390	2,054		3,230		3,230		2,551
0001-16 INSURANCE - EMPLOYEE GRP	8,439	12,032	14,438	15,450		15,960		15,960		16,980
Personnel	51,057	67,823	95,036	95,543		99,393		99,358		100,674
0001-28 MILEAGE REIMBURSEMENT	94	-	-	-		-		-		-
0001-32 PUBLICATIONS & MEMBERSHIP	181	160	-	-		-		-		-
0001-36 INS - PROPERTY & CASUALTY	161,036	256,481	431,545	346,368		470,000		465,000		450,000
0001-44 PROF SERVICES FEES	176,948	135,964	348,839	96,425		200,000		200,000		-
0001-46 CONTRACT/SERVICE FEES	7,536	18,599	28,544	4,856		25,000		25,000		225,000
Services & Charges	345,795	411,204	808,928	447,649		695,000		690,000		675,000
0001-58 OFFICE SUPPLIES	-	89	-	-		-		-		-
0001-68 OPERATING MATERIALS & SUPP	146	795	1,247	191		2,500		1,000		2,500
Materials & Supplies	146	884	1,247	191		2,500		1,000		2,500
0001-72 EQUIPMENT	-	1,836	-			-		-		-
Capital Outlays	-	1,836	-	-		-		-		-
0001-80 SELF-INSURED LOSSES	1,077,014	1,370,006	1,263,965	1,319,118		1,500,000		1,500,000		1,800,000
0001-86 GENERAL CITY CHARGES	25,072	26,325	27,000	28,350		29,768		29,768		31,256
0001-99 PRIOR YEARS COMMITMENTS	-	-	31,350	7,036		-		-		-
Sundry	1,102,086	1,396,331	1,322,315	1,354,504		1,529,768		1,529,768		1,831,256
Total PROPERTY & CASUALTY	**1,499,084**	**1,878,078**	**2,227,526**	**1,897,887**		**2,326,661**		**2,320,126**		**2,609,430**

PROGRAM DETAIL

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

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 2003 we have retained the first $450,000 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 2010.

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
PROGRAM BUDGET
RESOURCE REQUIREMENTS

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

		2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Final Budget		2010 Actual & Estimated		2011 Proposed Budget	
Personnel Detail		Number of Permanent Positions				#	Salaries	#	Salaries	#	Salaries
15N	Risk & Safety Manager	0.5	0.5	0.5	0.5	0.5	33,492	0.5	33,476	0.5	33,877
13N	Risk Manager	0.2	-	-	-	-	-	-	-	-	-
12N	Accountant	-	0.5	0.5	0.5	0.5	30,498	0.5	30,485	0.5	30,882
09N	Office Manager	-	-	0.2	0.2	0.2	10,514	0.2	10,509	0.2	10,618
	Total Positions	0.7	1.0	1.2	1.2	1.2		1.2		1.2	
Account Detail											
0002-02	PERMANENT WAGES	70,960	49,905	72,672	72,518		74,504		74,471		75,377
0002-11	SHIFT DIFFERENTIAL	-	-	6	1		-		-		
0002-12	FICA\MEDICARE	5,326	3,770	5,530	5,519		5,700		5,697		5,766
0002-14	PENSION	1,004	2,117	2,390	2,054		3,230		3,230		2,551
0002-16	INSURANCE - EMPLOYEE GRP	15,673	12,032	14,438	15,450		15,960		15,960		16,980
	Personnel	92,963	67,824	95,036	95,542		99,393		99,358		100,674
0002-32	PUBLICATIONS & MEMBERSHIP	91	91	256	270		500		500		500
0002-34	TRAINING & PROF. DEVELOP	297	451	956	622		1,200		1,000		1,200
0002-36	INS - PROPERTY & CASUALTY	187,456	37,810	103,703	93,743		115,000		115,000		90,000
0002-38	INS - OTHER EMPLOYEE	25,000	26,527	20,308	25,195		30,000		23,000		23,000
0002-44	PROF SERVICES FEES	20,304	29,999	44,811	58,250		58,000		63,000		-
0002-46	CONTRACT/SERVICE FEES	-	-	-	-		-		-		63,000
	Services & Charges	233,148	94,878	170,034	178,080		204,700		202,500		177,700
0002-56	UNIFORMS	-	-	-	93		100		-		100
0002-68	OPERATING MATERIALS & SUPP	54	-	-	-		-		-		-
	Materials & Supplies	54	-	-	93		100		-		100
0002-80	SELF-INSURED LOSSES	715,812	672,814	772,630	730,602		753,000		748,000		748,000
0002-86	GENERAL CITY CHARGES	18,109	19,000	19,000	19,950		20,948		20,948		21,995
	Sundry	733,921	691,814	791,630	750,552		773,948		768,948		769,995
Total	**WORKERS' COMPENSATION**	**1,060,086**	**854,516**	**1,056,700**	**1,024,268**		**1,078,141**		**1,070,806**		**1,048,469**

PROGRAM DETAIL

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

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
PROGRAM BUDGET
RESOURCE REQUIREMENTS

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

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Final Budget		2010 Actual & Estimated		2011 Proposed Budget	
Personnel Detail	Number of Permanent Positions				#	Salaries	#	Salaries	#	Salaries
	-	-	-	-	-	-	-	-	-	-
Total Positions	-	-	-	-	-	-	-		-	
Account Detail										
0003-35 INSURANCE - HEALTH	4,125,653	4,021,324	3,443,504	9,037,587		9,614,742		9,614,742		-
0003-37 INS - DENTAL, LIFE, PRESCRIPTION DRUG	3,163,527	3,485,649	3,499,980	3,714,129		3,898,861		3,898,861		13,482,396
0003-39 INSURANCE - HMO	2,935,654	4,393,268	5,521,889	-		-		-		-
Services & Charges	10,224,834	11,900,241	12,465,373	12,751,716		13,513,603		13,513,603		13,482,396
Total EMPLOYEE HEALTH BENEFITS	10,224,834	11,900,241	12,465,373	12,751,716		13,513,603		13,513,603		13,482,396

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