

**CITY OF ALLENTOWN
PROGRAM BUDGET**

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

Account Number	2020 Budget	2020 Adj. Budget	2020 A&E	2021 Prop. Budget
0001-02 PERMANENT WAGES	212,004	212,004	212,004	215,163
0001-04 TEMPORARY WAGES	15,800	15,800	0	5,800
Line Item Detail				
1 Safety Intern currently in College and would be a three month assignment.				5,800.00
		Line Items Total		5,800.00
0001-06 PREMIUM PAY	1,425	1,425	0	1,425
Line Item Detail				
1 Premium Pay				1,500.00
2 5% Reduction per Council Amendment				-75.00
		Line Items Total		1,425.00
0001-08 LONGEVITY	0	0	0	128
0001-11 SHIFT DIFFERENTIAL	250	250	0	250
Line Item Detail				
1 Shift Differential				250.00
		Line Items Total		250.00
0001-12 FICA	17,561	17,561	17,561	17,042
Line Item Detail				
1 FICA				17,041.60
		Line Items Total		17,041.60
0001-14 PENSION	27,627	27,627	27,627	26,822
Line Item Detail				
1 PENSION				26,822.04
		Line Items Total		26,822.04
0001-15 Employee - Health Insurance Opt Out	1,500	1,500	1,500	1,508
Line Item Detail				
1				
		Line Items Total		
0001-16 INSURANCE - EMPLOYEE GRP	89,968	89,968	89,968	89,817
Line Item Detail				
1 INS				89,817.00

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		Line Items Total		89,817.00
0001-26 PRINTING	500	500	0	500
Line Item Detail				
1 Printing costs				500.00
		Line Items Total		500.00
0001-28 MILEAGE REIMBURSEMENT	0	500	150	500
Line Item Detail				
1 Travel to trainings				500.00
		Line Items Total		500.00
0001-30 RENTALS	1,200	1,200	0	1,200
Line Item Detail				
1 Safety Day Location				1,200.00
		Line Items Total		1,200.00
0001-32 PUBLICATIONS & MEMBERSHIP	1,000	500	500	1,000
Line Item Detail				
1 PRIMA membership for three employees- Risk Manager, Claims Coordinator, and Financial Analyst				1,000.00
		Line Items Total		1,000.00
0001-34 TRAINING & PROF. DEVELOP	5,400	5,400	3,000	5,500
Line Item Detail				
1 City-Wide Task Authorized Training				5,000.00
2 Planned travel for training				500.00
		Line Items Total		5,500.00
0001-36 INS - PROPERTY & CASUALTY	480,000	564,000	564,000	540,000
Line Item Detail				
1 Commercial Property Insurance (CNA)				70,000.00
2 Public Officials/EPL Liability (Ironshore)				72,000.00
3 Law Enforcement Liability				250,000.00
4 Marine Inland (Nationwide)				35,000.00
5 Auto Physical Damage Policy (Seneca)				63,000.00
6 Cyber Attack Insurance (Chubb)				50,000.00

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		Line Items Total		540,000.00
0001-44 LEGAL SERVICES	1,000,000	1,000,000	638,000	1,000,000
<i>Line Item Detail</i>				
1 Professional Service Fees Attorney Fees for Police Liability				600,000.00
2 Professional Service Fees Attorney Fees General Liability				300,000.00
3 Professional Service Fees Attorney Fees for Workers Comp				100,000.00
		Line Items Total		1,000,000.00
0001-46 OTHER CONTRACT SERVICES	274,150	220,150	175,000	174,150
<i>Line Item Detail</i>				
1 Auto Liability Claim Handling (PMA)				58,650.00
2 Insurance Broker (EHD)				27,500.00
3 First Aid Kit Refills				3,000.00
4 Hazmat Clean Up for City Property				10,000.00
5 Cintas Mat Cleaning Service				5,000.00
6 Risk Management Software for online reporting and transition our internal process.				40,000.00
7 IH Testing Program				10,000.00
8 Exposure Control Management				10,000.00
9 Auto Body Services				10,000.00
		Line Items Total		174,150.00
0001-50 OTHER SERVICES & CHARGES	21,000	21,000	21,000	21,000
<i>Line Item Detail</i>				
1 DOT-required random drug screening service for employees				21,000.00
		Line Items Total		21,000.00
0001-54 REPAIR & MAINT SUPPLIES	0	97	97	0
0001-56 UNIFORMS	5,000	5,000	4,300	2,000
<i>Line Item Detail</i>				
1 Uniforms				2,000.00
		Line Items Total		2,000.00
0001-58 OFFICE SUPPLIES	500	500	0	500
<i>Line Item Detail</i>				

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Account Number	2020 Budget	2020 Adj. Budget	2020 A&E	2021 Prop. Budget
Line Item Detail				
1 Office supplies for EMC and Risk				500.00
		Line Items Total		500.00
0001-68 OPERATING MATERIALS & SUPP	28,000	81,790	82,000	38,000
Line Item Detail				
1 Training Materials				5,000.00
2 Safety PPE Related Equipment initial purchase				15,000.00
3 Safety Day				8,000.00
4 Additional funds needed for COVID Supplies as we move into 2021				10,000.00
		Line Items Total		38,000.00
0001-72 EQUIPMENT	6,500	8,310	1,000	6,500
Line Item Detail				
1 Safety and Risk Equipment				6,500.00
		Line Items Total		6,500.00
0001-80 SELF-INSURED LOSSES	100,000	129,090	250,000	150,000
Line Item Detail				
1 Internal property losses due to third party				150,000.00
		Line Items Total		150,000.00
0001-81 PROPERTY LOSSES	125,000	124,093	124,092	150,000
Line Item Detail				
1 Internal property losses due to internal liabilities or other natural causes				150,000.00
		Line Items Total		150,000.00
0001-85 AUTO LOSSES	300,000	300,000	300,000	300,000
Line Item Detail				
1 Motorized equipment claim repair expenses (internal)				300,000.00
		Line Items Total		300,000.00
0001-86 GENERAL CITY CHARGES	60,868	60,868	60,868	63,911
Line Item Detail				
1 General City Charges				63,911.40
		Line Items Total		63,911.40

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0001 PROPERTY & CASUALTY**

Account Number	2020 Budget	2020 Adj. Budget	2020 A&E	2021 Prop. Budget
0001-87 PROFESSIONAL LOSSES	1,000,000	1,000,000	670,000	1,000,000
Line Item Detail				
1 Lawsuit settlements with no insurance				1,000,000.00
		Line Items Total		1,000,000.00
Total PROPERTY & CASUALTY	3,775,253	3,889,133	3,242,667	3,812,716

PROGRAM DETAIL

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

This program manages liability claims related to the damage of City property and those filed by third-parties alleging bodily injury, property damage, or other losses due to City negligence. The City has self-insured this risk since July 1979. This program provides funding for expenses such as legal defense costs, claims management and loss prevention expenses, and excess insurance premiums. Excess insurance coverage is held for cyber security, leased and high-value assets, law enforcement liability, public officials liability, employer practices liability, and crime bond insurance. Expenses for damage to city-owned property, including fleet and equipment, land, buildings and other assets, is covered under this program. In collaboration with the Solicitor's Office, restitution is sought for losses due to incidents caused by an outside party. This program is responsible for and manages the CDL drug and alcohol testing programs. This program also houses the Emergency Management Coordinator, who collaborates with various parties, both in and outside the City, to manage the City's emergency response preparations.

Goal(s):

- To protect City assets from loss.
- To offer effective management of Property/Casualty claims.
- To minimize costs related to litigation.
- To prepare the City's emergency response plans.

Measurable Budget Year Objectives and Long Range Targets:

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.
- Inspecting and prioritizing environmental hazards and exposure control in city-owned buildings and property.
- Reducing short- and long-term legal costs by working interdepartmentally to reduce liabilities.
- Monitoring City contracts to ensure they meet insurance liability requirements.
- Working with the Public Works department, claims TPA, and Accident Review Board to effectively manage damage to fleet vehicles resulting from accidents.
- Utilizing Industry Safe software to track and analyze auto, internal liability, and external liability claims to help reduce future costs.
- Utilize the EMC to strengthen the City's preparedness for emergency response.
- Managing the CDL and other drug and alcohol testing program as deemed necessary and as required by PA DOT.

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**CITY OF ALLENTOWN
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**081 RISK MANAGEMENT
02 FINANCE
8001 RISK MANAGEMENT
0002 WORKERS COMPENSATION**

Account Number	2020 Budget	2020 Adj. Budget	2020 A&E	2021 Prop. Budget
0002-32 PUBLICATIONS & MEMBERSHIP	3,000	3,000	1,000	3,000
Line Item Detail				
1 ASSE, State Lead Cert, CRM, Advance Degree, National Safety Council, and ASP				3,000.00
		Line Items Total		3,000.00
0002-34 TRAINING & PROF. DEVELOP	10,000	10,000	2,000	8,000
Line Item Detail				
1 OHST Certification, Ergo Training, Risk Assessment Conference				3,000.00
2 Ins, Risk, Safety and WC				3,000.00
3 TPA Training to start bringing items back in house				2,000.00
		Line Items Total		8,000.00
0002-36 INS - PROPERTY & CASUALTY	136,458	136,458	136,458	136,458
Line Item Detail				
1 Excess WC Policy				105,000.00
2 State Renewal Fee				100.00
3 PA State Assessment				31,358.37
		Line Items Total		136,458.37
0002-38 INS - OTHER EMPLOYEE	25,000	25,000	10,000	25,000
Line Item Detail				
1 State Self-Insured Fund = Uninsured Emp, Supersedeas & Subsequent Inj, Admin Fund				25,000.00
		Line Items Total		25,000.00
0002-46 OTHER CONTRACT SERVICES	60,860	60,860	60,860	60,860
Line Item Detail				
1 Workers Comp Claim Handling (TPA) - Workman's Compensation - calculated with 2% increase on fees				38,609.55
2 Workers Comp Fee for Broker				22,250.00
		Line Items Total		60,859.55
0002-72 EQUIPMENT	0	0	0	10,000
Line Item Detail				
1 Miscellaneous safety purchases to help reduce workers comp costs				10,000.00
		Line Items Total		10,000.00
0002-80 SELF-INSURED LOSSES	600,000	515,500	515,500	600,000

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02 FINANCE
8001 RISK MANAGEMENT
0002 WORKERS COMPENSATION**

Account Number	2020 Budget	2020 Adj. Budget	2020 A&E	2021 Prop. Budget
<i>Line Item Detail</i>				
1 Medical and Indemnity for WC				600,000.00
		Line Items Total		600,000.00
0002-86 GENERAL CITY CHARGES	60,868	60,868	60,868	63,911
<i>Line Item Detail</i>				
1 General City Charges				63,911.40
		Line Items Total		63,911.40
Total WORKERS COMPENSATION	896,186	811,686	786,686	907,229

PROGRAM DETAIL

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

This program includes those safety functions intended to protect the City and its employees against loss and injury. The City has self-insured this risk since January 1978. This program includes the elimination of risks through analysis, inspections, incident investigation, employee training, contract review, and all the functions associated with safety management for the City. Payments include medical expenses, indemnity (66 2/3% of pay or 100% of pay for Heart & Lung claims), claims management, loss prevention, and the excess insurance premium. Our current excess Worker's Compensation policy includes a \$600,000 retention with a corridor deductible of \$200,000. This program also maintains the Worker's Compensation Trust as required by the state for being self-insured.

Goal(s):

To reduce exposure to work-related injuries.

To offer the most effective management of Workers' Compensation claims.

To ensure employees receive quality care management for treatment under Worker's Compensation claims.

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

- Continuing to train supervisors in use of new Industry Safe claims-reporting software for 100% utilization rate by the end of the year.
- Using Industry Safe software to analyze claims and better tailor prevention programs.
- Expanding the light-duty program.

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

- Reviewing existing safety programs and implementing new safety programs.
- Creating a "culture of safety" within the City
- Implementing mandatory safety trainings targeting specific job duties through the recently-purchased online training platform.
- Continuing initiatives through the Centralized Safety Committee, including the annual Safety Day, and monitoring department-specific Safety Committees.

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

Account Number	2020 Budget	2020 Adj. Budget	2020 A&E	2021 Prop. Budget
0003-37 INS - DENTAL, LIFE, DRUG	21,500,000	21,502,310	20,336,714	22,500,000
Line Item Detail				
1 Medical Claims, Capital Blue Admin Costs, 32BJ for SEIU, Stop Loss Premiums and Reimbursements, Rx, Dental, Vision, Ancillary-Met Life				22,500,000.00
		Line Items Total		22,500,000.00
Total EMPLOYEE HEALTH BENEFITS	21,500,000	21,502,310	20,336,714	22,500,000

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 healthcare costs for those who are eligible and opt-in to coverage. These include full-time employees and their eligible family members, as well as eligible retirees under age 65. It provides the funding and administration for all City employee-related healthcare, disability and life-insurance benefit programs. Healthcare coverage includes medical, dental, vision, Teledoc, and Express Scripts. Healthcare plans and out-of-pocket costs are negotiated in the contracts of union personnel and reviewed on an annual basis for non-union personnel.

Goal(s):

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

Measurable Budget Year Objectives and Long Range Targets:

- Provide funding on a timely basis for payment of all health benefit claims, administrative fees, and insurance premiums.
- Monitor claim's costs closely to ensure the budget is aligned with ongoing forecasted expenses.
- Expand the City's Wellness Program to improve personal health awareness.
- Ensure enrolled family members and retirees are eligible for healthcare coverage through periodic audits.
- Collect active employee and retiree premiums on a timely basis.
- Expand ergonomics awareness to reduce muscular-skeletal injuries.
- Work with BSI, unions, and healthcare providers to evaluate different options for providing cost-effective and quality healthcare.
- Manage Stop Loss excess insurance program.
- Monitor the number of cases and costs related to COVID-19 for tracking and awareness purposes.