

Risk Management

DEPARTMENT MISSION

Provide effective safety training and services to all departments and encourage employees to work safely and properly. Investigate and pay the Worker's Comp claims we owe and deny those we do not. In addition, work closely with WMMIC to review treatment, costs and manage return to work efforts. Ensure insurance coverage limits are appropriate and in place to protect the county from loss if a catastrophic event were to occur.

DEPARTMENT BUDGET HIGHLIGHTS

Worker's Comp costs continue to be well managed and contained which helps the budget. Increases in other insurance costs continue and this will significantly affect all budgets as their allocations increase. Cyber insurance is estimated to be a 100% increase in cost.

STRATEGIC DIRECTION AND PRIORITY ISSUES

- Working closely with departments to provide training and engagement to reduce the frequency of and severity of injuries and improve work processes where possible.
- Reviewing of work processes/practices and in-field observations help ensure we are doing the tasks safely and correctly.
- By working with all departments in the county, employees have a resource for safety, environmental and risk management concerns.

TRENDS AND ISSUES ON THE HORIZON

- Cybersecurity risks and ransomware attacks have dramatically driven up the cost of insurance.
- Liability risks have increased for municipalities due to law enforcement brutality and deaths.

POSITION CHANGES IN 2023

- None planned.

OPERATIONAL CHANGES – WITH FISCAL IMPACT

- None planned.

OPERATIONAL CHANGES – WITHOUT FISCAL IMPACT

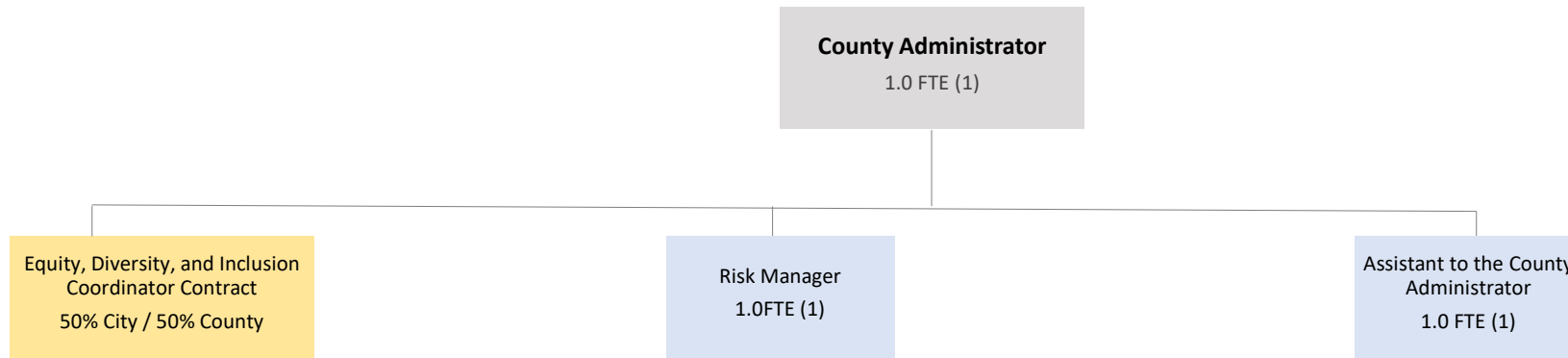
- Continue to arrange and/or provide task specific safety training for high-risk departments (highway, parks and forest, airport, DHS).

Risk Management

KEY ASSUMPTIONS AND POTENTIAL RISKS

- Getting injured workers back to work as quickly as possible so they do not lose their motivation to return to work.
- With highway work that takes place on State roads and the bypass, it is critical that proper safety techniques are used in the work zones to prevent serious injuries or fatalities.
- Securing data to ensure a hack does not occur and expose the County to significant exposure and risk.

Administration



Year	2022
FTE	3.0

Risk Management and Insurance

Manages insurance in accordance to risk tolerance. Activities include managing self-insurance and large deductible programs; minimize the number claims and cost of claims once submitted (losses), workers compensation, and safety.

OUTPUTS	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>YTD* 2022</u>
Number of contracts reviewed for appro. Language	1	1	1	0
Number of staff trained by Risk Management for safety programs	398	250	312	230
Number of vehicle accidents, property and liability claims processed	28	3	7	3
Number of Workers Compensation claims	88	46	52	29

**YTD indicates Jan-Jun Results*

OUTCOMES	Benchmark	2019	2020	2021	YTD* 2022
Mod rate for workers comp . maintain a mod rate of less than 1.00.	<1.00	0.88	0.88	0.88	0.88
Provide adequate funding of self-insurance of workers comp and liability programs. Measured at 80% to 85% reliability level as determined by actuary review	80%	New Metrics		80%	80%
In depth system review of 4 programs per year.	4			4	3

**YTD indicates Jan-Jun Results*

Risk Management

Overview of Revenues and Expenditures

Revenues	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
05-Intergovernmental Charges for Services	\$1,104,789	\$1,415,029	\$1,415,029	\$1,353,453	\$1,353,453	-4%
09-Other Revenue	\$34,244	\$36,407	\$36,407	\$39,907	\$39,907	10%
11-Fund Balance Applied	-	\$217,811	-	\$54,630	\$54,630	-75%
Total Revenues:	\$1,139,033	\$1,669,247	\$1,451,436	\$1,447,990	\$1,447,990	-13%

Expenditures	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
01-Regular Wages	\$88,783	\$112,662	\$104,662	\$113,054	\$113,054	0%
02-OT Wages	-	-	-	-	-	
03-Payroll Benefits	\$28,843	\$50,453	\$50,455	\$52,978	\$52,978	5%
04-Contractual Services	\$33,457	\$37,750	\$37,750	\$39,600	\$39,600	5%
05-Supplies & Expenses	\$4,024	\$8,460	\$8,460	\$8,505	\$8,505	1%
07-Fixed Charges	\$669,154	\$723,420	\$732,583	\$848,253	\$848,253	17%
09-Equipment	-	\$1,502	\$600	\$600	\$600	-60%
10-Grants, Contributions, Other	\$130,943	\$735,000	\$535,000	\$385,000	\$385,000	-48%
Total Expenditures:	\$955,204	\$1,669,247	\$1,469,510	\$1,447,990	\$1,447,990	-13%

Net Surplus/(Deficit)- Risk Management	\$183,829	\$0	(\$18,074)	\$0	\$0	
---	-----------	-----	------------	-----	-----	--

Risk Management

Overview of Revenues and Expenditures by Program Area

Worker's Compensation

Revenues	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
05-Intergovernmental Charges for Services	\$555,783	\$680,291	\$680,291	\$408,500	\$408,500	-40%
09-Other Revenue	\$2	\$7	\$7	\$7	\$7	0%
11-Fund Balance Applied	-	\$91,091	-	\$33,843	\$33,843	-63%
Total Revenues:	\$555,785	\$771,389	\$680,298	\$442,350	\$442,350	-43%

Expenditures	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
01-Regular Wages	\$10,365	\$32,000	\$24,000	\$30,000	\$30,000	-6%
02-OT Wages	-	-	-	-	-	
03-Payroll Benefits	\$5,407	\$12,335	\$12,335	\$12,100	\$12,100	-2%
04-Contractual Services	\$29,463	\$33,500	\$33,500	\$35,000	\$35,000	4%
05-Supplies & Expenses	\$1,138	\$3,110	\$3,110	\$3,150	\$3,150	1%
07-Fixed Charges	\$41,488	\$40,344	\$57,000	\$62,000	\$62,000	54%
09-Equipment	-	\$100	\$100	\$100	\$100	0%
10-Grants, Contributions, Other	\$116,292	\$650,000	\$450,000	\$300,000	\$300,000	-54%
Total Expenditures:	\$204,153	\$771,389	\$580,045	\$442,350	\$442,350	-43%

Net Surplus/(Deficit)- Worker's Compensation	\$351,632	\$0	\$100,253	\$0	\$0	
---	------------------	------------	------------------	------------	------------	--

Risk Management

Overview of Revenues and Expenditures by Program Area

Liability

Revenues	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
05-Intergovernmental Charges for Services	\$549,006	\$734,738	\$734,738	\$944,953	\$944,953	29%
09-Other Revenue	\$11,648	\$13,900	\$13,900	\$17,400	\$17,400	25%
11-Fund Balance Applied	-	\$19,138	-	(\$91,400)	(\$91,400)	-578%
Total Revenues:	\$560,654	\$767,776	\$748,638	\$870,953	\$870,953	13%

Expenditures	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
01-Regular Wages	-	-	-	-	-	
02-OT Wages	-	-	-	-	-	
03-Payroll Benefits	-	-	-	-	-	
04-Contractual Services	\$1,239	-	-	-	-	
05-Supplies & Expenses	-	-	-	-	-	
07-Fixed Charges	\$627,666	\$682,776	\$675,283	\$785,953	\$785,953	15%
09-Equipment	-	-	-	-	-	
10-Grants, Contributions, Other	\$14,651	\$85,000	\$85,000	\$85,000	\$85,000	0%
Total Expenditures:	\$643,557	\$767,776	\$760,283	\$870,953	\$870,953	13%

Net Surplus/(Deficit)- Liability	(\$82,903)	\$0	(\$11,645)	\$0	\$0	
----------------------------------	------------	-----	------------	-----	-----	--

Risk Management

Overview of Revenues and Expenditures by Program Area

Risk Management

Revenues	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
05-Intergovernmental Charges for Services	-	-	-	-	-	
09-Other Revenue	\$22,594	\$22,500	\$22,500	\$22,500	\$22,500	0%
11-Fund Balance Applied	-	\$107,582	-	\$112,187	\$112,187	4%
Total Revenues:	\$22,594	\$130,082	\$22,500	\$134,687	\$134,687	4%

Expenditures	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
01-Regular Wages	\$78,419	\$80,662	\$80,662	\$83,054	\$83,054	3%
02-OT Wages	-	-	-	-	-	
03-Payroll Benefits	\$23,436	\$38,118	\$38,120	\$40,878	\$40,878	7%
04-Contractual Services	\$2,754	\$4,250	\$4,250	\$4,600	\$4,600	8%
05-Supplies & Expenses	\$2,886	\$5,350	\$5,350	\$5,355	\$5,355	0%
07-Fixed Charges	-	\$300	\$300	\$300	\$300	0%
09-Equipment	-	\$1,402	\$500	\$500	\$500	-64%
10-Grants, Contributions, Other	-	-	-	-	-	
Total Expenditures:	\$107,495	\$130,082	\$129,182	\$134,687	\$134,687	4%

Net Surplus/(Deficit)- Risk Management	(\$84,901)	\$0	(\$106,682)	\$0	\$0	
---	-------------------	------------	--------------------	------------	------------	--

Risk Management Program Summary

Revenues	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
Worker's Compensation	\$555,785	\$771,389	\$680,298	\$442,350	\$442,350	-43%
Liability	\$560,654	\$767,776	\$748,638	\$870,953	\$870,953	13%
Risk Management	\$22,594	\$130,082	\$22,500	\$134,687	\$134,687	4%
Total Revenues:	\$1,139,033	\$1,669,247	\$1,451,436	\$1,447,990	\$1,447,990	-13%

Expenditures	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
Worker's Compensation	\$204,153	\$771,389	\$580,045	\$442,350	\$442,350	-43%
Liability	\$643,557	\$767,776	\$760,283	\$870,953	\$870,953	13%
Risk Management	\$107,495	\$130,082	\$129,182	\$134,687	\$134,687	4%
Total Expenditures:	\$955,204	\$1,669,247	\$1,469,510	\$1,447,990	\$1,447,990	-13%

Net	2021	2022	2022	2023	2023	%
	Actual	Adjusted Budget	Estimate	Request	Recommended	Change
Worker's Compensation	\$351,632	-	\$100,253	-	-	
Liability	(\$82,903)	-	(\$11,645)	-	-	
Risk Management	(\$84,901)	-	(\$106,682)	-	-	
Total Net	\$183,829	\$0	(\$18,074)	\$0	\$0	

Risk Management

Budget Analysis

	2022 Adjusted Budget	Cost to Continue Operations in 2023	2023 Requested Budget
05-Intergovernmental Charges for Services	\$1,415,029	(\$61,576)	\$1,353,453
09-Other Revenue	\$36,407	\$3,500	\$39,907
11-Fund Balance Applied	\$217,811	(\$163,181)	\$54,630
Total Revenues	\$1,669,247	(\$221,257)	\$1,447,990

01-Regular Wages	\$112,662	\$392	\$113,054
02-OT Wages	-	-	-
03-Payroll Benefits	\$50,453	\$2,525	\$52,978
04-Contractual Services	\$37,750	\$1,850	\$39,600
05-Supplies & Expenses	\$8,460	\$45	\$8,505
07-Fixed Charges	\$723,420	\$124,833	\$848,253
09-Equipment	\$1,502	(\$902)	\$600
10-Grants, Contributions, Other	\$735,000	(\$350,000)	\$385,000
Total Expenditures	\$1,669,247	(\$221,257)	\$1,447,990

Risk Management

Revenue Assumptions

	2021	2022	2022	2023	2023		
Revenue Source	Actual	Budget	Estimate	Request	Recommended	Assumptions	Confidence Level %
Workers Comp Dept Chgs	555,783	680,291	680,291	408,500	408,500	charges to departments	100%
Dept Insurance Charges	549,006	734,738	734,738	944,953	944,953	charges to departments	100%
Interest On Work Comp Escrow Funds	2	7	7	7	7		50%
Interest On Liability Escrow Funds	3,882	5,900	5,900	5,900	5,900		50%
Premium Dividend	7,766	8,000	8,000	11,500	11,500		90%
Capital Dividends	22,594	22,500	22,500	22,500	22,500		90%
Fund Balance Applied	-	107,582	-	112,187	112,187	0	0%
Workers Comp/Fund Balance Applied	-	91,091	-	33,843	33,843	0	0%
Liability/Fund Balance Applied	-	19,138	-	(91,400)	(91,400)	0	0%
TOTAL	\$1,139,033	\$1,669,247	\$1,451,436	\$1,447,990	\$1,447,990		

Risk Management

Contracted Services Summary

Expenditure Type	2021	2022	2022	2023	2023
	Actual	Budget	Estimate	Request	Recom- mended
Professional Services	30,703	33,500	33,500	35,000	35,000
Utility Services	-	500	500	500	500
Repairs And Maintenance	-	-	-	-	-
Other Contracted Services	2,754	3,750	3,750	4,100	4,100
Total	\$33,457	\$37,750	\$37,750	\$39,600	\$39,600

Risk Management

Contracted Services Detail

	2021	2022	2022	2023	2023		
Expenditure	Actual	Budget	Estimate	Request	Recom- mended	Description	Expenditure Type
Workers Comp/ Contr Svc	5,000	4,000	4,000	5,000	5,000	Legal fees	Professional Services
Workers Comp/ Attorney Fees	15,340	10,000	10,000	10,000	10,000	Legal fees	Professional Services
Workers Comp/ Audit Svc	6,796	10,000	10,000	10,000	10,000	Worker's Comp audit fees	Professional Services
Workers Comp/ Other Prof Svc	-	4,500	4,500	5,000	5,000	IME or specialist fees	Professional Services
Wc Self Ins/ Investigations	2,328	5,000	5,000	5,000	5,000	Legal fees	Professional Services
Risk Mgmt/ Contr Svc	2,754	3,750	3,750	4,100	4,100	MSDS online software subscription	Other Contracted Services
Risk Mgmt/ Telephone	-	500	500	500	500	Telephone	Utility Services
Ins Fund/ Other Professional Fees	1,239	-	-	-	-	Certification fee	Professional Services
TOTAL	\$33,457	\$37,750	\$37,750	\$39,600	\$39,600		