

**CITY OF ROSEBURG, OREGON**

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**INTERNAL SERVICE FUND**

Workers' Compensation Fund

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**CITY OF ROSEBURG, OREGON**  
**WORKERS' COMPENSATION FUND**

The Workers' Compensation Fund is an internal service fund used to account for the financing of the City's self-insured worker's compensation costs, excess insurance premium and bond premium. The self-insurance program was established in 1987.

The program instituted by the City includes an aggressive internal claims management program, assistance from a consulting industrial hygiene and safety professional and the active participation of the employee Safety Committee. The City is liable for direct payment of individual claims and time loss not to exceed \$350,000 per occurrence up to an aggregate of \$1,000,000 per year. Each claim in excess of the specified payment amounts is covered by an excess insurance policy up to the statutory maximum. The fund has been reviewed by an outside actuary twice within the last four years and has been found to be appropriately funded and actuarially sound.

In addition to the claims management program, the City has instituted safety and wellness procedures to allow employees to involve themselves directly in the program. That has been successful in controlling costs. Safety equipment, training classes and videos have been purchased with Workers' Compensation Fund dollars. All these components have had a direct impact on the reduction in work-related accidents and injuries. The Safety Committee and City employees are proud to have received a League of Oregon Cities Safety Award seven times in the last eight years.

**CITY OF ROSEBURG, OREGON**  
**WORKERS' COMPENSATION FUND**

**RESOURCES AND REQUIREMENTS**

**ACTUARIAL REVIEW**

In order to appropriately fund the program and retain as much of our funding resources as possible for department operations, actuarial reviews are done by a contracted professional. The most recent review was completed in October 2008 for the fund as of June 30, 2008. The claims utilization was reduced noticeably from the previous budget year. Coupled with reimbursements received from the State Employer-At-Injury Fund and claim payment reimbursements from our workers compensation excess insurance carrier, the self-insured fund is back to a level consistent with the actuarial report. In keeping with the recommendations of the actuary, the fund will again be analyzed for actual experience during the next budget year.

**RESOURCES**

- ◆ Beginning Fund Balance – This is the estimated carryover available to the fund at the end of the current fiscal year.
- ◆ Interdepartmental Charges – Charges to departments are based on a state generated manual for workers' compensation premiums as determined by the Department of Consumer and Business Services. The City also has amended the amount outlined in the manual when the financial status of the fund has been able to support reductions in resources.

**REQUIREMENTS**

- ◆ City Services – Management – This is a reimbursement to General Fund for administrative costs.
- ◆ Contracted Services – This amount is being budgeted to fund consultation and claims management services.
- ◆ Workers' Compensation – This is an amount for general workers' compensation expenses which include time loss, medical and other related costs.
- ◆ Insurance – This is the cost of excess insurance and a bond with the State.
- ◆ Capital Outlay – This amount is for safety equipment which complies with new standards and possible correction of some safety concerns at work sites.

CITY OF ROSEBURG, OREGON

		ACTUAL 2007-2008	ACTUAL 2008-2009	ADOPTED 2009-2010	ACTUAL YTD 12/31/09	PROJECTED YE 06/30/10	PROPOSED 2010-2011	APPROVED 2010-2011	ADOPTED 2010-2011
WORKER'S COMPENSATION (061)									
301 0000	BEGINNING FUND BALANCE	544,106	416,454	257,586	386,354	386,354	688,906	688,906	688,906
REVENUES - (061)									
341 1010	Interdept Charges-General	123,088	215,597	221,528	110,762	221,528	172,704	172,704	172,704
341 1020	Interdept Charges-Public Works	22,407	38,471	33,687	16,845	33,687	25,764	25,764	25,764
341 1052	Interdept Charges-Airport/EDC	-	155	159	81	159	120	120	120
341 1053	Interdept Charges-Water	16,837	29,196	28,978	14,494	28,978	23,532	23,532	23,532
341 1054	Interdept Charges-Golf	2,668	4,581	3,648	1,824	3,648	2,880	2,880	2,880
371 1010	Interest Income	21,399	8,732	6,000	2,294	3,800	4,000	4,000	4,000
385 1010	Miscellaneous	26,673	7	-	48	100	-	-	-
392 3000	Reimbursements	-	168,158	86,000	-	20,000	20,000	20,000	20,000
391 1010	Transfer from General Fund	-	-	375,000	-	160,000	-	-	-
	Total	213,072	464,897	755,000	146,348	471,900	249,000	249,000	249,000
TOTAL REVENUES & BEGINNING FUND BALANCE		757,178	881,351	1,012,586	532,702	858,254	937,906	937,906	937,906
MATERIALS AND SERVICES - 7474									
412 3045	Wellness and Training	3,582	3,909	10,000	658	1,000	5,000	5,000	5,000
412 3050	Safety and Training	7,567	8,464	25,000	2,456	5,000	25,000	25,000	25,000
412 3210	City Services-Management	10,236	10,344	21,756	10,878	21,756	30,642	30,642	30,642
412 3630	Contracted Services	8,359	9,656	10,000	4,823	13,200	13,500	13,500	13,500
412 3855	Workers' Compensation	283,727	428,575	500,000	60,572	100,000	210,000	210,000	210,000
412 5730	Insurance	27,253	34,049	36,000	28,392	28,392	30,000	30,000	30,000
	Total	340,724	494,997	602,756	107,779	169,348	314,142	314,142	314,142
TOTAL EXPENDITURES		340,724	494,997	602,756	107,779	169,348	314,142	314,142	314,142
OPERATING CONTINGENCY - 9091									
606 9010		-	-	95,000	-	-	623,764	623,764	623,764
UNAPPROPRIATED ENDING FUND BALANCE		416,454	386,354	314,830	424,923	688,906	-	-	-
TOTAL EXPENDITURES & ENDING FUND BALANCE		757,178	881,351	1,012,586	532,702	858,254	937,906	937,906	937,906

