

CITY OF ROSEBURG, OREGON

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INTERNAL SERVICE FUND

Workers' Compensation Fund

157-159

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 six times in the last seven 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. Since that time, unforeseen and significant claim costs were incurred. As a result, we recommend a one time transfer from General Fund Contingency in the amount of \$375,000 to reach the recommended target of the report to achieve a reserve of approximately \$690,000 for the 2009-2010 budget year. 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

		<u>ACTUAL</u> <u>2006-2007</u>	<u>ACTUAL</u> <u>2007-2008</u>	<u>ADOPTED</u> <u>2008-2009</u>	<u>ACTUAL</u> <u>YTD 12/31/08</u>	<u>PROJECTED</u> <u>YE 06/30/09</u>	<u>PROPOSED</u> <u>2009-2010</u>	<u>APPROVED</u> <u>2009-2010</u>	<u>ADOPTED</u> <u>2009-2010</u>
WORKER'S COMPENSATION (061)									
301 0000	BEGINNING FUND BALANCE	544,922	544,106	402,370	416,454	416,454	257,586	257,586	257,586
REVENUES - (061)									
332 3030	Contracted Services	2,544	-	-	-	-	-	-	-
341 1010	Interdept Charges-General	116,856	123,088	215,608	107,789	215,596	221,528	221,528	221,528
341 1020	Interdept Charges-Public Works	22,264	22,407	38,474	19,241	38,471	33,687	33,687	33,687
341 1051	Interdept Charges-Off Street Park	833	-	-	-	-	-	-	-
341 1052	Interdept Charges-Airport/EDC	-	-	-	77	155	159	159	159
341 1053	Interdept Charges-Water	17,338	16,837	29,336	14,592	29,197	28,978	28,978	28,978
341 1054	Interdept Charges-Golf	2,709	2,668	4,582	2,289	4,581	3,648	3,648	3,648
371 1010	Interest Income	32,849	21,399	10,000	6,440	8,000	6,000	6,000	6,000
385 1010	Miscellaneous	5,658	26,673	-	21,187	-	-	-	-
392 3000	Reimbursements	-	-	-	-	155,476	86,000	86,000	86,000
391 1010	Transfer from General Fund	-	-	-	-	-	375,000	375,000	375,000
Total		201,051	213,072	298,000	171,615	451,476	755,000	755,000	755,000
TOTAL REVENUES & BEGINNING FUND BALANCE		745,973	757,178	700,370	588,069	867,930	1,012,586	1,012,586	1,012,586
MATERIALS AND SERVICES - 7474									
412 3045	Wellness and Training	284	3,582	10,000	2,089	6,000	10,000	10,000	10,000
412 3050	Safety and Training	7,235	7,567	25,000	1,588	12,000	25,000	25,000	25,000
412 3210	City Services-Management	9,458	10,236	10,344	5,172	10,344	21,756	21,756	21,756
412 3630	Contracted Services	6,892	8,359	10,000	4,778	10,000	10,000	10,000	10,000
412 3855	Workers' Compensation	151,097	283,727	525,000	339,301	537,000	500,000	500,000	500,000
412 5730	Insurance	26,901	27,253	35,000	34,049	35,000	36,000	36,000	36,000
Total		201,867	340,724	615,344	386,977	610,344	602,756	602,756	602,756
TOTAL EXPENDITURES		201,867	340,724	615,344	386,977	610,344	602,756	602,756	602,756
OPERATING CONTINGENCY - 9091									
606 9010		-	-	85,026	-	-	95,000	95,000	95,000
UNAPPROPRIATED ENDING FUND BALANCE		544,106	416,454	-	201,092	257,586	314,830	314,830	314,830
TOTAL EXPENDITURES & ENDING FUND BALANCE		745,973	757,178	700,370	588,069	867,930	1,012,586	1,012,586	1,012,586