



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Patty Maitland, Finance Director  
**MEETING DATE:** August 3, 2016  
**SUBJECT:** Workers' Compensation Report – 4th Quarter Fiscal Year 2015-16  
**CEQA:** Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines

**RECOMMENDATION**

Receive the report.

**DISCUSSION**

On November 4, 2015, the Council approved a five-year Workers' Compensation phased refunding plan to bring the designated internal service fund into compliance with Council policy. At that time, Staff recommended the Council receive a quarterly status report on case statistics and Workers' Compensation Fund 71 balances.

Workers' Compensation is a form of insurance the City utilizes to provide compensation and medical care for employees who are injured during the course of employment. Workers' Compensation provides for: payments in place of wages (functioning as a form of disability insurance), compensation for economic loss (past and future), reimbursement or payment of medical and like expenses (functioning as a form of health insurance), and benefits payable to the dependents of workers killed during employment (functioning as a form of life insurance). [Effective July 1, 2016](#), the City's Workers' Compensation claims will be handled by a third party administrator, PARSAC (Public Agency Risk Sharing Authority of CA) and LWP Claims Solutions.

Current Status (4Q 2015-16)	No. of Claims	Notes
Open Indemnity Claims	15	An indemnity claim is a claim where the injured employee is losing time from work.
Medical Claims	6	Claims where treatment is needed, but the injured employee can continue to work
Future Medical Claims	27	Future med claims are claims that have been settled with the provision that the City will continue to pay for medical treatment for the injury for the employee's lifetime.
Total Open Claims	48	In the prior quarter the City had 42 Claims
Claims Requiring Legal Representation	3	Legal Fees Incurred to date = \$47,772.04

The City accounts for its Workers' Compensation risk financing activities in an internal service fund (ISF). The ISF is funded outside the General Fund and the costs are allocated to departments on an annual and continuing basis. Contributions to the ISF are calculated on a cost recovery basis through charges apportioned to City departments based on claim trends and number of participants. The Workers' Compensation ISF is used to separately budget and account for services provided to City departments. The status of the internal service fund for Workers' Compensation is provided in the table below.

Workers' Compensation (Fund 71)	Amount
Fund Balance a/o June 30, 2015	\$ (981,263)
Curent FY Revenues thru June 30, 2016	\$ 1,019,131
Current FY Expenditures thru June 30, 2016	\$ (937,828)
	\$ (899,959)

The numbers stated in the above table do not reflect adjustments that will be made throughout the 60-day accrual period to close out Fiscal Year 2015-16. However, no significant changes in fund balance are anticipated.

**FISCAL IMPACT**

None.

RESPECTFULLY SUBMITTED:

*Patty Maitland*

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Patty Maitland  
Finance Director

REVIEWED BY:

*Jocelyn Francis*

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Jocelyn Francis  
City Manager Pro Tempore