



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Stephen Green, Administrative Services Manager
MEETING DATE: November 7, 2018
SUBJECT: Workers Compensation Report – First Quarter Fiscal Year 2018-19
CEQA STATUS: Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Receive 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 the Council’s Budget and Financial Management Policy. At that time, Staff recommended that Council receive a quarterly status report on case statistics and Workers’ Compensation Fund balances. Case statistics for the quarter ending September 30, 2018, is included in Attachment A.

The City Workers’ Compensation program is a form of insurance that provides compensation and medical care for employees who become injured during the course of employment. The City is currently a member of the Public Agency Risk Sharing Authority of California (PARSAC). This Authority provides excess Workers’ Compensation liability coverage above the City’s self-insured retention amount of \$100,000 per occurrence. 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 (operating as a form of health insurance), and benefits payable to the dependents of workers killed during employment (operating as a form of life insurance).

The City has been working with Bickmore consultants to assist with the City’s safety program. Currently, policies and programs are being reviewed and updated. Staff plans to provide the Council with an annual report on the City’s safety program at the Council Meeting on November 28, 2018.

FISCAL IMPACT

There is no fiscal impact. This item is informational only.

GOAL ALIGNMENT

Operational Excellence and Fiscal Sustainability

ATTACHMENTS

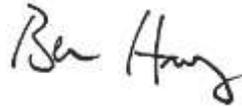
1. City of Pacific Grove Quarterly Workers' Compensation Trending Analysis

RESPECTFULLY SUBMITTED:



Stephen Green
Administrative Services Manager

REVIEWED BY:



Ben Harvey
City Manager



City of Pacific Grove

Workers Compensation Statistics

Projected Fund Balance

The Workers' Compensation Internal Service Fund (ISF) is used to separately budget and account for services provided to General Fund departments, as well as Enterprise Funds. The calculations for the contributions to the ISF are on a cost recovery basis, with charges apportioned to City departments based on claim trends and how many participants.

The chart below is the status of the internal service fund for Workers' Compensation.

Workers Compensation Fund	Amount
Fund Balance, July 1, 2018 (un-audited)	\$193,622
Revenues: Through September 30, 2018	96,680
Expenditures: Through September 30, 2018	268,980
Estimated Fund Balance as of 09/30/2018	(\$21,322)

In line with Council's direction, Fiscal Year 2017-18 will end with a positive fund balance. The amounts listed above primarily reflect the payment of insurance made at the beginning of the year; and revenues associated with department contributions and excess claim refunds. These timing differences contribute to the negative balance. The fund balance is anticipated to be positive at the end of Fiscal Year 2018-19.

Cumulative Claims Outstanding

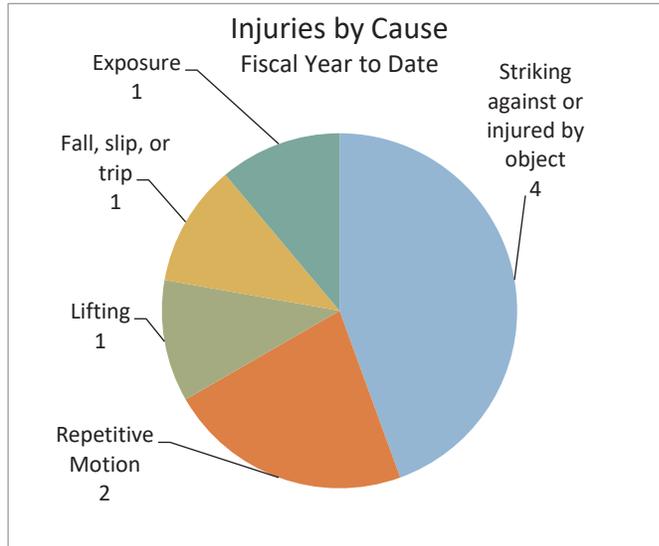
At the close of the first quarter, there were 46 open or reopened workers' compensation claims. These claims represent incidents that have occurred in both the current and prior years. In the first quarter, the total number of open claims subject to litigation was 26. This amount is consistent with the prior quarter. The chart below presents an overview of the City's ongoing claims.

Summary of Open/Reopen Claims as of 09/30/2018			
	Non-Litigated	Litigated	Total
Future Medical	12	23	35
Disability or Lost Time	6	3	9
Medical Only	2	0	2
First Aid	0	0	0
Total open claims	20	26	46

New Claims – First Quarter

In the first quarter of 2018/19, there were nine workers’ compensation claims reported. Each of the circumstances is unique, with incidents occurring in four different departments. The adjacent chart provides a list of claims by cause:

- Striking against or injured by object
- Repetitive Motion
- Lifting
- Fall, Slip or Trip
- Exposure



The table listed below provides a comparison of claims over the first quarter of prior year. While there were more claims in the current quarter; the newly formed safety committee will be reviewing claims to enhance preventive programs city-wide. In addition, more than half of the claims were closed within the quarter.

	New Claims by Type		Year-to-Date	
	Current Year	Prior Year	Current Year	Prior Year
New Claims Received During the Period				
Disability or Lost Time	1	1	1	1
Medical	4	1	4	1
First Aid	4	1	4	1
Total Claims by Type	9	3	9	3

The following chart provides an overview of quarterly trends. The number of first-quarter injuries increased; however, the amount of injuries causing a loss of time remained flat.

