



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

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Tori Hannah, Administrative Services Director  
**MEETING DATE:** February 7, 2018  
**SUBJECT:** Workers' Compensation Report – Second Quarter FY 2017-18  
**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 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 71 balances. Case statistics for the quarter ending December 31, 2017 are included in Attachment A.

The City Workers' Compensation program is a form of insurance that provides compensation and medical care for employees who are injured during the course of employment. The City is self-insured up to \$100,000 per an occurrence, with claims above the self-insured retention amount covered by excess insurance through the Public Agency Risk Sharing Authority of California (PARSAC). 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).

**FISCAL IMPACT**

The Fiscal Year 17/18 revenues are anticipated to cover the annual expenses.

**ATTACHMENTS**

1: City of Pacific Grove Quarterly Workers' Compensation Trending Statistics

RESPECTFULLY SUBMITTED:

Tori Hannah  
Administrative Services Director

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. Contributions to the ISF are calculated on a cost recovery basis, with charges apportioned to City departments based on claim trends and number of participants.

The status of the internal service fund for Workers' Compensation is provided in the tables below.

Workers Compensation Fund (Fund 71)	Amount
Fund Balance, July 1, 2017 (Audited)	(\$234,110)
Revenues: Through December 31, 2017	1,235,123
Expenditures: Through December 31, 2017	366,464
Estimated Fund Balance, Second Quarter	\$634,549

All transfers pursuant to the [phased refunding plan](#) and the current fiscal year allocations have been made and are reflected in the current FY revenues. The Workers' Compensation expenditures in the second quarter of FY 2017-18 primarily reflect the costs associated with claim settlement. Expenditures in the fund are currently at 51.3% of budget. If expenditures continue along this trend, it is likely the fund balance will be positive at fiscal year-end.

#### Cumulative Claims Outstanding

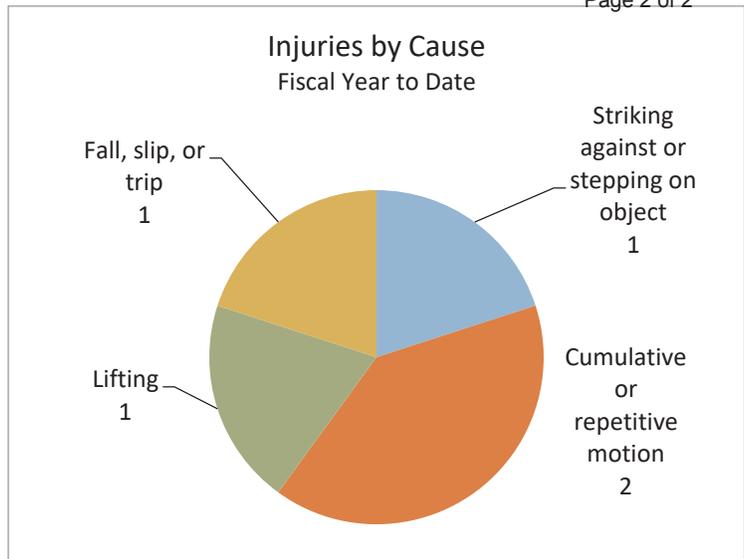
At the close of the second quarter, 44 Workers Compensation claims were classified as open or reopened. These claims represent incidents that have occurred in both the current period or in prior years. Two non-litigated claims that were classified as Lost Time/Disability were closed in the second quarter, while a single Medical Only claim was added. This resulted in a net reduction of one claim. An overview of the City's on-going claims is presented in the table listed below.

Summary of Open/Reopen Claims as of 12/31/2017			
	Non-Litigated	Litigated	Total
Future Medical	12	22	34
Disability or Lost Time <sup>(1)</sup>	7	2	9
Medical Only	1	-	1
First Aid	-	-	-
<b>Total Open Claims</b>	20	24	44

New Claims – Second Quarter

In Fiscal Year 17/18, five workers compensation claims were reported, with two taking place in the second quarter. The adjacent chart provides a list of claims by cause. This information, along with additional details will be referenced by the Risk Management Division to assist in developing safety awareness programs.

The table listed below provides a comparison of claims over the last two fiscal years. It should be noted that claims in the current quarter, as well as year to date are less than half of the claims in the prior year.



	Quarter to Date		Year to Date	
	Current Year	Prior Year	Current Year	Prior Year
<b>New Claims Received During the Period</b>				
Disability or Lost Time <sup>(1)</sup>	-	3	1	6
Medical	1	1	2	2
First Aid	1	4	2	7
<b>Total Claims by Type</b>	<b>2</b>	<b>8</b>	<b>5</b>	<b>15</b>

In addition to realizing a reduction in the number of claims, the following chart also illustrates that the Fiscal Year 17/18 Second Quarter represent the only 90-day period in which the City has not reported a new Lost Time/Disability incident.

