



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: May 2, 2018
SUBJECT: *Workers Compensation Report – Third Quarter Fiscal Year 2017-18*
CEQA STATUS: 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 an update on the Workers’ Compensation estimated fund balance. Case statistics for the quarter ending March 31, 2018 are included in Attachment 1.

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 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 (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

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 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 March 31, 2018	1,355,595
Expenditures: Through March 31, 2018	535,311
Estimated Fund Balance, Third Quarter	\$1,656,796

All transfers pursuant to the [phased refunding plan](#) and the current fiscal year allocations have been made and are reflected in the current fiscal year revenues. The Workers' Compensation expenditures through the third quarter of FY 2017-18 primarily reflect the cost of annual insurance premiums and claim settlements. This represents approximately 68% of budget. If expenditures continue along this trend, it is likely the fund balance will be positive at fiscal year-end.

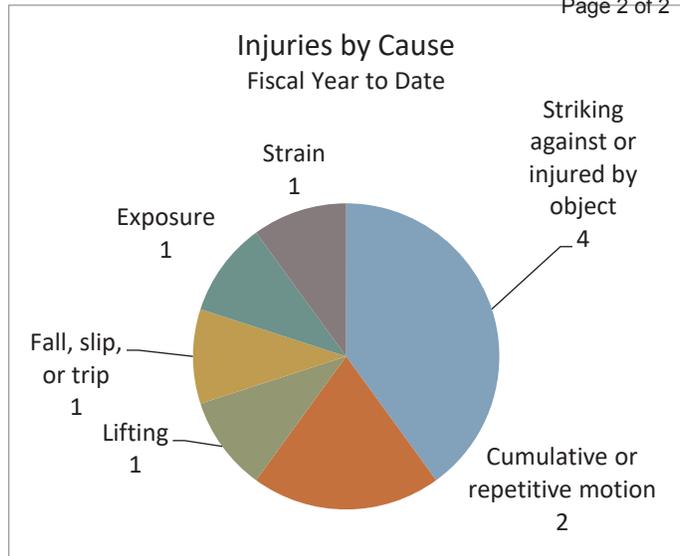
Cumulative Claims Outstanding

At the close of the third quarter, 46 Workers Compensation claims were classified as open or reopened. These claims represent incidents that have occurred in both the current and prior years. While the total number of open claims has increased by two incidents over the last quarter, the number of claims requiring future medical attention and the number of litigated claims has remained constant. An overview of the City's on-going claims is presented in the table listed below.

Summary of Open/Reopen Claims as of 03/31/2018			
	Non-Litigated	Litigated	Total
Future Medical	11	23	34
Disability or Lost Time	9	1	10
Medical Only	2	-	2
First Aid	-	-	-
Total Open Claims	22	24	46

New Claims – Third Quarter

In Fiscal Year 17/18, ten workers compensation claims were reported, with five taking place in the third quarter. The adjacent chart provides a list of claims by cause. The category with the greatest number of injuries relates to incidents involving an employee being struck or injured by an object. Each of the circumstances were unique, with incidents occurring in two different departments. This information, along with details will be referenced by the Risk Management Division 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 while there was a greater number of claims in the current quarter, the year to date claims are significantly less than the prior year, with only two incidents resulting in lost time.

New Claims Received During the Period	New Claims by Type			
	Quarter to Date		Year to Date	
	Current Year	Prior Year	Current Year	Prior Year
Disability or Lost Time ⁽¹⁾	1	1	2	8
Medical	3	1	5	7
First Aid	1	1	3	3
Total Claims by Type	5	3	10	18

The following chart provides an overview of quarterly trends. While the number of third quarter injuries increased as compared to the same quarter in the prior year, three of the claims were minor in nature, and were closed in the same quarter.

