



**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:** May 1, 2019  
**SUBJECT:** Workers Compensation Report - Third Quarter Fiscal Year 2018-19  
**CEQA:** Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

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**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 receives a quarterly status report on case statistics and Workers' Compensation Fund balances. Case statistics for the quarter ending March 31, 2019, 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 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).

**OPTIONS**

None.

**FINANCIAL IMPACT:**

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

**GOAL ALIGNMENT:** Financial Stability: Develop a strategic plan to better address current and future City expenditure and revenue, provide high quality muni services.



## 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	\$191,550
Revenues: Through March 31, 2019	482,234
Expenditures: Through March 31, 2019	484,754
<b>Estimated Fund Balance as of March 31, 2019</b>	<b>\$189,030</b>

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

#### Cumulative Claims Outstanding

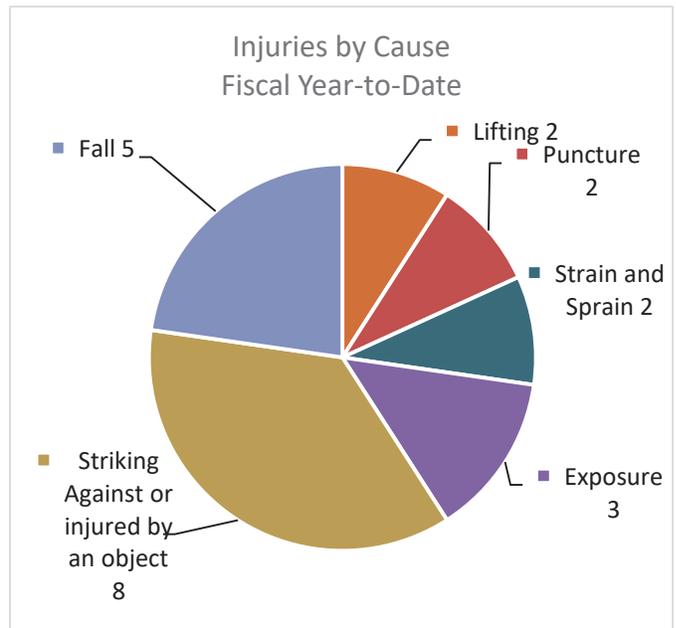
At the close of the third quarter, there was a decrease of four open claims over last quarter bringing the total open or reopened worker's compensation claims to 45. These claims represent incidents that have occurred in both the current and prior years. In the third quarter, the total number of open claims subject to litigation was 25, and remains flat from the previous quarter. The City is currently conducting a claim review of all open claims for the possibility of exercising an option to compromise and release. The chart below presents an overview of the City's ongoing claims.

Summary of Open/Reopen Claims as of March 31, 2019			
	Non-Litigated	Litigated	Total
Future Medical	12	21	33
Disability or Lost Time	6	4	11
Medical Only	2	0	1
First Aid	0	0	0
<b>Total open claims</b>	<b>20</b>	<b>25</b>	<b>45</b>

**New Claims – Third Quarter**

In the third quarter of 2018/19, there were two workers' compensation claims reported, causing a decrease of 82% over the previous quarter and 67% decrease over same quarter last year. Each of the circumstances is unique, with one incident requiring first aid. Both employees have returned to work without restrictions. The adjacent chart provides a list of claims by cause:

- Struck or Striking Against
- Fall, Slip or Trip
- Lifting
- Puncture
- Strain and Sprain
- Exposure



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

New Claims by Type				
	Third Quarter		Year-to-Date	
	Current Year	Prior Year	Current Year	Prior Year
New Claims Received During the Period:				
Disability or Lost Time	0	1	4	4
Medical	1	3	9	8
First Aid	1	2	9	8
<b>Total Claims by Type</b>	<b>2</b>	<b>6</b>	<b>22</b>	<b>20</b>

The following chart provides an overview of quarterly trends. With the new safety program in place, department safety liaisons are promoting the importance of reporting incidents so work environments can become safer. The number of third quarter injuries decreased by nine claims. There were no injuries within the quarter that resulted in a loss of time.

