



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: August 1, 2018
SUBJECT: Workers Compensation Report – Fourth Quarter Fiscal Year 2017-18
CEQA STATUS: Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)

RECOMMENDATION

Receive the report.

DISCUSSION

On November 4, 2015, the City 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, City of Pacific Grove (City) Staff recommended Council receive a quarterly status report on case statistics and Workers’ Compensation Fund 71 balances. Case statistics for the quarter ending June 30, 2018 are included in Attachment A.

The City Workers’ Compensation program is a form of insurance that provides compensation and medical care for employees injured during the course of employment. The City is currently a member of the Public Agency Risk Sharing Authority of California (PARSAC). PARSAC 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).

The City has been working with Bickmore Consultants to assist with the City’s safety program. These efforts include working with the consultant to establish a draft Safety Committee Charter, update the Injury and Illness Prevention Program (IIPP), and develop a training matrix for all City departments. To date, one Safety Committee Meeting has been held, as well as two ergonomic workshops. Staff plans to provide Council with an update on the City’s safety program in the Fall.

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:



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 June 30, 2018	1,354,395
Expenditures: Through June 30, 2018	674,966
Estimated Fund Balance, Fourth Quarter	\$445,319

While the amounts listed above reflect the current amount of revenues and expenditures for the fiscal year, accruals could be pending through August, as well as final year-end reconciliations. It is anticipated that if there are any outstanding items, they should not significantly impact the projected fourth quarter balance. The Workers' Compensation expenditures through the fourth quarter of FY 2017-18 primarily reflect the cost of annual insurance premiums and claim settlements. This represents approximately 91% of budget.

Cumulative Claims Outstanding

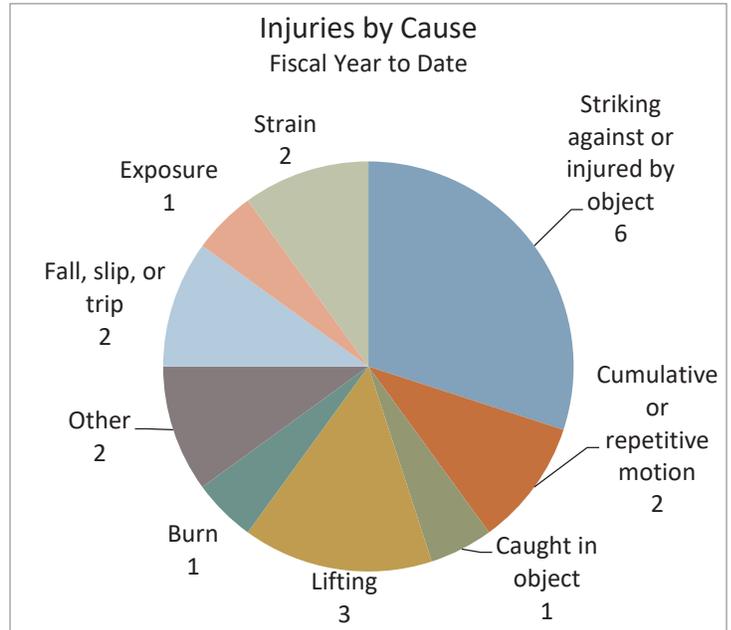
At the close of the fourth quarter, 49 Workers Compensation claims were classified as open or reopened. These claims represent incidents that have occurred in both the current and prior years. While the total number of open claims has increased by three incidents over the last quarter, claims in the Disability/Lost Time category have decreased by one claim. In the fourth quarter, the total number of open claims subject to litigation was 26. This represents an increase of two claims over the prior quarter. An overview of the City's on-going claims is presented in the table listed below.

Summary of Open/Reopen Claims as of 06/30/2018			
	Non-Litigated	Litigated	Total
Future Medical	12	24	36
Disability or Lost Time	7	2	9
Medical Only	4	-	4
First Aid	-	-	-
Total Open Claims	23	26	49

New Claims – Fourth Quarter

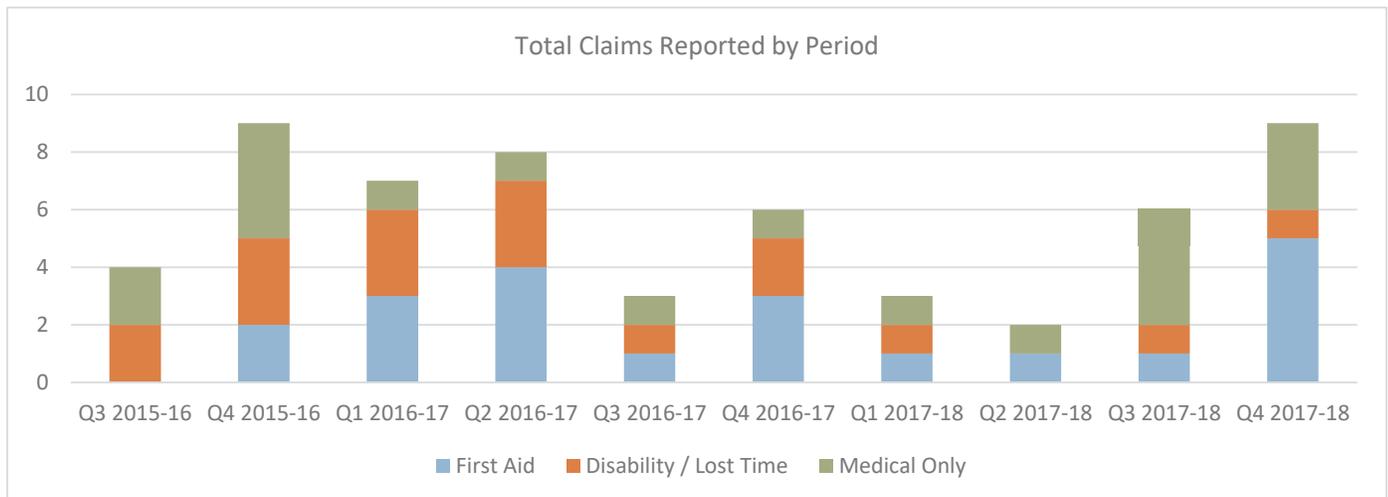
In Fiscal Year 17/18, twenty workers compensation claims were reported, with nine taking place in the third quarter. The adjacent chart provides a list of claims by cause. The category with the greatest number of injuries relates to incidents involving an employee being struck or injured by an object. 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 represent a reduction over the prior year, with less than half of the incidents resulting in a disability or lost time.



New Claims by Type	Quarter to Date		Year to Date	
	Current Year	Prior Year	Current Year ⁽¹⁾	Prior Year
	New Claims Received During the Period			
Disability or Lost Time	1	2	4	9
Medical	3	1	8	4
First Aid	5	3	8	11
Total Claims by Type	9	6	20	24

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



(1) The City worked with LWP Claims to audit the number of claims within this fiscal year. Due to timing differences, one additional claim occurred in the Third Quarter; however was reported in the Fourth Quarter. This additional claim was added to the Year to Date amounts.