

2020-2021 Budget Issue Paper

Department:	HR/Risk Management
BIP Title:	Increases v. FY 18/19 Actual Spend
Division or Program(s) affected:	
Estimated \$ Expenditure change: \$440,065	General Fund \$ \$440,000
Estimated \$ Revenue change: (donations, grants, etc.)	Revenue to General Fund \$ N/A
Other departments affected:	

Please do not modify the question headings.

(1) Summary of BIP. Please summarize this proposal, including service-level impacts. This might be used as the basis for budget book narratives (100 words or less).

Key budget increases v. 18/19 are as follows:

156,596.73	Insurance Expenditures increase from FY 18/19.
5,945.22	HUB Block Parties (pre-paid)
86,799.27	OSIP Fee (self-insurer assessment). 18/19 30k was budgeted but \$0 paid
39,085.24	Professional Services and Supplies (shoes, respond, safety cons)
3,467.32	Liebert Cassidy
148,171.69	training
<u>440,065.47</u>	

(2) Detailed explanation. Please provide a detailed explanation and justification for this proposal, including information on current staffing (# of FTE) and funding where this change is proposed. Please identify any adverse or negative consequences from this proposal.

1. Insurance:

Insurance premiums were higher in 19/20 compared to 18/19. In 20/21, the City's insurance premiums are expected to rise again due to market conditions as well as the City's loss experience. Recent settlements such as Justiniano v. the City and Jones v. the City as well as other cases that are in the pipeline will have an adverse impact on the premiums.

Alliant, the City's insurance broker has the following "early" premium estimates for FY 20/21:

Excess Liability:	\$604,000
Cyber Liability:	\$ 5,100
Storage Tank Liability:	\$ 4,151
Fiduciary Liability:	\$ 5,862
Property Insurance:	\$101,887 (this does not include premium for the new Corp Yard)
Crime Insurance:	\$ 2,580
Volunteer Accident:	\$ 340
Excess Work Comp:	\$130,000

We will receive updates of the premium estimates prior to the July 1 renewal date.

Budget Issue Papers are due to the Finance Department by March 5, 2020.

Please contact Senior Budget Analyst or Finance Director with any questions.

2. **Block parties:** The City offers an option to residents who wish to purchase insurance for their private block parties. These premiums are pre-paid by the residents so the \$5,945 increase over 18/19 is offset by the same amount of revenue. **Note:** the cost of insurance for City-sponsored events is paid by Community Service group and is not included in the HR/Risk budget.
3. **Office of Self-Insurance Plans (OSIP)** – Annual self-insurers assessment is a fee that is determined by the OSIP based on workers comp claims cost in the prior year. The 19/20 fee was \$78,908. The FY 20/21 estimate is a 10% increase over 19/20.
4. **HR Work Comp Supplies** – The \$39,085 increase in this line is mostly due to reclassification from other accounts. It includes \$10k for Respond Systems (first aid cabinets), \$25k for safety shoes and \$750 annual fee for STOPit. The City provides safety shoes to eligible 809 members. The requested budget is consistent with FY 19/20 YTD expenditures. Prior to 19/20 the safety shoes expenses were spread among PW, Public Safety and Risk Management.
5. **City-Wide Training Initiative** – In FY 19/20 City Manager approved a robust \$150k investment in training and development plan for City staff. This plan will provide the necessary and required training to our workforce to ensure that they are equipped with knowledge and skills to meet the needs of the City (i.e. Diversity, Inclusion & Unconscious Bias Training; Ethics Training; Harassment, Discrimination & Anti-Bullying Training; Performance Management Training and Customer Service Training) as well as safety and risk management related training and our third party consortium with Liebert, Cassidy Whitmore.

(3) Measurable Outcomes. Only answer this item if the BIP includes a new initiative or a major programmatic expansion. What are the long-term and measureable goals of the program? What is the gap between the status quo and the long-term goals? Please describe how this BIP would help achieve the program's desired goals.

City-Wide Training Initiative: Ongoing training throughout the fiscal year and across various City departments. Schedules are still to be developed.

(4) Funding Details. Is funding for this proposal one-time or ongoing? If ongoing, please describe any substantive changes in future costs including any operation and maintenance implications. Please identify all specific revenue and funding sources.

HR/Risk expenses are ongoing. Insurance premiums are paid once per year.

(5) Interdepartmental impacts. If other departments are affected, or have been involved in the planning of this BIP, please describe that here.

N/A

(6) Please provide suggested expenditure cuts to offset the cost of this proposal, in case this proposal is prioritized and there is no additional funding available

N/A