

Risk Management

FY2019 Proposed Budget

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Background information

- Provides commercial insurance (worker's comp, property, general liability, etc) for the Borough, School District and Service Areas
- The self-insured retention level for both Workers Comp and Liability coverage remains at \$250,000 per claim. Property self-insured retention remains at \$100,000. The self-insured retention is our deductible per claim and should be reviewed each year to compare against the cost of our excess insurance coverage.
- Severity and cost of accidents continue to increase

FY2018 Key Accomplishments - Safety

- Assumed responsibility for Borough Campus AED function test, service and maintenance.
- Completed required training and serve as active members of the KPB Incident Management Team.
- Initiated first phase of OSHA Log upgrade targeted for completion in FY19.
- Environmental review of 166 properties for tax liability.
- Assisted facilities with hazardous waste disposal.
- Conducted Safety and Environmental training during custodial in-services; experienced reduced claims in FY18 for KPBSD

FY2018 Key Accomplishments – Environmental Compliance

- Facilitated successful Drinking Water Quarterly Meetings with KPB, KPBSD and ADEC representatives.
- Provided ADEC with updated lead and copper drinking water material evaluations for eleven facilities.
- Successfully implemented new ADEC program requiring the registration of above-ground water tanks of greater than 1000 gallons.

FY2019 Objectives & Budget Highlights

- Fire service area risk mitigation planning and program implementation.
- Workplace Safety Accountability Program
- KPB Emergency Action Plan revision, training, and implementation of drills on borough campus.
- Conduct hazard assessments of Central Peninsula Landfill operations.
- Completion of OSHA Log upgrade.
- Pursue engineering recertification of CPL's SPCC Plan.
- Complete Water Rights Applications for K-Beach Elementary, Sterling Elementary and KPB Shop/Popp.
- Work with ADEC and KPB Maintenance to continue improving drinking water and waste water systems.

Expenditure summary - Risk

By program	FY2018 Approved Budget	FY2019 Proposed Budget	Change
Administration	679,839	615,269	(64,570)
Worker's compensation	1,629,687	1,628,637	(1,050)
Risk Mgmt - Property	941,660	942,660	1,000
Risk Mgmt - Liability	<u>883,090</u>	<u>879,590</u>	<u>(3,500)</u>
Total	4,134,276	4,066,156	(68,120)
Decrease of			-1.65%

Expenditure summary - Risk

By program	FY2018 Approved Budget	FY2019 Proposed Budget	Change
Personnel	571,855	532,329	(39,526)
Supplies	9,900	9,580	(320)
Services	3,552,221	3,524,247	(27,974)
Capital Outlay	<u>300</u>	<u>0</u>	<u>(300)</u>
Total	4,134,276	4,066,156	(68,120)
Decrease of			-1.65%

Significant Budgetary Changes

Charges to Departments		Fund Balance	
– FY2014	\$2,822,632	– FY2014	\$4,069,995
– FY2015	\$3,089,970	– FY2015	\$3,003,955
– FY2016	\$3,671,627	– FY2016	\$3,689,999
– FY2017	\$4,100,000	– FY2017	\$4,659,627
– FY2018	\$3,800,000	– Fcast FY2018	\$4,362,911
– FY2019	\$3,800,000	– Proj FY2019	\$4,140,384

Long Term Issues and Concerns

- Focus on reducing preventable incidents
- Continuing variances in market conditions and related regulatory changes will likely continue to affect the cost of procuring excess insurance for the Borough, the Service Areas and the School District.
- Potential changes in state and federal law which may affect the Borough and School District liability for workers' compensation claims.
- Presumptive disability statutes have continued potential to impact risk avoidance for emergency services organizations.
- Safety and Environmental programs which may be affected by regulatory changes in a changing federal landscape.
- Maintenance and coverage of aging facilities.