

Budget Presentation

Fiscal Year 2021

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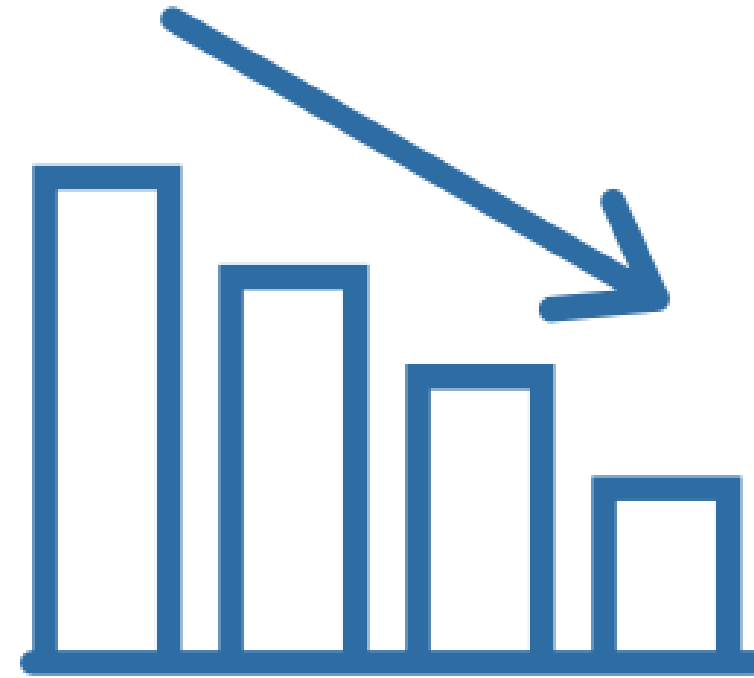
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Proposed Budget Summary

A Brief Overview of Fund 700

- ❑ Decrease in Administration costs compared to FY20 Forecast but significant increase compared to FY19 actual.
- ❑ Slight increase in Workers' Compensation costs compared to FY20 Forecast but a significant decrease compared to FY19 actual.
- ❑ Negligible increase in Property costs compared to FY20 Forecast and an increase compared to FY19 actual.
- ❑ Significant decrease in Liability costs compared to FY20 Forecast but an increase compared to FY19 actual.
- ❑ Significant decrease in overall department total compared to FY20 Forecast and a decrease compared to FY19 actual.



Risk Management (Administration)

Significant Changes

- ❑ 43011 – Contract Services: Significant changes to this account are primarily due to three main reasons: Reallocating TPA Services, Reallocating Broker Services, and the introduction of our new EHS Management Software.
- ❑ The Risk Management team had an incredible year for accomplishments overall and have several major initiatives planned for FY21.
- ❑ Although they have not changed significantly, we continue to meet the Performance Measures within this category.



Risk Management (Workers' Comp)

Significant Changes

- ❑ 43508 – Workers' Compensation and 43999 – Claim Reserves:
These were inconsistently allocated until this year. To resolve this issue, premiums and audits stayed in this account while compensation losses were moved to 43999.
- ❑ Our primary accomplishment in this category is the selection of an EHS Management Software system. This will be the primary focus of our FY21 initiatives as well.
- ❑ The Performance Measures for this category are also an accomplishment as well with an overall reduction in recordable incidents by 28%.



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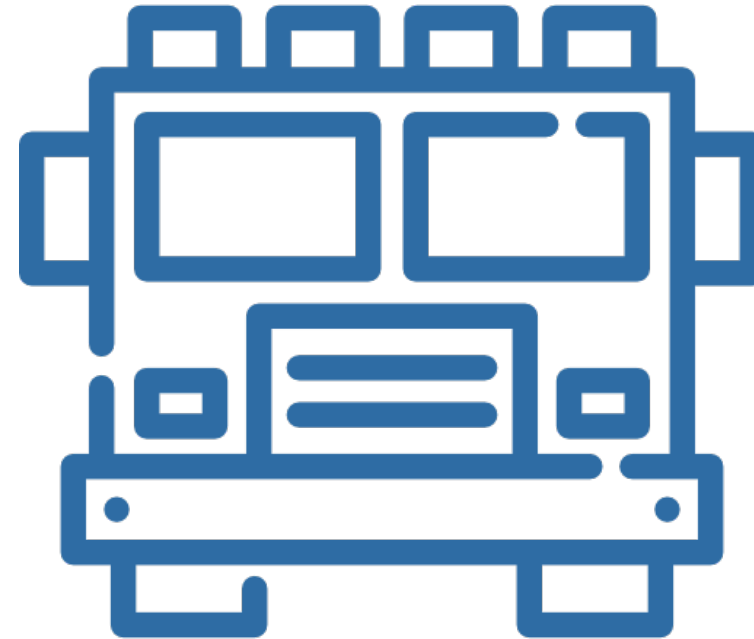
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Risk Management (Property)

Significant Changes

- ❑ 43511 – Fire & Extended Coverage: The significant increases here are primarily due to an increase in premiums (property, auto, and boiler and machinery. Anticipated market increases in the property market were also accounted for in FY21.
- ❑ FY20 saw small but significant accomplishments in the Property department: 41 appraisals were done on high value properties (+\$5m), all facilities were mapped by GIS, and the KPB Property Schedule is now more accurate than ever.
- ❑ Overall Performance Measures for FY20 were impacted by several expensive claims such as two flooded facilities and a damaged fire engine.



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Risk Management (Liability)

Significant Changes

- ❑ Overall, this department did not see any significant changes in the proposed budget. FY20 was an anomalous year for liability claims; however, many of those have now settled and are now closed.
- ❑ We addressed several issues brought up by other departments regarding the KPB's insurance requirements for auto liability and professional liability. This has streamlined the contracting process while still protecting the KPB from potential risk.
- ❑ Our two primary focuses in this category is to continue developing internal methods to streamline the purchasing process and to align the KPB and KPBSD's insurance requirements to mitigate risk more effectively.



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Questions?

THANKS FOR YOUR TIME



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