

WORKERS COMPENSATION FUND

	2018 Actual	2019 Budget	2019 Projected	2020 Executive	2020 Adopted
Cash and Other Assets	15,315,228	17,765,340	16,293,619	16,662,466	16,662,466
Claims Payable and Other Liabilities	(11,314,760)	(12,500,000)	(11,668,941)	(11,668,941)	(11,668,941)
Net Assets: January 1	\$ 4,000,468	\$ 5,265,340	\$ 4,624,678	\$ 4,993,525	\$ 4,993,525
 REVENUES					
Billings to Departments	4,251,945	4,049,999	4,049,999	3,150,000	3,150,000
Appropriation from Other Funds	-	-	-	-	-
Misc. Revenue (3rd Party Subrogation)	199,010	75,000	39,187	75,000	75,000
Total Revenue	\$ 4,450,955	\$ 4,124,999	\$ 4,089,186	\$ 3,225,000	\$ 3,225,000
 EXPENSES					
Workers' Compensation Losses Paid	3,253,759	3,300,000	3,147,022	3,350,000	3,350,000
Actuarial Reserve Adjustment	-	-	-	-	-
Debt and Other Financing	-	131,313	-	-	-
Legal Services	40,360	60,000	48,722	60,000	60,000
Outside Services	144,206	165,000	143,439	165,000	165,000
Administrative Expense	98,207	138,686	114,350	136,682	136,682
Insurance	290,214	330,000	266,806	330,000	330,000
Total Expenses	\$ 3,826,746	\$ 4,124,999	\$ 3,720,339	\$ 4,041,682	\$ 4,041,682
Net Assets: December 31	4,624,677	5,265,340	4,993,525	4,176,843	4,176,843
Net Asset Goal	600,000	650,000	650,000	650,000	650,000
Surplus (Deficiency)	\$ 4,024,677	\$ 4,615,340	\$ 4,343,525	\$ 3,526,843	\$ 3,526,843

Note on Workers Compensation Fund Policy:

The City's Workers Compensation Fund policy is to maintain a net asset balance equal to or greater than the current self-insured retention (SIR) contained in the City's excess Workers Compensation insurance policy. In 2015, the SIR is increased to \$650,000. Claims are reserved at a 95% confidence level.

In 2017, the confidence level at which claims are reserved is changed to 85%. This means in 85 out of 100 cases, the amount reserved will be sufficient to pay outstanding claims.

On December 3, 2013, the Common Council authorized an appropriation of \$750,000 to the Workers Compensation Fund from the City General Fund (Legistar #32182, RES-13-00882). In 2015, billings to agencies were increased by \$125,000. Additional appropriations from the General Fund, as well as increased billings to agencies, may be required in the future if fund expenses continue to exceed revenues. Much of these increased expenses can be attributed to the actuarial reserve adjustment associated with medical cost inflation and increases in average claim amounts.

In 2017, billings to agencies increased by \$150,000.

In 2018, billings to agencies increased by \$250,000 to meet budgeted increase in losses paid.

In 2019, billings to agencies decreased by \$200,000 to meet budgeted decrease in losses paid.

In 2020, billings to agencies for Workers Compensation decreased by \$900,000 and increased by \$950,000 for Insurance in order to improve the Insurance fund balance without affecting agency budgets. Budgeted Workers Compensation losses increased by \$50,000.