

RISK MANAGEMENT

Risk Financing Administration is responsible for conducting a comprehensive loss prevention and safety program for Pinellas County Government and the employees of the elected constitutional officials, to include the administration of the County's Self-Insurance General Liability and Workers' Compensation Program. The department conducts new employee orientation, action team accident review, provides certification for CPR, First Aid and AED, monitors and instructs on various issues for OSHA compliance, CDL random testing, Right-to-Know laws, bloodborne pathogen training, and issues and reviews County employee drivers licenses. The department investigates all claims, pre-trial claims investigation, attends hearings, mediations and trials. The department obtains insurance policies when appropriate from commercial insurance companies for the insurance of various County liabilities and property, and reviews all contracts for insurance and indemnification requirements. Risk Financing for Liability and Workers Compensation provides the appropriation for the following types of insurance claims: vehicle, general liability, property and equipment, miscellaneous claims and settlement, medical benefits and workers compensation. The costs for the various risk programs are self-funded through an internal service fund.

0605 Risk Financing Fund

Department Revenues by Fund

	FY07 Budget	FY08 Request	Variance	%
0605 INTERNAL SERVICES CHARGES	19,900,810	21,500,340	1,599,530	8.0%
INTEREST EARNINGS	142,500	570,000	427,500	300.0%
REIMBURSEMENTS	12,160	11,400	-760	-6.3%
OTHER MISCELLANEOUS REVENUES	252,700	252,660	-40	0.0%
BEGINNING FUND BALANCE	9,541,300	12,844,820	3,303,520	34.6%
TOTAL FUND REVENUE	29,849,470	35,179,220	5,329,750	17.9%

Department Expenditures by Fund/Cost Center

	FY07 Budget	FY08 Request	Variance	%
0605 6701000 RISK FINANCING - LIABILITY CLAIMS	9,861,720	10,631,060	769,340	7.8%
6702000 RISK FINANCING - ADMINISTRATION	1,836,450	1,872,220	35,770	1.9%
6704000 RISK FINANCING - WORKER'S COMP CLAIMS	6,692,000	6,692,000	0	0.0%
Subtotal Expenditures	18,390,170	19,195,280	805,110	4.4%
RESERVES	11,459,300	15,983,940	4,524,640	39.5%
TOTAL EXPENDITURES	29,849,470	35,179,220	5,329,750	17.9%

Personnel Summary

	FY07 Budget	FY08 Request	Variance
Total Permanent Positions	22	22	0

Summary of Departmental Programs for Total Budget Justification

Name of Department: Risk Management

Strategic Focus Area: Public Safety

Program	Classification	Description	FY08 Total Program Allocation	FTE's	FY09 (2nd Year) Program Allocation	Performance Measures	Estimated FY08
Type of Program: Employee Safety							
Worker's Compensation Program	Mandatory	This program is required by the State of Florida for employees who become injured on the job. These costs are allocated directly to each department and Appointing Authority.	\$7,120,769	5.0	\$7,120,769	Percent of compliance with state regulations to pay workers compensation lost time wages within 7 days Average Expenditures per lost time worker's compensation claims Number of lost time worker's compensation claims per 1,000 employees Average number of worker days lost per claim Self-insured worker's compensation experience modification factor (governmental agencies average =1.0)	95% 10 30 .85
CDL Drug Screening and Driver's Program	Mandatory	This is a required Federal Program. All CDL drivers are to be randomly drug tested. These costs are allocated directly to each department and Appointing Authority.	\$38,808	0.5	\$38,808	Average number of employees drug tested each year	450
Training Programs; Safety and the Supervisor, Safety and the Employee, First Aid, Hazardous Materials, Workplace Violence, New Employee Orientation, Ergonomics	Non-Mandatory	These are training programs utilized to increase employee safety and reduce worker's injuries. These costs are allocated to BCC Departments and Appointing Authorities	\$168,581	2.0	\$168,581	Hours of training by Risk Management Staff to Internal Customers	7,500
County Driver Program	Non-Mandatory	These are employee training programs utilized to increase employee driving safety and reduce vehicle accidents. There is a driver's licenses check done every six months for every employee that drives for the County. This is to help maintain a safe driver pool. These costs are allocated to BCC Departments and Appointing Authorities.	\$101,323	1.5	\$101,323	Number of traffic Accidents per 100,000 miles driven	4.5

Summary of Departmental Programs for Total Budget Justification

Name of Department: Risk Management

Strategic Focus Area: Public Safety

Program	Classification	Description	FY08 Total Program Allocation	FTE's	FY09 (2nd Year) Program Allocation	Performance Measures	Estimated FY08
Hazardous Materials Training and Cleanup Program	Non-Mandatory	Trains County Employees how to be safe with chemicals and what to do in case of exposure. It also includes the cost of clean-ups when the responsible party can not be determined. These costs are allocated directly to each department and Appointing Authority.	\$70,566	1.0	\$70,566	Annual number of people trained Amount of cleanup costs	80 \$2,000
Indoor Air Quality, Insect Control Program	Non-Mandatory	This program includes indoor air quality testing when it is determined there may be an issue. It also includes removal of bees, etc. from County property. These costs are allocated directly to each department and Appointing Authority.	\$87,066	1.0	\$87,066	Average number of indoor air quality tests done per year Average number of insect removals done per year Average costs spent to remove insects per year	5 110 \$20,000
Personal Protective Equipment	Non-Mandatory	Testing employees' pulmonary functions who are required to wear personal protective equipment. This includes testing every fire fighter in Pinellas County except the City of St. Pete and Clearwater. These costs are allocated directly to each department and Appointing Authority. The cost to test the fire fighters are paid for by the County.	\$69,566	1.0	\$69,566	Average number of County employees that are tested Average number of Fire Fighters that are tested	130 350
Type of Program: Citizen Safety							
Disaster Safety and Damage Assessment	Mandatory	Helping in the Emergency Operations Center to ensure safety during and after disasters and epidemics. Includes damage assessment necessary for Federal government to determine the State of Emergency and to help with reimbursement from FEMA. Also includes federally mandated training (NIMS and ICS). This is allocated to each department and Appointing Authority.	\$67,866	1.0	\$67,866	This includes practice sessions, training and actual activations.	

Summary of Departmental Programs for Total Budget Justification

Name of Department: Risk Management

Strategic Focus Area: Public Safety

Program	Classification	Description	FY08 Total Program Allocation	FTE's	FY09 (2nd Year) Program Allocation	Performance Measures	Estimated FY08
Type of Program: County Liability							
Liability Claims	Mandatory	This program is required by law and reimburses third parties for damages caused by the County and its employees. These costs are allocated directly to each department and Appointing Authority.	\$2,434,849	4.0	\$2,434,849	Average expenditures for liability claims - commercial general or public entity liability Percent recovered from negligent third parties (subrogation - Liability claims only) Number of liability claims per year per 100,000 citizens.	\$7,000 50% 48
Employee and Volunteer Federal Background Checks	Non-Mandatory	This program is for Federal background checks to head off involvement with persons that have criminal backgrounds. These are allocated to the department hiring the employee or volunteer.	\$38,600	0.0	\$38,600	Average number of employees and volunteers checked each year	700
Reserves	Mandatory	Reserves to pay future costs of current claims and unreported claims. These costs are allocated directly to each department and Appointing Authority.	\$15,983,940	0.0	\$15,983,940	None	
Type of Program: Protecting County Assets							
Insurance and Contract Review Program	Non-Mandatory	A risk transfer through insurance and contract wording. Insurance includes property and liability for the BCC and all the Appointing Authorities. These costs are allocated directly to each department and Appointing Authority.	\$7,346,300	1.5	\$7,346,300	None	
Field Inspections	Non-Mandatory	Safety Inspections of buildings, job sites and employees work practices. These costs are allocated directly to each department and Appointing Authority.	\$75,646	1.0	\$75,646	Average number of safety inspections per year	150
Type of Program: Administration							
Administration	Administrative	To run the department. These costs are allocated directly to each department and Appointing Authority.	\$253,640	2.5	\$253,640	None	
Full Cost Allocation	Administrative		\$1,321,700		\$1,321,700	None	
TOTALS:			35,179,220	22.0	35,179,220		

Pinellas County FY08 Budget Development

Budget Summary Analysis

SFA: Public Safety

Department: Risk Management

Fund 0605 – Risk Financing Fund

- The FY08 Request reflects an increase of \$5,329,750 or 17.9% over the FY07 Revised Budget.
 - The Risk Management Administration cost center contains all of the appropriations for personal services and other expenditures necessary to run the department. The FY08 Request for administration is only 2% higher than the FY07 Revised Budget, due to effective cost control.
 - The Risk Management Workers Compensation cost center shows no increase from FY07 to FY08, due to cost savings from performing targeted training related to worker's compensation claims, aggressively managing the medical costs, and leveraging the outsourced claims payment processing contract.
 - Operating Expenses reflects an increase of \$769,590 or 7.46%, due to an \$800,000 increase in insurance premiums costs. This reflects the rising costs to purchase property and casualty coverage.
 - Reserves increased \$4,524,640 or 39.48%, due to increased internal service charges to all departments and agencies. The increased reserves are still below the level of \$20,485,000 as calculated by the actuary to cover the future costs of existing workers' compensation claims. Future charges will continue to increase until the required reserve levels are achieved.
 - Excluding Reserves and the insurance premiums increase, the FY08 Risk Management budget reflects an increase of less than 1%. This cost savings is attributed to lower claims experience in workers compensation costs and cost containment in all other areas of the Risk Management Department.

Pinellas County FY08 Budget Development

Budget Summary Analysis

- Excluding Fund Balance, the FY08 revenues generated by the Risk Financing Fund are increasing by \$2,026,230 or 10.0% over the FY07 Revised Budget.
 - The revenue increase is primarily due to higher internal service charges to departments and agencies, as needed to cover the FY08 anticipated costs and build reserves to the necessary levels.
 - The interest earnings revenue is increasing as the fund balance grows.
- No major changes to existing programs have been proposed. No funding has been requested for any new or enhanced programs.

Pinellas County FY08 Budget Development - Growth Trends - 5-Year History

Risk Management

Year	Budget	Increase (Decrease) from Previous Year	Percent Change from Previous Year	Positions	Increase (Decrease) from Previous Year	Percent Staff Change From Previous Year
2002	\$19,944,840			16		
2003	\$20,599,420	\$654,580	3.3%	16	0	0.0%
2004	\$22,390,730	\$1,791,310	8.7%	17	1	6.3%
2005	\$22,985,810	\$595,080	2.7%	20	3	17.6%
2006	\$25,637,580	\$2,651,770	11.5%	21	1	5.0%
2007	\$29,849,470	\$4,211,890	16.4%	22	1	4.8%

