



Fund Purpose

The Risk Management Fund is an Internal Service Fund established to safeguard the financial security of the County by protecting and responding to incidents involving its human, financial, and property assets from the adverse impact of a loss. Major activities include: identifying and analyzing risks, considering alternatives and selecting risk treatment devices (control, reduction, retention, transfer), implementing appropriate treatment devices, preparing and guarding against catastrophic fiscal loss.

Financial Summary	2008 Actual	2009 Adopted Budget	2009 Estimate	2010 Budget	Change From 2009 Adopted Budget	
					\$	%
Revenues						
General Government	\$0	\$0	\$0	\$0	\$0	N/A
Fines/Licenses	\$0	\$0	\$0	\$0	\$0	N/A
Charges for Service	\$0	\$0	\$0	\$0	\$0	N/A
Interdepartmental (a)	\$1,089,641	\$1,208,300	\$1,208,300	\$1,319,500	\$111,200	9.2%
Other Revenue (b)	\$592,476	\$525,000	\$525,000	\$525,000	\$0	0.0%
Appr. Fund Balance (c)	\$463,954	\$594,864	\$576,470	\$612,354	\$17,490	2.9%
County Tax Levy	\$0	\$0	\$0	\$0	\$0	N/A
Total Revenue Sources(a)(b)(c)	\$2,146,071	\$2,328,164	\$2,309,770	\$2,456,854	\$128,690	5.5%
Expenditures						
Personnel Costs	\$272,880	\$284,724	\$286,401	\$288,639	\$3,915	1.4%
Operating Expenses	\$1,864,246	\$1,975,344	\$1,956,273	\$2,101,693	\$126,349	6.4%
Interdept. Charges	\$64,382	\$68,096	\$67,096	\$66,522	(\$1,574)	-2.3%
Fixed Assets	\$0	\$0	\$0	\$0	\$0	N/A
Debt Principal (memo)	\$0	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$2,201,508	\$2,328,164	\$2,309,770	\$2,456,854	\$128,690	5.5%
Operating Inc./(Loss)	(\$55,437)	-	-	-	-	N/A

Position Summary (FTE)

Regular Positions	3.20	3.20	3.20	3.20	0.00
Extra Help	0.00	0.00	0.00	0.00	0.00
Overtime	0.00	0.00	0.00	0.00	0.00
Total	3.20	3.20	3.20	3.20	0.00

- (a) Interdepartmental revenues from charges to insured departments include tax levy funding.
- (b) Other revenues include investment income, which is decreased to reflect reduction in Fund Balance.
- (c) Appropriated Fund Balance consists of the following sources and uses:

	2008 Budget	2009 Budget	2010 Budget
<u>Source</u>			
Risk Management Fund Balance	\$463,898	\$ 94,864	
General Fund Balance		\$500,000	\$612,354
<u>Use</u>			
General/Auto/Other Liability	\$150,320	\$182,850	\$196,490
Worker's Compensation	\$313,578	\$412,014	\$415,864

Major Departmental Strategic Outcomes and Objectives for 2010

County-Wide Key Strategic Outcome: A county that provides cost-effective services delivered with competence and skill

Objective 1: Target workers' compensation loss control efforts to reduce worker's compensation claims.

Key Outcome Indicator:

Target benchmark is the County's Workers' Compensation Experience Modification Factor for the calendar year. Experience Modification Factors are commonly used to evaluate workers' compensation claims experience. The objective is to outperform other local governments in the State of Wisconsin with a comparable work force in terms of size and job classifications. An experience modification factor less than 1.00 is an indication of better than average performance. An experience modification greater than 1.00 is an indication of below average performance

Performance Measure:	2008 Actual	2009 Target	2009 Estimate	2010 Target
Workers' Compensation Experience Modification Factor	0.91	At or below 1.00	1.05	At or below 1.00

Objective 2: Create a cross functional workgroup to evaluate the current Business Continuity software, explore the feasibility to upgrade functionality and investigate options for potential upgrades or replacement of the current system with a cost effective solution in time for the 2010 technology review process. (Information Technology, Purchasing, Risk Management and Emergency Preparedness)

General/Auto Liability & Other Insurance**Program Description**

Management of the County's property and liability risks, safety and security programs and transfer of risk to insurance carriers or others where appropriate. Risk Management develops and implements a program which includes risk exposure identification and analysis, loss prevention and control, education and training of employees, contract monitoring and review, claims administration, self-insured loss reserve funding and insurance purchasing to reduce loss occurrences and their financial impact. Risk Management also monitors the County's investment in Wisconsin Municipal Mutual Insurance Company (WMMIC). This mutual insurance company was created by a group of large Wisconsin municipalities to provide general and police professional liability, errors and omissions and vehicle liability excess coverage for member counties (14) and cities (2).

	2008 Actual	2009 Budget	2009 Estimate	2010 Budget	Budget Change
Staffing (FTE)	1.95	1.95	1.95	1.95	0.00
Interdepartmental (a)	\$644,535	\$676,800	\$676,800	\$695,100	\$18,300
Other Revenue	\$457,129	\$470,000	\$470,000	\$470,000	\$0
Appr. Fund Balance	\$150,376	\$182,850	\$172,095	\$196,490	\$13,640
County Tax Levy	\$0	\$0	\$0	\$0	\$0
Total Revenues (a)	\$1,252,040	\$1,329,650	\$1,318,895	\$1,361,590	\$31,940
Personnel Costs	\$168,272	\$174,638	\$175,696	\$176,904	\$2,266
Operating Expenses	\$973,889	\$1,088,221	\$1,077,408	\$1,119,249	\$31,028
Interdept. Charges	\$63,312	\$66,791	\$65,791	\$65,437	(\$1,354)
Fixed Assets (Memo)	\$0	\$0	\$0	\$0	\$0
Debt Principal (Memo)	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,205,473	\$1,329,650	\$1,318,895	\$1,361,590	\$31,940

Operating Inc. /(Loss)	\$46,567	-	-	-	-
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(a) Interdepartmental revenues from charges to insured departments include tax levy funding.

General/Auto Liability & Other Insurance (cont.)



Program Highlights

Interdepartmental revenues are generated from department insurance charges which increased less than 3%, or \$18,300, to better reflect historical claims payout patterns. The department charges were held at this increase with the assistance of \$196,490 of General Fund Balance. Other Revenue includes investment income and is expected to stabilize.

Personnel costs increased 1.3% or \$2,266 based on budget projections. Operating expenses increased approximately 3% or \$31,028 to reflect increased purchased insurance costs partially due to reallocation of volunteer insurance from the Worker's Compensation program to this program to better reflect actual liability exposure. Interdepartmental charges decreased 2% or \$1,354 primarily due to decrease in computer maintenance charges.

Worker's Compensation

Program Description

Worker's Compensation provides for self-insured worker's compensation claims administration, excess worker's compensation insurance coverage, self-insured loss reserve funding and employee safety and loss control programs to prevent workplace injuries.

	2008 Actual	2009 Budget	2009 Estimate	2010 Budget	Budget Change
Staffing (FTE)	1.25	1.25	1.25	1.25	0.00
Interdepartmental (a)	\$445,106	\$531,500	\$531,500	\$624,400	\$92,900
Other Revenue	\$135,347	\$55,000	\$55,000	\$55,000	\$0
Appr. Fund Balance	\$313,578	\$412,014	\$404,375	\$415,864	\$3,850
County Tax Levy	\$0	\$0	\$0	\$0	\$0
Total Revenues (a)	\$894,031	\$998,514	\$990,875	\$1,095,264	\$96,750
Personnel Costs	\$104,608	\$110,086	\$110,705	\$111,735	\$1,649
Operating Expenses	\$890,357	\$887,123	\$878,865	\$982,444	\$95,321
Interdept. Charges	\$1,070	\$1,305	\$1,305	\$1,085	(\$220)
Fixed Assets (Memo)	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$996,035	\$998,514	\$990,875	\$1,095,264	\$96,750
Operating Inc. /(Loss)	(\$102,004)	-	-	-	-

(a) Interdepartmental revenues from charges to insured departments include tax levy funding.



Program Highlights

Interdepartmental revenues are generated from department insurance charges which increased 17%, or \$92,900, to better reflect historical claims payout patterns. The department charges were held at a 17% increase with the assistance of \$415,864 in General Fund Balance. Other Revenue includes investment income which is expected to stabilize.

Personnel costs increase 1.5% or \$1,649 based on budget projections. Operating expenses increased approximately 11% or \$95,321 primarily due to an increase in current year self-insured claims and estimated future claim payments based on historical trends. Interdepartmental charges fell 17% or \$220 due to a reduction in estimated collection service charges.

Worker's Compensation (cont.)

**Activity – Risk Management Fund Overall**

<u>Output Indicators:</u>	2005 <u>Actual</u>	2006 <u>Actual</u>	2007 <u>Actual</u>	2008 <u>Actual</u>	2009 <u>Estimate</u>
Safety Inspections/Surveys	12	4	34	12	15
Safety Meetings	18	3	19	11	15
Training In-services	30	13	25	13	15
Beat Articles/Flyers	2	1	5	4	5
Contracts & Ins Certificates Reviewed	561	404	371	430	500
 <u>Efficiency Indicators:</u>					
Total Purchased Insurance Premium	\$632,437	\$596,890	\$629,231	\$605,350	\$627,728
Cost of Insurance Per \$1,000 of County Expenditures*	\$2.98	\$2.81	\$2.83	\$2.73	\$2.80
Total Risk Mgmt Expenditures	\$2,963,172	\$2,033,157	\$2,086,566	\$2,201,488	\$2,328,164
Cost of Risk Per \$1,000 of County Expenditures*	\$14.59	\$9.78	\$9.38	\$9.93	\$10.41

*excludes capital projects & debt service

Note: Output indicators low in 2006 given 7 month staff vacancy.

**Activity – General/Auto Liability & Other Insurance Program**

<u>Output Indicators:</u>	2005 <u>Actual</u>	2006 <u>Actual</u>	2007 <u>Actual</u>	2008 <u>Actual</u>	2009 <u>Estimate</u>
# of Property/Auto Physical Claims	58	45	60	44	54
Paid & Reserve Net of Subrogation	\$348,845	\$183,608	\$252,452	\$175,143	NA
Average Cost Per Claim	\$6,015	\$4,080	\$4,208	\$3,981	NA
Subrogation Collections	\$31,277	\$35,666	\$34,990	\$5,182	NA
# of General/Auto Liability Claims	71	53	76	65	67
Paid & Reserve	\$417,587	\$118,851	\$115,040	\$115,040	NA
Average Cost Per Claim	\$5,882	\$2,242	\$1,514	\$2,867	NA

Note: Accident year claims data valued as of 3/31/09.

NA=estimates not available due to need for actuarial analysis.

**Activity – Workers' Compensation Program**

<u>Output Indicators:</u>	2005 <u>Actual</u>	2006 <u>Actual</u>	2007 <u>Actual</u>	2008 <u>Actual</u>	2009 <u>Estimate</u>
# of Worker's Compensation Claims	124	127	126	120	126
Paid & Reserve Net of Subrogation	\$672,275	\$901,109	\$736,302	\$664,454	NA
Average Cost Per Claim	\$5,422	\$7,095	\$5,844	\$5,537	NA

Note: Accident year claims data valued as of 03/31/09.

\$ Includes legal expenses and statutory workers' compensation portion of disability pay.

NA=estimates not available due to need for actuarial analysis.