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	2009 Actual	2010 Adopted Budget	2010 Estimate	2011 Budget	Change From 2010 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)	$1,205,033	$1,319,500	$1,343,364	$1,463,400	$143,900	10.9%
Other Revenue (b)	$446,223	$525,000	$597,807	$537,200	$12,200	2.3%
Appr. Fund Balance (c)	$594,864	$612,354	$618,854	$528,522	($83,832)	-13.7%
County Tax Levy	**$0**	**$0**	**$0**	**$0**	**$0**	**N/A**
Total Revenue Sources(a)(b)(c)	**$2,246,120**	**$2,456,854**	**$2,560,025**	**$2,529,122**	**$72,268**	**2.9%**
Expenditures						
Personnel Costs	$283,006	$288,639	$287,385	$296,662	$8,023	2.8%
Operating Expenses	$1,960,348	$2,101,693	$1,969,212	$2,165,394	$63,701	3.0%
Interdept. Charges	$32,399	$66,522	$66,872	$67,066	$544	0.8%
Fixed Assets	$0	$0	$0	$0	$0	N/A
Debt Principal (memo)	$0	$0	$0	$0	$0	N/A
Total Expenditures	**$2,275,753**	**$2,456,854**	**$2,323,469**	**$2,529,122**	**$72,268**	**2.9%**
Operating Inc./(Loss)	($29,633)	-	236,556	-	-	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, Wisconsin Municipal Mutual Insurance company dividends and subrogation recoveries on claims which are decreased to reflect prior year use of Risk Management Fund Balance reducing available funds to invest.
(c) Appropriated Fund Balance consists of the following sources and uses:

	2009 Budget	2010 Budget	2011 Budget
Source			
Risk Management Fund Balance	$ 94,864	$0	$0
General Fund Balance	$500,000	$612,354	$528,522
Use			
General/Auto/Other Liability	$182,850	$196,490	$189,557
Worker's Compensation	$412,014	$415,864	$338,965

Major Departmental Strategic Outcomes and Objectives for 2011

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:	2009 Actual	2010 Target	2010 Estimate	2011 Target
Workers' Compensation Experience Modification Factor	1.05	At or below 1.00	1.14	At or below 1.00

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).

	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Budget Change
Staffing (FTE)	**1.95**	**1.95**	**1.95**	**1.95**	**0.00**
Interdepartmental (a)	$674,533	$695,100	$704,862	$729,900	$34,800
Other Revenue (b)	$401,474	$470,000	$470,000	$480,700	$10,700
Appr. Fund Balance	$182,850	$196,490	$196,490	$189,557	($6,933)
County Tax Levy	**$0**	**$0**	**$0**	**$0**	**$0**
Total Revenues (a) (b)	**$1,258,857**	**$1,361,590**	**$1,371,352**	**$1,400,157**	**$38,567**
Personnel Costs	$173,734	$176,904	$176,348	$181,740	$4,836
Operating Expenses	$1,070,592	$1,119,249	$981,624	$1,152,436	$33,187
Interdept. Charges	$31,157	$65,437	$65,437	$65,981	$544
Fixed Assets (Memo)	$0	$0	$0	$0	$0
Debt Principal (Memo)	$0	$0	$0	$0	$0
Total Expenditures	**$1,275,483**	**$1,361,590**	**$1,223,409**	**$1,400,157**	**$38,567**
Operating Inc. /(Loss)	**($16,626)**	**-**	**147,943**	**-**	**-**

(a) Interdepartmental revenues from charges to insured departments include tax levy funding.
(b) Includes revenues from recoveries, inverstment income, Wisconsin Municapl Mutual Insurance Compay (WMMIC), and insruance reimbursements.

General/Auto Liability & Other Insurance (cont.)

Program Highlights

Interdepartmental revenues are generated from department insurance charges which increased 5% or $34,800 to better reflect historical claims payout patterns. The department charges were held at this increase with the assistance of $189,557 of General Fund Balance. The goal is to reduce reliance on General Fund Balance as department charges are modified to better reflect program cost. Other Revenue includes investment income which increased 2% or $10,700 based on expected stabilized returns.

Personnel costs increased 2.7% or $4,836 based on budget projections. Operating expenses increased approximately 3% or $33,187 to reflect increased purchased insurance costs and claim payments. Interdepartmental charges increased approximately 1% or $544 due to 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.

	2009 Actual	2010 Budget	2010 Estimate	2011 Budget	Budget Change
Staffing (FTE)	**1.25**	**1.25**	**1.25**	**1.25**	**0.00**
Interdepartmental (a)	$530,500	$624,400	$638,502	$733,500	$109,100
Other Revenue	$44,749	$55,000	$127,807	$56,500	$1,500
Appr. Fund Balance	$412,014	$415,864	$422,364	$338,965	($76,899)
County Tax Levy	**$0**	**$0**	**$0**	**$0**	**$0**
Total Revenues (a)	**$987,263**	**$1,095,264**	**$1,188,673**	**$1,128,965**	**$33,701**
Personnel Costs	$109,272	$111,735	$111,037	$114,922	$3,187
Operating Expenses	$889,756	$982,444	$987,588	$1,012,958	$30,514
Interdept. Charges	$1,242	$1,085	$1,435	$1,085	$0
Fixed Assets (Memo)	$0	$0	$0	$0	$0
Total Expenditures	**$1,000,270**	**$1,095,264**	**$1,100,060**	**$1,128,965**	**$33,701**
Operating Inc. /(Loss)	**($13,007)**	**-**	**88,613**	**-**	**-**

(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 $109,100 to better reflect historical claims payout patterns and to reduce fund balance subsidy. The department charges were held at a 17% increase with the assistance of $338,965 in General Fund Balance. The goal is to reduce reliance on General Fund Balance as department charges are modified to better reflect program costs. Other Revenue includes investment income which increased approximately 3% or $1,500 based on expected stabilized returns.

Personnel costs increase 2.8% or $3,187 based on budget projections. Operating expenses increased 3% or $30,514 primarily due to an increase in current year self-insured claims and estimated future claim payments based on historical trends. Interdepartmental charges remain stable.

Worker's Compensation (cont.)

Activity – Risk Management Fund Overall

Output Indicators:	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
Safety Inspections/Surveys	4	34	12	25	25
Safety Meetings	3	19	11	14	16
Training In-services	13	25	13	23	23
Beat Articles/Flyers	1	5	4	4	4
Contracts & Ins Certificates Reviewed	404	371	430	593	550
Efficiency Indicators:					
Total Purchased Insurance Premium	$596,890	$629,231	$605,350	$626,678	$621,547
Cost of Insurance Per $1,000 of County Expenditures*	$2.81	$2.83	$2.73	$2.80	$2.72
Total Risk Mgmt Expenditures	$2,033,157	$2,086,566	$2,201,488	$2,328,164	$2,456,854
Cost of Risk Per $1,000 of County Expenditures*	$9.78	$9.38	$9.93	$10.41	$10.74

*excludes capital projects & debt service
Note: Output indicators low in 2006 given 7 month staff vacancy.

Activity – General/Auto Liability & Other Insurance Program

Output Indicators:	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
# of Property/Auto Physical Claims	45	60	44	44	48
Paid & Reserve Net of Subrogation	$183,502	$251,553	$172,806	$148,278	NA
Average Cost Per Claim	$4,078	$4,193	$3,927	$3,370	NA
Subrogation Collections	$35,722	$35,890	$38,513	$7,677	NA
# of General/Auto Liability Claims	54	76	68	42	60
Paid & Reserve	$138,851	$141,809	$416,752	$111,830	NA
Average Cost Per Claim	$2,571	$1,866	$6,129	$2,663	NA

Note: Accident year claims data valued as of 3/31/10.
NA=estimates not available due to need for actuarial analysis.

Activity – Workers' Compensation Program

Output Indicators:	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
# of Worker's Compensation Claims	127	126	120	116	122
Paid & Reserve Net of Subrogation	$923,941	$696,024	$935,413	$896,433	N/A
Average Cost Per Claim	$7,275	$5,524	$7,795	$7,728	N/A

Note: Accident year claims data valued as of 03/31/10.
$ Includes legal expenses and statutory workers' compensation portion of disability pay.
NA=estimates not available due to need for actuarial analysis.