

RISK MANAGEMENT

FY2019

RECOMMENDED BUDGET

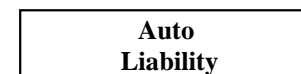
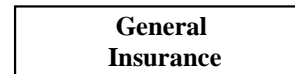
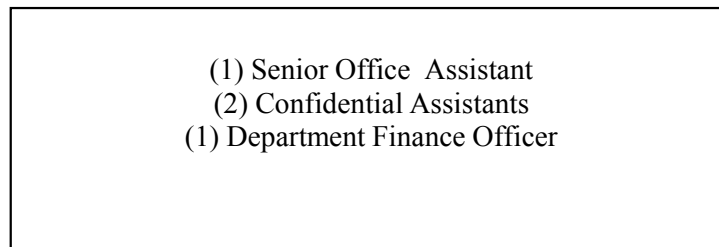
TO COUNTY COUNCIL



**NEW CASTLE COUNTY
RISK MANAGEMENT
FY2019 ORGANIZATIONAL CHART**

MISSION.....

The Risk Management Office mission is to minimize the County's cost of risk by continuously developing, managing, and improving insurance and safety/occupational health services in order to provide quality, cost effective support to County employees and constituents, maximize protection of County employees and assets, and to protect the County's financial well-being.





NEW CASTLE COUNTY RISK MANAGEMENT FY2018 ACCOMPLISHMENTS

- Modified direct re-pricing and payments of claims processed for recognized savings.
- Increased insurance coverage with no additional costs to the County.
- Negotiated Third Party Administrator contract at a 0% increase from the previous year.
- Developed and implemented Occupational Injury Return to Work Program.
- Developed collaborative relationships with the Department of Human Resources and the Office of Law.

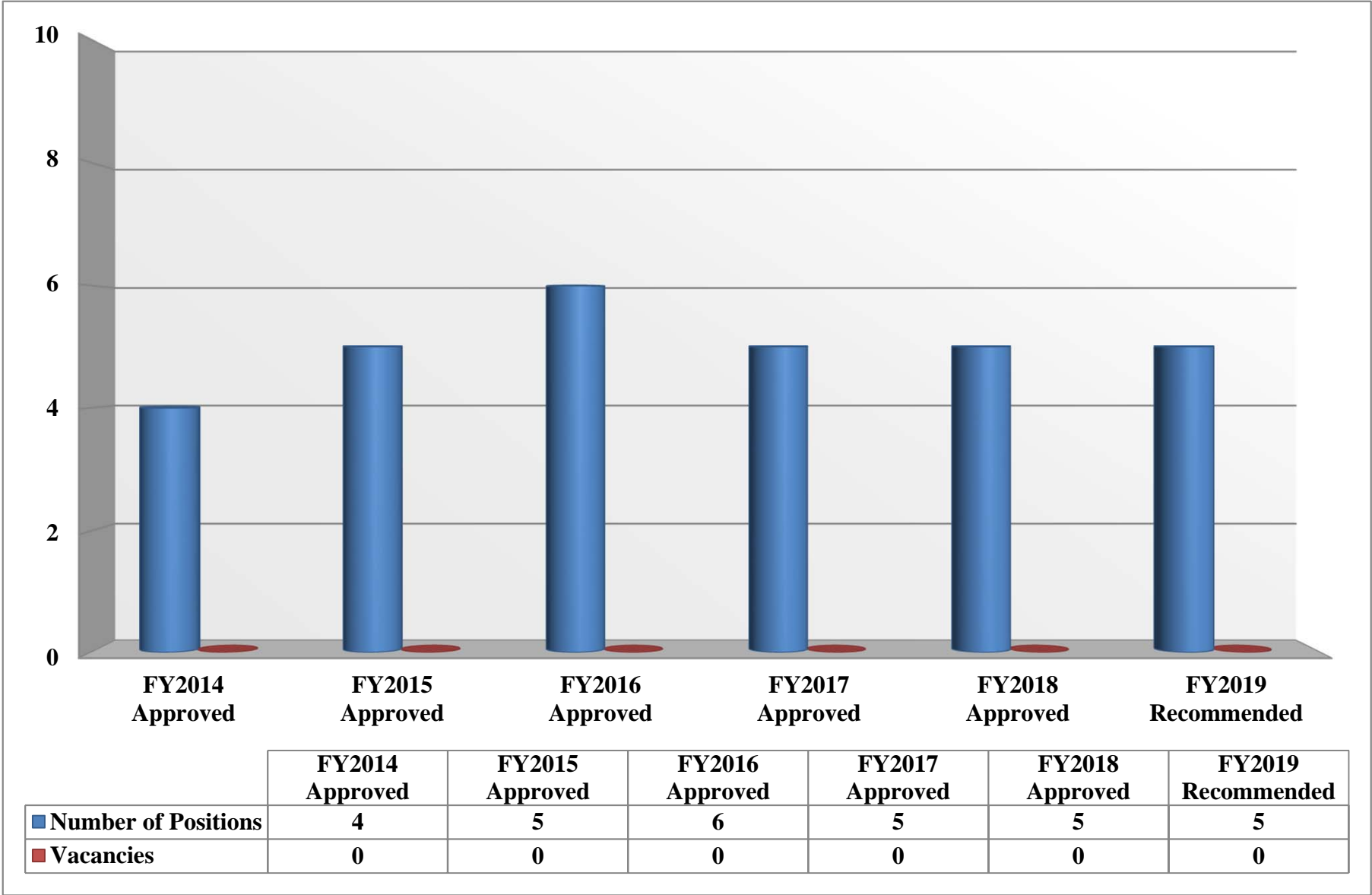


NEW CASTLE COUNTY RISK MANAGEMENT FY2019 GOALS/CHALLENGES

- Control General Insurance costs by improving education, training and safety programs for New Castle County employees.
- Work directly with our Insurance Broker to stabilize insurance premium costs.
- Attempt to reduce the loss of time by our injured employees by the return to work program.
- Increase relations with injured employees to minimize litigation.
- Seek providers for the New Castle County network and negotiate additional discounts below the Delaware Workers Compensation fee schedule.
- Continue to manage all Workers Compensation claims in-house, making payments according to the Delaware fee schedule for all Workers Compensation claims.
- Continue safety initiatives to reduce workforce injuries.

POSITION OVERVIEW

**NEW CASTLE COUNTY
RISK MANAGEMENT
POSITION HISTORY**



**NEW CASTLE COUNTY
RISK MANAGEMENT
FY2019 POSITION ADJUSTMENTS**

INCREASE	
#	Position Title
N/A	
0	TOTAL INCREASE

DECREASE	
#	Position Title
N/A	
0	TOTAL DECREASE



**NEW CASTLE COUNTY
RISK MANAGEMENT
CURRENT VACANCIES AS OF FEBRUARY 28, 2018**

Position Title	Date Vacated	Fund Source	Comments
Section			
N/A			
Section			
Section			
Section			
Section			
Total Vacancies:			
Vacancy Rate:	0%		

**NEW CASTLE COUNTY
RISK MANAGEMENT
DIVERSITY SUMMARY FOR CY2017**

JOB CATEGORIES	NUMBER OF EMPLOYEES														
	MALE							FEMALE							Totals
	Hispanic or Latino	White (Non Hispanic or Latino)	Black or African American (Non Hispanic or Latino)	Asian (Non Hispanic or Latino)	Native Hawaiian or Other Pacific Islander (Non Hispanic or Latino)	American Indian or Alaska Native (Non Hispanic or Latino)	Two or More Races (Non Hispanic or Latino)	Hispanic or Latino	White (Non Hispanic or Latino)	Black or African American (Non Hispanic or Latino)	Asian (Non Hispanic or Latino)	Native Hawaiian or Other Pacific Islander (Non Hispanic or Latino)	American Indian or Alaska Native (Non Hispanic or Latino)	Two or More Races (Non Hispanic or Latino)	
Officials and Administrators															0
Professionals								2							2
Technicians															0
Paraprofessionals															0
Administrative Support								3							3
Skilled Craft Workers															0
Service-Maintenance															0
Certain Elected/Appointed Officials															0
TOTAL	0	0	0	0	0	0	0	0	5	0	0	0	0	0	5

State and Local Government Information (EEO-4) Report Format: In advance of the September 30, 2017 deadline for filing the FY2017 EEO-4 Report, the Office of Human Resources implemented changes in ethnic group coding required by the Equal Employment Opportunity Commission (EEOC). In addition, job categories were reviewed on a county-wide basis, resulting in job category changes to approximately fifty (50) position titles.

Category	Males	Females	Total
# Total	0	5	5
% Total	0%	100%	100%
# Non White	0	0	0
% Non White	0%	0%	0%

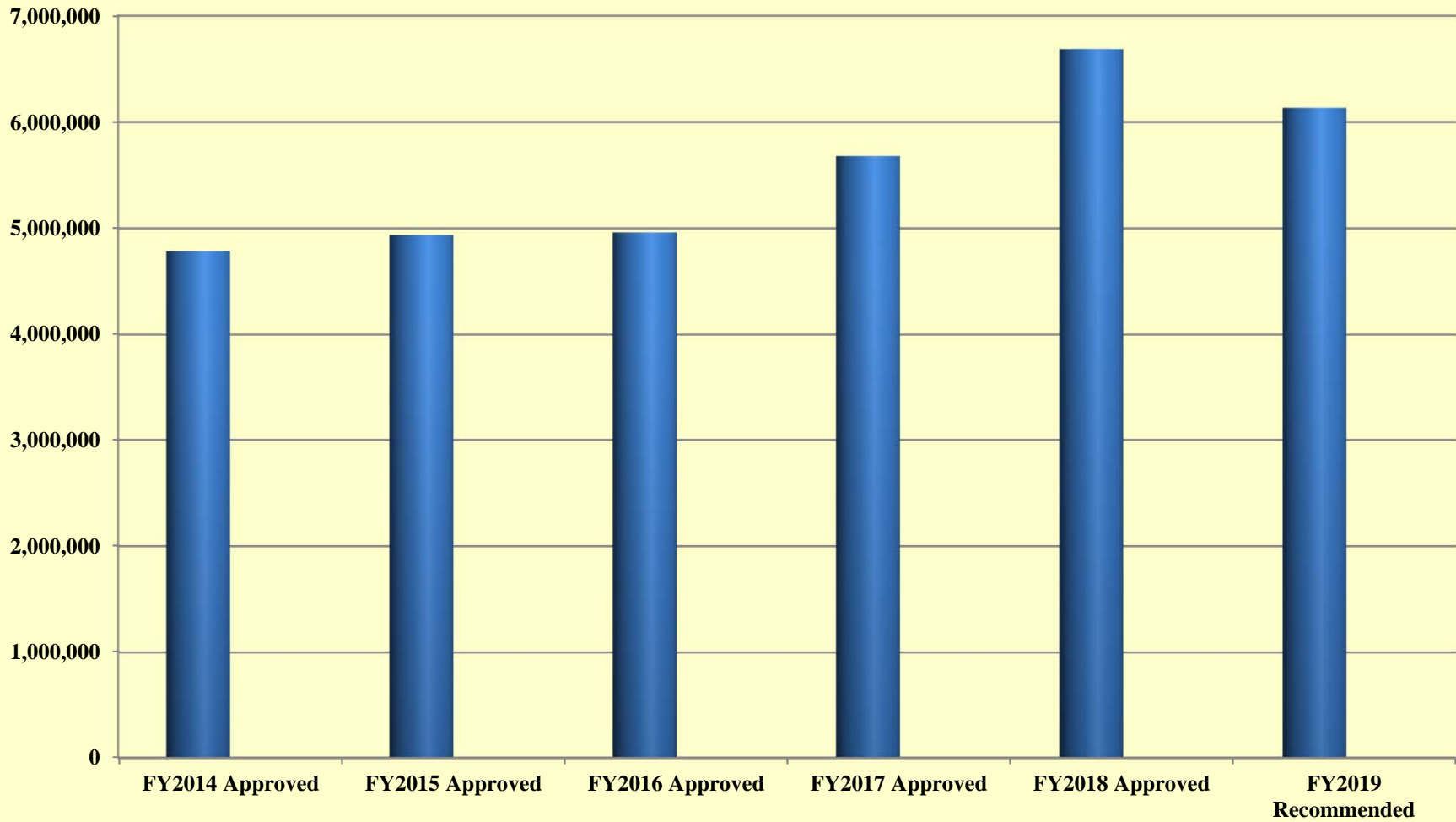
**NEW CASTLE COUNTY
RISK MANAGEMENT
DIVERSITY SUMMARY FOR 2016-2014**

JOB CATEGORIES		NUMBER OF EMPLOYEES											
		Overall Totals (Sum of Col. B-K)	MALE						FEMALE				
			White (Not of Hispanic Origin)	Black (Not of Hispanic Origin)	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native	White (Not of Hispanic Origin)	Black (Not of Hispanic Origin)	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native	
			A	B	C	D	E	F	G	H	I	J	K
Officials and Administrators	2016	1						1					
	2015	1						1					
	2014	1						1					
Professionals	2016	1						1					
	2015	1						1					
	2014	1						1					
Technicians	2016	0											
	2015	0											
	2014	0											
Paraprofessionals	2016	0											
	2015	0											
	2014	0											
Administrative Support	2016	3						3					
	2015	3						3					
	2014	0						2					
Skilled Craft Workers	2016	0											
	2015	0											
	2014	0											
Service-Maintenance	2016	0											
	2015	0											
	2014	0											
Certain Elected/Appointed Officials	2016	1						1					
	2015	0											
	2014	0											
TOTAL	2016	6	0	0	0	0	0	6	0	0	0	0	
	2015	5	0	0	0	0	0	5	0	0	0	0	
	2014	4	0	0	0	0	0	4	0	0	0	0	

State and Local Government Information (EEO-4) Report Format

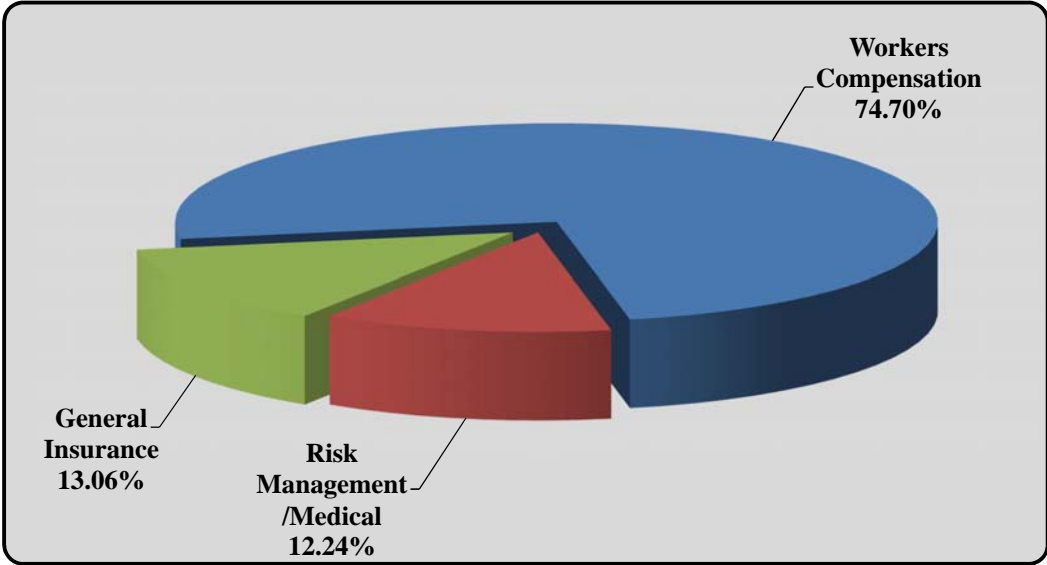
BUDGET OVERVIEW

**NEW CASTLE COUNTY
RISK MANAGEMENT
BUDGET HISTORY
WITHOUT IGS CREDITS**



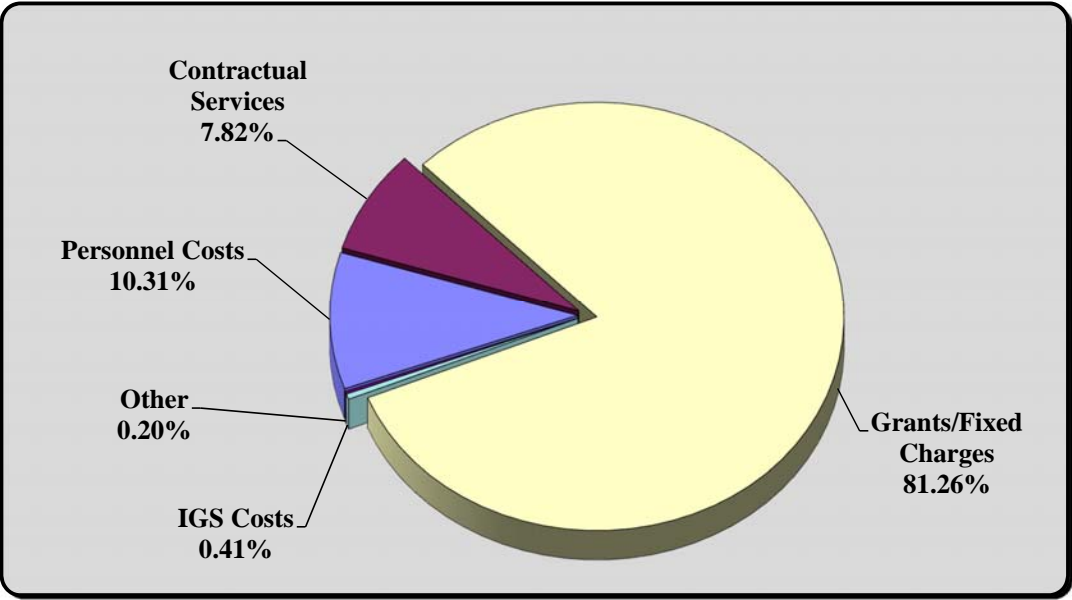
	FY2014 Approved	FY2015 Approved	FY2016 Approved	FY2017 Approved	FY2018 Approved	FY2019 Recommended
RISK MANAGEMENT	4,784,673	4,936,060	4,960,974	5,679,677	6,685,932	6,133,739
% Change over PY	0.73%	3.16%	0.50%	14.49%	17.72%	-8.26%

**NEW CASTLE COUNTY
RISK MANAGEMENT
BUDGET OVERVIEW**



<u>Division</u>	<u>FY2019 Recommended</u>
Workers Compensation	\$4,581,873
Risk Management /Medical	750,866
General Insurance	801,000
Recommended Budget:	\$6,133,739
<i>IGS Credits (Workers Comp)</i>	<i>(\$4,581,873)</i>
<u>Total Risk Management Budget:</u>	<u>\$1,551,866</u>

<u>Object Level</u>	<u>FY2019 Recommended</u>
Personnel Costs	\$632,676
Contractual Services	479,400
Grants/Fixed Charges	4,984,500
IGS Costs	24,906
* Other	12,257
Recommended Budget:	\$6,133,739
<i>IGS Credits (Workers Comp)</i>	<i>(\$4,581,873)</i>
<u>Total Risk Management Budget:</u>	<u>\$1,551,866</u>



* Other Includes: Training/Civic Affairs; Communications/Utilities; Materials/Supplies; and Equipment Replacement.

**NEW CASTLE COUNTY
RISK MANAGEMENT
BUDGET SUMMARY**

	FY2018 Approved	FY2019 Recommended	FY2018 Approved vs. FY2019 Recommended	% Increase/ (Decrease) over FY2018 Approved
Salaries and Wages	\$389,177	\$395,149	\$5,972	1.53%
Employee Benefits	\$219,970	\$237,527	\$17,557	7.98%
Training and Civic Affairs	\$2,590	\$2,540	(\$50)	-1.93%
Communications/Utilities	\$4,700	\$2,717	(\$1,983)	-42.19%
Materials and Supplies	\$3,900	\$5,500	\$1,600	41.03%
Contractual Services	\$647,180	\$479,400	(\$167,780)	-25.92%
Equipment Replacement	\$1,500	\$1,500	\$0	0.00%
Grants and Fixed Charges	\$5,391,738	\$4,984,500	(\$407,238)	-7.55%
Intergovernmental Service Charges	\$25,177	\$24,906	(\$271)	-1.08%
Subtotal:	\$6,685,932	\$6,133,739	(\$552,193)	-8.26%
Intragovernmental Service Credits	(\$5,145,420)	(\$4,581,873)	\$563,547	-10.95%
Total:	\$1,540,512	\$1,551,866	\$11,354	0.74%

**NEW CASTLE COUNTY
RISK MANAGEMENT
BUDGET DETAILS**

Object Level	FY2018 Approved	FY2019 Recommended	\$ Change	% Change
Salaries and Wages:	\$389,177	\$395,149	\$5,972	1.53%
<p>\$5,972 increase in Salaries and Wages represents merit increases for eligible employees and Union negotiated COLA.</p>				
Employee Benefits:	\$219,970	\$237,527	\$17,557	7.98%
<p>Calculated based on employee benefit rates: 60.111% Full-Time.</p>				
Training and Civic Affairs:	\$2,590	\$2,540	(\$50)	-1.93%
<p>(\$50) decrease in Training and Civic Affairs represents reduction in parking fees.</p> <p>Expenditures in this line consist of conference and seminar fees and expenses for membership dues, mileage and parking fees.</p>				
Communication and Utilities:	\$4,700	\$2,717	(1,983)	-42.19%
<p>(\$1,983) decrease in Communication and Utilities represents the elimination of cell phone (\$2,100) and reduction of (\$683) in telephone costs; offset by a \$800 increase in postage.</p>				
Materials and Supplies:	\$3,900	\$5,500	\$1,600	41.03%
<p>\$1,600 increase in Materials and Supplies represents a \$2,000 increase in computer supplies for printer toner, as a result of more retrieving, copying and transmitting medical reports, records and documents. This increase is offset by a (\$250) reduction in books and subscriptions; and a (\$150) reduction in medical and safety supplies.</p> <p>Expenditures in this line consist of books and subscriptions, office supplies and printer cartridges.</p>				

**NEW CASTLE COUNTY
RISK MANAGEMENT
BUDGET DETAILS**

Object Level	FY2018 Approved	FY2019 Recommended	\$ Change	% Change
Contractual Services:	\$647,180	\$479,400	(\$167,780)	-25.92%
<p>Majority of decrease in Contractual Services comes from elimination of funds designated to Third Party Administrator (\$150,000) and Attorneys Fees (\$20,000) in Workers Compensation. Other decreases include (\$180) Service Contracts; (\$500) printing and (\$200) printing and equipment repairs; offset by increases in General Insurance. Decreases are offset by a \$3,000 increase in Other Professional Services and \$100 for Food Service.</p> <p>Expenditures in this line consist of Other Professional Services including Court transcription, outside legal services, Third Party Administrator in General Insurance, healthcare providers for new employee physicals: all Police recruit physicals and psychological evaluations, return to work evaluations, fit for duty assessments, annual and pre-placement physicals for EMS and Public Safety personnel, CDL examinations and after hour blood draws for DUI checks.</p>				
Equipment Replacement:	\$1,500	\$1,500	\$0	0.00%
<p>There is no change requested in Equipment Replacement.</p>				
Grants and Fixed Charges:	\$5,391,738	\$4,984,500	(\$407,238)	-7.55%
<p>Decreases in Grants and Fixed Charges include: (\$18,000) in Insurance Retention & Fees, (\$20,000) in Risk Management Insurance Settlements and (\$779,738) in Workers Compensation Medical costs anticipated as a result of the reduction in the legislatively mandated fee schedule.</p> <p>Increases in Grants and Fixed Charges include: \$7,500 in Workers Compensation Insurance Premiums; \$70,000 in Workers Compensation Indemnity; \$305,000 in Risk Management Insurance Settlements (Legal 1099); \$15,000 in Expenses (defense medical exams, independent medical exams, medical records), \$8,000 in Self Insurance Damages and Expenses and \$5,000 in Self Insurance Tax Payments.</p>				
Intergovernmental Service Charges:	\$25,177	\$24,906	(\$271)	-1.08%
<p>Information Systems - \$21,238 (increase of \$561) Photocopies - \$3,168 (decrease of \$832) Printing - \$500 (no change)</p>				

BUDGET BY OBJECT LEVEL 3

**NEW CASTLE COUNTY
RISK MANAGEMENT
BUDGET BY OBJECT LEVEL 3**

Object Level 1	Object Level 3	Workers Compensation	Medical	General Insurance	FY2019 Recommended
11 Salaries and Wages	1001 Salaries & Wages-Permanent 1008 Salaries & Wages-Overtime	\$163,540 \$200	\$231,209 \$200		\$394,749 \$400
11 Salaries and Wages Total		\$163,740	\$231,409	\$0	\$395,149
15 Employee Benefits	1500 Emp. Bene.-Regular Overhead 1510 Emp. Bene.-Premium Overhead	\$98,305 \$120	\$138,982 \$120		\$237,287 \$240
15 Employee Benefits Total		\$98,425	\$139,102	\$0	\$237,527
22 Training /Civic Affairs	2004 Mileage 2006 Parking fees 2101 Conference fees 2102 Seminar Fees 2301 Membership Dues		\$40 \$50 \$700 \$1,500 \$250		\$40 \$50 \$700 \$1,500 \$250
22 Training/Civic Affairs Total		\$0	\$2,540	\$0	\$2,540
23 Comm /Utilities	3100 Postage 3110 Overnight Express 3200 Telephone Service 3210 Cellular Telephone Service		\$1,800 \$200 \$717 \$0		\$1,800 \$200 \$717 \$0
23 Communication/Utilities Total		\$0	\$2,717	\$0	\$2,717
24 Materials /Supplies	4000 Books & Subscriptions 4101 Office Supplies 4104 Computer Supplies 4105 Medical & Safety Supplies		\$250 \$1,750 \$3,000 \$0		\$250 \$1,750 \$3,000 \$500
24 Materials/Supplies Total		\$500	\$5,000	\$0	\$5,500
25 Contractual Services	5300 Printing & related costs 5402 Actuarial Fees 5403 Health & Medical fees 5406 Other Professional Services 5408 Attorney Fees 5415 Third Party Administrator 5810 Food Services		\$300 \$350,000 \$100	\$16,000 \$13,000 \$40,000	\$300 \$16,000 \$350,000 \$53,000 \$20,000 \$40,000 \$100
25 Contractual Services Total		\$60,000	\$350,400	\$69,000	\$479,400
26 Equipment	6111 Safety Equipment 6160 Office Equipment		\$500 \$500		\$500 \$1,000
26 Equipment Total		\$500	\$1,000	\$0	\$1,500
30 IGS Charges	5900 IS Contrac-Data Processing 5901 IS Contrac-Photocopies 5902 IS Contrac-Printing & Dupl.	\$6,208	\$15,030 \$3,168 \$500		\$21,238 \$3,168 \$500
30 IGS Charges Total		\$6,208	\$18,698	\$0	\$24,906
32 IGS Credits	5930 IS Credit-Workers Comp Charges	-\$4,581,873			(\$4,581,873)
30 IGS Charges Total		-\$4,581,873	\$0	\$0	(\$4,581,873)
27 Grants/Fixed Charges	7002 Insurance Premiums 7003 Insurance Retentions & Fees 7005 WC-Indemnifications 7006 WC-Medical 7007 Settlements (Legal) 7008 Settlements (Individuals) 7009 RM-Retentions-Medical 1099 7011 WC- Expenses 7012 WC-Employee Reimbursement 7013 Self Insurance-Damages&Expenses 7015 Pharmaceuticals 7150 Tax Payments	\$157,500 \$750,000 \$1,900,000 \$965,000 \$35,000 \$5,000 \$65,000 \$5,000 \$75,000 \$130,000 \$165,000		\$500,000 \$12,000 \$200,000 \$5,000 \$15,000	\$657,500 \$12,000 \$750,000 \$1,900,000 \$1,165,000 \$40,000 \$5,000 \$65,000 \$5,000 \$90,000 \$130,000 \$165,000
27 Grants/Fixed Charges Total		\$4,252,500	\$0	\$732,000	\$4,984,500
Grand Total		\$0	\$750,866	\$801,000	\$1,551,866

CONTRACTUAL SERVICES DETAIL

**NEW CASTLE COUNTY
RISK MANAGEMENT
CONTRACTUAL SERVICES DETAIL**

OCA	OCA Title	Object Level	Object Level 3 Title	FY2019 Recommended Budget	Explanation
Workers Compensation					
030501	Admin-RM-Workers Compensation	5406	Other Professional Services	\$40,000	Risk Control Programs, Investigations
		5408	Attorneys Fees	\$20,000	Legal Services for Defense of cases
		Total 030501		\$60,000	
Risk Management/Medical					
030502	Admin-RM-Medical	5300	Printing and Related Costs	\$300	Envelopes, business cards, stationary, etc.
		5403	Health and Medical Fees	\$350,000	Healthcare provider (new employee, return to work, fit for duty assessments, annual and preplacement physicals, CDL exams, etc.)
		5810	Food Service	\$100	Service Award Ceremony
		Total 030502		\$350,400	
General Insurance					
030503	Admin-RM-General Insurance	5402	Actuarial Fees	\$16,000	Annual Actuarial report
		5406	Other Professional Services	\$13,000	Private Investigation, Surveillance
		5415	Third Party Administrator	\$40,000	Third Party Administrator (TPA)
		Total 030503		\$69,000	
Total Contractual Services				\$479,400	