

W26

DEPARTMENT OF
ADMINISTRATIVE SERVICES
RISK MANAGEMENT DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
95814-2713

February 13, 1998

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FAX 916-264-5160

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: WORKERS' COMPENSATION PROGRAM STATUS REPORT

LOCATION AND COUNCIL DISTRICT:

City.

RECOMMENDATION:

This report is informational only and does not require City Council action.

CONTACT PERSON:

Greg Norton, Administrative Services Manager, 264-7728

FOR COUNCIL MEETING OF:

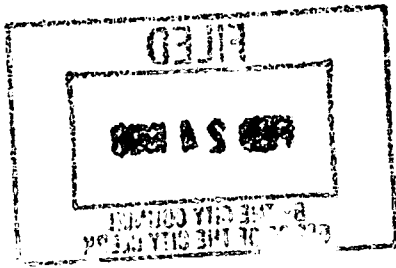
February 24, 1998

SUMMARY:

This report provides Council with an update of the progress made to date on the Workers' Compensation work plan presented to Council on April 29, 1997 and last updated on December 16, 1997.

COMMITTEE/COMMISSION ACTION:

None.



BACKGROUND INFORMATION:

On April 29, 1997 the Risk Management and Workers' Compensation Work Plan was presented to Council. The objective of this work plan was to reduce the impact of Workers' Compensation and Risk losses on the City budget. Council was assured of regular updates on the status of implementation of the work plan which were presented on October 28, 1997 and December 16, 1997. This report continues our regular quarterly Council briefing schedule.

SIGNIFICANT ACCOMPLISHMENTS - WORKERS' COMPENSATION.

- Request for Proposals for Workers' Compensation Claims Audit issued on February 13, 1998 to thirteen potential vendors.
 - Proposals due to City March 16, 1998
 - Evaluation of proposals March 23, 1998
 - Bidder interviews March 26, 1998
 - Contract execution April 3, 1998
 - Conclusion of audit May 15, 1998
 - Final report due to City June 15, 1998

- Completion of Workers' Compensation Desk and Office Manual.
The final draft of the workers' compensation manual has been compiled by staff. It is now in the process of being professionally edited and typed in final form. The projected completion date for publication is April 3, 1998.

- Selection of Workers' Compensation Claims Administration Software System.
 - Contract being finalized between the City and the vendor selected.
 - We will return to Council for approval of the contract on or before March 31, 1998

SIGNIFICANT ACCOMPLISHMENTS - RISK/LIABILITY

- Request for Qualifications for Insurance Brokers was issued January 9, 1998 to thirty-nine vendors.
 - Six proposals received by City February 9, 1998
 - Evaluation interviews scheduled Week of March 2, 1998
 - Submission of quotations due June 5, 1998
 - Notice of intent to award June 26, 1998
 - Contract awards and execution July 1, 1998The evaluation team includes representatives from the State of California, County of Sacramento, KPMG Peat Marwick and City staff.

- Completion of a data base program for all Incident Reports and Accidents involving City equipment. This program allows for ad hoc reporting of all losses by department, division or City location and is instrumental in targeting liability exposures.
- Enhancement of the third-party recovery program. During the past six months we have recovered in excess of \$130,000 from individuals who were responsible for losses to the City. Risk staff working in concert with Revenue and Collections have taken an aggressive approach in pursuing compensation for our losses.

SIGNIFICANT ACCOMPLISHMENTS - SAFETY

- Establishment of new "Safety Committees" in the following departments or divisions:
 - Fire Department
 - Fire Suppression (By Shift)
 - Neighborhood Services
 - Tree Services
 - Parks South
 - Fleet
 - Streets
- Implementation of Violence in the Workplace Training through City University.
- Additional on-going safety programs continue to be provided citywide, see ATTACHMENT A.
- Meeting with Police Department Safety Committee to discuss a pilot safety incentive program.

CITYWIDE TRENDS

- All workers' compensation claims opened in the City in the first six months of FY 98 totaled 434, which is a decrease of 107 from the 541 reported for the same period in the previous year. This is a 19.8% decrease in claims reported.

Significant Department Trends

 - Police Department - 48% decrease - 56 less claims than same period last year

- Neighborhood Services - 42.7% decrease - 56 less claims than same period last year
- Fire Department - 22.4% increase - 17 more claims than same period last year
- Utilization of Injury on Duty time during the first six months increased 8,529 hours from 39,334 in FY 97 to 47,863 in FY 98. This represents a negative trend of 21.7%. Even though these statistics appear alarming, the Injury on Duty time utilization for FY 98 is significantly below that of FY 95 and FY 96 for the same periods.

Significant Department Trends

- Police Department - 29.6% decrease - 5,139 hours less than same period last year
- Fire Department - 59.8% increase - 5,763 hours more than same period last year

Note: The vast majority of the lost time reflected above was charged against claims with injury dates prior to FY 98. A number of the injured employees have since been determined to be "qualified injured workers" entitled to rehabilitation and awaiting Industrial Disability Retirement.

- Neighborhood Services - 177.1% increase - 4,173 hours more than same period last year

Note. The vast majority of the lost time reflected above was charged against claims with injury dates prior to FY 98. A number of these employees merged into Neighborhood Services from the Planning Department and Parking Enforcement. We are working with Neighborhood Services staff to be more aggressive in implementing the Alternative Duty/Modified Work Program so that workers are not allowed to remain off work while they were medically cleared to perform light duty.

- The Safety Specialists are monitoring monthly and year-to-date loss trends in their assigned departments. Where negative trends are occurring the Safety Specialists are contacting departmental management to address remedial measures to bring negative trends under control.

FINANCIAL CONSIDERATIONS:

- Approval of cost to implement the computerized claims administration software system will be brought back to Council in a separate report.
- Costs associated with adding a new management level position, contracting out and/or partnering with other agencies for development and

implementation of the comprehensive strategic risk plan will be brought to Council for approval as required:

- Costs associated with implementation of the steps included in the plan will be brought to Council for approval as required.

ENVIRONMENTAL CONSIDERATIONS:

The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), inasmuch as it does not involve an activity which may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

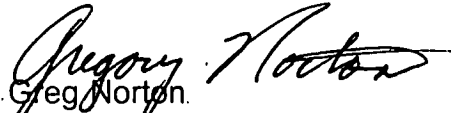
POLICY CONSIDERATIONS:

The implementation of the Risk and Workers' Compensation work plan is consistent with City Council direction to implement the most efficient and effective loss prevention programs possible.

MBE/WBE EFFORTS:

This report does not involve the purchase of goods or services. Therefore, the Council's policy regarding MBE/WBE considerations is not applicable. However, a concerted effort was made to include MBE/WBE businesses in the bid processes outlined above.

Respectfully submitted,



Greg Norton
Administrative Services Manager

REPORT APPROVED:



Betty Masuoka
Deputy City Manager

APPROVED:



Dee Contreras
Director of Labor Relations

SAFETY PROGRAMS

DEPARTMENTS

PLANNING, DEVELOPMENT AND NEIGHBORHOOD SERVICES
 CULTURAL ARTS
 DOWNTOWN
 UTILITIES
 PWKS
 FIRE
 POLICE
 ADMIN SVCS
 CITY TREASURER
 CITY CLERK
 CITY ATTORNEY
 CITY MANAGER
 MAYOR/COUNCIL

MANDATED

1 ERGONOMICS	X	X	X	X	X	X	X	X	X	X	X	X	X
2 HAZARD COMMUNICATION	X	X	X	X	X	X	X	X	X	X	X	X	X
3 INJURY & ILLNESS PREVENTION - SB198	X	X	X	X	X	X	X	X	X	X	X	X	X
4 RESPIRATORY PROTECTION						X	X	X	X	X		X	X
5 HEARING CONSERVATION								X	X	X			
6 BLOODBORN PATHOGENS							X	X	X	X			X
7 CONFINED SPACE ENTRY								X	X	X			
8 LOCK-OUT/TAG-OUT								X	X	X			X
9 CARDIO PULMONARY RESUSCITATION/FIRST AID								X	X	X			X
10 ASBESTOS								X	X	X			X
11 FORKLIFT								X	X	X			X
12 LEAD									X				X
13 TUBERCULOSIS								X					
DEPT OF TRANSPORTATION - DRUG & ALCOHOL								X	X	X			X
14 TESTING								X	X	X			X
15 PULL NOTICE (SUSPEND OR REVOKE LICENSE)	X	X	X	X	X	X	X	X	X	X	X	X	X
16 EYE & FACE PROTECTION							X	X	X	X		X	X
17 UNDERGROUND SERVICE ALERT									X	X			
18 CRANE OPERATIONS									X	X			
19 24 HR FIRST RESPONDER TRAINING								X	X	X			
20 40 HR HAZARDOUS WASTER OPERATION								X	X	X			
8 HR REFRESHER TRAINING FOR 24/48 HR								X	X	X			
21 CERTIFICATION								X	X	X			

PILOT

1 SAFETY INCENTIVE PROGRAM										X			
2 CPR FOR NON-MANDATED DEPTS	X	X	X	X	X	X					X	X	
3 CHOLESTEROL EDUCATION							X	X					
HEALTH & WELLNESS-BODYFAT/SMOKING													
4 CESSATION	X	X	X	X	X	X	X	X	X	X	X	X	X
5 BACK BELTS/SAFE LIFTING	X	X	X	X	X	X	X	X	X	X	X	X	X
6 WORKPLACE VIOLENCE	X	X	X	X	X	X	X	X	X	X	X	X	X

ATTACHMENT A

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