

INTRODUCTION & OVERVIEW

The 2016 Risk Report summarizes the experience of the City of Eugene's Risk Services programs during fiscal year 2016. The purpose of the Risk Report is to provide a resource and reference tool that will help the organization understand and manage risk-related exposures and losses. The Risk Services staff is committed to assisting in implementing risk control and health and safety programs that are designed to minimize the organization's exposure to loss.

FY16 Key Findings

- ☆ The number of liability claims filed in FY16 was the lowest in the five year period and 15% less than the five year average.
 - ☆ The number of workers' compensation claims filed in FY16 was the lowest in the five year period and 17% less than the five year average.
 - ☆ Unemployment costs decreased 44% from FY15.
 - ☆ 64% of the motor vehicle accidents reported in FY16 were at-fault, down from 80% in FY15.
- ☒ In FY16, the average medical claims cost for the retiree/COBRA group was 59% higher than the active employee cost.

NOTEWORTHY

- ▶ City of Eugene received several achievement awards:
 - ☆ League of Oregon Cities/CIS Silver Safety Award
 - ☆ Oregon's Top 10 Healthiest Employers Award



SAVINGS TO THE ORGANIZATION

In FY16 Risk Services was able to save a total of \$634,313 in the following program areas:

- ▶ Workers' Compensation medical bill audit: \$236,600
- ▶ Workers' Compensation Employer at Injury Program (EAIP) recoveries: \$123,691
- ▶ Emergency Management Program Grant (EMPG): \$122,795
- ▶ Recovery for damage to City property: \$151,227

Contents

INTRODUCTION, FY16 KEY FINDINGS, SAVINGS	1
RISK SERVICES MISSION STATEMENT, SERVICES	2
THE COST OF RISK, CITY-WIDE ANNUAL CLAIM COSTS	3
ANNUAL CLAIMS COSTS BY DEPARTMENT	4
GENERAL/AUTO LIABILITY CITY-WIDE	6
VEHICLE SAFETY & ACCIDENTS	7
GENERAL/AUTO LIABILITY BY DEPARTMENT:	
• CENTRAL SERVICES	8
• FIRE/EMS	9
• LRCS	10
• PDD	11
• POLICE	12
• PUBLIC WORKS	14
WORKERS' COMPENSATION CITY-WIDE	16
WORKERS' COMPENSATION BY DEPARTMENT:	
• CENTRAL SERVICES	18
• FIRE/EMS	19
• LRCS	21
• PDD	22
• POLICE	23
• PUBLIC WORKS	25
PROPERTY LOSSES, RECOVERY CLAIMS	27
UNEMPLOYMENT, EMPLOYEE BENEFITS	28
HEALTH & FITNESS	29
EMERGENCY MANAGEMENT	31
RISK RATES	32



2016 RISK REPORT

RISK SERVICES MISSION STATEMENT

Risk Services provides strategic guidance and advice to the organization on risk issues in order to assist the organization in achieving its goals. Our goal is to foster a culture of proactive risk management throughout the organization, creating an environment where risks and opportunities are identified and managed effectively.

In addition, Risk Services assists the organization in safeguarding the City's property, financial and human resources from the adverse impact of loss by purchasing insurance, responding to and resolving risk claims and developing programs, plans and procedures to make the organization safe, healthy, and more resilient.

RISK MANAGEMENT SERVICES

The Risk Services Division offers a variety of risk management services to a wide range of customers including the public, City Council, City departments, employees and five labor unions. Services include:

Internal Consulting Services: including risk assessments, risk management and employee benefits policy/procedure development, review of City contracts for insurance requirements and indemnification language.

Insurance Marketing: including purchasing, and administration of property, excess liability, workers' compensation, and other miscellaneous insurance policies and bonds.

Workers' Compensation Program Management: coordinates and oversees claims processing by third party administrator, consults and assists attorneys on litigated claims, and coordinates modified duty assignments and vocational rehabilitation programs.

Liability/Property Program Administration: administers and manages self-insured liability claims filed against the City, consults and assists attorneys on litigated claims, manages insured property losses, administers unemployment claims, and pursues claims for damage to City property caused by third parties.

Safety, Loss Control and Environmental Services: manages OR-OSHA-mandated safety programs and the Commercial Driver's License (CDL) and Federal Transit Administration (FTA) regulated random drug and alcohol testing programs. Reviews employee driving records, motor vehicle accidents and OSHA-recordable injuries/illnesses. Assists divisional safety committees and consults on employee safety and environmental issues. Acts as OSHA compliance liaison.

Employee Benefits: administers the City's health, life and long-term disability insurance programs, Flexible Spending Accounts (FSA), deferred compensation, PERS and Employee Assistance Programs (EAP). Manages the City's self-insured health plans. Consults with supervisors and employees on complex benefits issues. Administers vacation and leave policies, including the Family Medical Leave Act and Oregon Family Medical Leave Act.

Employee Health & Fitness Program: including management/operation of the City's Wellness Center; employee health/risk appraisals, ergonomic consultations, physical rehabilitation programs for injured workers,

Emergency Management: Manages and coordinates emergency planning activities for Eugene, leads the Disaster Operation Task Team, oversees development and maintenance of the City's Emergency Operations Plan, oversees the security and usability of the Emergency Operations Center and activates the Center as needed, plans/organizes/evaluates emergency exercises, liaison with Oregon Emergency Management, develops community emergency preparedness education programs for the public.

Training: Employee and supervisory training on various risk-related topics, including tort liability, workers' compensation, loss control, employee safety, benefits, health and wellness.

2016 RISK REPORT

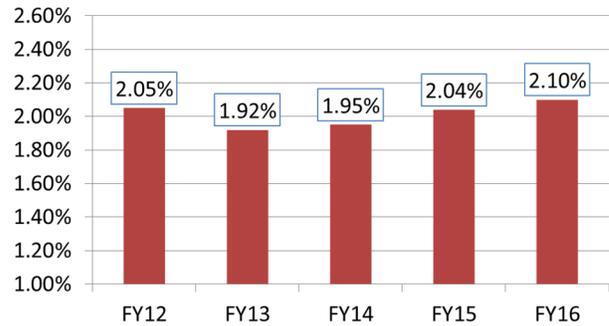
City-wide Overview

NOTE: Throughout this report data reported for Fire/EMS reflects only claims and accidents related to City of Eugene employees of the Eugene Springfield Fire Department.

THE COST OF RISK

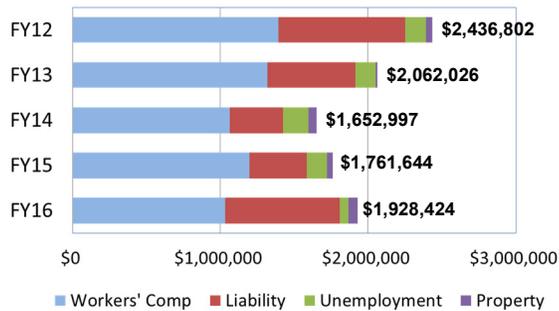
The Cost of Risk includes actual claims expenditures per year, insurance premiums, risk management staff salaries and benefits, materials and supplies, consultants and contractors as a percentage of the City's total operating expenditures. Claims expenditures reflect actuarial reserve adjustments but do not include individual claim reserves.

The Cost of Risk
As a Percentage of Operating Expenditures



ANNUAL CLAIM COSTS

Claims Experience Dashboard
(total paid during each fiscal year)



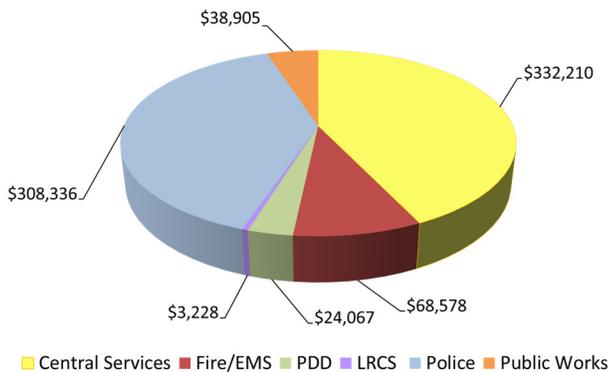
Costs include actual claim payments made during each fiscal year - including defense costs regardless of which fiscal year the claim occurred

Of note ...

- FY16 LIABILITY COSTS**
 Payments on 72 liability claims including 23 lawsuits cost \$775,324. Claims arising from Police operations accounted for 40% of the total paid in FY16 and settlement of one FY10 Central Services claim accounted for 35%.
- FY16 WORKERS' COMPENSATION COSTS**
 Payments on 227 workers' compensation claims cost \$1,031,978. 134 of these claims were from prior years.

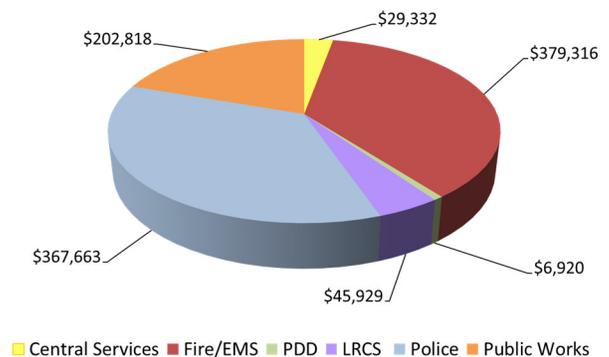
Liability Claims Costs paid in FY16 by Department

Total paid = \$775,324



Workers' Comp Claims Costs paid in FY16 by Department

Total Paid = \$1,031,978



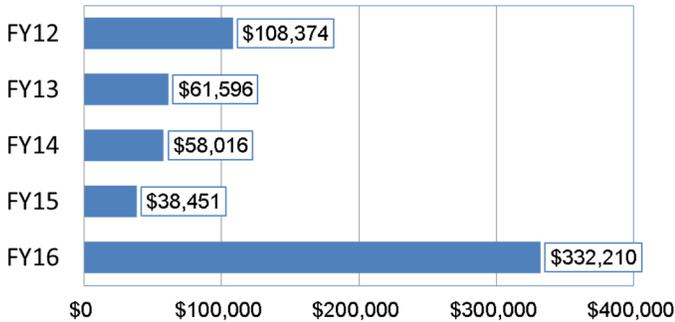
2016 RISK REPORT

City-wide Overview

ANNUAL CLAIM COSTS BY DEPARTMENT

The graphs below show annual claim costs paid out during each fiscal year for Liability and Workers' Compensation. The costs include claim payments and defense costs, regardless of which fiscal year the claim occurred.

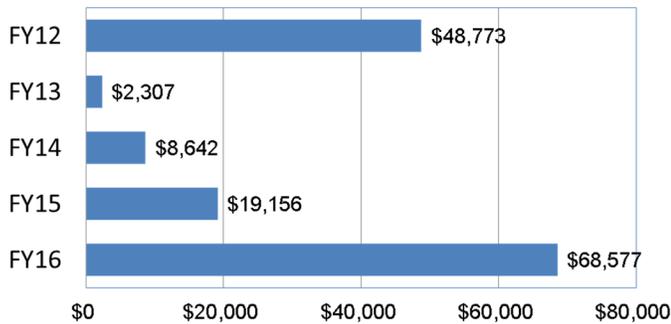
Central Services - Liability Claims
Total paid during each fiscal year



Central Services – Workers' Compensation Claims
Total paid during each fiscal year



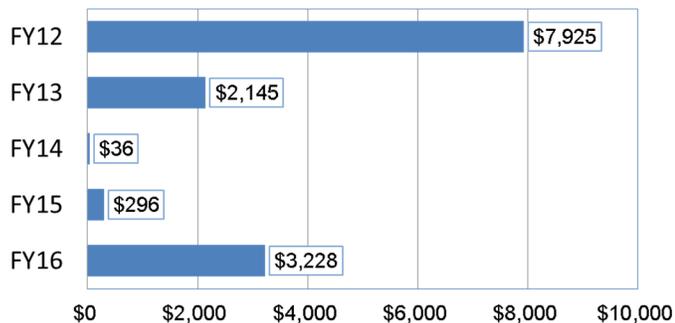
Fire/EMS - Liability Claims
Total paid during each fiscal year



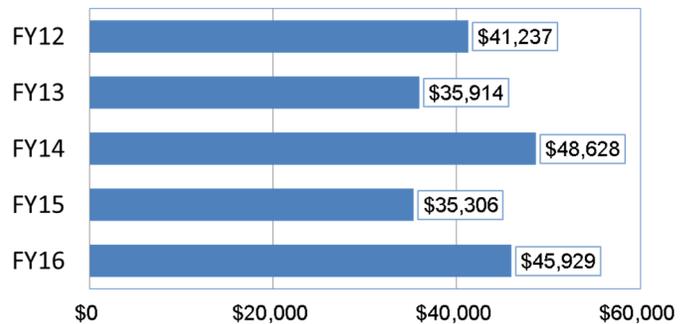
Fire/EMS – Workers' Compensation Claims
Total paid during each fiscal year



LRCS - Liability Claims
Total paid during each fiscal year



LRCS – Workers' Compensation Claims
Total paid during each fiscal year

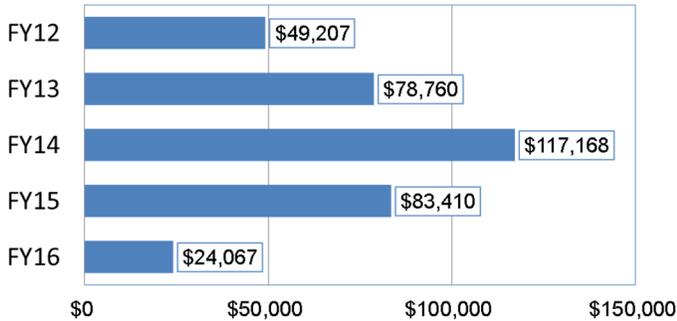


2016 RISK REPORT

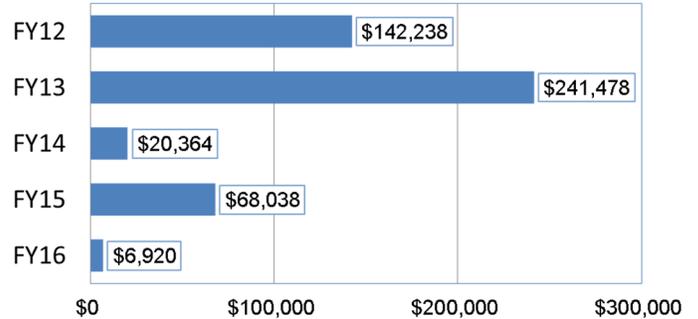
City-wide Overview

ANNUAL CLAIM COSTS HISTORY BY DEPARTMENT (cont.)

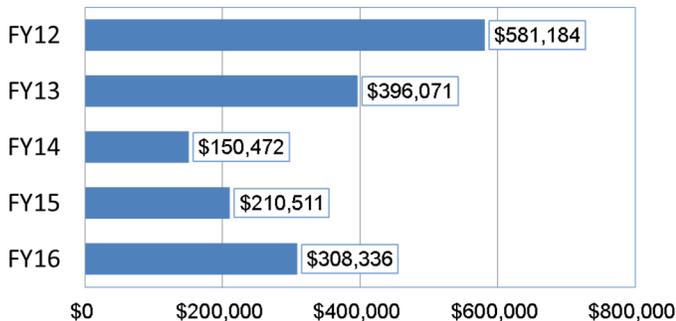
PDD - Liability Claims
Total paid during each fiscal year



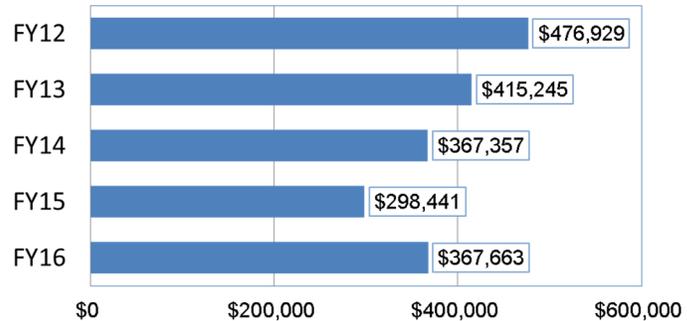
PDD – Workers' Compensation
Total paid during each fiscal year



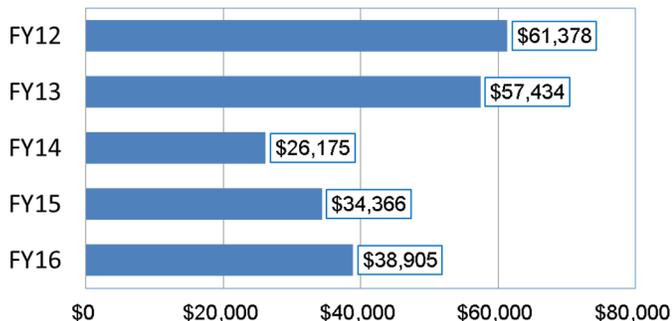
Police - Liability Claims
Total paid during each fiscal year



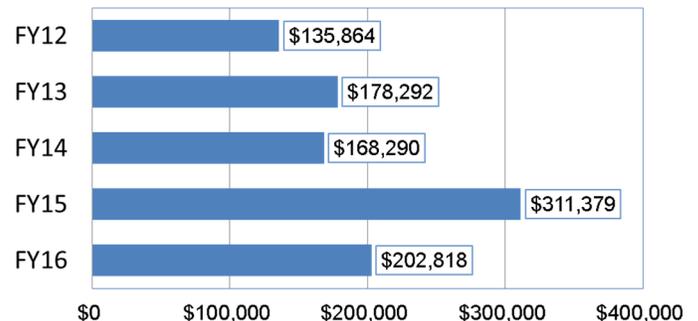
Police – Workers' Compensation Claims
Total paid during each fiscal year



Public Works – General Liability
Total paid during each fiscal year



Public Works – Workers' Compensation
Total paid during each fiscal year



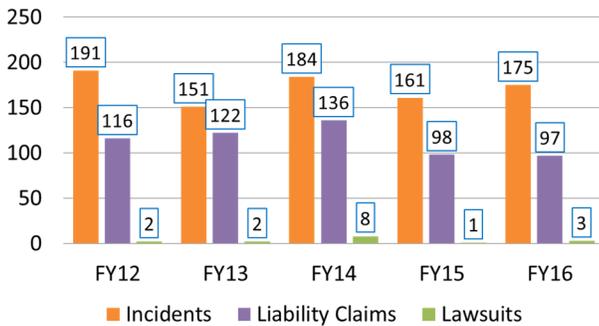
2016 RISK REPORT

City-wide Overview – General/Auto Liability

GENERAL & AUTO LIABILITY CLAIMS

The Liability Program is self-insured and Risk Services staff administrates liability claims filed against the City of Eugene for injury or damage to third parties. The graph below shows a five-year comparison of the number of incidents of injury or damage reported to the City each year, the number of liability claims actually filed, and the number of resulting lawsuits. Of the 569 liability claims filed against the City over the past five years, only 2.8% (16) have resulted in litigation. As of June 30, 2016, 63 liability claims remained open for the five year reporting period; of which 68% are police liability claims.

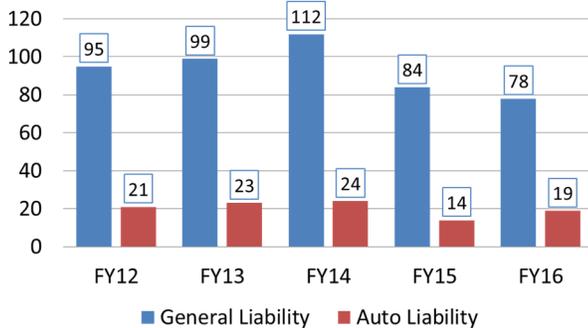
City of Eugene – Five Year History
Incidents / Liability Claims / Lawsuits



Of note ...

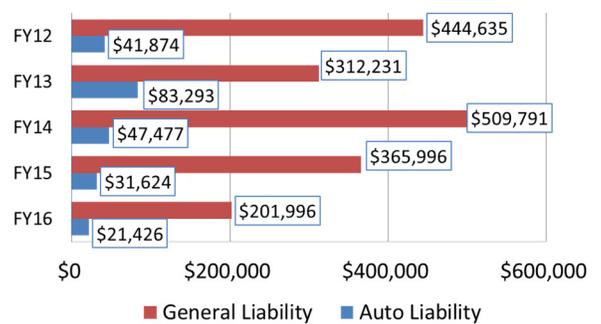
- In FY16, 51 claims were closed without payment, 27 claims were closed and settled for less than \$1,000. Only seven settlements were over \$5,000.
- As of June 30, 2016, there were 13 pending lawsuits.

City of Eugene – Liability Claims
Number of Claims



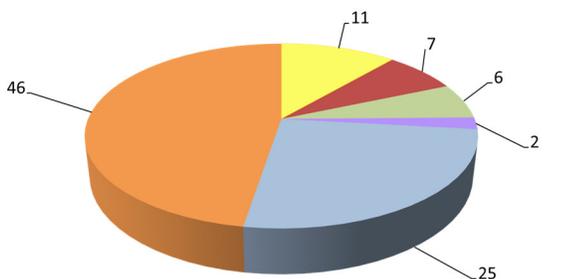
Five Year Average Number General Liability: 94
Five Year Average Number Auto Liability: 20

City of Eugene – Liability Claims
Total Incurred (reserves plus paid)



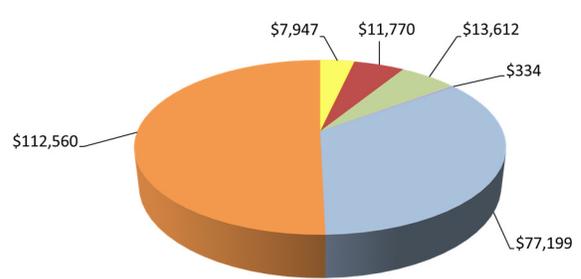
Five Year Average Incurred: \$412,069

FY16 Liability Claims by Department
Number of Claims Filed – Total 97



Central Services Fire/EMS PDD LRCS Police Public Works

FY16 Liability Claims by Department
Total Incurred (Reserves plus Paid) – \$223,422



Central Services Fire/EMS PDD LRCS Police Public Works

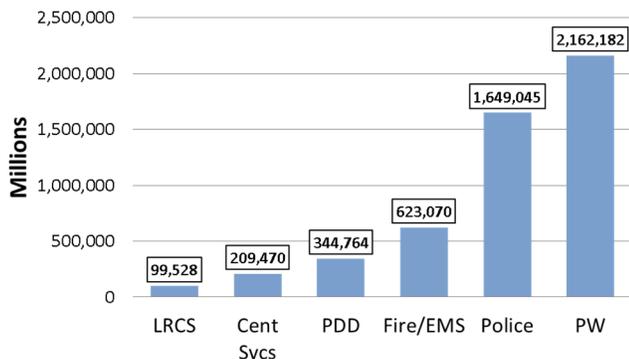
2016 RISK REPORT

City-wide Overview – General/Auto Liability

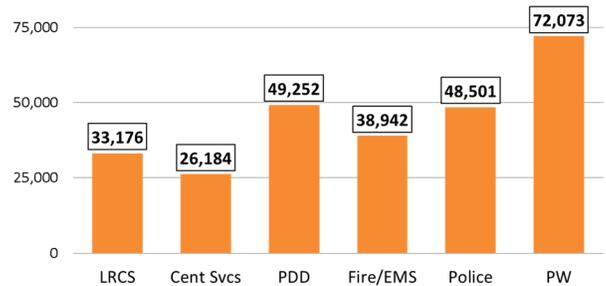
VEHICLE SAFETY & ACCIDENTS

City employees drove 5,088,059 miles in FY16 and reported 98 vehicle accidents. 64% of the accidents were classified as at-fault, down from 80% in FY15. Police accounted for 34% of reported vehicle accidents in FY16 and Public Works accounted for 30% of reported accidents.

FY16 Vehicle Mileage Comparison by Department
Total Miles Driven = 5,088,059

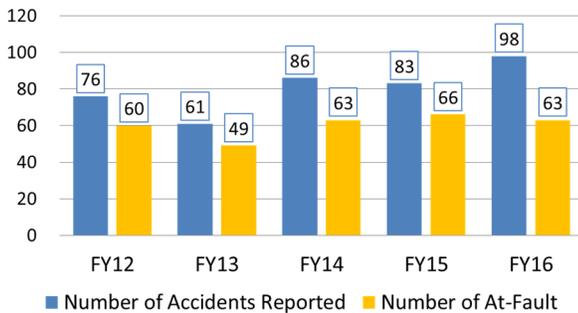


City of Eugene
Number of Miles Driven per Accident Reported in FY16

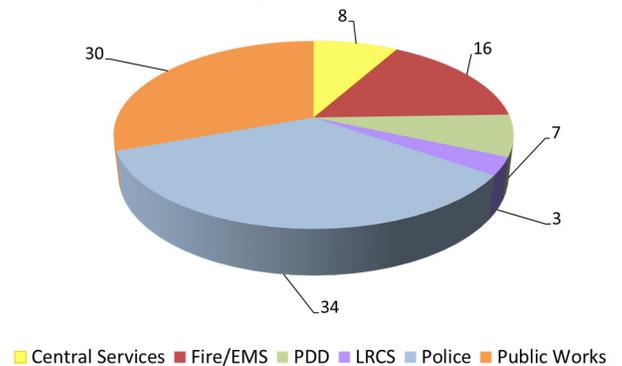


NOTE: Vehicles that track HOURS were manually converted to MILES. The ratio is 1 hour = 31 miles

City of Eugene – Five Year History
Vehicle Accident Comparison



City of Eugene
Number of Motor Vehicle Accidents Reported in FY16 by Department



Total Number FY16 Accidents: 98

The cause of at-fault accidents in FY16 included:

- Sideswiping other vehicles or stationary objects (30)
- Backing (16)
- Overhead clearance (7)
- Intersection collisions (2)
- Other (8)

Risk Services continues to work with supervisors and safety committees to identify problem areas and implement effective measures to reduce the number of vehicle accidents incurred by City employees.

Of note ...

- 48% of all FY16 at-fault vehicle accidents involved sideswiping another vehicle or a stationary object which represents an 18% increase compared to FY15.
- The most costly vehicle accident in FY16 involved the Police command bus where the driver sideswiped a prox card reader post resulting in \$11,589 in repair costs to the vehicle.

2016 RISK REPORT

Department Overview – General/Auto Liability

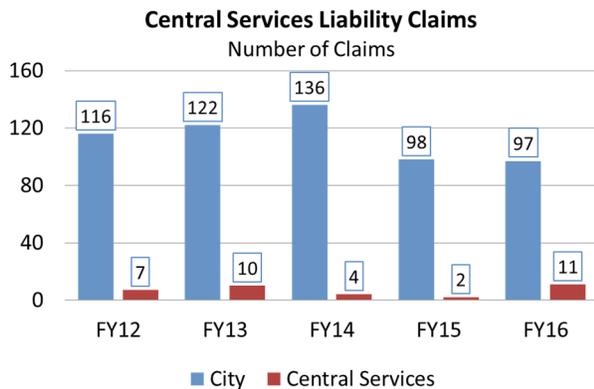


LIABILITY CLAIM HISTORY BY DEPARTMENT

Central Services Department

GENERAL & AUTO LIABILITY

There were 11 liability claims filed against Central Services in FY16. Seven of the 11 claims were filed against the City in error. Most often these claims should have been filed against another public agency. As of June 30, 2016, 5 Central Services claims remain open for all fiscal years.



Five Year Average Number: 7



Five Year Average Incurred: \$15,788

Litigation

Two lawsuits are currently pending from prior years for Central Services. Both lawsuits involve challenges to fee schedules.

Vehicle Safety & Accidents

Central Services employees drove a total of 209,470 miles on City business during FY16, amounting to approximately 4% of the total miles driven in City-owned vehicles.

Central Services employees were involved in eight reported motor vehicle accidents in FY16. Four of the accidents were classified as at-fault. All four of the at-fault accidents were minor and did not result in any vehicle repair costs or third party claims against the City.

2016 RISK REPORT

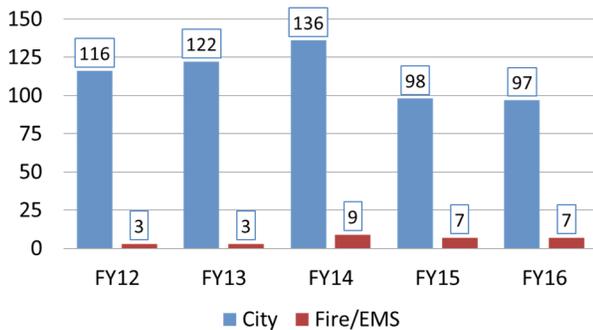
Department Overview – General/Auto Liability

Fire/EMS

GENERAL & AUTO LIABILITY

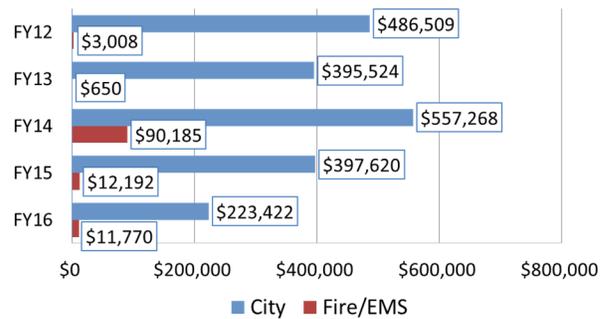
There were 7 liability claims filed against Fire/EMS in FY16, for a total incurred (paid plus reserves) of \$11,770. Both the number of claims filed and the incurred costs are consistent with FY15. As of June 30, 2016, only 2 Fire/EMS claims remained open for all years. Fire Administration and Special Ops did not have any liability claims in the past five years.

Fire/EMS Liability Claims
Number of Claims



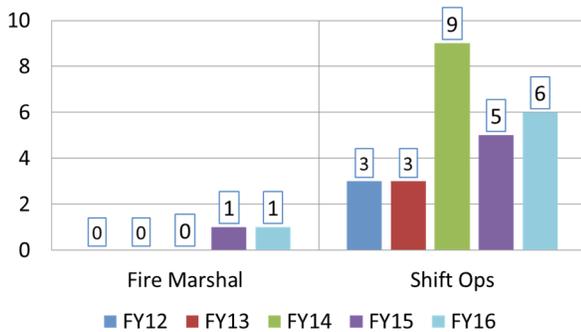
Five Year Average Number: 6

Fire/EMS Liability Claims
Total Incurred (reserves plus paid)

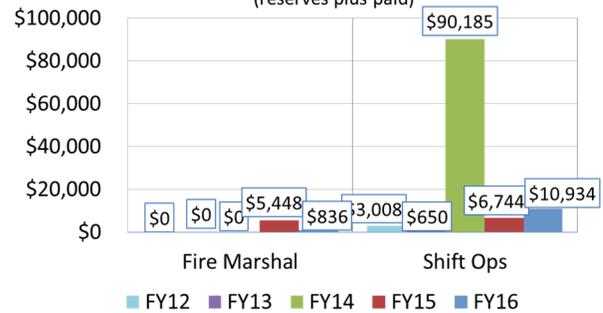


Five Year Average Incurred: \$23,561

Fire/EMS Liability Claims
Five Year History by Division - Number of Claims



Fire/EMS Liability Claims
Five Year History by Division - Total Incurred (reserves plus paid)



2016 RISK REPORT

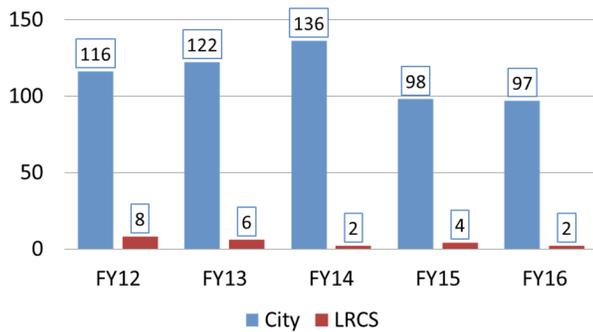
Department Overview – General/Auto Liability

Library, Recreation & Cultural Services

GENERAL & AUTO LIABILITY

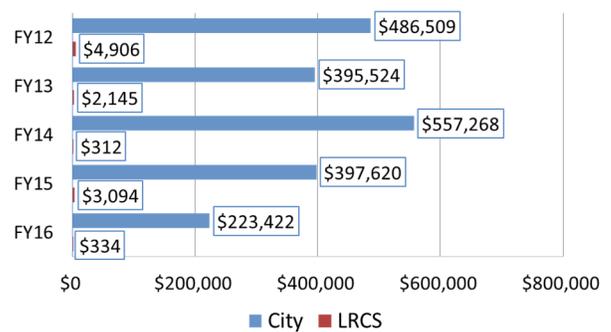
In FY16, only 2 liability claims were filed against Library, Recreation & Cultural Services (LRCS). Both the number of FY16 claims filed and the incurred cost were under the five year averages. As of June 30, 2016, only 2 LRCS claims remained open for all fiscal years.

LRCS Liability Claims
Number of Claims



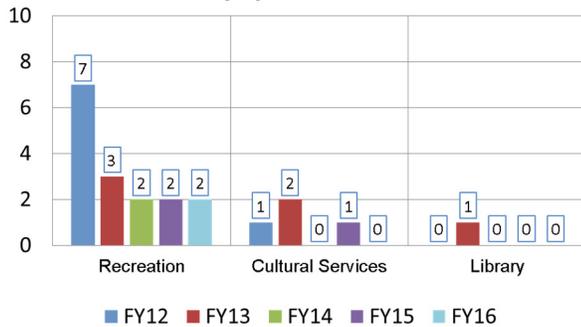
Five Year Average Number: 4

LRCS Liability Claims
Total Incurred (reserves plus paid)

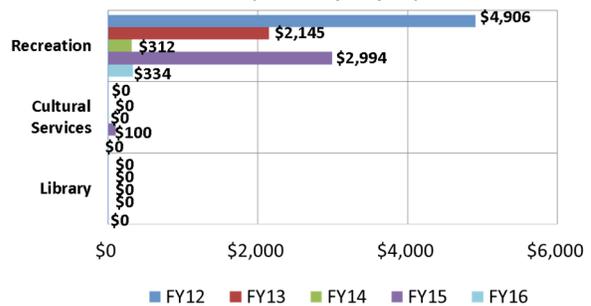


Five Year Average Incurred: \$2,158

LRCS Liability Claims
Five Year History by Division - Number of Claims



LRCS Liability Claims
Five Year History by Division - Total Incurred (reserves plus paid)



Litigation

There was no litigation activity for LRCS during FY16.

Vehicle Safety & Accidents

LRCS employees drove 99,528 miles in FY16, amounting to approximately 2% of the total miles driven in City-owned vehicles.

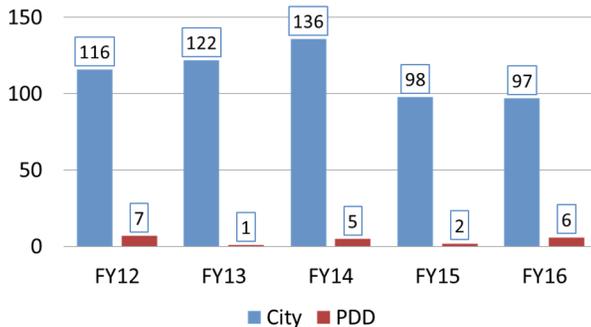
LRCS employees were involved in only 3 vehicle accidents in FY16. Only one accident was classified as at-fault, but it did not result in a liability claim against the City.

Planning & Development Department

GENERAL & AUTO LIABILITY

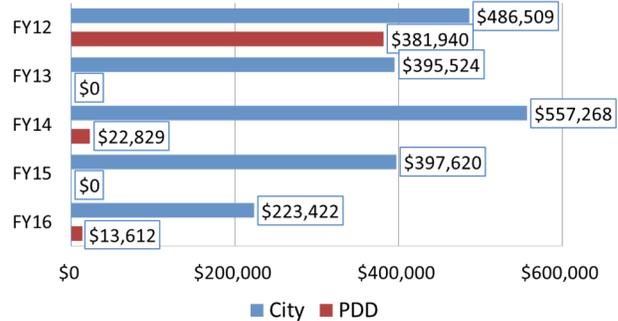
In FY16, 6 liability claims were filed against the Planning & Development Department (PDD). There were two claims filed for water damage in a leased space, 2 were for minor vehicle damage, 1 allegation of a building inspection error, and 1 for violation of civil rights related to a security service contract. As of June 30, 2016, only three PDD claims remained open for all fiscal years.

PDD Liability Claims
Number of Claims



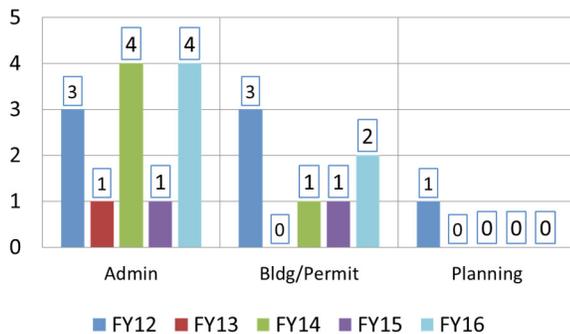
Five Year Average Number: 4

PDD Liability Claims
Total Incurred (reserves plus paid)

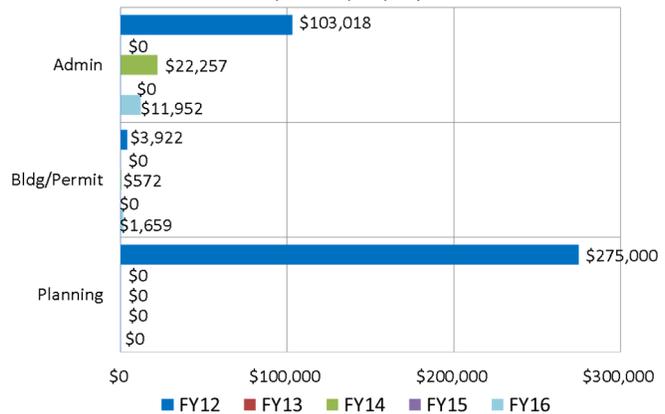


Five Year Average Incurred: \$83,676

PDD Liability Claims
Five Year History by Division - Number of Claims



PDD Liability Claims
Five Year History by Division - Total Incurred
(reserves plus paid)



Litigation

In FY16 there were two lawsuits pending against PDD. The City prevailed on one lawsuit that involved a housing development, but the issue of attorney fees is on appeal. The other lawsuit is currently in the discovery phase.

Vehicle Safety & Accidents

PDD employees drove 344,764 miles in FY16, amounting to approximately 6.7% of the total miles driven in City-owned vehicles.

PDD employees were involved in 7 reported motor vehicle accidents in FY16. Two of the accidents were classified as at-fault, but neither accident resulted in liability claims against the City.

2016 RISK REPORT

Department Overview – General/Auto Liability

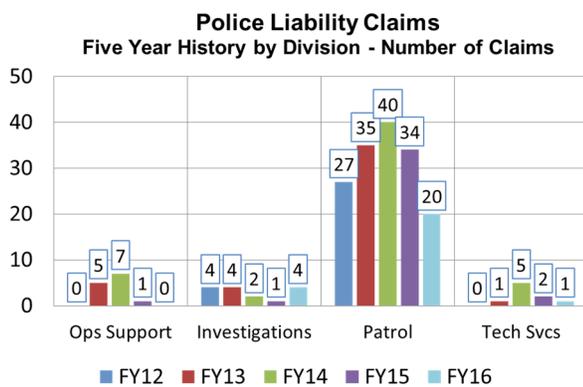
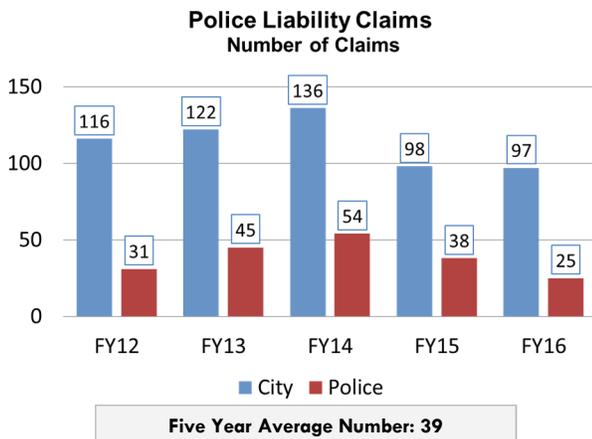
Police Department

GENERAL & AUTO LIABILITY

In FY16, 25 liability claims were filed against the Police Department for a total incurred (paid plus reserves) of \$77,199. This was the lowest number of claims filed in the past five years and 36% lower than the five year average. As of June 30, 2016, 43 Police claims remained open for all years.

The types of liability claims filed in FY16 included:

- Civil rights/arrest/use of force (7)
- Damage to property resulting from warrant service/welfare check/arrest/investigations (11)
- Motor vehicle accidents (5)
- Errors re: towing and other (2)



Litigation

There are currently six lawsuits pending. The City prevailed on two but the plaintiffs have appealed, another involved a public records request and is expected to close in FY17, and the other three are currently pending.

2016 RISK REPORT

Department Overview – General/Auto Liability

Vehicle Safety & Accidents

Police employees drove 1,649,045 miles in FY16, amounting to approximately 32% of the total miles driven in City-owned vehicles.

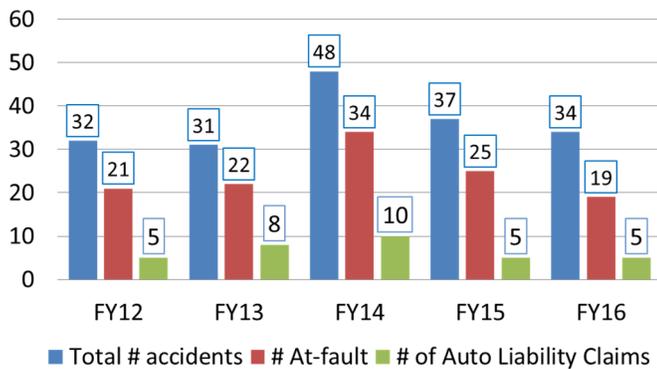
Police employees were involved in 34 reported motor vehicle accidents in FY16, which was consistent with FY15. In FY16, 19 of the 34 accidents were classified as at-fault. The cause of at-fault accidents in FY16 included:

- Sideswiping other vehicles or stationary objects (7)
- Backing (5)
- Intersection collisions (2)
- Other (5)

Of note ...

- Five of the 19 at-fault vehicle accidents in FY16 resulted in liability claims against the City with a total incurred cost of \$7,413, down from \$10,299 in FY15.
- None of those claims remain open.

**Police Department
Vehicle Accident/Liability Comparison**



2016 RISK REPORT

Department Overview – General/Auto Liability

Public Works Department

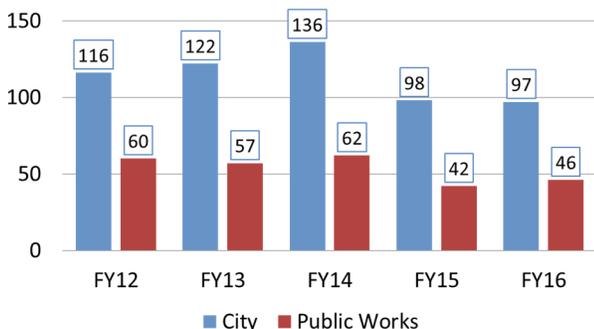
GENERAL & AUTO LIABILITY

The Public Works Department incurred 46 liability claims in FY16, 14% less than the five year average of 53 claims filed per year. Thirty three of the 46 claims are closed, 18 of which were denied and closed without payment. Thirty two percent of the FY16 incurred costs were related to sewer connection/maintenance claims. As of June 30, 2016, 15 Public Works claims remained open for all fiscal years.

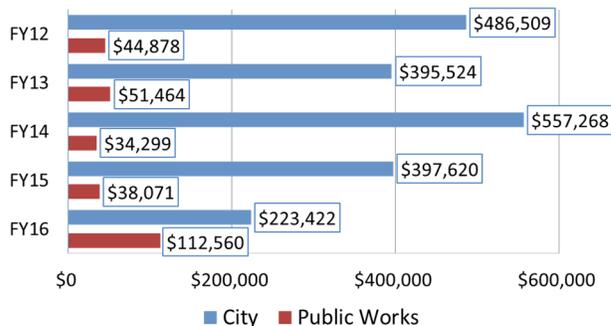
The most common claim types reported in FY16 were:

- Road conditions (11)
- Sewer connection / maintenance (8)
- Trip and fall (6)
- Motor vehicle accidents (6)

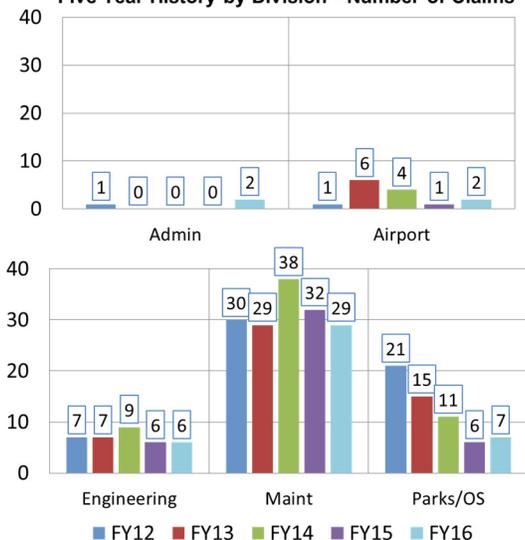
**Public Works Liability Claims
Number of Claims**



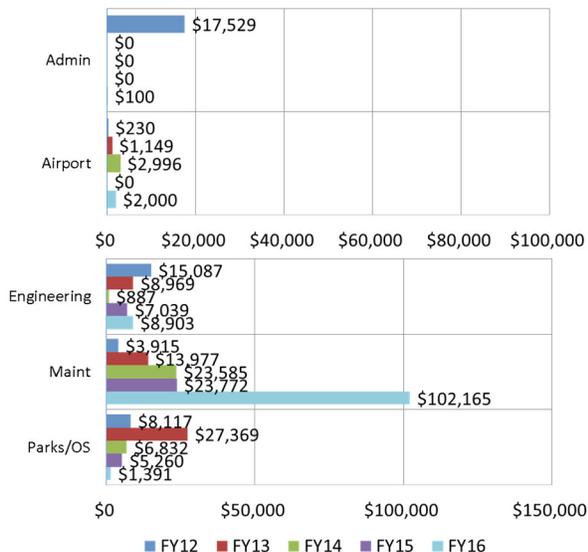
**Public Works Liability Claims
Total Incurred (reserves plus paid)**



**Public Works Liability Claims
Five Year History by Division - Number of Claims**



**Public Works Liability Claims
Five Year History by Division – Total Incurred**



NOTE: The Wastewater Division has not had any claims for the past five years

Litigation

There is one pending Public Works lawsuit involving a permit issue. The lawsuit was dismissed but the plaintiff has appealed.

2016 RISK REPORT

Department Overview – General/Auto Liability

Vehicle Safety & Accidents

Public Works employees drove 2,162,182 miles in FY16, amounting to approximately 42% of the total miles driven in City-owned vehicles.

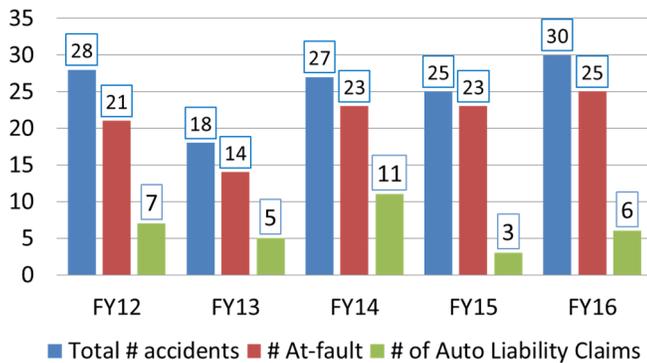
Public Works employees were involved in 30 reported motor vehicle accidents in FY16, 25 of which were classified as at-fault. The cause of at-fault accidents in FY16 included:

- Sideswiping other vehicles or stationary objects (12)
- Backing (8)
- Overhead clearance (3)
- Other (2)

Of note ...

- Although the number of auto liability claims increased in FY16, all of the six claims filed were for minor property damage with a total cost of only \$3,703.

**Public Works
Vehicle Accident/Liability Comparison**

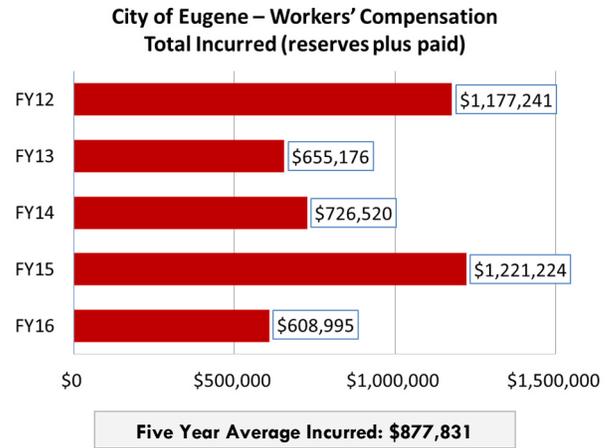
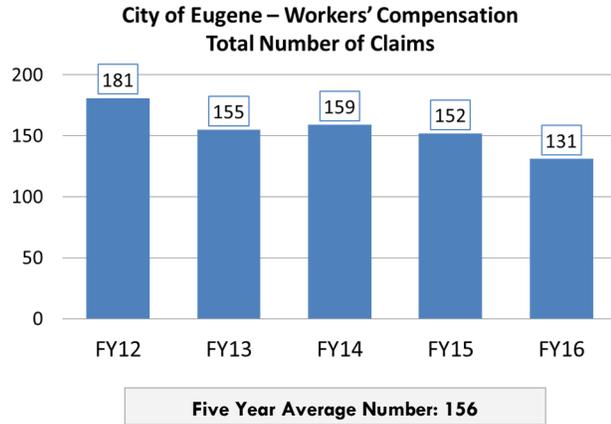


2016 RISK REPORT

City-wide Overview – Workers' Compensation

WORKERS' COMPENSATION CLAIMS

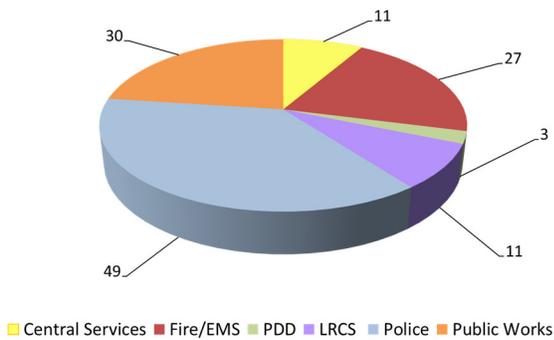
The City's Workers' Compensation Program is self-insured and claims are administered by a third-party administrator. The number of claims filed in FY16 was the lowest in the past five years, and 16% lower than the five year average. As of June 30, 2016, there were 98 open claims from all prior years.



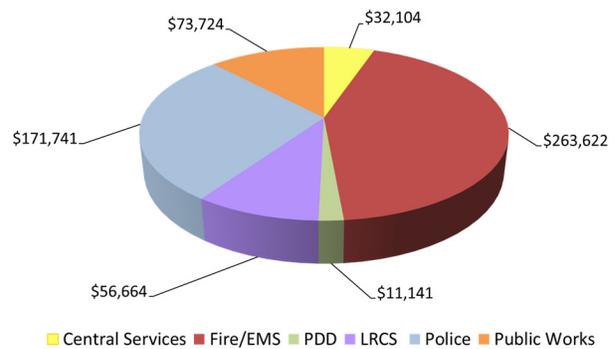
Of note ...

- The fingers/hand continue to be the most frequently injured body area.
- Low back claims had the highest average cost.

FY16 Workers' Compensation Claims by Department
Number of Claims Filed – Total 131



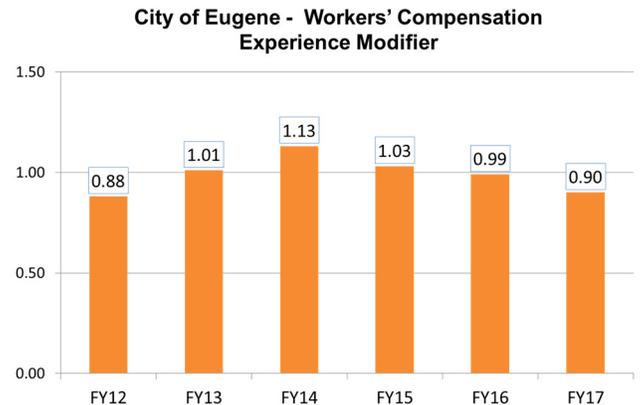
FY16 Workers' Compensation Claims by Department
Total Incurred (Reserves plus Paid) – Total \$608,995



WORKERS' COMPENSATION & EMPLOYEE SAFETY

Experience Modifier

The experience modifier is a risk rating which compares the City's past actual experience (payroll and loss data) to the expected or average experience of other Oregon cities of similar size. An experience modifier of 1.00 is average and a higher modifier means the experience is worse than average. Since the City is self-insured the modifier is used by the state to determine the amount of state assessments. The State of Oregon adopted a new formula for calculating the experience modifiers for self-insured employers, effective January 1, 2013. The new formula gives additional weight to larger claims and results in increases for employers who have had a number of claims in excess of \$10,000 over the past 4 years.



Employer At Injury Program

The Employer At Injury Program (EAIP) is a state program funded by a payroll assessment that is designed to incentivize employers to provide light duty jobs to injured workers. Most of our EAIP reimbursements come from the wage subsidy portion of the benefit, where we are partially reimbursed for earnings paid to workers on light duty. EAIP also provides up to \$1,000 for training and up to \$5,000 for equipment purchases or worksite modifications. Risk has worked with various divisions to purchase items such as sit/stand desks, ergonomic power tools, and specialized equipment for Police and Fire. We evaluate all workers' compensation claims for suitable reimbursements under the program. In FY16, \$123,691 was recovered under the EAIP program.

Medical Bill Audit

Oregon Administrative Rules require that at least 10% of all medical billings for workers' compensation claims be subjected to audit to assure established fees are not exceeded. The City of Eugene audits all medical billings which in FY16 resulted in a savings of \$236,600 and a total of \$1.7 million over the last five years.

League of Oregon Cities/CIS Safety Award

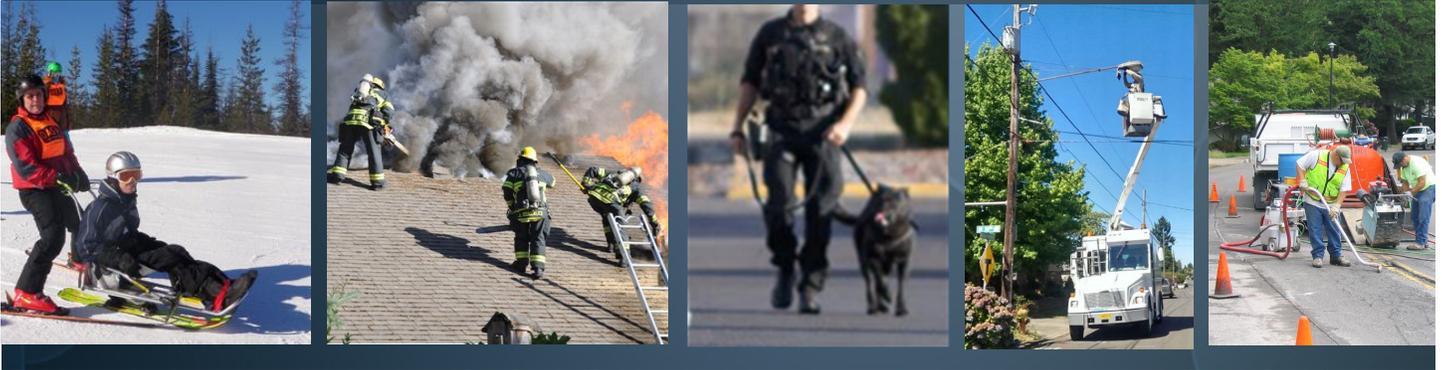
The City of Eugene was recognized for safe work performance by the League of Oregon Cities and CityCounty Insurance Services (CIS) with a *Silver Safety Award* in FY16. The award is based upon the number of lost-time injury case per 100 employees which was 2.1 for FY16.

Safety Committees

Effective Safety Committees are an important part of the City's safety program. 12 Safety Committees with a total of about 125 members function throughout the City to identify and address hazards, maintain OR-OSHA compliance, and provide safety leadership to their respective work groups. Risk Services staff attend the meetings, serving as a resource and assisting where necessary.

2016 RISK REPORT

Department Overview – Workers' Compensation

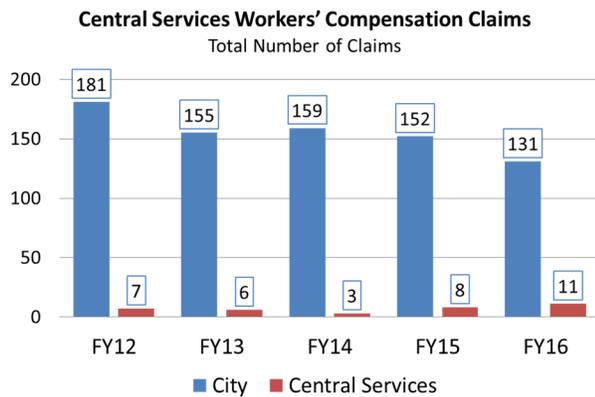


WORKERS' COMPENSATION CLAIM HISTORY BY DEPARTMENT

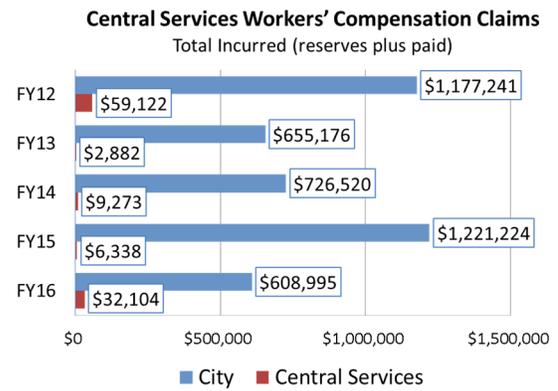
Central Services Department

WORKERS' COMPENSATION / EMPLOYEE SAFETY

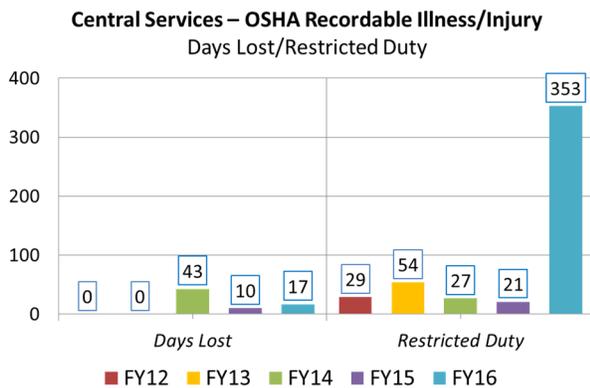
In FY16, there were 11 claims filed by Central Services employees. Three of the claims were due to falls and 3 were back injury claims from lifting. As of June 30, 2016, 5 Central Services claims remained open for all fiscal years.



Five Year Average Number: 7



Five Year Average Incurred: \$21,944



2016 RISK REPORT

Department Overview – Workers' Compensation

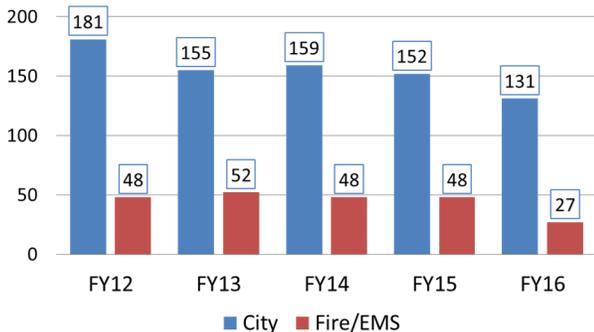
Fire/EMS

WORKERS' COMPENSATION & EMPLOYEE SAFETY

In FY16, the number of claims filed by Fire/EMS employees was significantly lower than any of the prior four fiscal years, but the total incurred was the third highest. Lost days and restricted duty decreased significantly in FY16. As of June 30, 2016, 10 Fire/EMS claims remained open for all fiscal years. The Fire Marshal's Office has not had any claims filed during the past five years. Activity at the time of injury and cost by the type of injury are reported on the next page.

Fire/EMS Workers' Compensation Claims

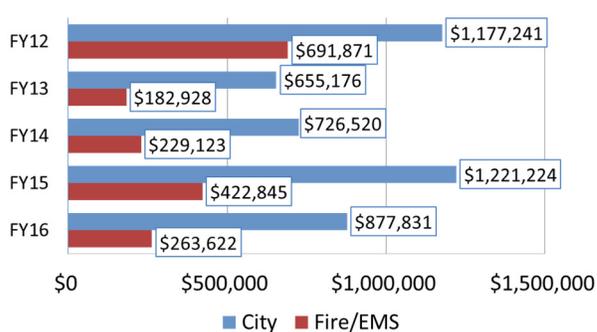
Total Number of Claims



Five Year Average Number: 48

Fire/EMS Workers' Compensation Claims

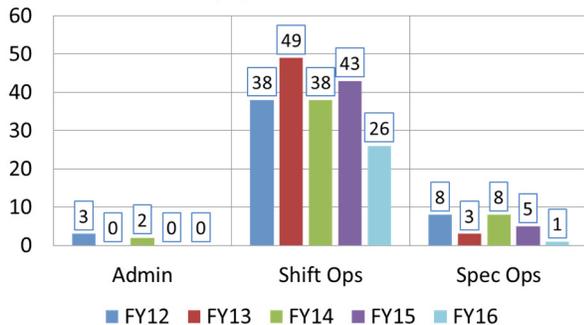
Total Incurred (reserves plus paid)



Five Year Average Incurred: \$427,114

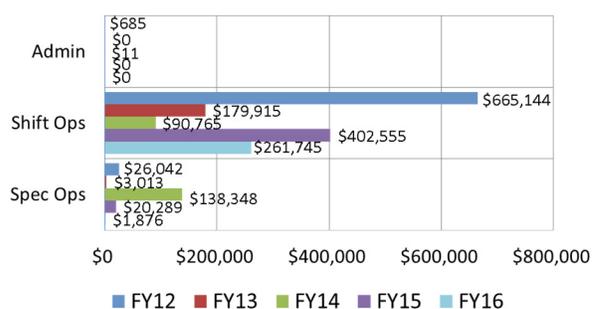
Fire/EMS Workers' Compensation Claims

Five Year History by Division - Number of Claims



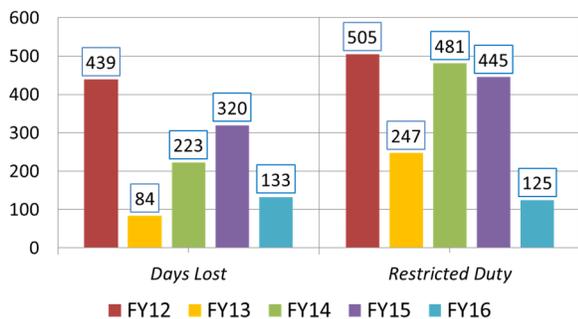
Fire/EMS Workers' Compensation Claims

Five Year History by Division - Total Incurred (reserves plus paid)



Fire/EMS – OSHA Recordable Illness/Injury

Days Lost/Restricted Duty

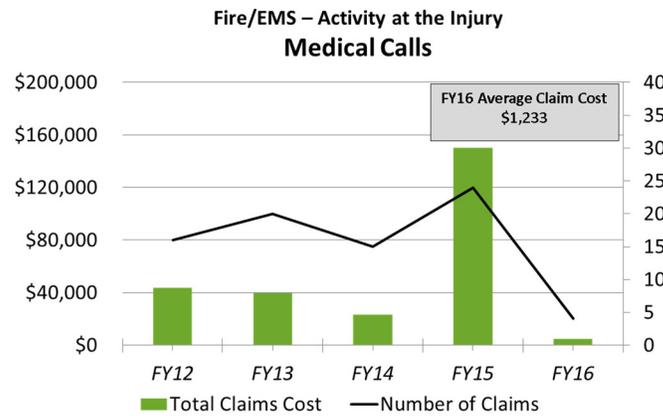
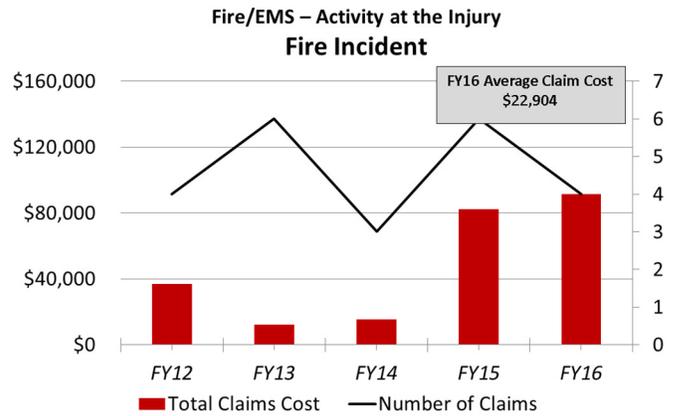
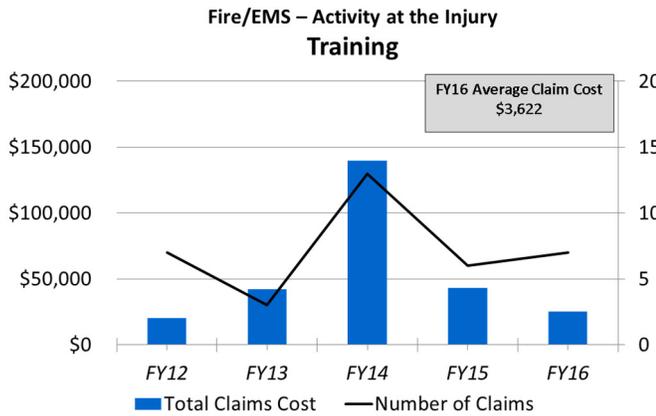


2016 RISK REPORT

Department Overview – Workers' Compensation

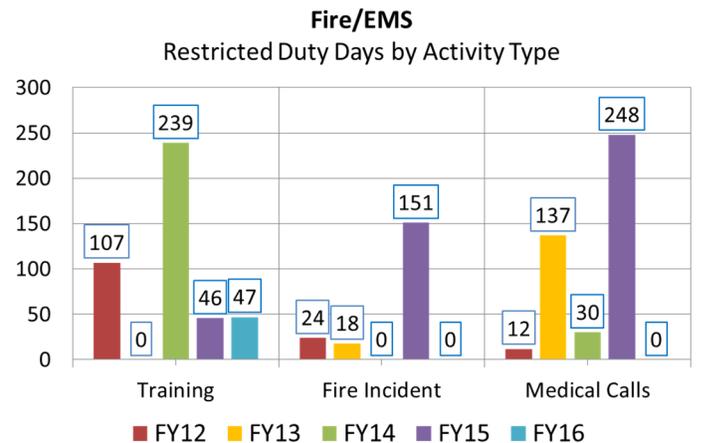
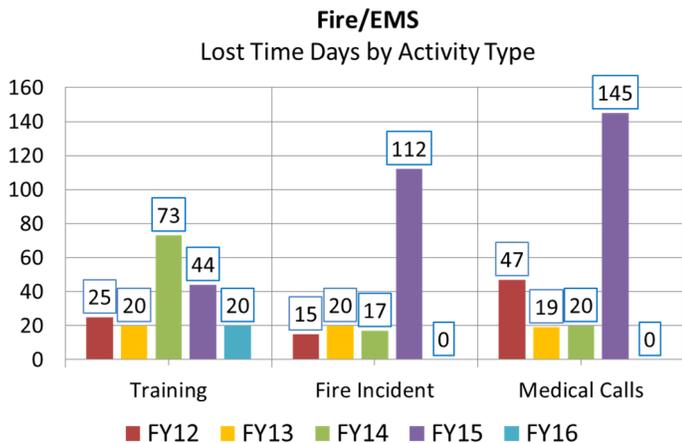
Activity at the Time of Injury

The graphs below shows the three activities that cause the most injuries.



Days Lost/Days Restricted by Type of Activity

The graphs below show days lost and days of restricted duty for fire incident, training and medical call injuries.



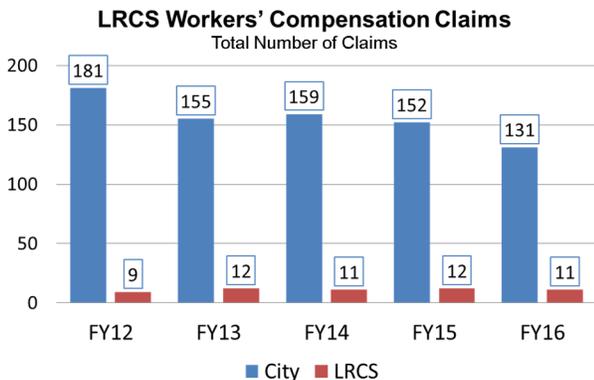
2016 RISK REPORT

Department Overview – Workers' Compensation

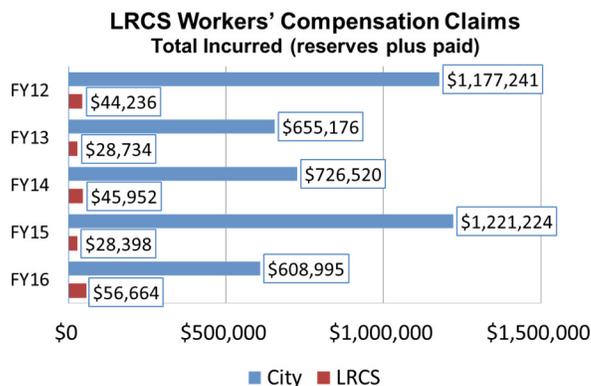
Library, Recreation & Cultural Services

WORKERS' COMPENSATION & EMPLOYEE SAFETY

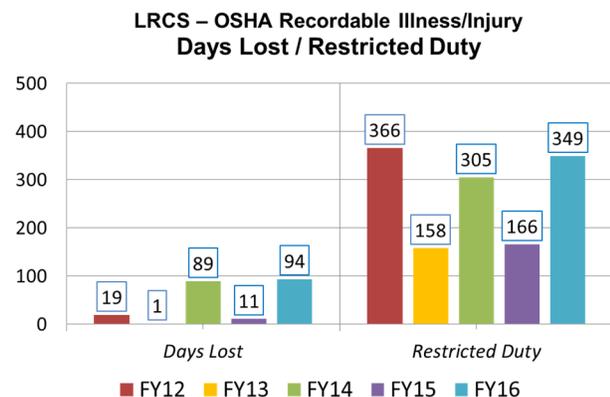
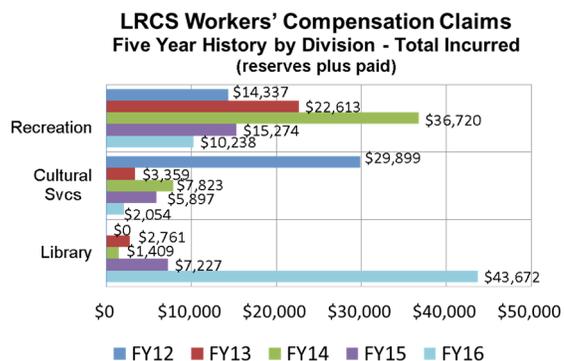
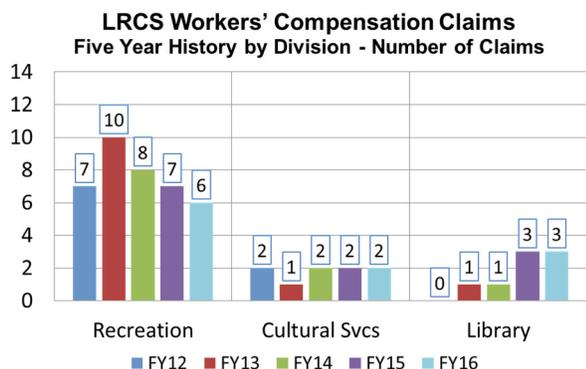
While the number of claims filed by LRCS employees FY16 was consistent with prior years, the total incurred cost doubled over FY15 due to two claims that accounted for 76% of the department's total incurred cost. As of June 30, 2016, 4 LRCS claims remained open for all fiscal years.



Five Year Average Number: 11



Five Year Average Incurred: \$40,797



2016 RISK REPORT

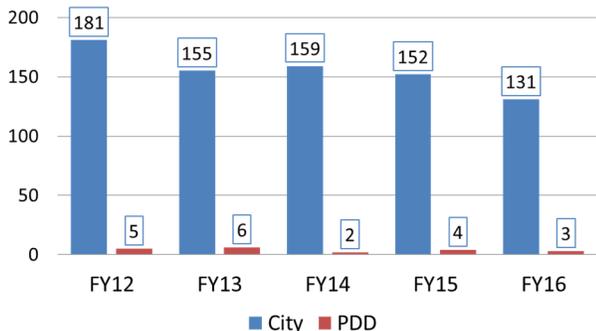
Department Overview – Workers' Compensation

Planning & Development Department

WORKERS' COMPENSATION & EMPLOYEE SAFETY

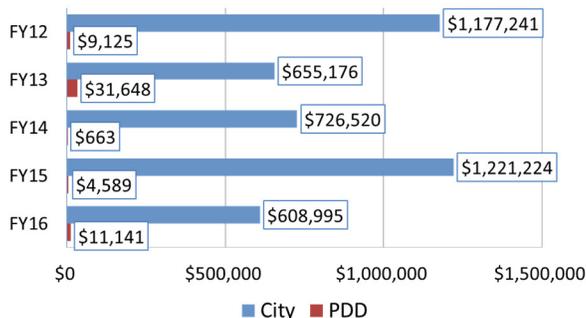
In FY16, none of the 3 claims filed by PDD employees resulted in lost days, but the number of restricted duty days increased by 73% over FY15 due to. Planning has not had any claims filed in the past five years. As of June 30, 2016, only 2 claims remained open for all fiscal years.

PDD Workers' Compensation Claims
Total Number of Claims



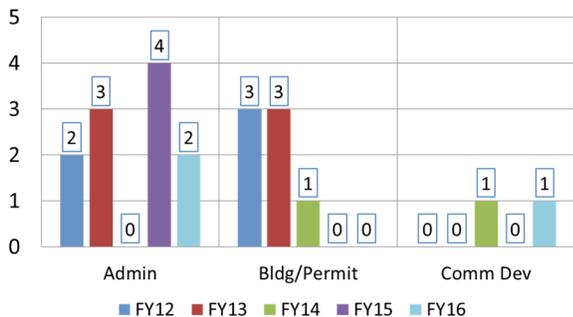
Five Year Average Number: 4

PDD Workers' Compensation Claims
Total Incurred (reserves plus paid)

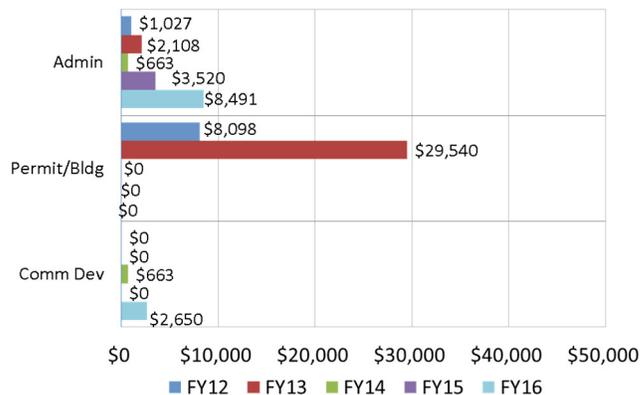


Five Year Average Incurred : \$11,433

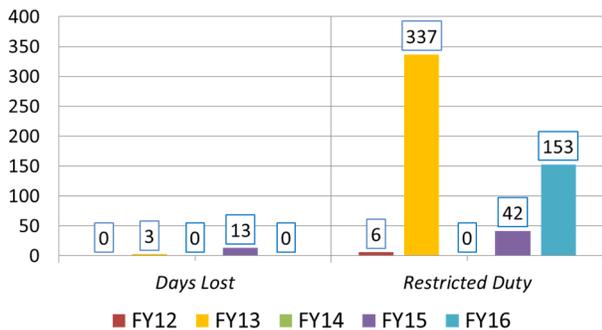
PDD Workers' Compensation Claims
Five Year History by Division - Number of Claims



PDD Workers' Compensation Claims
Five Year History by Division - Total Incurred



PDD – OSHA Recordable Illness/Injury
Days Lost/Restricted Duty



2016 RISK REPORT

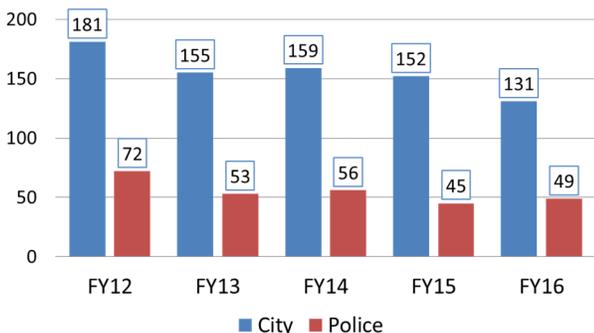
Department Overview – Workers' Compensation

Police Department

WORKERS' COMPENSATION & EMPLOYEE SAFETY

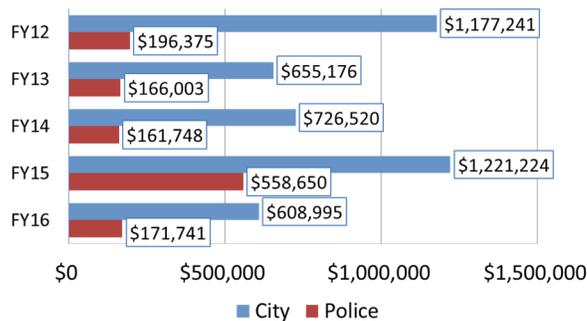
In FY16, the number of claims filed by Police employees increased slightly to 49, but was still less than the five year average. The total incurred was also less than the five year average. In addition, lost days and restricted duty decreased considerably in FY16. As of June 30, 2016, 37 Police claims remained open for all fiscal years. Activity at the time of injury and cost by the type of injury are reported on the next page.

Police Workers' Compensation Claims
Total Number of Claims



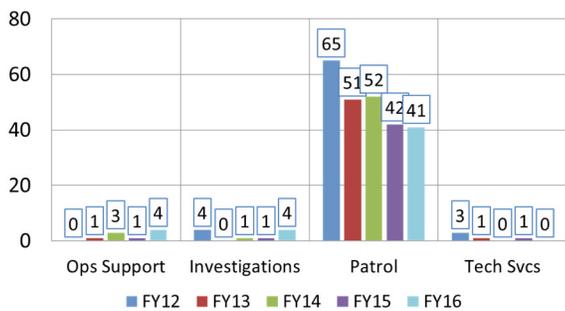
Five Year Average Number: 55

Police Workers' Compensation Claims
Total Incurred (reserves plus paid)

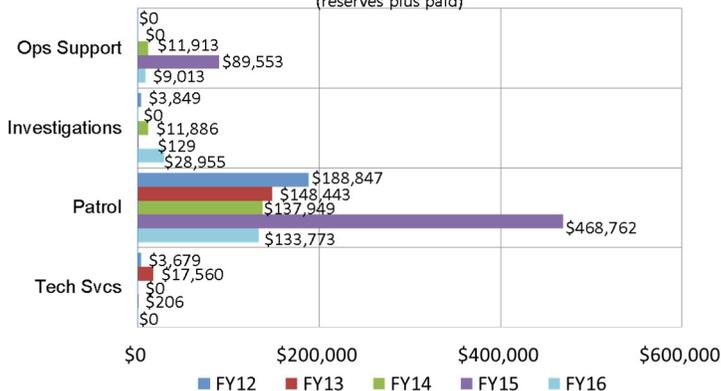


Five Year Average Incurred: \$250,903

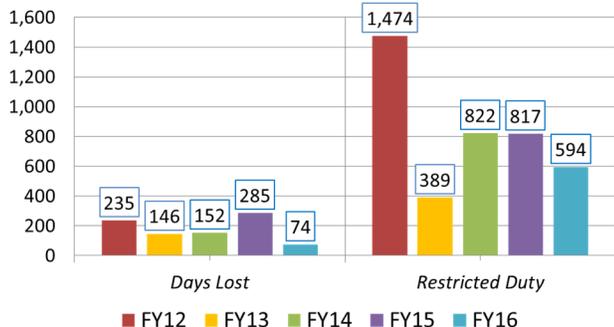
Police Workers' Compensation Claims
Five Year History by Division - Number of Claims



Police Workers' Compensation Claims
Five Year History by Division - Total Incurred (reserves plus paid)



Police – OSHA Recordable Illness/Injury
Days Lost/Restricted Duty

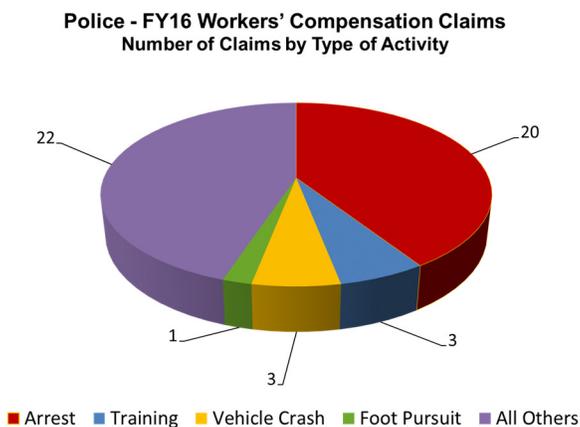
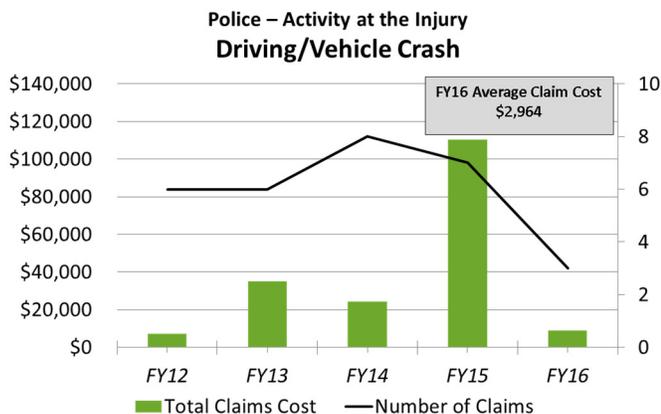
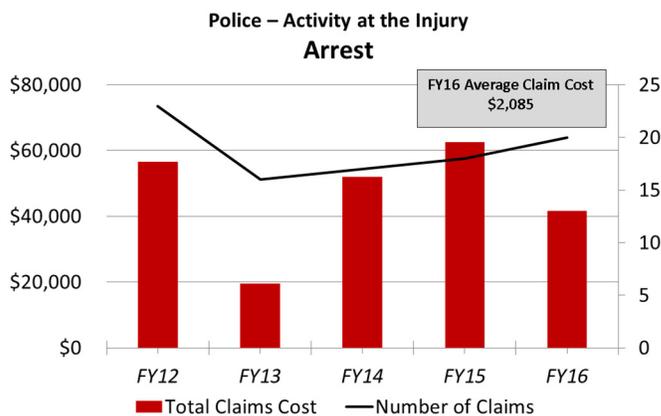
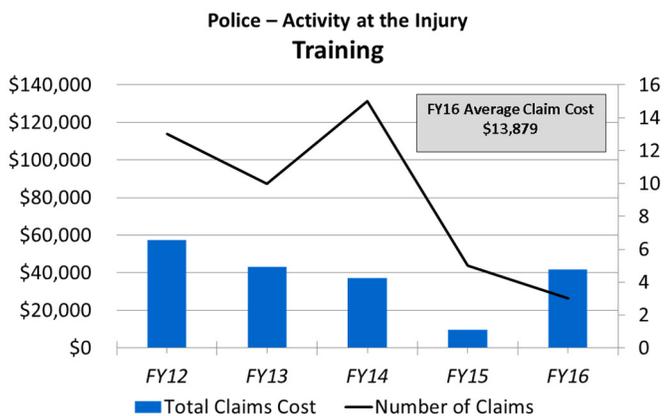


2016 RISK REPORT

Department Overview – Workers' Compensation

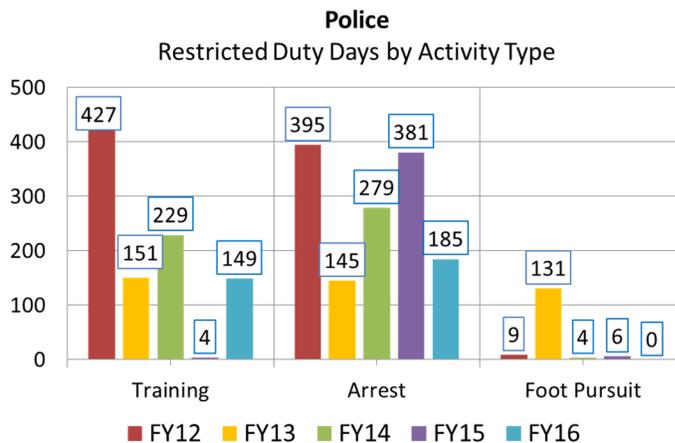
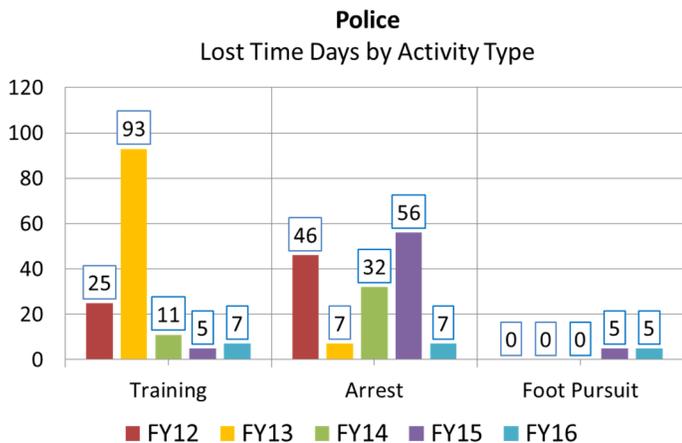
Activity at the Time of Injury

The graphs below provide information on various police activities.



Days Lost/Days Restricted by Type of Activity

The graphs below shows days lost and days of restricted duty for training, arrest and chase injuries.



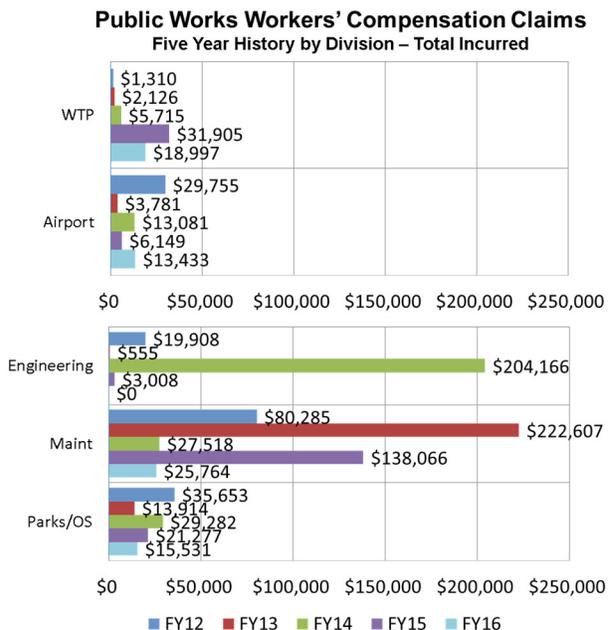
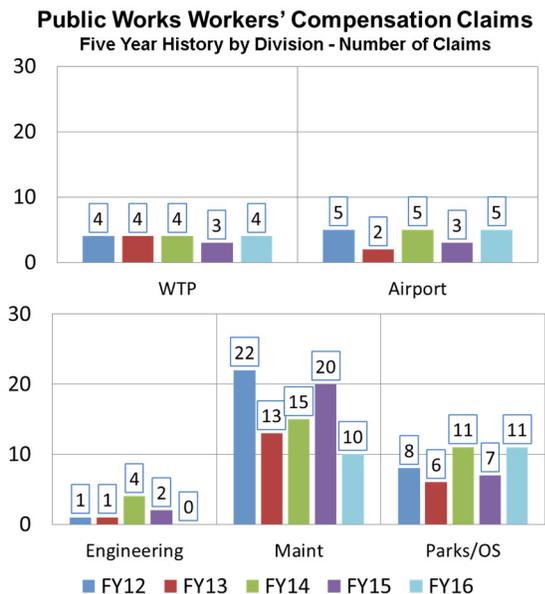
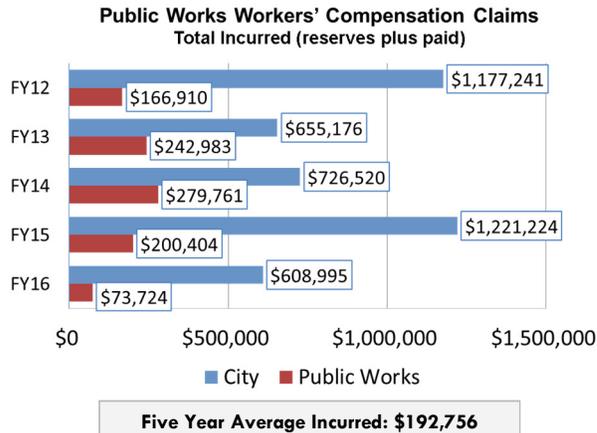
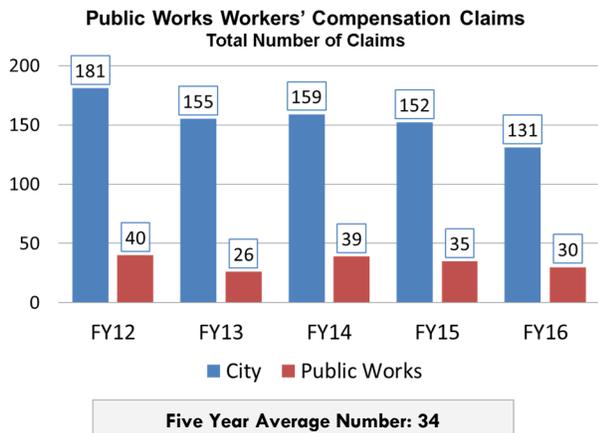
2016 RISK REPORT

Department Overview – Workers' Compensation

Public Works Department

WORKERS' COMPENSATION & EMPLOYEE SAFETY

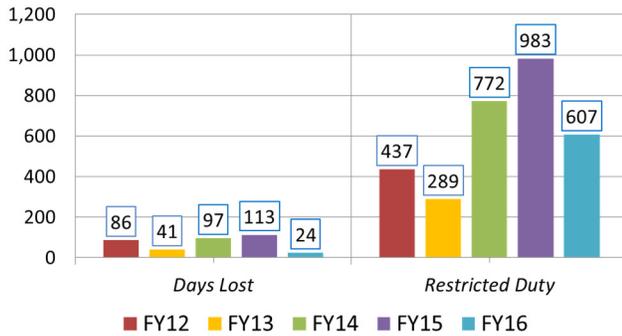
There were 5 fewer claims filed by Public Works employees in FY16 than in FY15, and claims costs decreased by 63%. Maintenance had 50% fewer claims filed in FY16 than in FY15. Public Works Administration has not had any claims filed during the past five years. As of June 30, 2016, 21 Public Works claims remained open from all fiscal years.



2016 RISK REPORT

Department Overview – Workers' Compensation

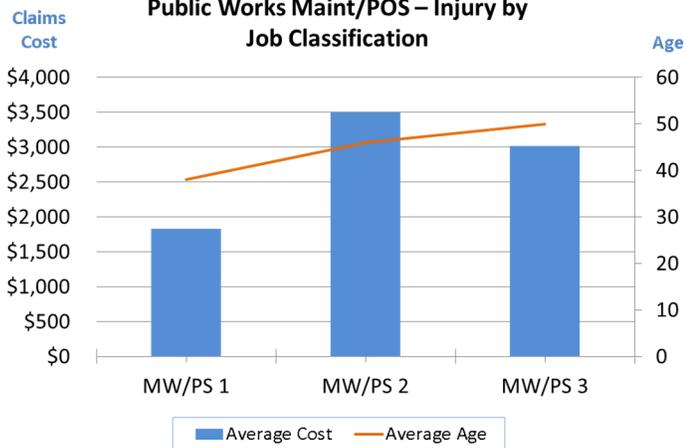
Public Works – OSHA Recordable Illness/Injury Days Lost/Restricted Duty



Days Lost/Days Restricted by Type of Activity

The graph on the left shows a five year history of days lost and days of restricted duty related to Public Works employee injury claims.

Public Works Maint/POS – Injury by Job Classification



Injury by Job Classification

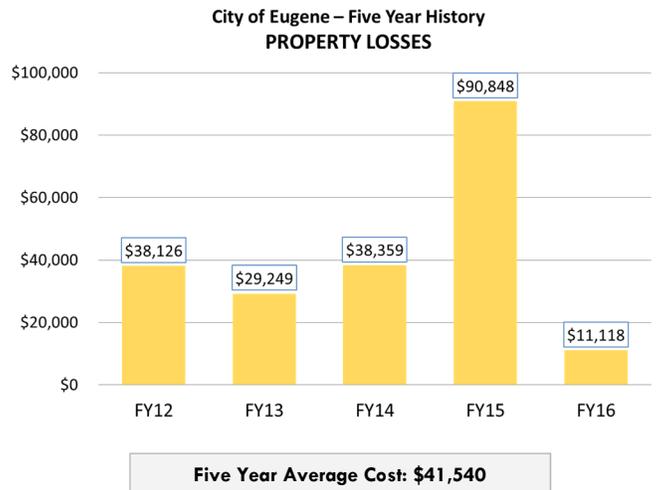
The chart on the left shows the average claims cost and average age at injury of employees in the Maintenance Worker and Park Specialist classifications over the past five years.

2016 RISK REPORT

Property Losses / Recovery Claims

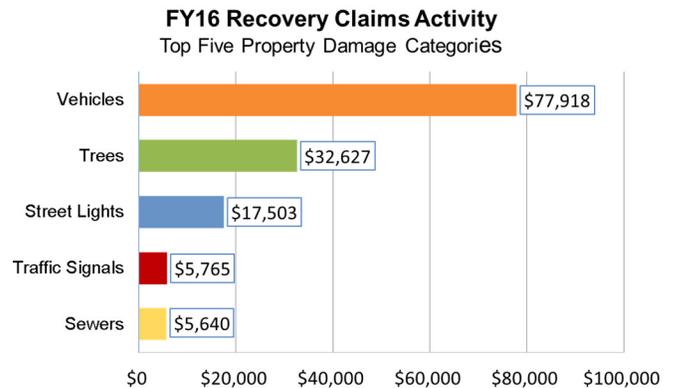
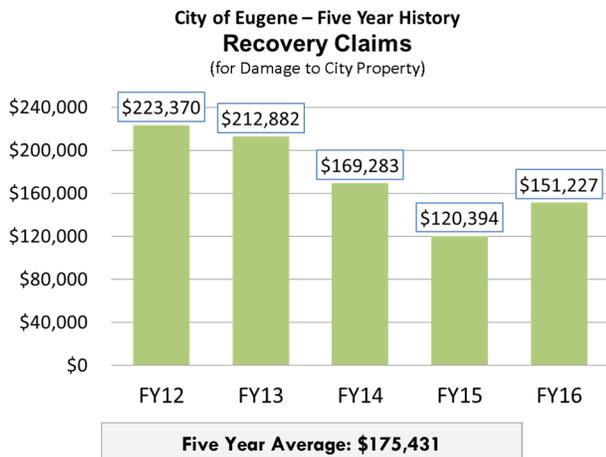
PROPERTY LOSSES

The City's property insurance policy includes a \$25,000 deductible. Claims under the deductible are paid by the Risk Fund except claims of \$1,000 or less which are paid directly by the department that incurs the loss. An average of 6 property losses are incurred each year. There were four property losses filed in FY16. The largest loss resulted when an HVAC pipe burst at the Parcade parking garage causing damage to City property in a leased space. The Risk Fund covered \$6,454 in repair costs since it fell under the \$25,000 policy deductible. The other losses included a window that was shot out at the downtown Library, windstorm damage to the restroom building roof at Sladden Park, and a City laptop computer that was destroyed in a house fire.



RECOVERY CLAIMS (for damage to City property)

Over the past five years Risk Services has recovered an average of \$175,431 per year, while spending only about \$20,000 per year in staff time to pursue these claims. The funds collected are returned directly to the affected City work units throughout the year to offset expenses for replacement stock and equipment.



Of note...

- The largest single recovery in FY16 was \$18,717 for a Eugene Police vehicle that was totaled.
- Over \$2.9 million dollars for City property damage has been recovered by Risk Services since the program began in 1981.

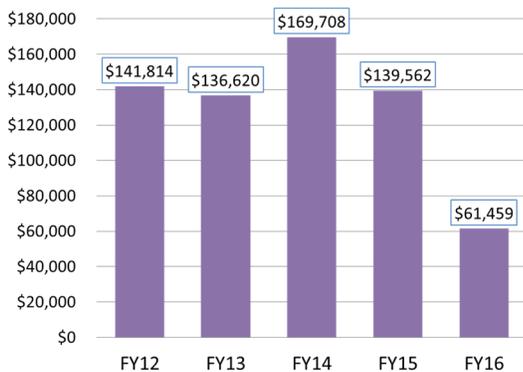
2016 RISK REPORT

Unemployment / Employee Benefits

UNEMPLOYMENT

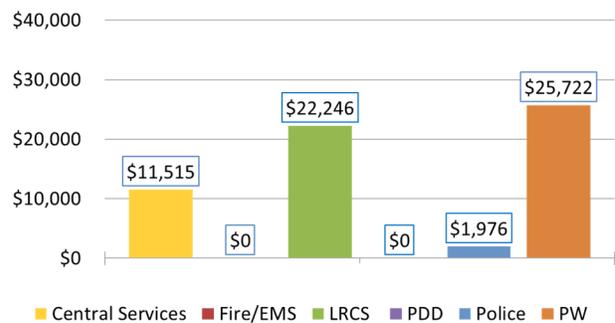
Instead of paying a State tax, the City is self-insured for its unemployment exposure. Unemployment costs have been decreasing since a high point in FY14. In FY16, costs decrease 44% from what was paid in FY15. Fire/EMS and PDD had no unemployment claims paid in FY16.

City of Eugene – Five Year History
UNEMPLOYMENT CLAIMS



Five Year Average Cost: \$129,833

City of Eugene
FY16 Unemployment Claims Cost by Department



EMPLOYEE BENEFITS

Health Insurance

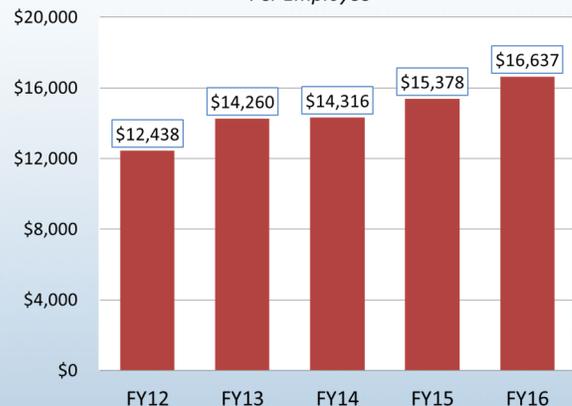
In FY16 the total cost of medical, dental and vision care for City employees, retirees and their dependents was \$27.4 million. Employees and former employees contributed \$3.97 million toward this cost, as discussed on the next page. Overall medical inflation, increasing prescription drug costs, an aging workforce and a large enrollment of retired employees remain key factors in continuing to drive the health plan costs upward.

Plan Cost: The City's average annual health plan costs per employee increased 8.2% from FY15, which is the highest increase in the last five years. Costs were driven by an unusual number of claims exceeding \$100,000 and the extremely high costs of the retiree group, as discussed on the next page.

Large Claims: In FY16 there were 23 claims exceeding \$100,000, compared to only 16 in FY15, with three claims exceeding \$250,000. The City self-insures the first \$250,000 of each medical claim and purchases "stop-loss" insurance for claims which exceed \$250,000. The City pays all claims, even those over the stop-loss amount and is then reimbursed by the stop-loss insurer. In FY15 only one claim exceeded this \$250,000 threshold.

Employee Cost Sharing: All employees contribute towards the health insurance premium in some manner. In FY16, employee premium contributions totaled \$1,796,735, approximately 8% of total plan costs for active employees and their dependents.

City of Eugene – Annual Health Plan Cost*
Per Employee



*Includes: City Health Plan, City Managed Care Plan, City Hybrid Plan medical, dental, vision claims, administration costs and Health Care Reform fees for active and former employees and their dependents. Does not reflect employee/retiree contributions. Total costs do not include claims costs reimbursed or administration fees refunded by the City's stop-loss insurance.

2016 RISK REPORT

Employee Benefits

EMPLOYEE BENEFITS

Retiree/Continuee Subsidy: In FY16 approximately 300 retirees and other former employees and their dependents continued their coverage under the City's plans on a self-pay basis under federal (COBRA) and state law. The retiree claims costs have been consistently much higher than the active employee experience and has been a major contributor to increasing health care costs for the City. For FY16, retiree plan costs totaled \$4 million but retirees paid only \$2 million in premiums, resulting in a City subsidy of \$2.0 million for this group.

The COBRA group's experience was unusually high, as well. The average monthly claims paid for the COBRA continue group was six times higher than the average monthly claims cost of active employees and nearly 5 times higher than the average retiree monthly cost.

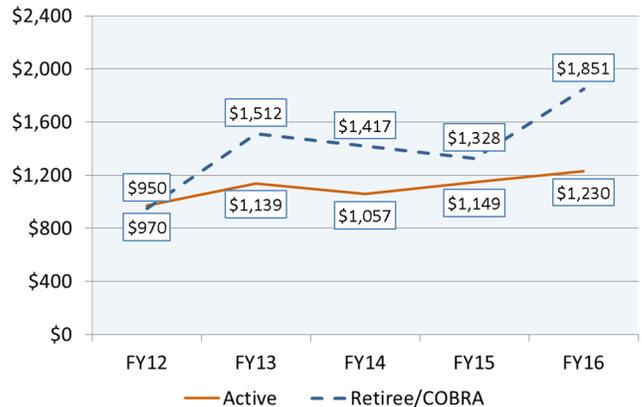
In FY16, the average claims cost for the retiree/COBRA group was 59% higher than the active employee cost.

Health Insurance as a Percent of Payroll: The graph on the right represents the total health plan costs as a percentage of regular and overtime wages for regular, limited duration, and temporary employees, reduced by active and former employee contributions and claims reimbursed by the City's stop-loss insurance.

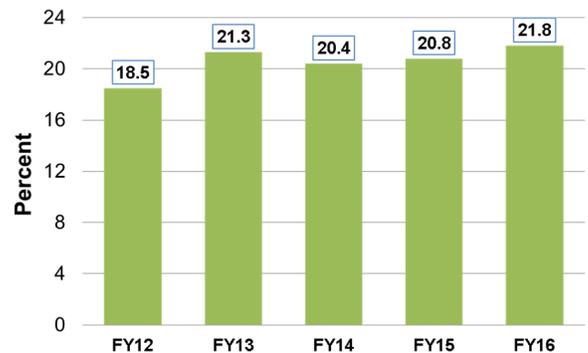
Health & Fitness Program

Maintaining or improving the health of employees is one of the City's key long-term strategies to control future healthcare costs. The City's award-winning Health and Fitness program contributes to our efforts to control healthcare costs by offering employees and their dependents health risk appraisals along with a variety of programs that focus on prevention, nutrition, fitness and risk reduction for heart disease, diabetes, cancer and other chronic health conditions. The graph below shows the major services provided through the Health & Fitness Program over the past five years.

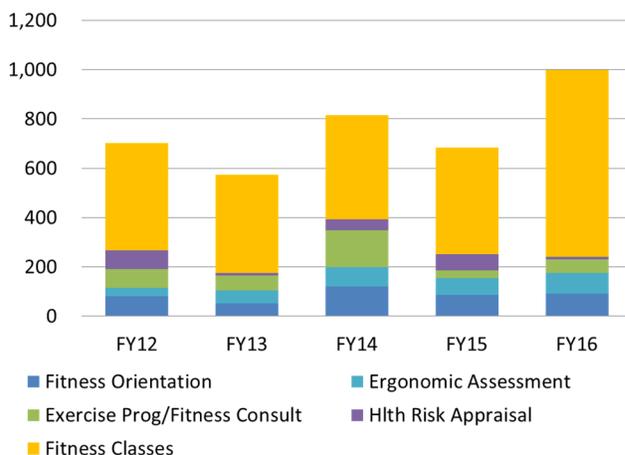
Health Insurance – Active vs. Retiree/COBRA
Annual Average Medical/Dental/Vision Claims Cost per Employee



City of Eugene
Total Health Plan Cost as a Percent of Payroll



Health & Fitness Program - Services Provided



Of note ...

For the 7th year in a row, the City of Eugene was named one of **Oregon's Top 10 Healthiest Employers** for its size by the Portland Business Journal. The award was created to recognize organizations with innovative wellness programs and worksite wellness initiatives.



2016 RISK REPORT

Employee Benefits

Health Risk Appraisal Program: One of the most powerful programs offered to employees is the Health Risk Appraisal Program. This program offers a comprehensive analysis of each individual's health and fitness. The detailed report provided to the employee provides safe and effective ways to improve their overall health and wellness. Employees in each department are eligible to participate every three years.

Wellness Incentive Program: The Wellness Incentive Program for AFSCME and Non-represented employees continued in FY16. The plan design included two components:

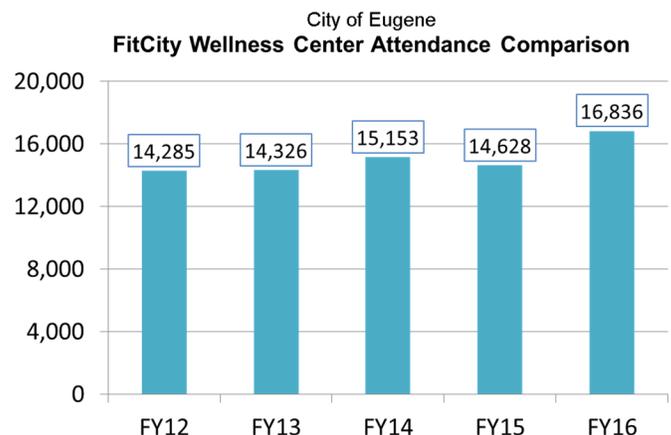
- ▶ **Health Quotient:** Employees earn \$50 for completing a health risk appraisal, called a “Health Quotient” (HQ), on the PacificSource website.
- ▶ **Health Improvement Action Plan:** After completing the HQ, employees are eligible to earn an additional \$50 by creating a Health Improvement Action Plan and working toward a health improvement goal.

In FY16, 36% of all AFSCME and Non-Represented employees completed the Health Quotient (HQ) portion of the Wellness Incentive Program and 22% of both groups completed both the HQ and a Health Improvement Plan. Both groups had similar participation rates for both portions of the program. Both groups had similar participation rates for both portions of the program. The FY16 participation rates was slightly lower than FY15. Based on data in “Workplace Wellness Programs Study Final Report” by the Rand Corporation, the City’s participation rate was consistent with other similarly designed programs.

Wellness Initiative: The Executive Team authorized the Benefits Study Group (BSG) to design and implement a Wellness Initiative to enhance wellness services for all those covered under the City’s health plans. The BSG is made up of representatives of all employee groups. The Wellness Initiative programs include:

- **City Manager’s Activity Challenge (CMAC)** - This program has three areas of focus: physical activities, educational activities, and community service. Employees and family members can participate in a wide variety of activities to improve their health and well being.
- **Free Health & Fitness Classes** - Fitness classes are offered at the City’s downtown Wellness Center, the Police Department and Public Works Maintenance/Parks & Open Space. Classes include Tabata, Nia, Zumba, Tai Chi, Boot Camp, and more. In addition, employees and their adult dependents covered on the City’s health plans can participate in the Adult Health and Fitness classes offered by City of Eugene Recreation Services Division at no cost.
- **Wellness Education Classes** – Classes on various health topics offered in FY16 included: Resolutions to Real Solutions; Fitness on the Fly, Women’s Health; Men’s Health; and Small Changes Add Up.
- **Smoking Cessation Program** - The Wellness Initiative includes a tobacco cessation program called Options Tobacco Cessation Program, offered through the Oregon Heart & Vascular Institute, with the cost covered by the City’s Wellness Program.

FitCity Wellness Center: The City’s downtown Wellness Center is open to all regular and temporary employees, as well as dependents (age 18 and over) and retirees covered under the City’s health plans. FitCity is equipped with cardiovascular and resistance exercise machines, wheelchair accessible exercise equipment, and a variety of other exercise modalities. FitCity offers a variety of exercise classes, wellness education, CPR/AED classes, exercise programming, health and wellness screenings, and flu shot clinics. The participation for FY16 hit a new high with 16,836 visits by 518 individuals.

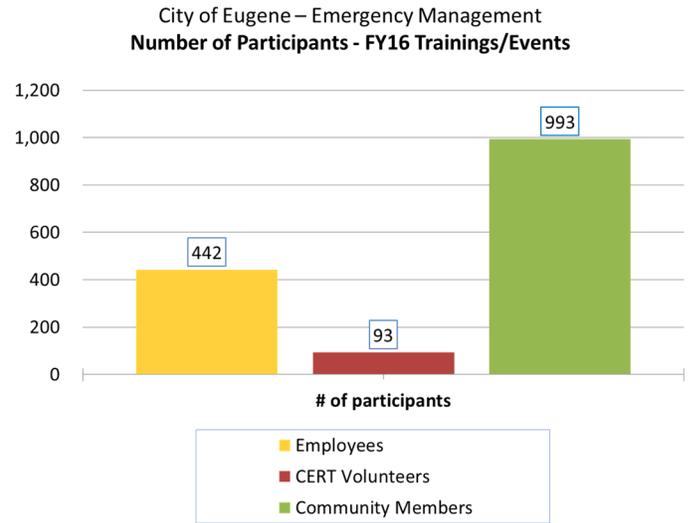
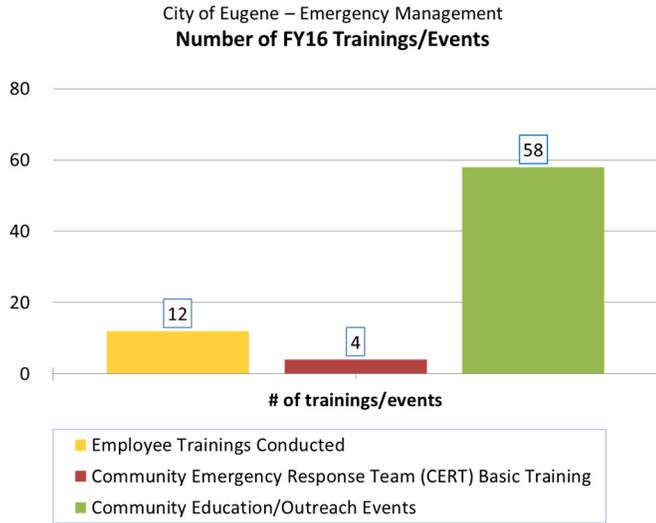


2016 RISK REPORT

Emergency Management

EMERGENCY MANAGEMENT PROGRAM

In FY16, Emergency Management Program provided a variety of trainings and presentations for employees, emergency management partners, and community members with a total participation of over 1,500 individuals.



In addition, Emergency Management staff participated in six planned exercises and events in FY16.

Of note ...

- On June 7-10, 2016 the City of Eugene, in conjunction with the City of Springfield, participated in the regional Cascadia Rising 2016 functional exercise. The exercise addressed the likely consequences of a Cascadia Subduction Zone 9.0 earthquake off the coast of Oregon. Approximately 90 City of Eugene employees participated in the exercise along with representatives from partner agencies including the American Red Cross, University of Oregon, Benton County, EWEB, State of Oregon Emergency Management and AmeriCorps.

2016 RISK REPORT

Risk Rates Overview

RISK RATES

The following Risk Services insurance programs are funded through annual departmental Risk Rates:

- General Liability
- Workers' Compensation
- Property
- Unemployment Insurance

In addition, the Risk Services safety/loss control, environmental, and emergency management services are also funded through the annual departmental Risk Rates. (Risk Services' employee benefits program is funded through the Employee Health and Benefits Fund.)

How the Risk Rates are Established

The Risk Rates are determined based on the premium cost projections of the four insurance programs plus administrative and program costs. The Risk Rates for each of the programs are calculated based on the following:

- 'Exposure' — full Time Employee (FTE) counts by division (DVSW)
- Insurance premium projections
- 'Experience' — past five-year actual cost of claims/losses
- Property values (building value and occupancy)
- Claim cost projection — based on annual actuarial analysis
- Administrative and program costs

Program costs for the four insurance program areas are allocated as follows:

- Workers' Compensation 60% experience, 40% exposure
- Auto/General/Public Officials' Liability/Bonds 60% experience, 40% exposure
- Property and Miscellaneous Insurance 100% property value (building value and occupancy)
- Unemployment Insurance 100% experience

Other Factors Affecting the Risk Rates

Each department's percentage of the City's total experience or exposure will cause the department's rates to fluctuate. If a department has an increase or decrease in its percentage of the City's total FTE, its percentage of the claims cost or its property value, the costs associated with those variables will also increase or decrease. Yearly fluctuations in the Risk Rates are largely due to the fluctuation in the cost of insurance premiums and the severity of damage claims, including legal fees.

