

Property * Training * Insurance * Security



**Fiscal Year 2014
Safety & Risk Management
Annual Report**

Liability * Safety * Workers' Compensation

Safety & Risk Management 2014 Annual Report

Mission Statement

The primary objective of the Safety & Risk Management process is to support the City's core mission by protecting the City against unexpected or unnecessary loss of resources.

Through collaboration and consultation with senior management, city staff and other outside partners, Safety & Risk Management shall work to ensure the preservation of the City's resources by integrating sound risk management techniques into all City operations. Safety & Risk Management will:

- Systematically identify and analyze risk exposures,
- Select and implement appropriate risk control strategies and
- Select fiscally prudent financing mechanisms to fund expected incurred losses.

Safety & Risk Management understands that in order to maintain a City-wide integrated risk management program, the commitment and support of Senior Management is required. Safety & Risk Management will work closely with Senior Management to develop and foster this support.

Report Layout

This report includes a summary of risk management issues broken into several categories for the FY 2014 reporting period (July 1, 2013 – June 30, 2014).

Risk management categories include: workers' compensation, auto liability and physical damage, general liability, public official liability, law enforcement liability, property, insurance, safety, and emergency management and security.

Current year and historical data has been arranged and graphed for ease of review.

Safety & Risk Management compiles data provided by City departments and the Kentucky League of Cities Insurance Services (KLCIS, the City's insurance carrier).

Additional claim specific information may be obtained upon request.

Executive Summary

Safety & Risk Management Commentary

Loss occurrence totals for all lines of coverage were relatively consistent with prior year reporting. The City's proactive approach on reporting of all loss occurrences (actual losses and potential future losses) regardless of severity helps identify risk management opportunities and places the City in a good position for defending future claims. Filed claims for FY14 totaled 80, compared to 88 in FY13, 81 in FY12, 90 in FY11, 91 in FY10 and 103 in FY09.

FY14 Points of Interest

- Total insurance premium for all coverage in FY14 was approximately 8% higher than FY13; much of the increase is attributed to an increase in general liability coverage.
- Despite increasing exposure (i.e. more miles of streets to maintain, increasing payroll, additional employees, more police officers, more park facilities, additional buildings and contents), the City's total cost of risk has not increased significantly since 2004.
- Injury frequency rates hit an historic low level.
- Workers' Compensation (WC) claim expenditures were 41% under budget due to continued lower frequency and severity of claims.
- WC experience modification (EM) factor decreased slightly year-over-year, providing almost \$4,000 in additional premium savings.
- Drug-Free Workplace program provided \$21,891 WC premium credit.
- Auto liability claims amounts continue to remain at low levels
 - FY14 liability dollars total approximately \$20,000.
- Backing and striking fixed objects accounted for 45% of all City vehicle collisions.
- More medical payments coverage claim were recorded in FY14 than any other year since 1996. There were 7 claims made compared to an historical average of 1 per year.
 - Payments of \$18,260 were made in FY14.
 - Medical payment coverage accounted for 33% of all general liability claims filed.
 - Approximately 50% of the medical payment claims involve trip/falls on public property (i.e. sidewalk) with the remaining 50% occurring at a playground or the water park.
- For the second year in a row, the Public Works Department was recognized as "Safe Department of the Year"
 - No Lost-Time Injuries for FY14
 - Over 5-years without a lost-time injury
 - No OSHA recordable injuries in FY14

As the City's risk management efforts progress, we will continue to explore financially sound deductible options that parallel the City's appetite for risk. As we do so, it will be all the more important for employees to recognize the City's possible "first dollar" claim payment responsibility. Safety & Risk Management will continue to look for opportunities to eliminate, control, reduce or transfer loss exposures but the effort of each employee will be required if we are to build upon our successes.

Thank you again for all of your efforts to help to attain our current level of risk management.

Sincerely,

David Weisbrodt
Safety and Risk Manager

Workers' Compensation

2014 Claims

The number of injury occurrences (56) and injury claims (28) are the lowest figures recorded since data gathering began in 1996.

2014 Injury Rates

The attached "Injury Frequency Rates" chart provides information regarding the frequency (number of recordable injuries) and severity (number of lost-time injuries) for all injuries receiving more than first aid treatment.

The FY14 OSHA recordable injury rate (4.8) decreased from FY13 (7.4) and is the lowest ever recorded. The OSHA lost-time injury rate also experienced a slight year-over-year decrease, finishing the year at 1.0. The lowest lost-time injury rate was recorded in FY10 and FY11 (.07). Rates for "Preventable Only" type injuries were also at record low levels.

Costs (Actual and Incurred)

All workers' compensation claims (current and prior year claims) paid during FY14 totaled \$51,988. Of this amount, \$27,782 is considered "out-of-period" expense arising from prior year claims.

Catastrophic Losses

The City experienced no catastrophic claims (worker injury paid/reserved in excess of \$50,000) during FY14.

Workers' Compensation Fund

Thru FY11, the City had a large deductible plan (\$100,000) for insuring costs associated with workers' compensation claims. Due to lower premium costs associated with exceptional loss experience, the City has selected a \$10,000 deductible. Claims and premiums are paid out of a trust fund (fund 613). Claims paid from the fund include both those that occur during the fiscal year and those that are still active from prior years.

Due to a lack of major claims activity over the past few years and no catastrophic claims for FY14, approximately 59% of the claims budget was utilized. Safety and Risk Management works closely with the Finance Department to assure adequate claims funding levels.

Additional items funded thru the WC fund include loss preventative asset items (i.e. safety equipment, engineered safety systems) for prevention of future injury.

- Roof Access Fixed Ladder - Parks
- ANSI Class 3 reflective jackets - Parks
- Maintenance shop bird control – Golf
- FR Clothing – NCS & Parks
- Electrical PPE – NCS & Parks
- Hose Drying Platform Fabrication – Fire

Savings

The City continues to keep loss experience to a minimum and benefits through lower premiums. The experience modification (EM) factor (a factor used for calculating WC insurance rates) remains at an extraordinarily low level. After increasing from .54 to .59 in FY14, the EM retreated to .58 for FY15 (insurance expected EM = 1.00). The lower EM rate resulted in a year-over-year premium decrease of approximately \$4,000. When compared to an average EM rate of .80 (still a good rate) the extraordinarily low EM rate has conservatively saved the City \$50,000 - \$100,000 annually since FY09. This rate is the lowest recorded among all KLCIS members but is expected to increase over the next few years.

The Drug-Free Workplace program approved through the Department of Workers' Claims continues to provide a 5% premium discount. The discount provides funding for most of the Drug-Free Workplace program.

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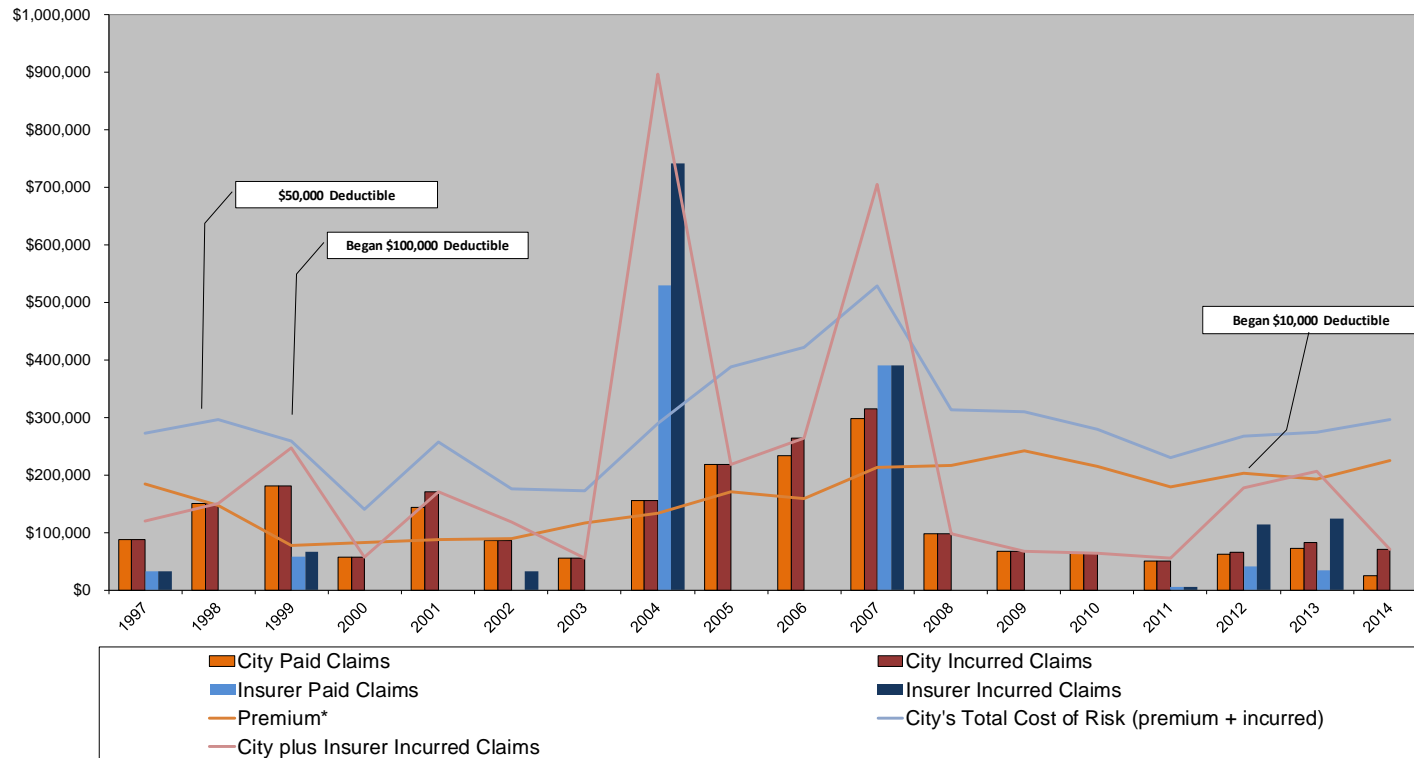
WORKERS COMPENSATION EXPENSES

Actual Costs Vs. Incurred Cost (UPV)

DATA THRU 06/30/14

FY 2014					FY 2013					FY 2012				
\$10,000 Deductible					\$10,000 Deductible					\$10,000 Deductible				
	City Paid	City Incurred	Insurer Paid	Insurer Incurred		City Paid	City Incurred	Insurer Paid	Insurer Incurred		City Paid	City Incurred	Insurer Paid	Insurer Incurred
Police	\$13,043.68	\$45,818.01	\$0.00	\$0.00	Police	\$50,086.14	\$51,948.20	\$0.00	\$0.00	Police	\$48,799.44	\$48,799.44	\$40,282.42	\$113,487.56
Fire	\$2,705.41	\$8,991.76	\$0.00	\$0.00	Fire	\$4,710.90	\$4,710.90	\$0.00	\$0.00	Fire	\$6,220.15	\$8,056.05	\$0.00	\$0.00
PW	\$147.04	\$147.04	\$0.00	\$0.00	PW	\$3,946.13	\$3,946.13	\$0.00	\$0.00	PW	\$515.24	\$515.24	\$0.00	\$0.00
Parks	\$8,310.25	\$16,258.32	\$0.00	\$0.00	Parks	\$3,894.87	\$11,604.73	\$0.00	\$74,090.04	Parks	\$5,827.47	\$5,827.47	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	Other	\$10,000.00	\$10,000.00	\$33,509.48	\$49,472.92	Other	\$1,402.79	\$1,402.79	\$0.00	\$0.00
Total	\$24,206.38	\$71,215.13	\$0.00	\$0.00	Total	\$72,638.04	\$82,209.96	\$33,509.48	\$123,562.96	Total	\$62,765.09	\$64,600.99	\$40,282.42	\$113,487.56

WORKERS' COMPENSATION COST - ACTUAL AND INCURRED



"City Paid" represents all actual claim expenses already paid by the City.
 "City Incurred" represents total claim expenses expected to be paid by the City.
 "Insurer Paid" represents all actual claim expenses already paid by the Insurer.
 "Insurer Incurred" represents total claim expenses expected to be paid by the Insurer.
 "Total City & Insurer Incurred" represents the total expected value of all claims for that time period.

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Injury rates are based on 100 employees working an average 40-hour work week/year. Preventable injuries are those that were caused without the influence of a 3rd party or some other outside force by which the employee had little or no control (i.e. suspect resisting arrest, insect bite, etc.).

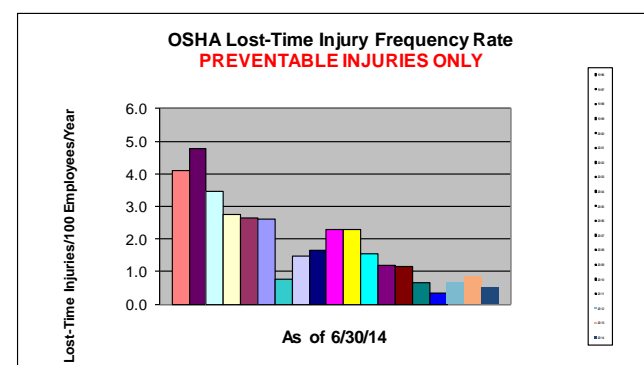
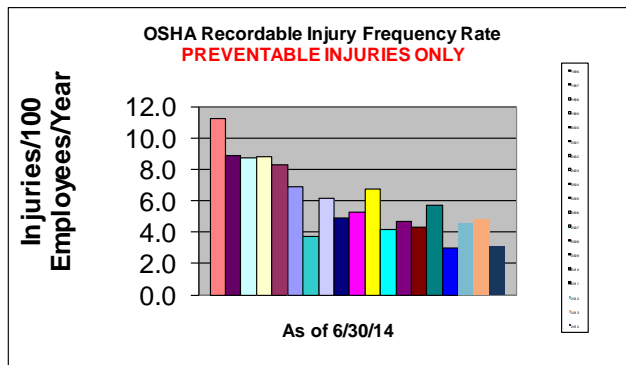
INJURY FREQUENCY RATES PREVENTABLE ONLY

OSHA Recordable Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2014	4.2	1.7	0.0	6.8	0.0	3.1
2013	8.6	2.3	1.8	6.5	1.4	4.8
2012	6.1	1.7	7.5	7.1	1.4	4.6
2011	2.5	3.5	7.7	2.5	0.0	2.9
2010	3.0	5.8	10.4	6.4	7.0	5.7
2009	3.5	4.7	6.6	5.5	1.3	4.3
2008	6.1	4.7	6.5	4.9	0.0	4.7
2007	5.1	2.4	8.3	6.0	0.0	4.2
2006	7.2	5.5	8.3	7.8	5.5	6.7
2005	5.4	3.7	3.2	9.0	3.9	5.3
2004	7.1	4.6	3.3	6.6	0.0	4.9
2003	5.0	4.0	10.7	9.0	4.4	6.1
2002	6.6	2.6	5.4	3.2	0.0	3.7
2001	8.0	6.0	5.5	9.4	3.0	6.9
2000	5.8	6.7	22.0	10.8	1.5	8.3
1999	7.3	6.2	17.7	11.3	6.3	8.8
1998	6.0	6.4	16.6	10.7	10.6	8.8
1997	7.2	5.2	19.4	12.9	5.4	8.9
1996	10.0	8.5	17.3	17.4	3.8	11.2

OSHA Lost-Time Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2014	1.2	0.0	0.0	0.9	0.0	0.5
2013	1.8	0.0	0.0	0.8	1.4	0.9
2012	1.8	0.0	0.0	0.8	0.0	0.7
2011	0.6	0.6	0.0	0.0	0.0	0.3
2010	0.0	0.6	0.0	1.6	1.4	0.7
2009	0.6	1.2	1.6	1.6	1.3	1.2
2008	1.8	1.8	1.6	0.0	0.0	1.2
2007	2.5	1.2	1.7	1.7	0.0	1.6
2006	2.6	1.8	3.3	0.9	4.1	2.3
2005	2.7	1.2	1.6	4.1	1.3	2.3
2004	2.8	1.3	1.7	1.6	0.0	1.6
2003	2.1	0.7	1.8	2.5	0.0	1.5
2002	0.7	0.7	0.0	1.6	0.0	0.7
2001	4.3	2.0	0.0	3.9	0.0	2.6
2000	3.6	2.0	1.8	4.1	0.0	2.6
1999	3.6	0.7	3.9	4.3	1.6	2.7
1998	0.7	3.5	6.2	4.5	5.3	3.5
1997	2.9	3.7	8.6	7.3	3.6	4.8
1996	1.5	4.6	8.7	4.8	3.8	4.1



OSHA Recordable cases do not include those injuries requiring only first-aid treatment.

Reporting Period: 07/01/13 - 06/30/14

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Injury rates are based on 100 employees working an average 40-hour work week/year.

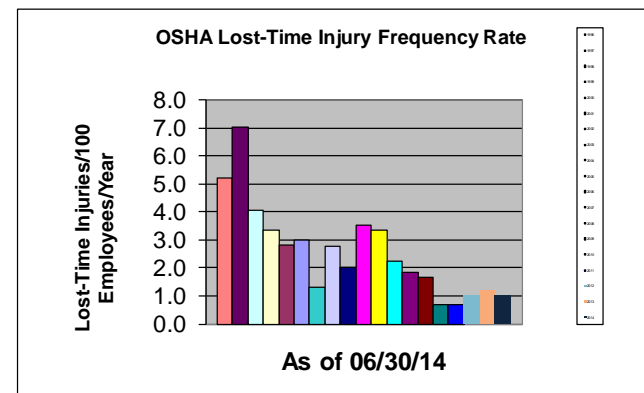
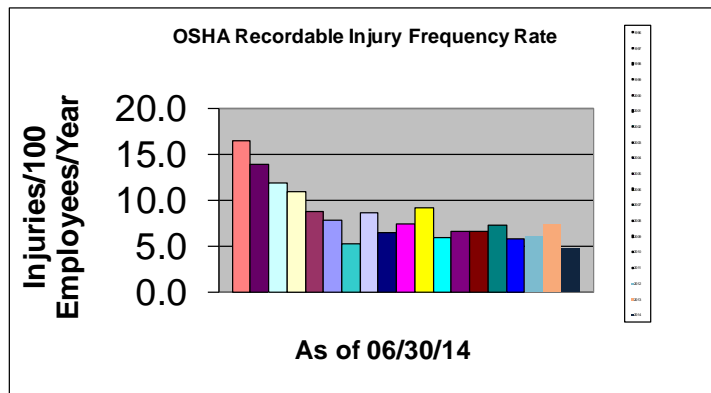
INJURY FREQUENCY RATES

OSHA Recordable Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2014	7.8	4.0	0.0	6.8	0.0	4.8
2013	14.7	3.5	7.3	6.5	1.4	7.4
2012	8.6	4.1	7.5	7.8	1.4	6.1
2011	9.9	4.7	7.7	4.1	0.0	5.7
2010	7.3	5.8	12.2	7.1	7.0	7.2
2009	9.4	5.3	6.6	6.3	4.0	6.6
2008	11.0	6.5	6.5	4.9	0.0	6.5
2007	10.2	2.4	8.3	7.7	0.0	5.9
2006	11.1	8.6	11.6	8.7	5.5	9.2
2005	8.8	6.8	4.8	9.0	5.2	7.4
2004	10.6	4.6	5.0	7.4	1.4	6.4
2003	12.7	4.6	10.7	9.0	5.9	8.6
2002	10.2	2.6	5.4	4.8	1.5	5.2
2001	10.9	7.3	5.5	9.4	1.5	7.8
2000	6.5	6.7	23.9	10.8	1.5	8.7
1999	13.1	7.6	17.7	12.1	6.3	11.0
1998	15.7	7.8	16.6	10.7	10.6	11.8
1997	22.5	6.7	19.4	13.8	5.4	13.9
1996	23.1	13.1	17.3	18.3	3.8	16.4

OSHA Lost-Time Frequency

Fiscal	Police	Fire	PW	Parks	Other	Avg.
2014	3.0	0.0	0.0	0.9	0.0	1.0
2013	3.1	0.0	0.0	0.8	1.4	1.2
2012	2.5	0.0	0.0	1.6	0.0	1.0
2011	1.2	0.6	0.0	0.8	0.0	0.7
2010	1.2	0.6	0.0	0.8	0.0	0.7
2009	2.4	1.2	1.6	1.6	1.3	1.7
2008	4.3	1.8	1.6	0.0	0.0	1.8
2007	4.4	1.2	1.7	2.6	0.0	2.2
2006	4.6	4.3	1.7	0.9	4.1	3.4
2005	3.4	3.7	3.2	4.9	1.3	3.5
2004	3.5	1.3	1.7	2.5	0.0	2.0
2003	5.7	1.3	1.8	2.5	1.5	2.8
2002	2.2	0.7	0.0	1.6	1.5	1.3
2001	5.8	2.0	0.0	3.9	0.0	3.0
2000	4.3	2.0	1.8	4.1	0.0	2.8
1999	5.1	1.4	3.9	4.3	1.6	3.3
1998	3.0	4.3	4.1	4.5	5.3	4.1
1997	9.4	5.2	8.6	7.3	3.6	7.0
1996	3.8	6.1	8.7	4.8	3.8	5.2



OSHA Recordable cases do not include those injuries requiring only first-aid treatment.

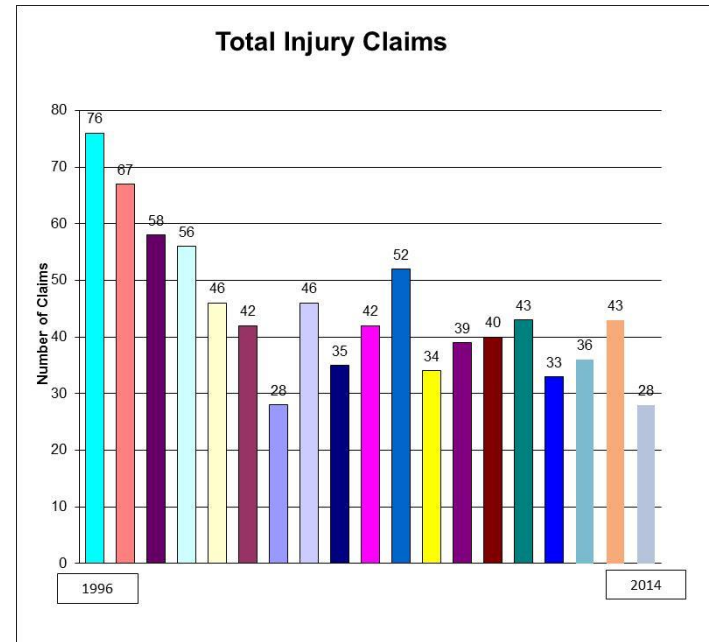
Reporting Period: 07/01/13 - 06/30/14

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WC RECORDABLE CLAIM TOTALS

Period Ending 06/30/14

		Police	Fire	PW	Parks	Other	Total
Number of Claims	FY14	13	7	0	8	0	28
	FY13	24	6	4	8	1	43
	FY12	14	7	4	10	1	36
	FY11	16	8	4	5	0	33
	FY10	12	10	7	9	5	43
	FY09	16	9	4	8	3	40
	FY08	18	11	4	6	0	39
	FY07	16	4	5	9	0	34
	FY06	17	14	7	10	4	52
	FY05	13	11	3	11	4	42
	FY04	15	7	3	9	1	35
	FY03	18	7	6	11	4	46
	FY02	14	4	3	6	1	28
	FY01	15	11	3	12	1	42
	FY00	9	10	13	13	1	46
	FY99	18	11	9	14	4	56
	FY98	21	11	8	12	6	58
FY97	31	9	9	15	3	67	
FY96	30	17	8	19	2	76	

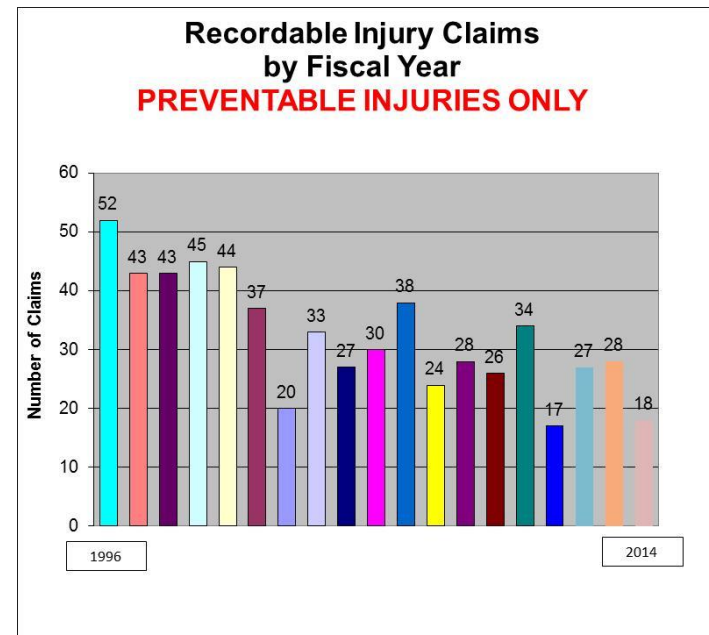


WC RECORDABLE CLAIM TOTALS

PREVENTABLE INJURIES ONLY

Period Ending 06/30/14

		Police	Fire	PW	Parks	Other	Total
Number of Claims	FY14	7	3	0	8	0	18
	FY13	14	4	1	8	1	28
	FY12	10	3	4	9	1	27
	FY11	4	6	4	3	0	17
	FY10	5	10	6	8	5	34
	FY09	6	8	4	7	1	26
	FY08	10	8	4	6	0	28
	FY07	8	4	5	7	0	24
	FY06	11	9	5	9	4	38
	FY05	8	6	2	11	3	30
	FY04	10	7	2	8	0	27
	FY03	7	6	6	11	3	33
	FY02	9	4	3	4	0	20
	FY01	11	9	3	12	2	37
	FY00	8	10	12	13	1	44
	FY99	10	9	9	13	4	45
	FY98	8	9	8	12	6	43
FY97	10	7	9	14	3	43	
FY96	13	11	8	18	2	52	

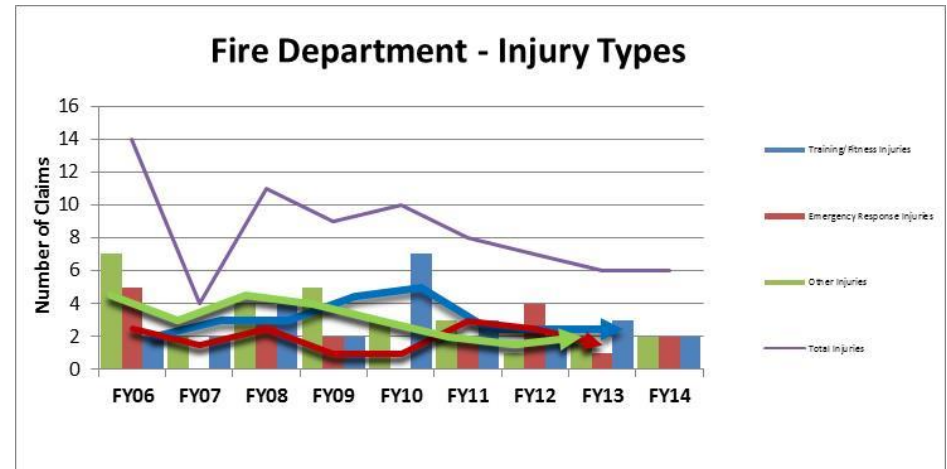
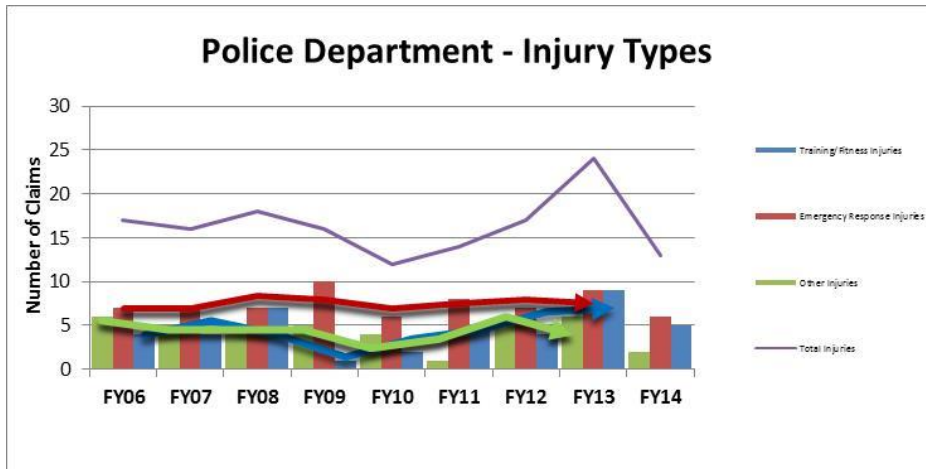


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Public Safety - Injury Type Review

The charts below show the number of work related injuries within three different category types for the Public Safety sector, 1) training/fitness injuries, 2) emergency response injuries, and 3) other injuries; arrows depict a moving average for each injury type.

It is difficult to determine causality for any trends that might be identified from these charts however they do provide a snap shot of the types of injuries occurring from year to year. This information is simply provided to assist Public Safety Departments in their evaluation of injury types and assess fitness, training and emergency response activities.



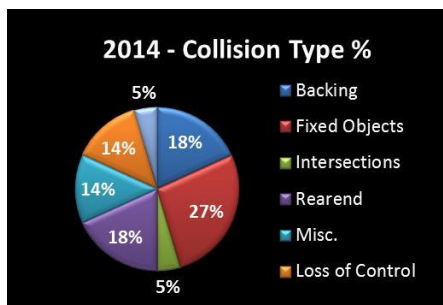
Auto Liability & Physical Damage

Total Vehicle Claims

Sixty-seven (67) auto related loss occurrences were recorded during FY14, which is consistent with prior year history. Of the 67 occurrences, 22 were considered “preventable”, which is slightly lower than the past three year average.

The “preventable” vehicle collision rate (number of preventable collisions/100,000 miles driven) finished the year at 1.11 (see page 13). After a strong decline from 2006 to 2008, collision rates appear to have plateaued.

Backing collisions which usually account for about 40% of all preventable collisions were reduced by approximately 50% in FY14. Proper backing has been a major focal point of training, so this decline is welcomed. Rear-end collisions and Loss of Control type incidents were slightly higher however all were relatively minor in severity.



Auto

Physical Damage (APD)

City auto physical damage (APD) for the year totaled \$45,298. Of this amount, the City was reimbursed \$18,247 from other involved parties or insurers and is working toward collection of an additional \$2,984. The City’s actual loss for APD for the fiscal year is \$23,892, a decrease of approximately \$8,000 from last year.

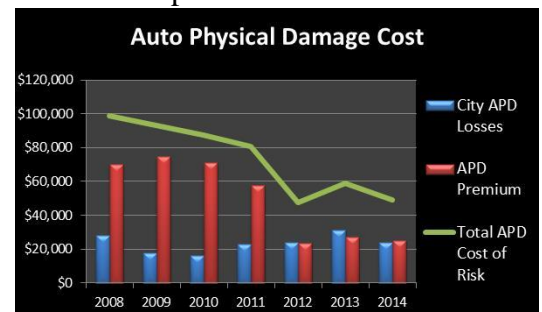
Auto Liability (AL) Claims

There were a total of 13 auto liability claims for FY14, accounting for total incurred cost of \$19,400. Severity of claims remain low however claim frequency for FY14 edged

higher. One loss accounted for almost 75% of the total liability paid for the year.

Insurance

The City maintains collision insurance on all newer vehicles and those apparatus costing in excess of \$25,000. The City now self-insures approximately 80% of the fleet for collision and 50% of the fleet for comprehensive coverage. The decision to self-insure a portion of the fleet has saved the City \$20,000 - \$30,000 per year since FY12.



Prevention

Preventative measures implemented during FY14 included:

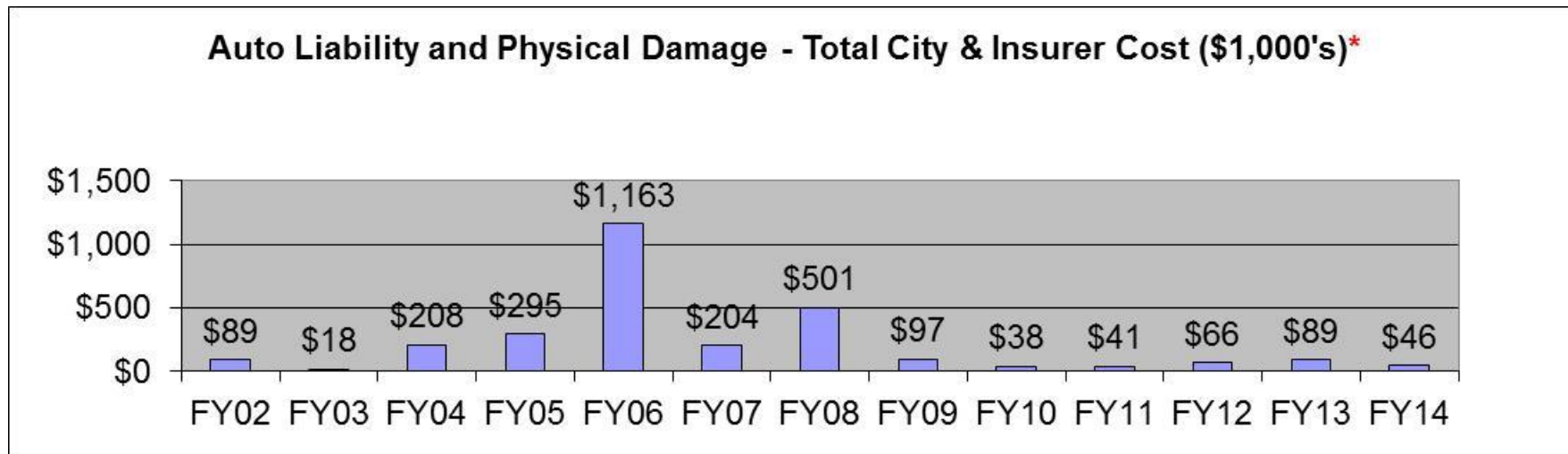
- The Fire and Police departments continued departmental specific driver training.
- The “Smith System” certified driver training program continues to be implemented throughout all City departments.
- Emphasis continues to be placed on the prevention of backing collisions.
- “DriveCam”, a video-based driver risk management program was made a permanent fixture in vehicles driven by new Police Officers and all Cadets. This product assists PD in training new officers to develop good driving habits.

AL claim frequency will be closely monitored in FY14; a continuance of AL claim activity may trigger a need for training. Emphasis on proper backing and maintaining a proper following distance to avoid rear-end collisions will be a mainstay. Fire Department employees will continue to attend the driver evaluation portion of the “Smith System” driver training course.

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Auto Liability (AL) & Auto Physical Damage (APD)

The cost of any loss involving a City vehicle can basically be divided into two categories: 1) Auto Liability and 2) Auto Physical Damage. Auto liability is that which is paid to a third party for losses they incur to their property or person. Physical damage includes those costs associated with the replacement and/or repair of the City vehicle. Note: In FY14, the City purchased insurance on all newer vehicles for physical damage and all vehicles that would involve major cost to replace (i.e. fire apparatus). For those newer and more costly vehicles, the City carries a \$1,000 deductible on all APD claims (except glass breakage which has no deductible).



* Total cost does not exclude expected recovery dollars not yet received from the at-fault responsible party.

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Preventable Vehicle Collisions & Rate Calculations

>\$100 Loss

Data Through 06/30/14

Preventable Collisions	Police	Fire	PW	Parks	Other	Total
FY2014	11	3	3	4	1	22
FY2013	16	3	2	3	1	25
FY2012	12	3	3	1	3	22
FY2011	14	3	2	4	0	23
FY2010	8	3	5	4	1	21
FY2009	17	2	4	0	0	23
FY2008	13	1	6	4	0	24
FY2007	18	2	4	7	0	31
FY2006	21	3	3	6	3	36
FY2005	10	1	3	6	0	20
FY2004	11	2	2	7	1	23
FY2003	9	0	0	5	0	14
FY2002	11	1	0	7	1	20
FY2001	6	0	5	3	0	14
FY2000	11	1	1	7	3	23
FY1999	7	3	3	8	1	22
FY1998	13	2	2	4	0	21

Collision Rate/100,000 Miles Driven	Police	Fire	PW	Parks	Other	Average Rate
FY2014	0.84	1.78	1.45	1.75	1.28	1.11
FY2013	1.27	1.67	0.91	1.31	1.04	1.26
FY2012	0.97	1.93	1.26	0.50	2.47	1.12
FY2011	1.13	1.95	0.84	1.99	0.00	1.18
FY2010	0.59	2.20	2.02	2.05	0.86	1.02
FY2009	1.23	1.79	1.66	0.00	0.00	1.12
FY2008	0.99	0.95	2.36	1.80	0.00	1.20
FY2007	1.31	1.04	1.60	3.14	0.00	1.44
						1.71

Vehicle Collision Rate = Number of Collisions / 100,000 miles driven

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General Liability

General Liability

Coverage protects the City or entity, elected and appointed officials and volunteers from claims and lawsuits alleging bodily injury, property damage or loss arising out of City operations or occurring on City premises.

Insurance

After 7 years of having a deductible of \$15,000, the City selected a \$50,000 deductible at the beginning of FY14. Selecting a deductible has saved the City over \$200,000 since FY2007. Premium credits earned by selecting a deductible option and the overall risk cost savings is depicted in the graph (below):

The City has elected to stay with a \$50,000 deductible for FY15; the resulting premium after the deductible credit is \$192,900. While the larger deductible poses added risk, the City will have the potential to save upwards of \$70,000 if claims are consistent with historical figures. All premium savings will remain in the Property & Casualty trust fund and made available for future claim deductible payments.



Costs

Total paid claims (City and Insurer) for FY14 stand at \$29,877 with current reserves of \$10,000.

Claims

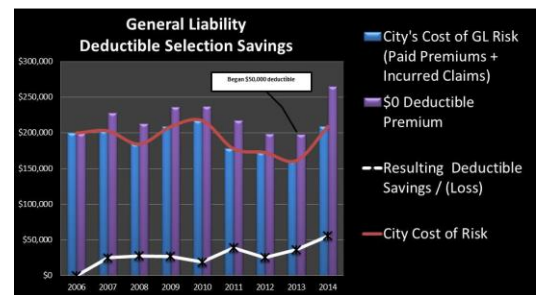
Twenty (20) claims were filed with the City in FY14, compared to 16 in FY13, 25 in FY12, 31 in FY11, 16 in FY10, 29 in FY09 and 32 in FY08.

Types of claims were spread evenly across multiple types.

For the second year in a row, there was no weather related general liability claims.

The City and/or insurer

made payment on 12 of 20 claims filed (historically, the average number of accepted and paid claims is about 50% less). The City's insurer paid 7 claims under the City's medical payments coverage policy. Medical payment coverage pays for medical expenses without an assumption of liability and payment is capped at \$5,000 per claim. The number of medical coverage payments totaled \$18,260 (greater than 50% of all incurred loss).



Prevention

Each employee receives training on the proper reporting and documentation of 3rd party injury and property loss occurrences. In addition to training, the following preventive actions are taken:

- Public Works has a sidewalk inspection and repair program.
- Periodic safety inspections are performed at each City building and park facility.
- Hazardous conditions found or reported by the public are investigated in a timely manner and repaired as necessary.

Public Official & Law Enforcement Liability

Public Official Liability (PO)

Coverage is designed to protect against “wrongful acts”, covering claims for errors, omissions, neglect or breach of duty, violation of civil rights, wrongful termination or sexual harassment claims.

PO Claims

Historically, there have been no more than 3 claims brought against the City within a one year period. There was one claim filed in FY14 however that claim was closed with zero payment.

PO Insurance

The Public Officials insurance premium for FY15 will decrease slightly, going from \$207,556 to \$202,372. Due to the unpredictability and varying loss payment scenarios, the City has again chosen a guaranteed cost plan (zero deductible).

Law Enforcement Liability (LE)

Coverage protects the City and its police personnel when a claim is made arising from police activities. Claims for false arrest, use of force, wrongful termination or discrimination and liability issues with canine units are included.

LE Claims

Three claims were filed within this line of coverage in FY14. The average number of filed claims within a given year is 6. Two of the FY14 claims involved minor damage to claimant property during search activities and all of these were successfully denied with no resulting payout. One claim alleged wrongful arrest however this claim was also successfully denied. Total claim cost for FY14 stands at \$0. Historically, LE claim costs have ranged from \$0 to \$104,000 per year.

LE Insurance

After selecting a large deductible in FY12 (\$100,000) and saving \$75,107 in premium/claim expense, the City returned to a zero dollar deductible in FY13 and continued with a zero deductible in FY14. The City has again chosen a zero dollar deductible for FY15. After seeing a reduction in LE premium of \$55,000 from FY12 to FY13 and virtually no change in FY14, premiums will increase from \$61,491 to \$68,534 for FY15 mainly due to PD being more fully staffed.



Fiscal Year 2014 Risk Management Annual Report

Property

Insurance

KLCIS provides coverage for buildings, building contents and scheduled equipment. A thorough review of the insurance schedule was performed with all departments prior to the recent policy renewal. The City's policy is written on a replacement cost basis, thus providing the necessary resources to replace damaged property in the event of a loss. The premium for FY14 was \$83,526, insuring a total property value (building, contents, and mobile equipment) exceeding \$91,216,486.

After seeing a 42% premium reduction in FY13, the City returned to a \$1,000 deductible from a \$100,000 in FY12. Due to premiums staying relatively the same, a \$1,000 deductible was selected for FY14.

Premium credits for a larger deductible option in FY15 did not provide enough incentive to switch, so the \$1,000 deductible is still in effect.

Property Additions/Deletions

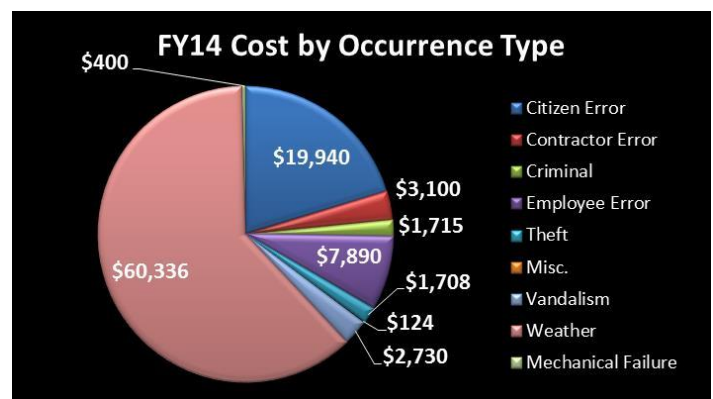
Building contents and mobile equipment lists were reviewed with key personnel within each department. The insurance schedule for covered items was updated and values adjusted where necessary. Major additions to the property schedule included new concession/restroom facilities at Lovers Lane Soccer Complex and HP Thomas Park, radios and associated equipment in storage, and new ball field lights and bleachers at Hobson Grove and Pedigo Park.

Occurrences

There were 53 losses reported in FY14, compared to an annual average of 71 over the past 5 years.

Losses

Property loss cost for FY14 totaled \$97,998, \$23,459 of which was incurred by the City's insurer. Weather related claims accounted for approximately two-thirds of all claim costs.



Losses >\$1,000

For the fourth year in a row, the City was not party to any declared disaster. Some of the losses exceeding \$1,000 included:

- Electrical components damaged by lightning at several City facilities: >\$50,000 in loss over 5 separate occurrences.
- Bleachers and fencing destroyed by motorist at Roland Bland park: \$16,099
- PD roof damaged during ice storm; \$2,982.
- Theft of AED at Lampkin Park; \$1,678.

A total of \$19,030 was collected from responsible third parties during FY14.

Fiscal Year 2014 Risk Management Annual Report

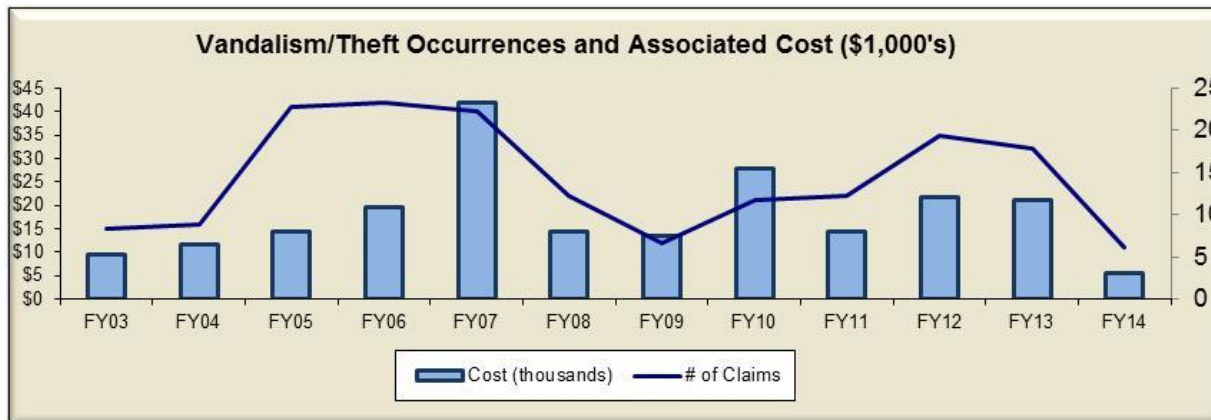
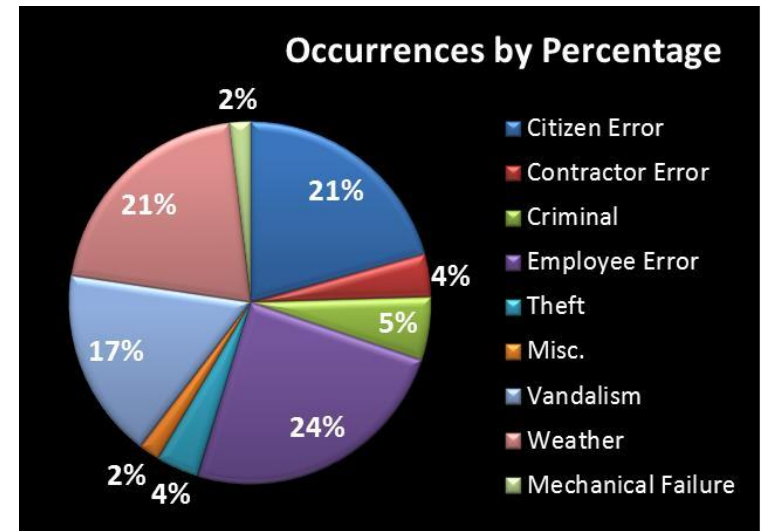
Vandalism & Theft

The number of vandalism and theft occurrences declined significantly in FY14. As in the past, almost all vandalism occurs within the Parks Department and usually involves graffiti. Drainage grate theft has ceased. After 10 theft occurrences in FY12, 3 in FY13, there were no theft occurrences of metal drainage grates reported in FY14.

Vandalism occurrences were not centralized at any one park location but evenly spread amongst 8 different locations.

Occurrence Type

Weather, Citizen error and Employee Error are the new top three causes of property loss occurrences. Lightning strikes caused 7 of the 11 weather related losses and accounted for over \$56,000 of the weather related losses. Citizen error-type claim occurrences usually involve the operation of a vehicle and resulting damage to City property (usually street signs). The number of citizen error type claims reported in FY14 was half of that reported in FY13 and accounted for \$19,939 in loss. The Human Resources & Risk Management Department was successful at recovering over \$17,899 from 6 of 11 involved citizens.



Fiscal Year 2014 Risk Management Annual Report

Property & Casualty Insurance Summary

All lines of insurance are provided through the Kentucky League of Cities Insurance Services (KLCIS). A summary and comparison of FY12 thru FY14 premiums by line of insurance is provided below along with loss history data.

FISCAL 2014
INSURANCE COST ANALYSIS
Reporting Period: July 1, 2013 - June 30, 2014

Type of Coverage	Deductible Amount/Claim	# of Incidents	Filed Claims	Annual Insurance Premium	Claim Costs				Total City Cost (3)
					Paid By Carrier	Incurred by Carrier (1)	Paid By City	Incurred by City (2)	
Workers' Compensation	\$10,000	56	28	\$224,722	\$0	\$0	\$24,206	\$71,215	\$295,937
Auto Liability	\$0	n/a	13	\$153,501	\$10,800	\$19,400	\$630	\$0	\$153,501
Auto Physical Damage	\$1,000	55	4	\$25,274	\$2,159	\$2,159	\$23,892	\$24,521	\$49,795
Property *	\$1,000	53	10	\$83,526	\$23,459	\$25,430	\$21,423	\$21,423	\$104,949
General Liability	\$50,000	N/A	20	\$198,568	\$18,605	\$23,605	\$3,173	\$13,300	\$211,868
Law Enforcement Liability	\$0	N/A	4	\$61,491	\$0	\$0	\$0	\$0	\$61,491
Public Official Liability	\$0	N/A	1	\$150,064	\$0	\$0	\$0	\$0	\$150,064
TOTAL			80	\$897,146	\$55,023	\$70,594	\$73,324	\$130,459	\$1,027,605

Additional Notes:

- Property deductible was reduced to \$1,000.
- Law Enforcement Liability deductible was reduced back to \$0.

FISCAL 2013
INSURANCE COST ANALYSIS
Reporting Period: July 1, 2012 - June 30, 2013

Type of Coverage	Deductible Amount/Claim	# of Incidents	Filed Claims	Annual Insurance Premium	Claim Costs				Total City Cost (3)
					Paid By Carrier	Incurred by Carrier (1)	Paid By City	Incurred by City (2)	
Workers' Compensation	\$10,000	78	43	\$201,667	\$21,596	\$66,128	\$72,786	\$91,960	\$293,627
Auto Liability	\$0	n/a	8	\$147,341	\$34,099	\$56,099	\$75	\$75	\$147,416
Auto Physical Damage	\$1,000	56	3	\$27,663	\$1,210	\$1,210	\$31,551	\$31,626	\$59,289
Property *	\$1,000	84	10	\$82,890	\$26,267	\$26,297	\$30,330	\$30,330	\$113,220
General Liability	\$50,000	N/A	16	\$160,042	\$1,282	\$1,282	\$1,481	\$1,481	\$161,523
Law Enforcement Liability	\$0	N/A	7	\$61,489	\$55,437	\$360,000	\$0	\$0	\$61,489
Public Official Liability	\$0	N/A	1	\$150,064	\$12,242	\$60,000	\$0	\$0	\$150,064
TOTAL			88	\$831,156	\$152,133	\$571,016	\$136,223	\$155,472	\$986,628

Additional Notes:

- Property deductible was reduced to \$1,000.
- Law Enforcement Liability deductible was reduced back to \$0.

FISCAL 2012
INSURANCE COST ANALYSIS
Reporting Period: July 1, 2011 - June 30, 2012

Type of Coverage	Deductible Amount/Claim	# of Incidents	Filed Claims	Annual Insurance Premium	Claim Costs				Total City Cost (3)
					Paid By Carrier	Incurred by Carrier (1)	Paid By City	Incurred by City (2)	
Workers' Compensation	\$10,000	85	36	\$203,002	\$33,143	\$109,992	\$63,805	\$66,871	\$269,873
Auto Liability	\$0	n/a	9	\$148,327	\$41,075	\$41,075	\$0	\$0	\$148,327
Auto Physical Damage	\$1,000	56	5	\$18,865	\$1,247	\$1,247	\$23,985	\$23,985	\$42,850
Property *	\$100,000	84	0	\$66,392	\$0	\$0	\$51,548	\$51,548	\$117,940
General Liability	\$10,000	N/A	25	\$160,475	\$21,426	\$90,000	\$12,365	\$12,365	\$172,840
Law Enforcement Liability	\$100,000	N/A	6	\$41,674	\$0	\$0	\$3,038	\$3,038	\$44,712
Public Official Liability	\$0	N/A	0	\$144,043	\$0	\$0	\$0	\$0	\$144,043
TOTAL			81	\$782,778	\$96,891	\$242,314	\$154,741	\$157,807	\$940,585

Additional Notes:

- Property and Law Enforcement Liability deductible was increased to \$100,000 and WC was reduced to \$10,000

Fiscal Year 2014 Risk Management Annual Report

Training

Safety & Risk Management continues to offer a wide variety of training to City employees. Training is provided through multiple means including: 1) in-house presentations, 2) outside vendors and/or professional organizations, and 3) PureSafety computer based training. Our goal is to provide safety training to City employees that will voluntarily meet and/or exceed OSHA standards. The Safety & Risk Management division was responsible for performing a total of 1283 employee training hours, not including on-line training.

FY14 Training

A training series including all of the standard compliance safety courses was offered monthly for newly hired employees and those employees needing a refresher course.

In addition to standard in-house compliance training, City employees also participated in the following:

Specialty training courses conducted in-house included:

- Drug Free Workplace – Initial Training
- Drug Free Workplace - Supervisory
- Loss Occurrence Reporting
- GHS – Hazard Communication
- Medication Administration
- Pool Employee Safety Orientation
- Confined Space Entry Operations
- Fall Protection
- Smith System Driver Training
- CDL Drug Abuse Awareness
- CDL Policy & Responsibilities
- New Employee Safety Orientation
- Lifting Techniques
- Meth Awareness

846 employees attended 111 hours of in-house instruction.

Courses coordinated w/outside vendors:

- Save a Back – Back Injury Prevention
- Workplace Violence/Conflict Resolution
- Hearing Conservation Testing/Training
- NFPA 70E
- DriveCam Train-the-Trainer

FY15 Planned Training

Scheduled training for FY15 will utilize the same standard format as FY14. Specialty courses planned for FY15 include:

- Aerial Lift Safe Operation
- Bucket Truck Self-Rescue
- Work Zone Safety
- Risk Transfer Mechanisms
- Fall Protection

PureSafety FY14 – Web Training

PureSafety is a web-based training provider utilized by all City departments for the purpose of providing certain training media. Training received through PureSafety is mostly safety compliance related (required training) but can also include a variety of other non-safety related topics. PureSafety web training provides a convenient way for employees to complete required training at a time that is convenient to their schedule. PureSafety courses offered that were of particular interest in FY14 included:

- Emergency Action – City Hall
- Emergency Action – Parks
- Emergency Action – Police
- Emergency Action – City Hall Annex
- Fall Protection
- Work Zone Flagger Certification
- Respiratory Protection – Police
- Preventing Back Injury
- Run. Hide. Fight (Workplace Violence)
- Ethics Policies & Procedures

Employees completed 3,265 PureSafety courses.

Fiscal Year 2014 Risk Management Annual Report

Safety

Safety Committees

Each of the major departments has an established Safety Committee that meets with the Safety & Risk Manager at least bimonthly. Items of discussion can include virtually anything relating to safety, including but not limited to equipment, operational procedures, policies and training. The Safety Committee is also responsible for reviewing the facts of all vehicle collisions, injuries and property damage that occur within their respective department, and for determining possible preventive measures for reducing the likelihood of reoccurrence.

Some Safety Committee projects and accomplishments for FY14 included:

Public Works

- Purchased new confined space atmosphere monitoring instruments.
- Recommended the purchase of an air flow system for the Fleet Division fire equipment bay. The air flow system directs vehicle exhaust out of the building away from mechanics.



Fire Truck Bay Exhaust System

- Recommended side steps be placed on the small 1 ton trucks to allow easier truck access and exit.

Parks & Recreation

- Worked on making a list for bleachers needing upgraded to be in compliance with IBC requirements.
- Equipped workers with retro-reflective jackets for safe visibility when working in areas of traffic.
- Installed handicap accessible doors at F.O. Moxley on the Center Street side entrance.
- Recommended and purchased an Aerial Lift so that elevated work may be performed more safely.



New Aerial Lift

Fire

- Purchased mats for placement under the climbing rope and work out rings located in truck bay.
- Recommended the hose loft platform be upgraded to meet OSHA fall protection standards.

Police

- Reviewed and tested the use of collapsible traffic cones for purposes of temporary traffic control.
- Provided recommendation or improving the knockout system audible alarm at the Airport Station to reduce decibels in certain areas and increase in others.
- Utilized training opportunities provided by the DriveCam video recording system.

Fiscal Year 2014 Risk Management Annual Report

Safety

Facility Inspections

Twenty-five (25) City owned and occupied facilities and several parks were inspected at least once during the fiscal year by the Safety & Risk Manager. These inspections are in addition to the routine inspections performed by Department Compliance Team Members. Inspections performed by Safety & Risk Management identified a total of 297 findings in FY14. Departments are required to correct findings or provide a projected completion date for those items needing funding or requiring much work.

Inspection findings funded by the Safety & Risk Management division account included the following:

- Installed a fixed ladder at the F.O. Moxley Recreation Center.
- Crane/hoist inspections and repairs
- Aerial lift device inspections and repairs
- Removal of old concrete structure at Boat Landing Park.
- Foam insulation and netting strategically placed inside golf maintenance building at Hobson Grove to eliminate bird infestation.
- Repaired uneven concrete at Kummer-Little Recreation Center

Note: Most findings are very minor in nature and hazard and involve little action to correct.



Fixed Ladder at F.O. Moxley Recreation Center provides safer access to roof.



Sidewalk repair at Kummer-Little eliminated trip/fall hazard.

Fiscal Year 2014 Risk Management Annual Report

Safety

Safe Department of the Year

The “Safe Department of the Year” award goes to the Public Works Department for having its best loss prevention year on record.

The Public Works Department recorded over 5 years now without a lost time injury. In fact, as of the end of the fiscal year, the department has gone over 2,000 days without a lost time injury and NO recordable injuries in FY14. This marked the first time any Department had ever gone a whole year without having one recordable injury.

Congratulations to the Public Works Department for its safe hard work in FY2014. Special thanks go out to the Public Works Safety Committee for their dedication and work toward making the workplace safer for them and their fellow employees.



CONGRATULATIONS AND KEEP UP THE SAFE WORK IN FY14!

Other Safety Recognition

Special recognition for safety successes highlighted during FY14:

- Fire Department has not had a lost-time injury since November of 2011

Fiscal Year 2014 Risk Management Annual Report

Safety

Community Involvement

Opportunities to work with the community in FY14 included:

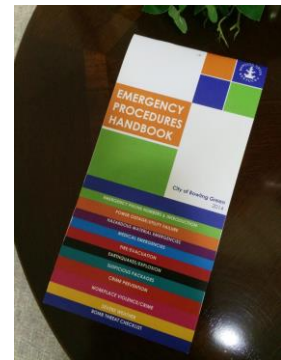
- Presented a New Employee Safety Orientation training class for the Kentucky League of Cities, Kentucky Municipal, Environmental, Safety & Health Annual Conference held in Cave City.
- Provided safety program development assistance to safety managers from the cities of Somerset and Glasgow.

City Facility - Emergency Management

Training

All City facilities are required to update their Emergency Action Plan and conduct emergency response drills annually. All new employees are provided with their department's emergency action plan upon initial hire and trained to respond appropriately to common emergency events. City employees are provided with refresher training each year and updated whenever there is a plan revision.

- Quick Reference Emergency Procedures Booklets were developed and disseminated to office personnel in all departments.



Indoor/Outdoor Warning Systems

Most City facilities are equipped with the Community Activated Lifesaving Voice Emergency System (C.A.L.V.E.S). CALVES is an indoor warning system that announces an approaching tornado, other threatening weather or emergency situation by emitting an intermittent tone or specific voice announcement. It is linked to the weather radio station for continuous weather updates and is located in most common areas of City buildings.

The Community Outdoor Warning System (C.O.W.S) siren is an intermittent wail of 3-minute duration and is commonly used to warn those who are outdoors, of impending severe weather. COWS can be heard from all City facilities. All City golf courses are equipped with their own outdoor warning siren system.

Disaster Recovery Efforts/FEMA

For the fourth year in a row the City did not have to make a disaster declaration.

Fiscal Year 2014 Risk Management Annual Report

Security

Security System Projects

Security system upgrades and/or installations during the fiscal year included:

- The panic button/security alarm panel was upgraded in City Hall.
- Security enhancements involving the centralized access door system was installed at City Hall, City Hall Annex and Public Works Administrative building. The purpose of door/wall installation at these locations is to protect the safety of City employees by limiting/controlling non-City personnel from access to non-public areas of the building.
- Information Technology Department (IT) staff installed additional security cameras at the following facilities:
 - Preston Miller Volleyball Court Area
 - City Hall Foyer
 - Lampkin Park Concessions, Softball Fields and Maintenance building.

A total of 78 indoor and 126 outdoor cameras have been installed throughout the city and are serviced by the IT Department.



Security Access Doors & Ballistic Glass

Safety & Risk Management will continue to work with all City departments to review and provide recommendations that will enhance City facility security and reduce potential for loss.