

according to state laws.

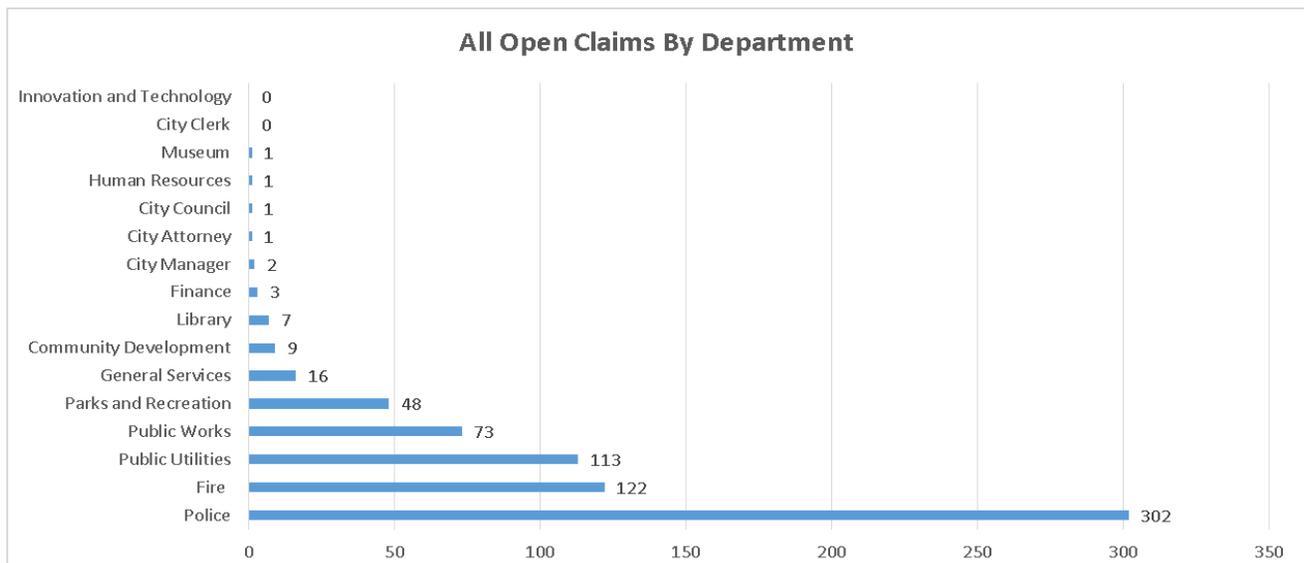
The Human Resources Department administers the City's Workers' Compensation program for employees and volunteers. This report reflects the most recent Workers' Compensation claims experience from July 1, 2018 through June 30, 2019, along with the related outside legal counsel and litigation costs.

DISCUSSION:

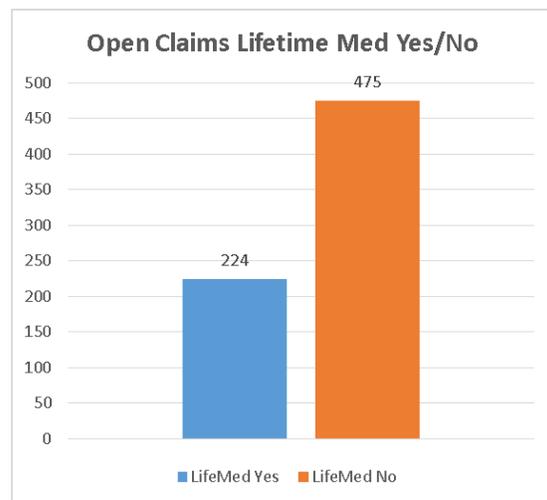
A. Overview of Open Claims as of June 30, 2019

The Workers' Compensation division in the Human Resources Department currently has 699 open claims. They are distributed among the various City departments as follows:

CLAIM INFORMATION
July 1, 2018 through June 30, 2019



Department	Claims Count
Police	302
Fire	122
Public Utilities	113
Public Works	73
Parks and Recreation	48
General Services	16
Community Development	9
Library	7
Finance	3
City Manager	2
City Attorney	1
City Council	1
Human Resources	1
Museum	1
City Clerk	0
Innovation and Technology	0
Grand Total	699



Of the claims shown above, 258 are new claims filed between July 1, 2018 and June 30, 2019.

The program's expenditures for the same time period total \$6,596,661, of which \$2,045,902 is related to permanent disability claims. Over the last three (3) years, the following claims have been settled through Stipulations or Compromise and Release Agreements:

Fiscal Year Ending	Number of Open Claims (not including future medical)	Number of Settlements:	% of Total Claims Settled
2017	316	71	23%
2018	304	94	31%
2019	475	77	17%

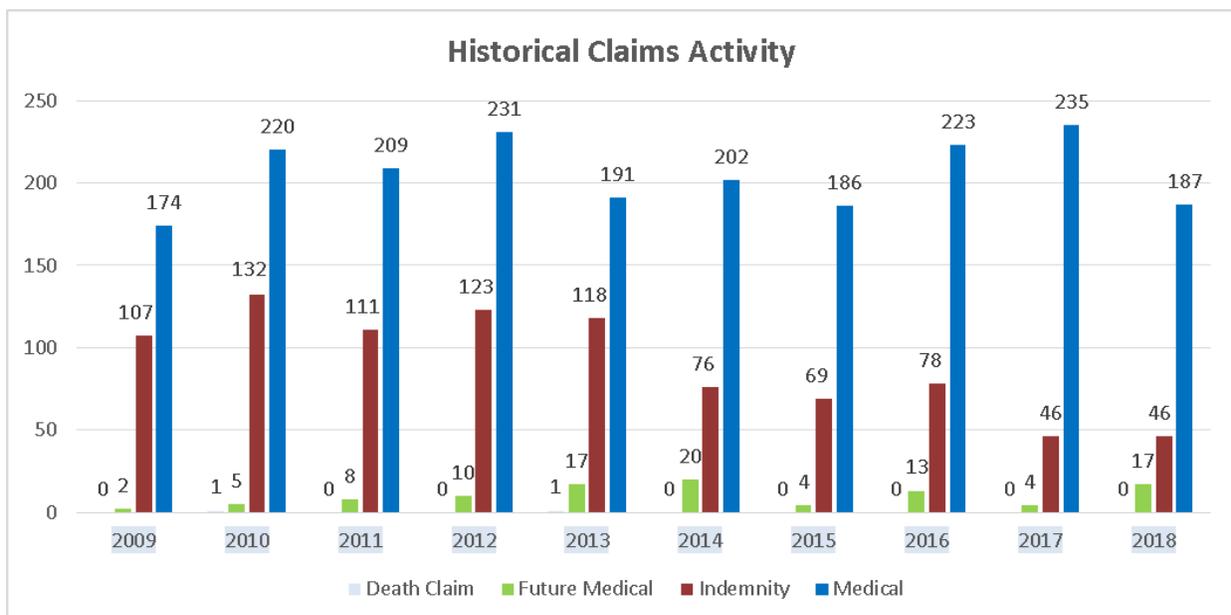
B. Historical Claims Activity

During the period of January 1, 2009 through December 31, 2018, the Workers' Compensation Division received 3,273 claims, an average of 327 claims per calendar year. The chart below shows activity by claim type including:

- Medical-only: medical treatment only and no time off from work
- Indemnity: wage loss due to time off from work because of injury/illness
- Future medical: on-going right to medical treatment for a work-related injury
- Death claim: death due to work-related injury/illness

Medical-only claims represent the majority of the claims, accounting for 61% of total claims received during the time period.

JANUARY 1, 2009 through DECEMBER 31, 2018



C. Legal Counsel and Litigation Costs

Once legal counsel is involved in a Worker's Compensation case, all interaction between the injured employee and the City is conducted through each party's legal representation. This includes any formal and informal communication as well the attendance of court proceedings. The City can generally be represented by both in house and outside legal counsel when an injured employee retains his/her own legal representation. However, since February 2018, the City has only been represented by the City Attorney's Office. In the event it is necessary to retain outside legal counsel, the Human Resources Department, with approval of the City Attorney's Office, will make the selection of Council.

The City accumulated a total of \$172,264 in **legal costs** during July 1, 2018 to June 30, 2019 due to ongoing cases that began prior to February 2018. In the past five years, the annual outside legal counsel costs have ranged from \$172,264 to \$386,751. Likewise, between July 1, 2018 and June 30, 2019, **litigation** costs totaled \$112,400. In the past five years, these costs have ranged from \$89,678 to 139,230.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report. The Workers' Compensation program expenditures from July 1, 2018 to June 30, 2019 totaled \$6,596,661, of which \$2,045,902 were related to permanent disability claims and \$172,264 were for outside legal counsel.

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Attachment: Presentation