

Department of Procurement and Risk Management Services Program Summary

**Appropriation Summary**

	FY 2003-04 Actual	FY 2004-05 Amended	FY 2005-06 Proposed	FY 2005-06 Adopted	% Change
<b>Expenditures</b>	944,845	5,661,392	6,235,765	6,168,678	8.96
<b>FTE</b>	9	9	9	9	0.00

**Department Mission**

The mission of the Department of Procurement and Risk Management is to facilitate the reduction of high risk, high costs and high frequency claims, promote safety and wellness through effective risk management strategies, systems and structure, to promote and enhance relationships between the City of Portsmouth and its vendors, and to provide all services necessary to maintain a high quality of life of Portsmouth citizens and employees.

**Department Budget in Brief**

The upcoming year's budget focuses on stabilizing costs and further reducing unfunded liability, while continuing to provide first class medical care for insured City employees. Department initiatives continue to be the aggressive program dedicated to returning injured employees to work, more efficient management of the OSHA compliance and record keeping process, aggressive pursuit and collection of reinsurance claims and annual safety and wellness programs. Other changes to the budget incorporate the addition of a contract officer to administer the City's contracting function, and oversee the establishment of a Small, Minority and Disadvantaged Business Program as well as requesting funding to establish a contract to provide offsite record storage and document destruction services.

**Department Operational Summary**

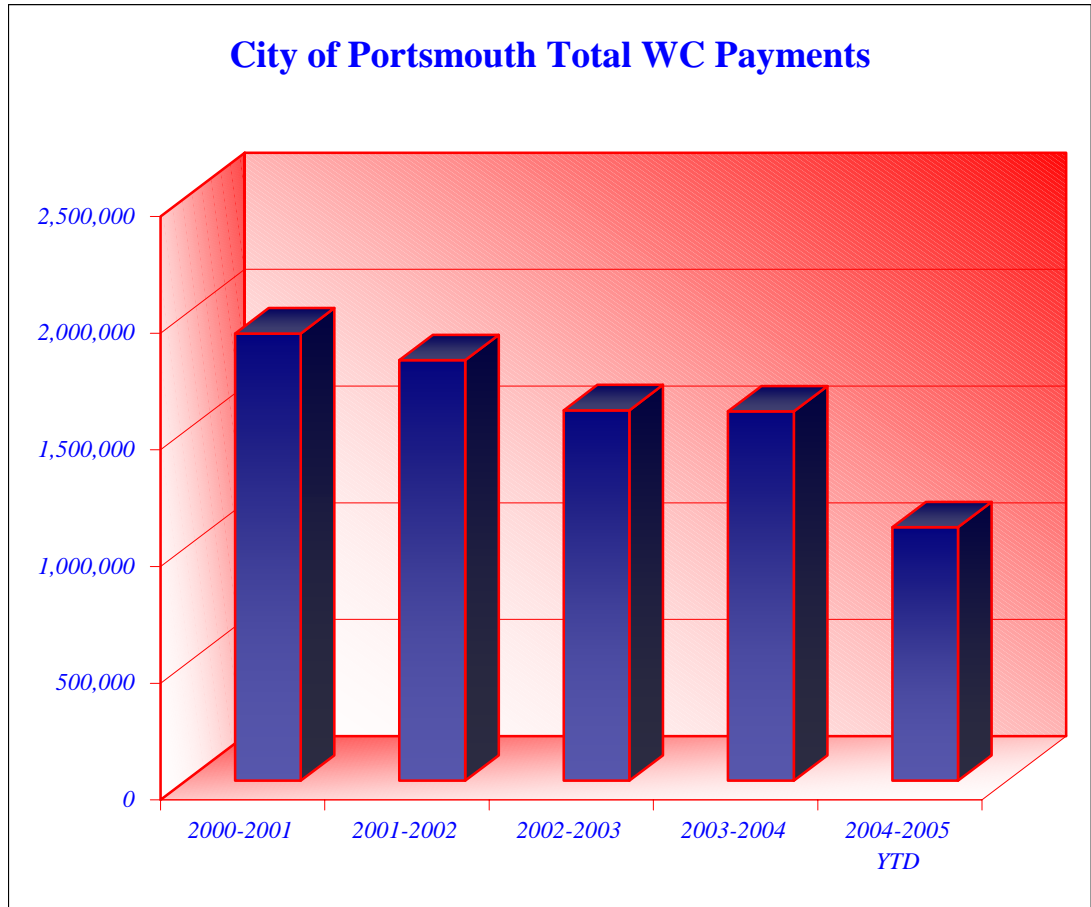
The Department of Procurement and Risk Management provides administrative services to City Departments in the following areas: **Procurement** – to ensure the purchase of high quality goods and services at a reasonable cost within the State and Local Government framework, **Risk Management** – to identify, analyze, evaluate and reduce the probability of injuries, property damage or risk exposure to the City of Portsmouth and Portsmouth Public Schools, and **Records Management** – to coordinate the distribution and delivery of mail and to manage the City's record retention program.

**Departmental Trends**

Although medical costs continue to climb and we live in an increasingly litigious society, the City has seen a decrease in the frequency and severity of our Worker's Compensation claims. In fiscal year 2003 – 2004, we have recovered over \$200,000 in excess insurance payments by aggressively identifying and pursuing qualifying claims dating back into the 1980's. Trend analysis shows that our claims increased during calendar year 1998-1999, leveled in 2000-2001, and have been decreasing since 2001.

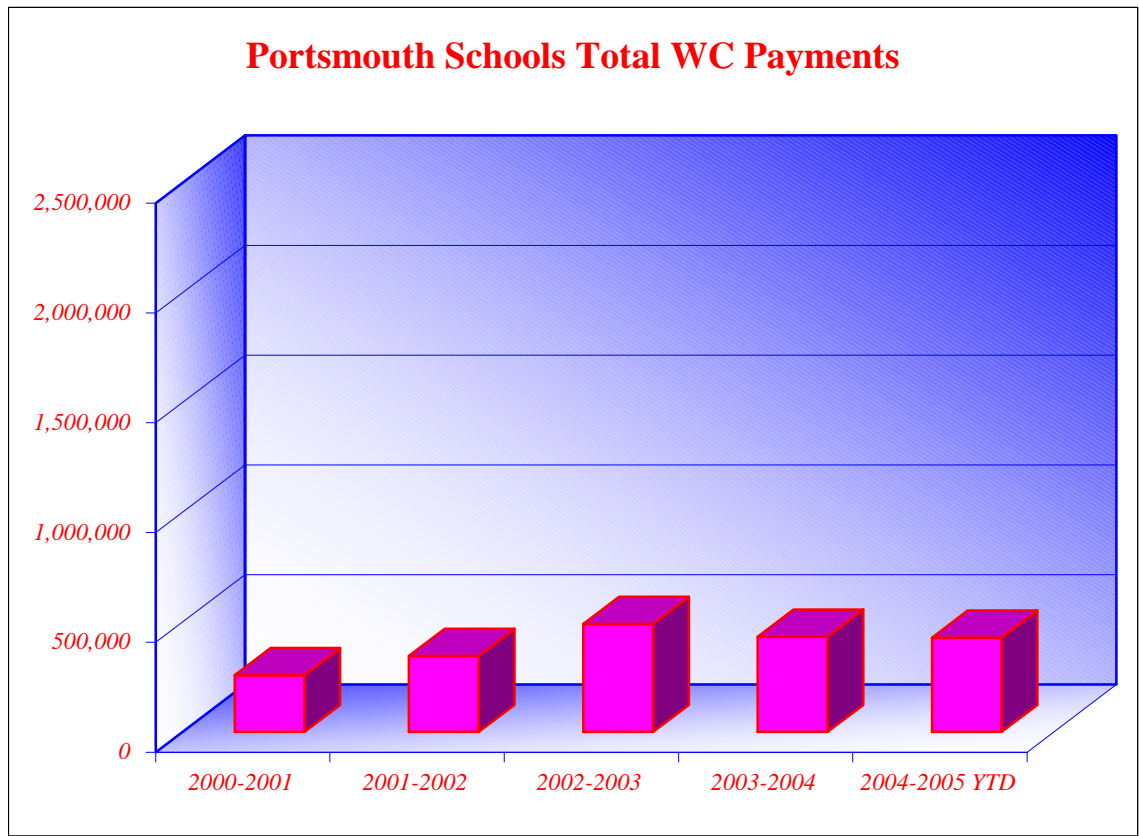
**Performance Measurements**

Department of Procurement and Risk Management Services Program



**WC Total Payments - City of Portsmouth (payments less recoveries)**

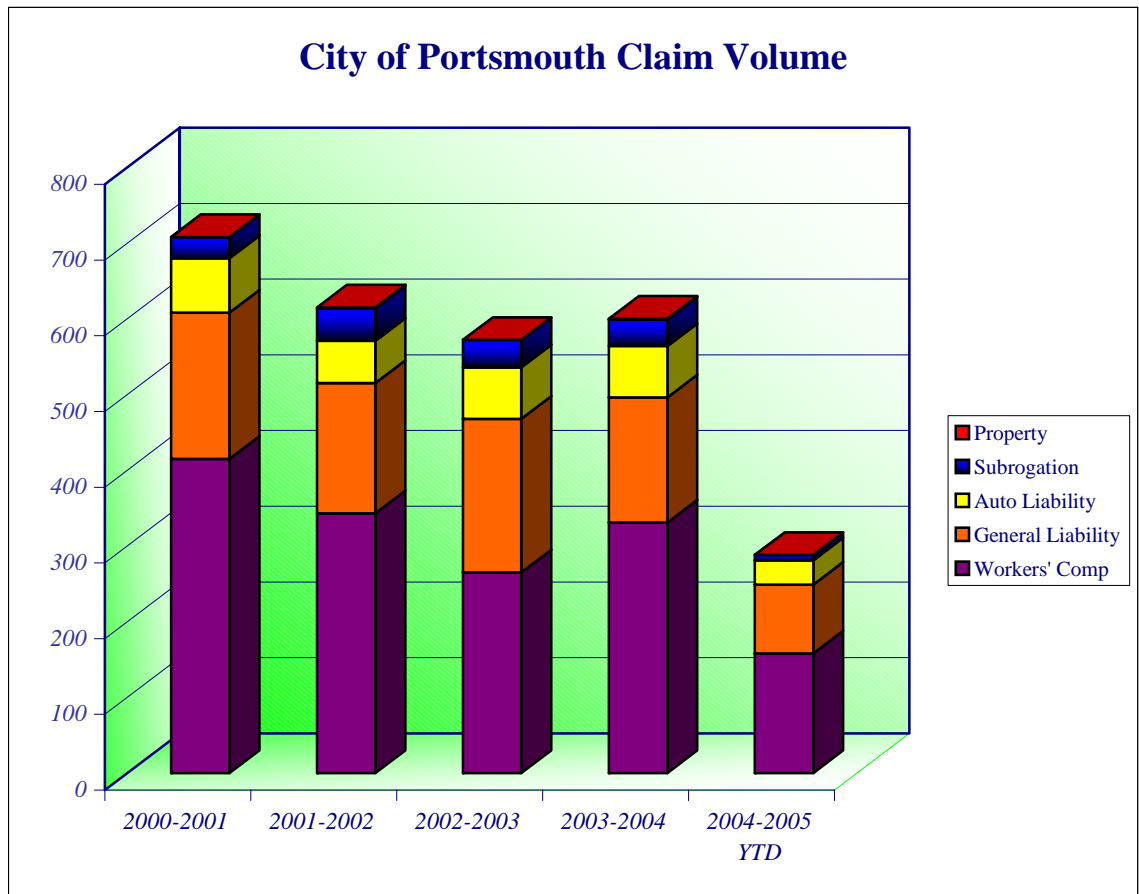
Fiscal Year	Medical	Indemnity	Expense	(Recoveries)	Trigon Fees	PMA Fees	Total Payments
2000-2001	807,526	944,008	36,738	(128)	60,180	68,420	\$ 1,916,744
2001-2002	1,041,514	619,739	76,314	(30,659)	24,288	70,875	\$ 1,802,071
2002-2003	1,166,751	587,950	129,255	(368,415)		71,416	\$ 1,586,957
2003-2004	1,047,187	562,406	76,038	(207,098)		103,870	\$ 1,582,403
2004-2005 YTD	701,778	260,122	75,546	(20,082)		68,778	\$ 1,086,142



WC Total Payments - Portsmouth Schools (payments less recoveries)

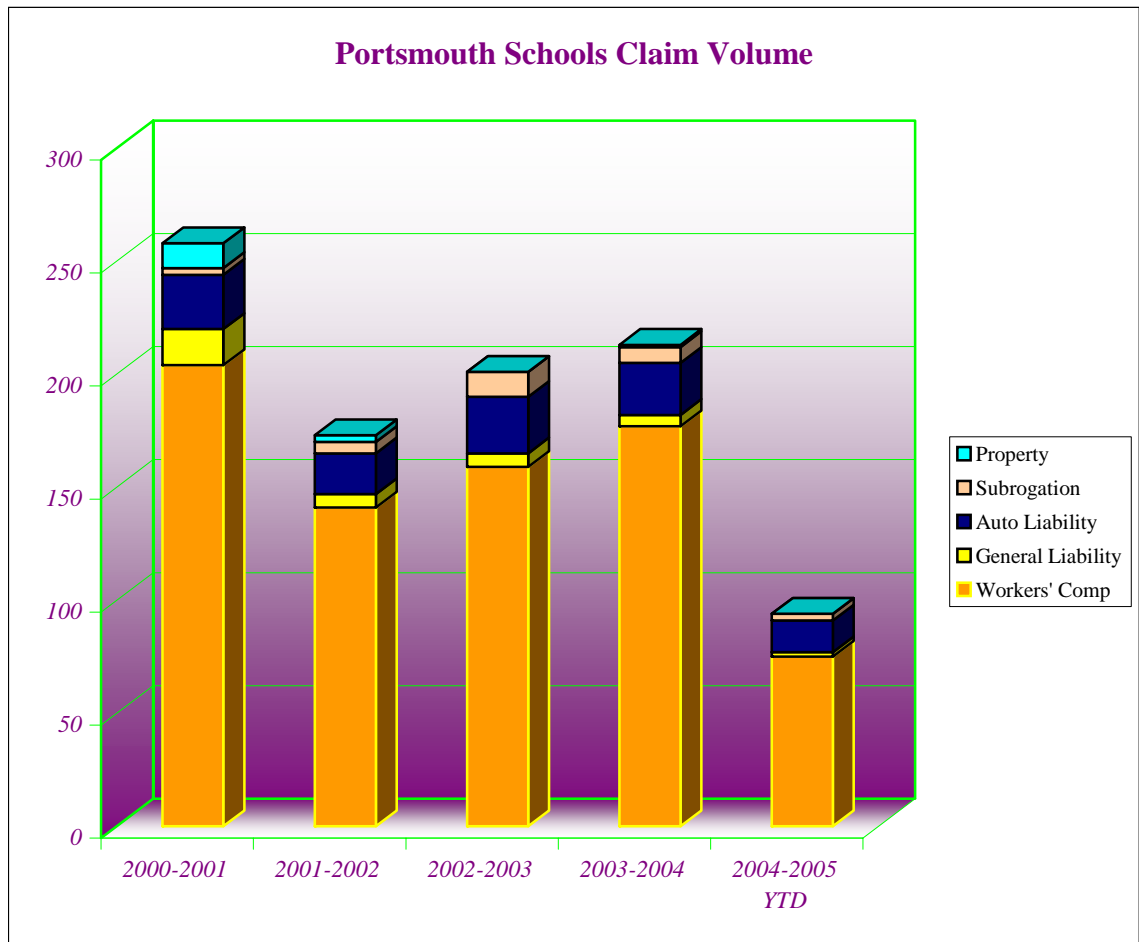
Fiscal Year	Medical	Indemnity	Expense	(Recoveries)	PMA Fees	Total Payments
2000-2001	\$ 148,084	\$ 66,745	\$ 12,416		\$ 31,435	\$ 258,680
2001-2002	206,787	83,191	23,627		32,550	\$ 346,155
2002-2003	280,777	135,631	35,564		39,867	\$ 491,839
2003-2004	301,952	152,823	60,348	(115,556)	34,044	\$ 433,611
2004-2005 YTD	267,929	88,097	44,482		28,450	\$ 428,958

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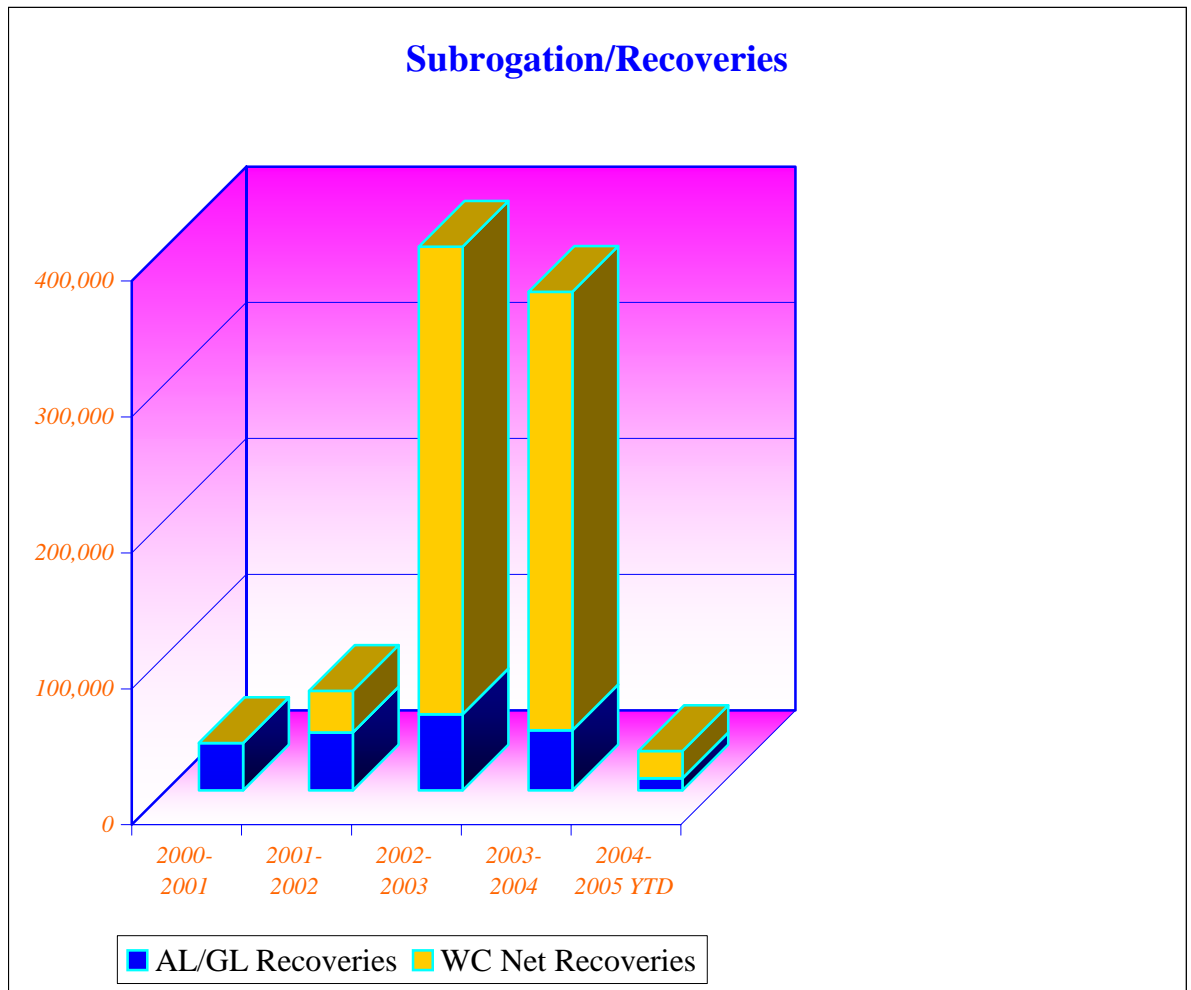
Claim Volume - City of Portsmouth

Fiscal Year	Workers' Comp	General Liability	Auto Liability	Subrogation	Property
2000-2001	415	193	72	28	0
2001-2002	343	172	56	43	1
2002-2003	265	203	68	36	0
2003-2004	331	165	68	35	1
2004-2005 YTD	158	91	32	7	0



Claim Volume - Portsmouth Schools

Fiscal Year	Workers' Comp	General Liability	Auto Liability	Subrogation	Property	Total Claims
2000-2001	204	16	24	3	11	258
2001-2002	141	6	18	5	3	173
2002-2003	159	6	25	11	0	201
2003-2004	177	5	23	7	1	213
2004-2005 YTD	75	2	14	3	0	94



Subrogation & Excess Recovery Claims (City & Schools Combined)

Fiscal Year	Subrogation Claims	AL/GL Recoveries	WC Net Recoveries	Total Money Recovered
2000-2001	31	\$ 34,810	\$ 128	\$ 34,968
2001-2002	48	42,593	30,659	73,300
2002-2003	46	56,130	359,356	415,532
2003-2004	42	44,223	322,654	366,919
2004-2005 YTD	10	8,935	20,082	29,027

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**Output/Workload Measures**

		Actual	Actual	Projected	Estimated
VOLUME INDICATORS		Units FY 02/03	FY 03/04	FY 04/05	FY 05/06
Claim Volume - City of Portsmouth					
Workers' Compensation Claims	#	265	331	316	300
General Liability Claims	#	203	165	182	185
Auto Liability	#	68	68	64	60
Subrogation	#	36	35	40	35
Property	#	0	1	2	2
<b>Total Claims Processed</b>	<b>#</b>	<b>572</b>	<b>600</b>	<b>604</b>	<b>582</b>
Claim Volume - Portsmouth Public Schools					
Workers' Compensation Claims	#	159	177	150	160
General Liability Claims	#	6	5	4	4
Auto Liability	#	25	23	28	25
Subrogation	#	11	7	10	10
Property	#	0	1	2	2
<b>Total Claims Processed</b>	<b>#</b>	<b>201</b>	<b>213</b>	<b>194</b>	<b>201</b>
<b>Total Claims Processed - City &amp; Schools</b>		<b>773</b>	<b>813</b>	<b>798</b>	<b>783</b>

**Efficiency Measures**

		Actual	Actual	Projected	Estimated
CLAIM REPORTING		Units FY 02/03	FY 03/04	FY 04/05	FY 05/06
Lag time between date of accident and report received by TPA reports received between 0-10 days.					
City of					
Portsmouth	%	87	85	91	90
Portsmouth Public Schools	%	91	90	89	90

**Outcome/Effectiveness Measures**

		Actual	Actual	Projected	Estimated
OUTCOME INDICATORS		Units FY 02/03	FY 03/04	FY 04/05	FY 05/06
Claim Payments - City of Portsmouth					
Workers' Comp Excess Recovery	\$	(368,415)	(207,098)	(100,000)	(100,000)
Subrogation Recoveries	\$	(38,241)	(44,223)	(50,000)	(50,000)
Workers' Compensation	\$	1,883,957	1,789,501	1,900,000	1,900,000

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Procurement

Expenditures	FY 2003-04	FY 2004-05	FY 2005-06	FY 2005-06
	Actual	Amended	Proposed	Adopted
<i>Salaries</i>	432,775	414,590	311,922	236,373
<i>Benefits</i>	95,939	103,792	89,854	84,075
<i>Contractual Services</i>	44,192	45,065	42,547	54,787
<i>Materials and Supplies</i>	18,543	13,500	13,736	13,736
<i>Other Operating Expenses</i>	72,138	133,550	133,775	135,775
<i>Internal Service Charges &amp; Expenses</i>	33,768	53,999	40,399	40,399
<b>Total Expenditures</b>	<b>697,355</b>	<b>764,496</b>	<b>632,232</b>	<b>565,145</b>

Risk Management

Revenues	FY 2003-04	FY 2004-05	FY 2005-06	FY 2005-06
	Actual	Amended	Proposed	Adopted
<i>Charges For Services</i>	3,131,249	4,846,896	5,503,533	5,503,533
<i>Recovered Cost</i>	8,659	50,000	100,000	100,000
<b>Total Revenues</b>	<b>3,139,909</b>	<b>4,896,896</b>	<b>5,603,533</b>	<b>5,603,533</b>

Expenditures	FY 2003-04	FY 2004-05	FY 2005-06	FY 2005-06
	Actual	Amended	Proposed	Adopted
<i>Salaries</i>	-	73,365	293,441	293,441
<i>Benefits</i>	1,164,547	1,730,349	2,297,668	2,297,668
<i>Contractual Services</i>	291,434	343,891	340,745	340,745
<i>Materials and Supplies</i>	28,966	7,000	7,000	7,000
<i>Other Operating Expenses</i>	(1,748,625)	2,742,291	2,664,679	2,664,679
<i>Internal Service Charges &amp; Expenses</i>	16,188	-	-	-
<b>Total Expenditures</b>	<b>247,490</b>	<b>4,896,896</b>	<b>5,603,533</b>	<b>5,603,533</b>