

FISCAL YEAR 2010 BUDGET

Fund Summary

Fund Name : Property & Casualty Fund
Fund No./Bus. Area No. : 1004 / 6500 / 9000

	<u>FY2009 Current Budget</u>	<u>FY2009 Estimate</u>	<u>FY2010 Budget</u>
Beginning Fund Balance	80,813	80,813	80,813
Current Revenues	28,100,000	27,770,489	36,824,155
Total Available Resources	<u>28,180,813</u>	<u>27,851,302</u>	<u>36,904,968</u>
Maintenance and Operations	28,100,000	27,770,489	36,824,155
Total Expenditures	<u>28,100,000</u>	<u>27,770,489</u>	<u>36,824,155</u>
Planned Ending Fund Balance	80,813	80,813	80,813
Total Budget	<u>28,180,813</u>	<u>27,851,302</u>	<u>36,904,968</u>

The information above summarizes the FY2009 Current Budget, FY2009 Estimate and FY2010 Budget of the Property and Casualty Fund. Also included are the beginning and ending fund balances, total available resources and total expenditures. The Property and Casualty Fund was established to monitor the financial requirements of the Property and Risk Management Programs. Revenue in this fund is generated from assessed premiums to the other funds. These premiums are based upon projected expenditures.

The Property and Casualty Fund has two distinct parts; one managed by the Legal Department to account for claims against the City, and one managed by Administration and Regulatory Affairs to account for property insurance costs.

The mission of the Legal Department's portion of the Property and Casualty Fund (Claims/Subrogation and Defense Litigation) is to defend the City against claims and tort lawsuits filed against the City, minimize the City's financial exposure, and file affirmative claims on behalf of the City for property damage and subrogation. The Claims/Subrogation and Defense Litigation Divisions of the Legal Department are responsible for the investigation and defense of claims against the City, case settlement, and payment of claims and judgments.

The Insurance Management Division of the Administration and Regulatory Affairs Department is responsible for administering all citywide insurance services including, but not limited to property and flood, boiler and machinery, crime and electronic equipment protection insurance, notary, fidelity and surety bond insurance. All risk to the City's assets (except Worker's Compensation, Life, Health Benefits and Long-Term Disability) falls within the scope of this fund.

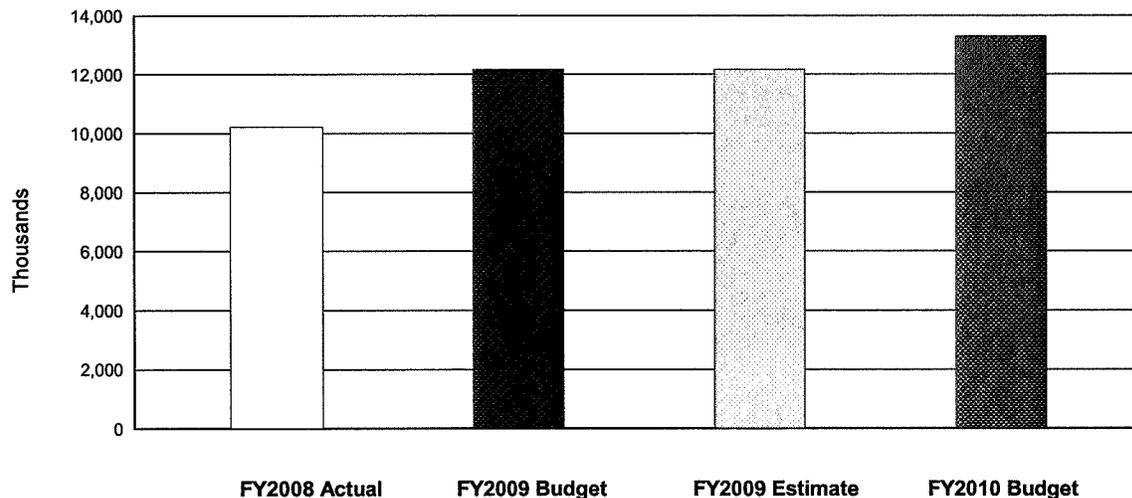
Goals for the divisions where the activity is accounted for in the Property and Casualty Fund are to:

- manage risk through identification and analysis of exposure to determine level of risk assumption or transfer of risk through commercial insurance for City departments and related agencies;
- procure, monitor, and maintain property/casualty insurance policies to minimize the City's exposure to financial risk;
- reduce the average amount paid per liability claim and civil rights lawsuits filed against the City;
- advise City departments on risk management issues to reduce or eliminate tort claim exposure;
- aggressively defend the City in all matters filed against it to deter meritless lawsuits with exaggerated claims;
- reduce tort claims exposure by working with the Human Resources Department to identify safety problems and educate employees on how to perform their jobs safely to avoid incidents that damage City property, employees and third parties;
- identify delinquent accounts owed to the City and increase recoveries on affirmative claims.

FISCAL YEAR 2010 BUDGET

Business Area Budget Summary					
Fund Name : Property & Casualty Fund					
Business Area Name : Administration and Regulatory Affairs					
Fund No./Bus. Area No. : 1004 / 6500					
		FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
Expenditures	Personnel Services	348,862	441,156	435,244	501,612
	Supplies	3,925	8,430	8,351	3,430
	Other Services and Charges	9,861,766	11,718,633	11,724,624	12,792,160
	Total M & O Expenditures	10,214,553	12,168,219	12,168,219	13,297,202
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	10,214,553	12,168,219	12,168,219	13,297,202
Revenues		10,214,553	12,168,219	12,168,219	13,297,202
Staffing	Full-Time Equivalents - Civilian	3.8	5.0	4.2	5.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	3.8	5.0	4.2	5.0
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.0
Budget Highlights	The FY2010 Budget includes funding for: o The City's Property and Flood Insurance Premium o Terrorism Insurance Premium o Boiler & Machinery Insurance Premium o Crime Policy Insurance Premium (Public Employee Dishonesty Coverage) o Broker of Record Services Contract o Notary Bonds, Miscellaneous Bonds, and Miscellaneous Insurance Premiums o Hurricane Ike Property Insurance Claim Consultant Contract o The 3% HOPE and 1.25% Pay for Performance Increases				

**Property & Casualty Fund
Administration and Regulatory Affairs
Expenditure Summary**



FISCAL YEAR 2010 BUDGET

Business Area Cost Center Summary

Fund Name : Property & Casualty Fund
Business Area Name : Administration and Regulatory Affairs
Fund No./Bus Area No. : 1004 / 6500

Cost Center Description	Cost Center Objectives
<p>ARA - Insurance Management 6500050003</p> <p>Administer all non-health related insurance to the City and associated groups including, but not limited to, property, boiler and machinery, notary, fidelity, surety, inland marine, and directors and officers liability insurance.</p>	<p>Procure commercial insurance. Ensure all insurance policies and bonds are in accordance with contracts, bond covenants, ordinances and state/federal regulations. Ensure that all non-health insurance needs are met.</p>

FISCAL YEAR 2010 BUDGET

Business Area Cost Center Summary									
Fund Name : Property & Casualty Fund Business Area Name : Administration and Regulatory Affairs Fund No./Bus Area No. : 1004 / 6500									
Performance Measures	FY2008 Actual			FY2009 Estimate			FY2010 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
Insurance Policies		12			14			16	
Notary Bonds		540			420			470	
Public Official Bonds		10			11			13	
		3.8	10,214,553		4.2	12,168,219		5.0	13,297,202
Total		<u>3.8</u>	<u>10,214,553</u>		<u>4.2</u>	<u>12,168,219</u>		<u>5.0</u>	<u>13,297,202</u>

FISCAL YEAR 2010 BUDGET

Fund Name : Property & Casualty Fund
Business Area Name : Administration and Regulatory Affairs
Fund No./Bus Area No. : 1004 / 6500

JOB DESCRIPTION	PAY GRADE	FY2009 Current Budget FTE	FY2010 Budget FTE	Change
ADMINISTRATIVE ASSISTANT	17	1.0	1.0	
ADMINISTRATIVE COORDINATOR	24	1.0	1.0	
DEPUTY ASSISTANT DIRECTOR (EXE LEV)	30	1.0	1.0	
SENIOR STAFF ANALYST	28	2.0	2.0	
Total FTEs		<u>5.0</u>	<u>5.0</u>	<u>0.0</u>
Less adjustment for Civilian Vacancy Factor		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Full-Time Equivalents		<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

FISCAL YEAR 2010 BUDGET

Business Area Revenue Summary

Fund Name : Property & Casualty Fund
Business Area Name : Administration and Regulatory Affairs
Fund No./Bus Area No. : 1004 / 6500

Commit Item	Description	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
6500050003	ARA - Insurance Management			
424070	Interfund Legal Services	12,168,219	12,168,219	13,297,202
Total	Administration and Regulatory Affairs	<u>12,168,219</u>	<u>12,168,219</u>	<u>13,297,202</u>

FISCAL YEAR 2010 BUDGET

Business Area Expenditure Summary

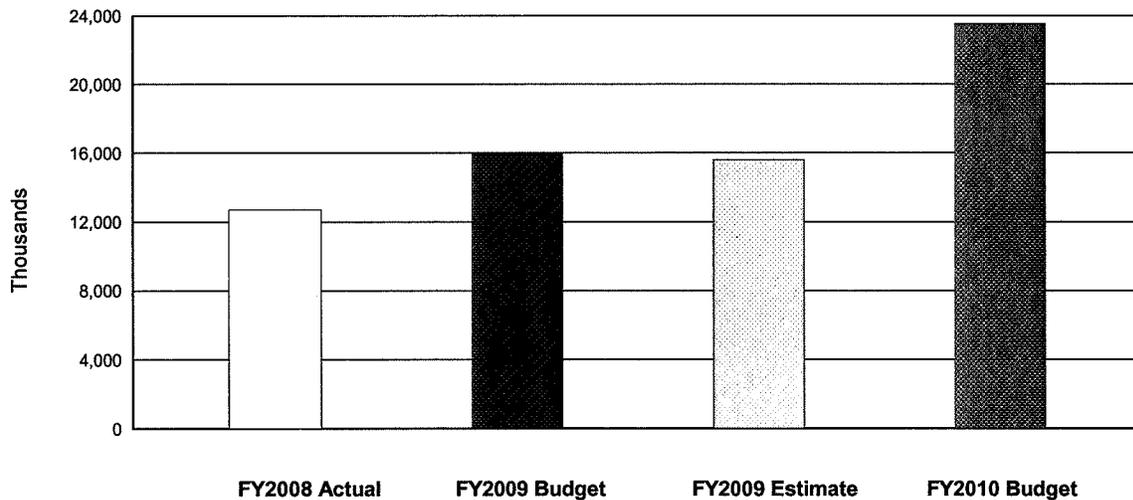
Fund Name : Property & Casualty Fund
Business Area Name : Administration and Regulatory Affairs
Fund No./Bus. Area No. : 1004 / 6500

Commit Item	Description	FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
500010	Salary Base Pay - Civilian	246,649	308,803	305,292	341,852
501070	Pension - Civilian	38,296	47,156	46,861	50,252
501120	Termination Pay - Civilian	314	0	0	0
502010	FICA - Civilian	17,962	23,163	22,780	26,151
503010	Health Ins-Act Civilian	33,914	37,690	36,946	43,913
503015	Basic Life Insurance - Active Civilian	322	466	238	197
503050	Health/Life Insurance - Retiree Civilian	9,676	21,788	21,228	32,000
503060	Long Term Disability-Civilian	577	425	374	425
503090	Workers Compensation-Civilian-Admin	818	1,090	950	1,050
503100	Workers Compensation-Civilian-Claim	334	400	400	400
504020	Compensation Contingency	0	0	0	5,197
504030	Unemployment Claims	0	175	175	175
Total	Personnel Services	348,862	441,156	435,244	501,612
511045	Computer Supplies	703	460	460	1,460
511050	Paper & Printing Supplies	556	726	726	726
511055	Publications & Printed Materials	397	409	409	409
511060	Postage	0	240	161	240
511070	Miscellaneous Office Supplies	2,269	6,595	6,595	595
Total	Supplies	3,925	8,430	8,351	3,430
520100	Temporary Personnel Services	0	10,000	10,000	50,000
520110	Management Consulting Services	0	0	225,000	56,250
520115	Real Estate Lease/Office Rental	14,796	13,916	11,655	17,916
520121	IT Application Svcs	388	930	930	930
520510	Mail/Delivery Services	0	200	200	200
520515	Print Shop Services	83	4,000	4,000	4,080
520605	Advertising Services	1,612	1,962	1,587	3,212
520705	Insurance Fees	9,576,399	11,311,305	11,140,582	12,385,136
520765	Membership & Professional Fees	630	530	450	540
520770	Insurance Administration Fees	154,577	203,833	157,567	168,970
520805	Education & Training	1,488	2,439	2,439	2,869
520905	Travel - Training Related	1,740	1,861	1,861	3,157
520910	Travel - Non-Training Related	0	250	250	250
521305	Indirect Cost Recovery Payment	103,127	162,040	162,040	90,867
521605	Data Services	4,909	3,445	3,445	3,445
521610	Voice Services	167	94	370	370
521620	Voice Equipment	408	0	420	420
521625	Voice Labor	93	266	266	266
521725	Other Rental	52	10	10	0
521730	Parking Space Rental	0	624	624	1,488
522205	Metro Commuter Passes	1,297	838	838	1,704
522430	Miscellaneous Other Services & Charges	0	90	90	90
Total	Other Services and Charges	9,861,766	11,718,633	11,724,624	12,792,160
Grand Total Expenditures		10,214,553	12,168,219	12,168,219	13,297,202

FISCAL YEAR 2010 BUDGET

Business Area Budget Summary					
Fund Name : Property & Casualty Fund					
Business Area Name : Legal					
Fund No./Bus. Area No. : 1004 / 9000					
		FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
Expenditures	Personnel Services	2,063,530	2,463,788	2,358,893	2,599,853
	Supplies	115,076	88,200	80,215	88,200
	Other Services and Charges	10,531,591	13,379,793	13,163,162	20,838,900
	Total M & O Expenditures	12,710,197	15,931,781	15,602,270	23,526,953
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	12,710,197	15,931,781	15,602,270	23,526,953
Revenues		12,710,196	15,931,781	15,602,270	23,526,953
Staffing	Full-Time Equivalents - Civilian	27.5	32.0	28.6	28.8
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total	27.5	32.0	28.6	28.8
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.0
Budget Highlights	<ul style="list-style-type: none"> o The larger budget requested for FY2010 is primarily attributable to an increase in the expenditure lines for the payment of claims, judgments, and settlements. The Legal Department establishes the budget based on the estimated payments needed to meet these liabilities, the timing of which is difficult to project. o Includes 3% HOPE and 1.25% Pay for Performance increases. 				

**Property & Casualty Fund
Legal
Expenditure Summary**



FISCAL YEAR 2010 BUDGET

Business Area Cost Center Summary

Fund Name : Property & Casualty Fund
Business Area Name : Legal
Fund No./Bus Area No. : 1004 / 9000

Cost Center Description	Cost Center Objectives
<p>LGL-Claims&Subrog 9000100001</p> <p>Investigate and recommend the resolution of property and personal injury claims filed against the City. Process health, property damage, and workers compensation subrogations.</p>	<p>Reduce payouts on claims. Maintain turnaround time for resolution of claims. Increase monetary recoveries from health, property damage, and worker's compensation subrogations. Pursue execution on default judgments.</p> <p>Report litigation outcome statistics. Compile payment records that summarize financial data of settlements and judgments. Continue to improve the rate at which lawsuits are closed.</p> <p>Keep accurate accounting records for expenses related to the payments of claims and judgments.</p>
<p>LGL-Defense Litigation 9000110001</p> <p>Defend the City in personal injury, contractual, constitutional, and land use lawsuits. Represent the City in injunctions brought against it.</p>	
<p>LGL-PropCasualtyLoss 9000120001</p> <p>Capture costs directly related to the payment of claims and judgments including legal services and other services.</p>	

FISCAL YEAR 2010 BUDGET

Business Area Cost Center Summary									
Fund Name : Property & Casualty Fund Business Area Name : Legal Fund No./Bus Area No. : 1004 / 9000									
Performance Measures	FY2008 Actual			FY2009 Estimate			FY2010 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
Claims closed - no paymts		931			938			900	
Subrog. claims settled		1,242			1,400			1,300	
Liability claims processed		1,309			1,218			1,300	
Liability claims settled		352			319			325	
		10.0	715,155		10.5	829,629		11.0	884,373
Litigation payment reports		12			12			12	
Civil lawsuits closed		181			390			350	
		17.5	1,348,461		18.1	1,529,264		17.8	1,715,480
Liability Claims Settled		N/A			N/A			N/A	
		0.0	10,646,581		0.0	13,243,377		0.0	20,927,100
Total		<u>27.5</u>	<u>12,710,197</u>		<u>28.6</u>	<u>15,602,270</u>		<u>28.8</u>	<u>23,526,953</u>

FISCAL YEAR 2010 BUDGET

Fund Name : Property & Casualty Fund
 Business Area Name : Legal
 Fund No./Bus Area No. : 1004 / 9000

JOB DESCRIPTION	PAY GRADE	FY2009 Current Budget FTE	FY2010 Budget FTE	Change
ADMINISTRATION MANAGER	26	1.0	1.0	
ADMINISTRATIVE SPECIALIST	20	1.0	1.0	
ADMINISTRATIVE SUPERVISOR (EXE LEV)	22	1.0	0.0	(1.0)
ASSISTANT CITY ATTORNEY III	27	3.0	2.0	(1.0)
LEGAL INVESTIGATOR	18	2.0	1.0	(1.0)
LEGAL SECRETARY	13	1.0	1.0	
LEGAL WORD PROCESSOR	11	1.0	1.0	
PARALEGAL I	12	3.0	4.0	1.0
PARALEGAL II	14	2.0	0.0	(2.0)
PARALEGAL III	16	0.0	1.0	1.0
SENIOR ASSISTANT CITY ATTORNEY I	30	6.0	6.0	
SENIOR ASSISTANT CITY ATTORNEY II	32	1.0	1.0	
SENIOR ASSISTANT CITY ATTORNEY, DIVISION CHIEF	35	2.0	2.0	
SENIOR CLAIMS COORDINATOR	21	4.0	4.0	
SENIOR LEGAL WORD PROCESSOR	13	2.0	2.0	
SENIOR PARALEGAL	19	2.0	2.0	
Total FTEs		32.0	29.0	(3.0)
Less adjustment for Civilian Vacancy Factor		0.0	0.2	0.2
Full-Time Equivalents		32.0	28.8	(3.2)

FISCAL YEAR 2010 BUDGET

Business Area Revenue Summary

Fund Name : Property & Casualty Fund
Business Area Name : Legal
Fund No./Bus Area No. : 1004 / 9000

Commit Item	Description	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
9000100001	LGL-Claims&Subrog			
424070	Interfund Legal Services	760,716	829,629	884,373
9000110001	LGL-Defense Litigation			
424070	Interfund Legal Services	1,703,072	1,529,264	1,685,680
9000120001	LGL-PropCasualtyLoss			
424070	Interfund Legal Services	13,467,993	13,243,377	20,956,900
Total Legal		<u>15,931,781</u>	<u>15,602,270</u>	<u>23,526,953</u>

FISCAL YEAR 2010 BUDGET

Business Area Expenditure Summary

Fund Name : Property & Casualty Fund
Business Area Name : Legal
Fund No./Bus. Area No. : 1004 / 9000

Commit Item	Description	FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
500010	Salary Base Pay - Civilian	1,539,662	1,859,835	1,779,588	1,948,572
500110	Bilingual Pay - Civilian	888	0	900	900
501070	Pension - Civilian	239,968	276,185	265,798	286,440
501120	Termination Pay - Civilian	364	0	0	0
502010	FICA - Civilian	112,962	139,886	130,206	144,233
503010	Health Ins-Act Civilian	105,065	141,089	121,905	129,092
503015	Basic Life Insurance - Active Civilian	1,864	2,577	2,000	1,112
503050	Health/Life Insurance - Retiree Civilian	49,642	33,000	48,800	49,800
503060	Long Term Disability-Civilian	3,969	2,720	2,720	2,448
503090	Workers Compensation-Civilian-Admin	5,685	6,976	6,976	6,048
503100	Workers Compensation-Civilian-Claim	0	400	0	400
504020	Compensation Contingency	0	0	0	29,800
504030	Unemployment Claims	3,461	1,120	0	1,008
Total	Personnel Services	2,063,530	2,463,788	2,358,893	2,599,853
511045	Computer Supplies	56,932	38,000	35,500	38,000
511050	Paper & Printing Supplies	7,947	8,000	8,000	8,000
511055	Publications & Printed Materials	24,855	18,000	18,000	18,000
511070	Miscellaneous Office Supplies	23,908	22,000	17,800	22,000
511110	Fuel	513	800	915	800
511150	Miscellaneous Parts & Supplies	921	1,400	0	1,400
Total	Supplies	115,076	88,200	80,215	88,200
520107	Computer Info/Contr	1,754	0	2,000	125,000
520108	Information Resource Services	42,000	1,000	24,000	24,000
520110	Management Consulting Services	843,008	225,000	0	0
520113	Photographic Services	0	500	0	500
520114	Miscellaneous Support Services	93,006	100,000	161,968	170,000
520119	Computer Equipment/Software Maintenance	205	125,000	18,000	2,000
520133	Private Investigative Services	3,059	3,200	4,100	3,200
520510	Mail/Delivery Services	4,709	4,000	5,876	5,500
520515	Print Shop Services	119	800	200	800
520520	Printing & Reproduction Services	126,952	175,000	24,000	150,000
520740	Document Recording/Filing Fees	22,798	20,000	23,500	23,000
520765	Membership & Professional Fees	7,939	3,500	3,500	3,500
520805	Education & Training	3,972	4,200	6,500	6,500
520905	Travel - Training Related	1,393	1,800	2,500	2,500
520910	Travel - Non-Training Related	5,290	10,000	7,500	10,000
521610	Voice Services	194	270	2,400	2,500
521625	Voice Labor	0	0	300	300
521730	Parking Space Rental	66,948	30,000	30,000	30,000
521905	Legal Services	1,187,481	589,266	1,750,000	2,500,000
521910	Legal Svcs - Crt Rep	184,125	125,000	145,500	150,000
521915	Legal Svcs - Atty Fe	573,544	1,508,000	900,000	1,508,000
521920	Legal Svcs -Med Svcs	40,220	30,000	28,600	35,000
521925	Legal Svcs -Ex Wit	40,990	45,000	59,600	50,000
521935	Legal Svcs -Claims	846,661	1,000,000	810,000	1,000,000
521940	Legal Svcs -Judgemt	1,814,524	1,251,857	500,000	4,970,000
521945	Legal Svcs -Settleme	4,486,325	8,000,000	8,512,118	9,910,200
521950	Legal Svcs -Doc Rec	118,561	100,000	130,100	130,000
522205	Metro Commuter Passes	1,633	1,400	900	1,400
522430	Miscellaneous Other Services & Charges	10,275	20,000	5,000	20,000
522620	Claims & Judgments	(6,877)	0	0	0
522780	Interfund Photo Copy Services	10,783	5,000	5,000	5,000
Total	Other Services and Charges	10,531,591	13,379,793	13,163,162	20,838,900
Grand Total Expenditures		12,710,197	15,931,781	15,602,270	23,526,953