

FISCAL YEAR 2019 BUDGET

Fund Summary

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

	<u>FY2018</u> <u>Current Budget</u>	<u>FY2018</u> <u>Estimate</u>	<u>FY2019</u> <u>Budget</u>
Beginning Fund Balance	79,963	79,963	79,963
Current Revenues	49,136,174	48,721,840	45,711,889
Total Available Resources	<u>49,216,137</u>	<u>48,801,803</u>	<u>45,791,852</u>
Maintenance and Operations	49,136,174	48,721,840	45,711,889
Total Expenditures	<u>49,136,174</u>	<u>48,721,840</u>	<u>45,711,889</u>
Planned Ending Fund Balance	<u>79,963</u>	<u>79,963</u>	<u>79,963</u>
Total Budget	<u><u>49,216,137</u></u>	<u><u>48,801,803</u></u>	<u><u>45,791,852</u></u>

Fund Balance Distribution

Non-Spendable	0	0	0
Restricted	79,963	79,963	79,963
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0

The above summarizes the FY2018 Budget, FY2018 Estimate and FY2019 Budget of the Property and Casualty Fund. Also included are the beginning and ending fund balances, total revenues 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. It 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 and Subrogation, General Litigation, and Labor, Employment and Civil Rights Sections) is to defend 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 and Subrogation, General Litigation, and Labor, Employment and Civil Rights Sections 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 Risk Management Division of the Administration and Regulatory Affairs Department is responsible for administering all citywide non-health related insurance services including, but not limited to: property, terrorism, boiler and machinery, crime, fine arts, electronic equipment protection, notary, fidelity and surety bond insurance. All risks to the City's assets (except Workers' Compensation, Life, and Long-Term Disability) fall 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;
- 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, injured employees and third parties; and
- Identify delinquent accounts owed to the City and increase recoveries on affirmative claims.

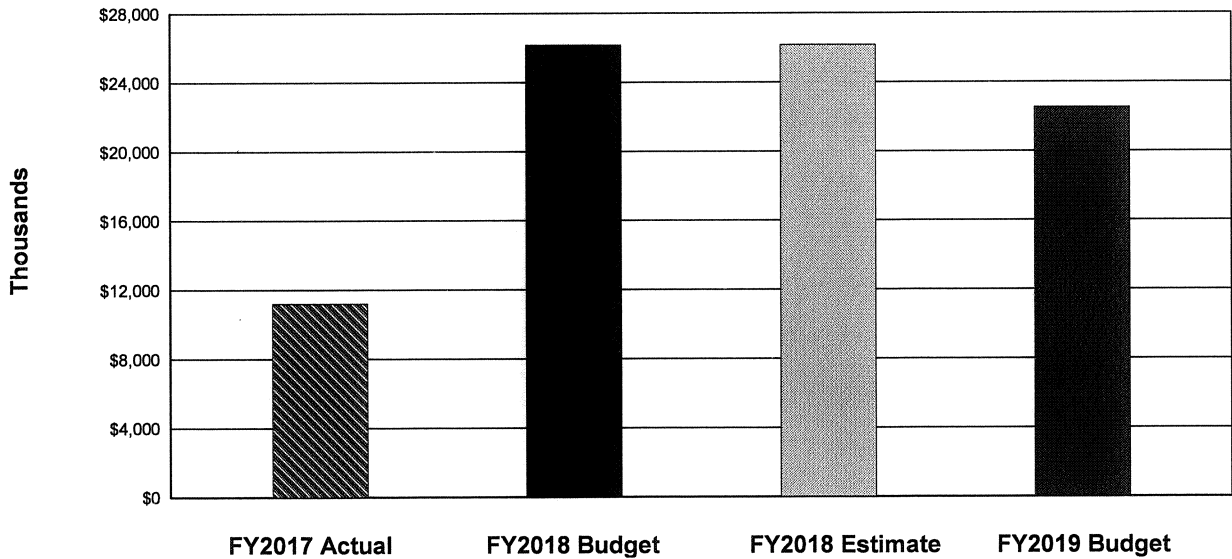
FISCAL YEAR 2019 BUDGET

Business Area Budget Summary

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

		FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Expenditures	Personnel Services	682,808	692,405	692,405	702,102
	Supplies	1,239	4,025	4,025	2,480
	Other Services and Charges	10,529,671	25,470,852	25,470,852	21,838,414
	Total M & O Expenditures	11,213,718	26,167,282	26,167,282	22,542,996
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	11,213,718	26,167,282	26,167,282	22,542,996
Revenues		11,213,718	26,167,282	26,167,282	22,542,996
Staffing	Full-Time Equivalents - Civilian	5.0	5.0	5.0	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	5.0	5.0	5.0	5.0
	Full-Time Equivalents - Overtime	0.0	5.0	5.0	0.0
Significant Budget Changes and Highlights	o The FY2019 Budget provides funding for health benefits and pension contribution.				
	o The FY2018 Estimate includes funding for property insurance policy premium and one time flood insurance re-instatement post Hurricane Harvey.				
	o The City's property insurance policy premium increased from \$9.4 million in FY2017 to \$13.5 million in FY2018, or 43.6%. This is due to the damage sustained by the City (and other entities along the Gulf Coast) and increasing the policy sublimit for flood from \$100 million to \$175 million.				
	o The total insured value on the City's property insurance policy increased from \$10.97 billion to \$11.06 billion, or 0.8%.				

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



FISCAL YEAR 2019 BUDGET

Division Summary							
Fund Name : Property & Casualty Fund							
Business Area : Administration and Regulatory Affairs							
Fund No. /Bus Area No. : 1004 / 6500							
Division Description	FY2017 Actual		FY2018 Estimate		FY2019 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
Accounting Services Group 650005							
Administers all non-health related insurance to the City and associated groups including, but not limited to: property, terrorism, boiler and machinery, crime, fine arts, electronic equipment protection, fidelity, surety, inland marine, and Notary Public program.	5.0	11,213,718	5.0	26,167,282	5.0	22,542,996	
Total	5.0	11,213,718	5.0	26,167,282	5.0	22,542,996	

FISCAL YEAR 2019 BUDGET

Business Area Revenues Summary

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

Category	FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Direct Interfund Services	11,213,718	26,167,282	26,167,282	22,542,996
Grand Total Revenues	<u><u>11,213,718</u></u>	<u><u>26,167,282</u></u>	<u><u>26,167,282</u></u>	<u><u>22,542,996</u></u>



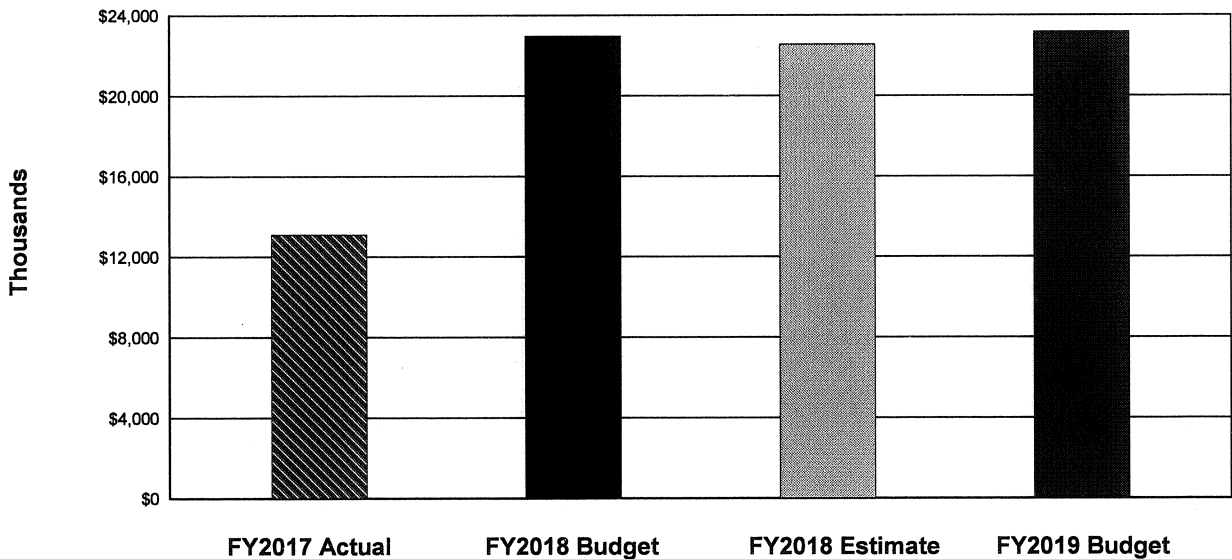
FISCAL YEAR 2019 BUDGET

Business Area Budget Summary

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

		FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Expenditures	Personnel Services	7,401,251	7,748,898	7,345,264	7,953,038
	Supplies	153,914	177,500	166,800	177,300
	Other Services and Charges	5,555,522	15,042,494	15,042,494	15,038,555
	Total M & O Expenditures	<u>13,110,687</u>	<u>22,968,892</u>	<u>22,554,558</u>	<u>23,168,893</u>
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	<u>13,110,687</u>	<u>22,968,892</u>	<u>22,554,558</u>	<u>23,168,893</u>
Revenues		13,116,080	22,968,892	22,554,558	23,168,893
Staffing	Full-Time Equivalents - Civilian	51.6	54.0	49.5	54.0
	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	<u>51.6</u>	<u>54.0</u>	<u>49.5</u>	<u>54.0</u>
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	o The FY2019 Budget provides funding for health benefits and pension contribution.				
	o The budget for claims, settlements and judgments is approximately \$11 million, which represents 47% of the total budget.				

**Property & Casualty Fund
 Legal
 Expenditure Summary**



FISCAL YEAR 2019 BUDGET

Business Area Performance Measures				
Fund Name : Property & Casualty Fund Business Area : Legal Fund No. /Bus. Area No. : 1004 / 9000				
Performance Measures	FY2017 Actual	FY2018 Budget	FY2018 Estimate	FY2019 Budget
EEOC and TX Workforce Commission Matters Handled	282	350	338	350
Liability Claims Closed without Payment	818	900	794	900
Liability Claims Processed	1,325	1,100	987	1,100
Expenditures Adopted Budget vs Actual Utilization	57%	100%	97%	100%
Revenues Adopted Budget vs Actual Utilization	57%	100%	97%	100%

FISCAL YEAR 2019 BUDGET

Division Summary						
Fund Name : Property & Casualty Fund Business Area : Legal Fund No. /Bus Area No. : 1004 / 9000						
Division Description	FY2017 Actual		FY2018 Estimate		FY2019 Budget	
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$
LGL - Staff Administration Section 900001 Captures personnel costs associated with broad oversight of all the litigation sections and activities related to those sections as well as special projects as they relate to risk management.	3.0	284,601	2.0	292,034	2.0	295,835
LGL - General Litigation Section 900002 Responsible for litigation related to animal law, annexation, bankruptcy, building and standards commission appeals, code enforcement, collections, constitutional challenges to ordinances, contract disputes, election contests, environmental, Federal False Claims Act, forcible entry and detainer, intergovernmental disputes, inverse condemnation, probate, Private Real Property Preservation Act, and more.	23.9	3,592,045	22.8	3,587,307	25.0	3,919,412
LGL - Labor, Empl. & Civil Rights Section 900005 Responsible for representing the City on all labor, employment and civil rights lawsuits.	15.6	2,313,537	15.7	2,364,937	18.0	2,624,901
LGL - Claims & Subrogation Section 900010 Responsible for liability tort claims, subrogation matters and general affirmative claim matters at the claim stage.	9.1	1,248,540	9.0	1,145,840	9.0	1,157,590
LGL - Litigation Costs Section 900012 Captures costs directly related to the payment of claims and judgments including legal services and other services.	0.0	5,671,964	0.0	15,164,440	0.0	15,171,155
Total	51.6	13,110,687	49.5	22,554,558	54.0	23,168,893

FISCAL YEAR 2019 BUDGET

Business Area Revenues Summary

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

Category	FY2017 Actual	FY2018 Current Budget	FY2018 Estimate	FY2019 Budget
Direct Interfund Services	13,095,457	22,968,892	22,554,558	23,168,893
Interest	27	0	0	0
Miscellaneous/Other	20,596	0	0	0
Grand Total Revenues	13,116,080	22,968,892	22,554,558	23,168,893