

FISCAL YEAR 2020 BUDGET

Fund Summary

Fund Name : Property & Casualty Fund

Fund No./Bus. Area No. : 1004 / 6500 / 9000

	<u>FY2019</u> <u>Current Budget</u>	<u>FY2019</u> <u>Estimate</u>	<u>FY2020</u> <u>Budget</u>
Beginning Fund Balance	81,788	81,788	81,788
Current Revenues	45,711,889	41,087,353	49,749,580
Total Available Resources	<u>45,793,677</u>	<u>41,169,141</u>	<u>49,831,368</u>
Maintenance and Operations	45,711,889	41,087,353	49,749,580
Total Expenditures	<u>45,711,889</u>	<u>41,087,353</u>	<u>49,749,580</u>
 Planned Ending Fund Balance	 <u>81,788</u>	 <u>81,788</u>	 <u>81,788</u>
 Total Budget	 <u><u>45,793,677</u></u>	 <u><u>41,169,141</u></u>	 <u><u>49,831,368</u></u>
 <u>Fund Balance Distribution</u>			
Non-Spendable	0	0	0
Restricted	81,788	81,788	81,788
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0

The above summarizes the FY2019 Budget, FY2019 Estimate and FY2020 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 2020 BUDGET

Business Area Budget Summary

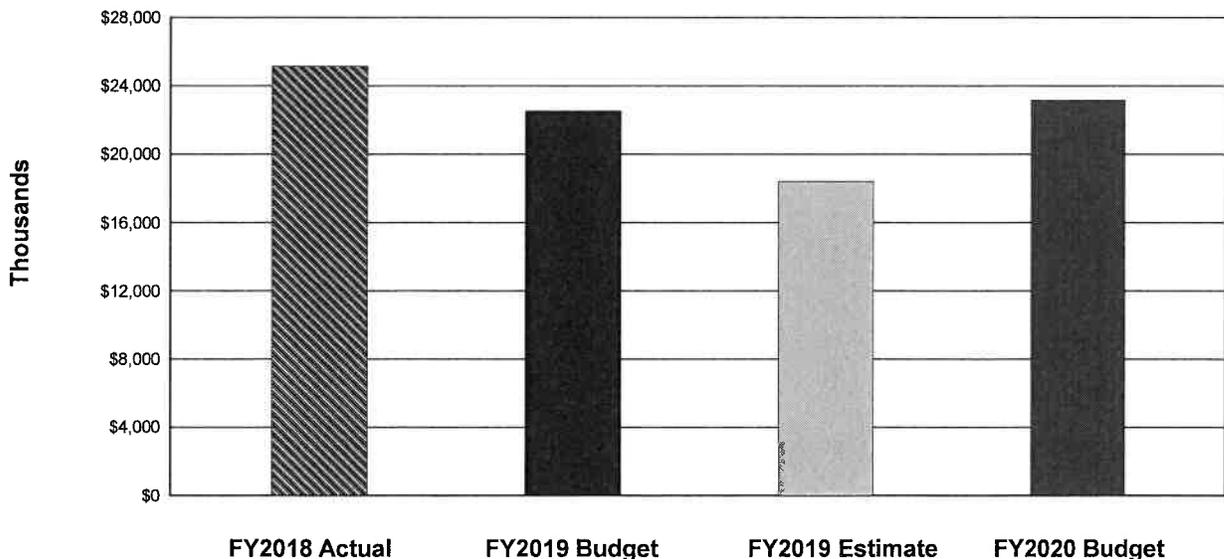
Fund Name : Property & Casualty Fund
Business Area : Administration and Regulatory Affairs
Fund No. /Bus. Area No. : 1004 / 6500

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	687,427	702,102	713,575	725,729
	Supplies	2,779	3,510	3,510	2,740
	Other Services and Charges	24,455,919	21,837,173	17,696,294	22,441,330
	Non-Capital Equipment	1,896	211	211	0
	Total M & O Expenditures	25,148,021	22,542,996	18,413,590	23,169,799
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	25,148,021	22,542,996	18,413,590	23,169,799
Revenues		25,148,021	22,542,996	18,413,590	23,169,799
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	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2020 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.
- o The FY2020 Budget includes \$17.7 million in premium for property insurance coverage. This represents a decrease of \$640,000 from the FY2019 Budget of \$18.3 million.

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



FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : Property & Casualty Fund							
Business Area : Administration and Regulatory Affairs							
Fund No. /Bus Area No. : 1004 / 6500							
Division Description	FY2018 Actual		FY2019 Estimate		FY2020 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, cyber and Notary Public program.	5.0	25,148,021	5.0	18,413,590	5.0	23,169,799	
Total	5.0	25,148,021	5.0	18,413,590	5.0	23,169,799	

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Direct Interfund Services	25,148,021	22,542,996	18,413,590	23,169,799
Grand Total Revenues	<u><u>25,148,021</u></u>	<u><u>22,542,996</u></u>	<u><u>18,413,590</u></u>	<u><u>23,169,799</u></u>



FISCAL YEAR 2020 BUDGET

Business Area Budget Summary

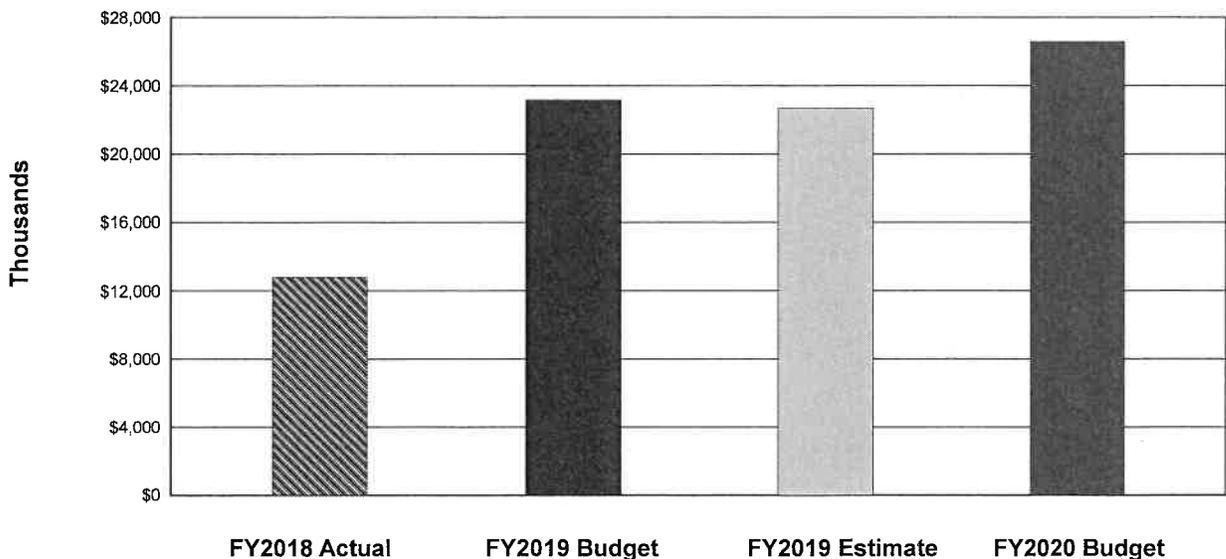
Fund Name : Property & Casualty Fund
Business Area : Legal
Fund No. /Bus. Area No. : 1004 / 9000

		FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Expenditures	Personnel Services	6,884,865	7,953,038	7,269,364	8,046,321
	Supplies	130,897	164,300	158,000	177,300
	Other Services and Charges	5,775,045	15,038,555	15,233,399	18,356,160
	Non-Capital Equipment	0	13,000	13,000	0
	Total M & O Expenditures	12,790,807	23,168,893	22,673,763	26,579,781
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	12,790,807	23,168,893	22,673,763	26,579,781
Revenues		12,792,632	23,168,893	22,673,763	26,579,781
Staffing	Full-Time Equivalents - Civilian	47.0	54.0	48.4	52.0
	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	47.0	54.0	48.4	52.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0

Significant Budget Changes and Highlights

- o The FY2020 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases.
- o The budget for claims, settlements and judgments is approximately \$10.3 million, which represents 39% of the total budget.
- o The FY2020 Budget includes the transfer of 2 employees to General Fund Legal Department.

**Property & Casualty Fund
 Legal
 Expenditure Summary**



FISCAL YEAR 2020 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 Target
EEOC and TX Workforce Commission Matters Handled	297	350	400	700
Liability Claims Processed (Claims & Subrogation Section)	1,228	1,100	1,354	1,200
Liability Claims-No Payment (Claims & Subrogation Section)	818	900	1,008	950
Expenditures Adopted Budget vs Actual Utilization	55%	100%	98%	100%
Revenues Adopted Budget vs Actual Utilization	55%	100%	98%	100%

FISCAL YEAR 2020 BUDGET

Division Summary							
Fund Name : Property & Casualty Fund							
Business Area : Legal							
Fund No. /Bus Area No. : 1004 / 9000							
Division Description	FY2018 Actual		FY2019 Estimate		FY2020 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.	1.0	294,652	1.4	214,626	2.0	311,252	
LGL - General Litigation Section 900002 Responsible for litigation and appeals involving contracts, construction, elections, eminent domain and inverse condemnation, constitutional challenges to ordinances, constitutional violations, auto accidents and premises defects, Texas Public Information Act, mandamus and ultra vires, real estate, probate, bankruptcy, and more.	21.4	3,423,491	22.7	3,589,886	24.0	3,915,326	
LGL - Labor, Empl. & Civil Rights Section 900005 Responsible for representing the City on all labor, employment and civil rights lawsuits, labor/employment matters and contract negotiations with employee associations.	15.6	2,090,099	15.3	2,301,351	17.0	2,637,741	
LGL - Claims & Subrogation Section 900010 Responsible for liability tort claims, subrogation matters and general affirmative claim matters at the claim stage.	9.0	1,137,943	9.0	1,211,381	9.0	1,229,792	
LGL - Litigation Costs Section 900012 Captures costs directly related to the payment of claims and judgments including legal services and other services.	0.0	5,844,622	0.0	15,356,519	0.0	18,485,670	
Total	47.0	12,790,807	48.4	22,673,763	52.0	26,579,781	

FISCAL YEAR 2020 BUDGET

Business Area Revenues Summary

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

Category	FY2018 Actual	FY2019 Current Budget	FY2019 Estimate	FY2020 Budget
Direct Interfund Services	12,703,736	23,168,893	22,673,763	26,579,781
Interest	427	0	0	0
Miscellaneous/Other	88,469	0	0	0
Grand Total Revenues	<u><u>12,792,632</u></u>	<u><u>23,168,893</u></u>	<u><u>22,673,763</u></u>	<u><u>26,579,781</u></u>