

FISCAL YEAR 2023 BUDGET

Fund Summary

Fund Name : Property and Casualty Fund

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

	<u>FY2022</u> <u>Current Budget</u>	<u>FY2022</u> <u>Estimate</u>	<u>FY2023</u> <u>Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	53,738,236	53,466,387	56,898,437
Total Available Resources	<u>53,738,236</u>	<u>53,466,387</u>	<u>56,898,437</u>
Maintenance and Operations	53,738,236	53,466,387	56,898,437
Total Expenditures	<u>53,738,236</u>	<u>53,466,387</u>	<u>56,898,437</u>
Planned Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget	<u><u>53,738,236</u></u>	<u><u>53,466,387</u></u>	<u><u>56,898,437</u></u>

Fund Balance Distribution

Non-Spendable	0	0	0
Restricted	0	0	0
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0

The above summarizes the FY2022 Budget, FY2022 Estimate and FY2023 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 the other managed by Administration and Regulatory Affairs to account for property and other commercial 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.

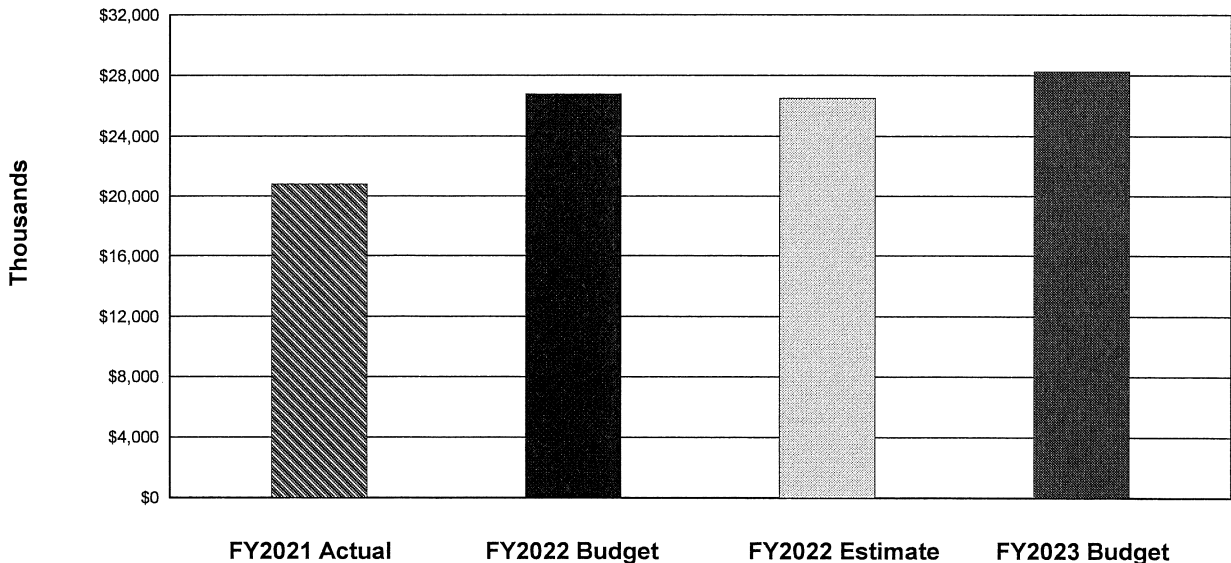
FISCAL YEAR 2023 BUDGET

Business Area Budget Summary

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

		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	696,740	844,390	844,390	890,936
	Supplies	241	2,920	2,920	2,960
	Other Services and Charges	20,142,764	25,936,437	25,664,588	27,365,375
	Total M & O Expenditures	20,839,745	26,783,747	26,511,898	28,259,271
	Debt Service & Other Uses	0	0	0	0
	Total Expenditure	20,839,745	26,783,747	26,511,898	28,259,271
Revenues		20,839,745	26,783,747	26,511,898	28,259,271
Staffing	Full-Time Equivalents - Civilian	4.3	6.0	6.0	6.0
	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	4.3	6.0	6.0	6.0
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2023 Budget provides funding for health benefits and pension contribution, and municipal employees contractual pay increases. o The FY2023 Budget includes \$21.6 million in premium for property insurance coverage. This represents an increase of \$1.2 million from the FY2022 Budget of \$20.4 million. 				

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



FISCAL YEAR 2023 BUDGET

Division Summary							
Fund Name : Property and Casualty Fund							
Business Area : Administration and Regulatory Affairs							
Fund No. /Bus Area No. : 1004 / 6500							
Division Description	FY2021 Actual		FY2022 Estimate		FY2023 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.	4.3	20,839,745	6.0	26,511,898	6.0	28,259,271	
Total	4.3	20,839,745	6.0	26,511,898	6.0	28,259,271	

FISCAL YEAR 2023 BUDGET

Business Area Revenues Summary

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

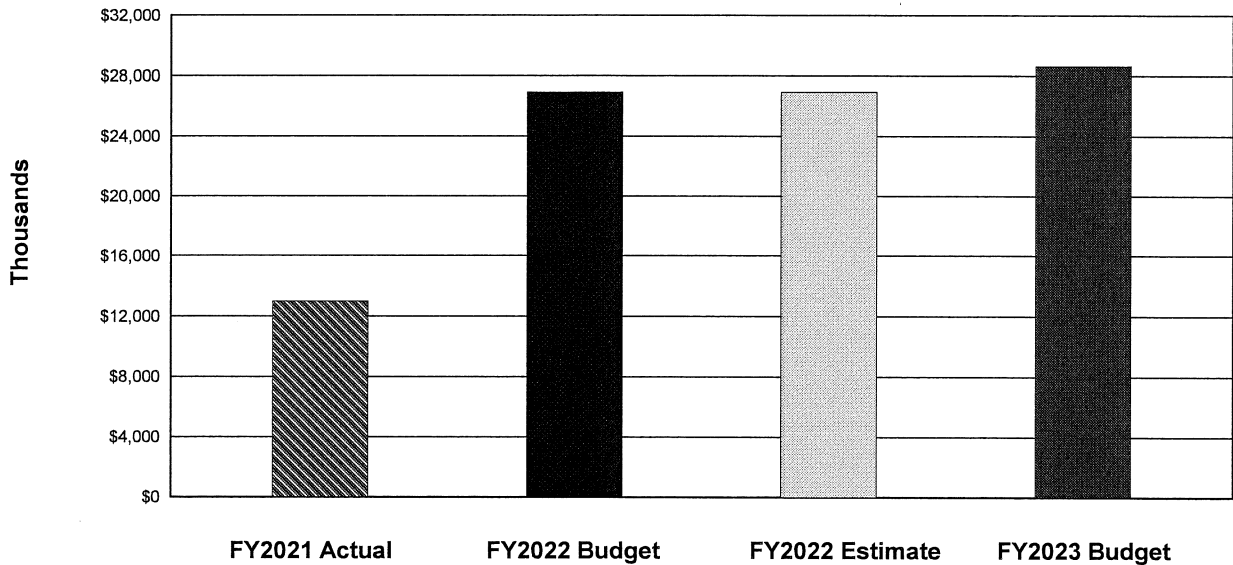
Category	FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Charges for Services	0	26,783,747	26,511,898	28,259,271
Direct Interfund Services	20,839,745	0	0	0
Grand Total Revenues	<u><u>20,839,745</u></u>	<u><u>26,783,747</u></u>	<u><u>26,511,898</u></u>	<u><u>28,259,271</u></u>



FISCAL YEAR 2023 BUDGET

Business Area Budget Summary					
Fund Name : Property and Casualty Fund					
Business Area : Legal					
Fund No. /Bus. Area No. : 1004 / 9000					
		FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Expenditures	Personnel Services	7,152,570	8,689,438	8,681,573	10,021,808
	Supplies	134,533	170,000	138,000	170,000
	Other Services and Charges	5,633,824	18,095,051	18,134,916	18,447,358
	Total M & O Expenditures	12,920,927	26,954,489	26,954,489	28,639,166
	Debt Service & Other Uses	76,556	0	0	0
	Total Expenditure	12,997,483	26,954,489	26,954,489	28,639,166
Revenues		12,920,927	26,954,489	26,954,489	28,639,166
Staffing	Full-Time Equivalents - Civilian	45.9	53.0	52.6	59.4
	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	45.9	53.0	52.6	59.4
	Full-Time Equivalents - Overtime	0.0	0.0	0.0	0.0
Significant Budget Changes and Highlights	<ul style="list-style-type: none"> o The FY2023 Budget provides funding for health benefits, pension contribution, and municipal employees contractual pay increases. o The FY2023 Budget includes funding for market salary increase for the department. Legal worked with HR to analyze the low and high salary ranges of Harris County, Metro, and the City Attorney offices of Dallas, Austin, and San Antonio as well as their collective average based on years of experience. The increases are an effort to bring salaries closer to the market level average of these comparable jurisdictions. o The FY2023 Budget for claims, settlements and judgments is approximately \$10.8 million, which represents 38% of the total budget. 				

**Property and Casualty Fund
Legal
Expenditure Summary**



FISCAL YEAR 2023 BUDGET

Business Area Performance Measures

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

Performance Measures	FY2021 Actual	FY2022 Target	FY2022 Estimate	FY2023 Target
EEOC and TX Workforce Commission Matters Handled	2,436	508	506	508
Liability Claims Processed (Claims & Subrogation Section)	777	950	852	850
Liability Claims-No Payment (Claims & Subrogation Section)	813	825	650	650
Expenditures Adopted Budget vs Actual Utilization	48%	100%	100%	100%
Revenues Adopted Budget vs Actual Utilization	48%	100%	100%	100%

FISCAL YEAR 2023 BUDGET

Division Summary						
Fund Name : Property and Casualty Fund						
Business Area : Legal						
Fund No. /Bus Area No. : 1004 / 9000						
Division Description	FY2021 Actual FTEs	FY2021 Actual Costs \$	FY2022 Estimate FTEs	FY2022 Estimate Costs \$	FY2023 Budget FTEs	FY2023 Budget 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.	2.0	411,589	2.0	338,648	2.0	358,971
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.	15.2	2,434,170	17.0	3,022,347	19.6	3,481,792
LGL - Labor, Empl. & Civil Service 900005 Responsible for representing the City on all labor, employment and civil service lawsuits, labor/employment matters and contract negotiations with employee associations.	9.6	1,489,435	11.7	1,796,232	11.7	2,001,866
LGL - Claims & Subrogation Section 900010 Responsible for liability tort claims, subrogation matters and general affirmative claim matters at the claim stage.	8.5	1,203,640	9.0	1,405,749	10.5	1,597,858
LGL - Litigation Costs Section 900012 Captures costs directly related to the payment of claims and judgments including legal services and other services.	0.0	5,751,385	0.0	18,225,186	0.0	18,569,628

FISCAL YEAR 2023 BUDGET

Division Summary							
Fund Name : Property and Casualty Fund							
Business Area : Legal							
Fund No. /Bus Area No. : 1004 / 9000							
Division Description	FY2021 Actual		FY2022 Estimate		FY2023 Budget		
	FTEs	Costs \$	FTEs	Costs \$	FTEs	Costs \$	
LGL - Torts/Civil Rights Section 900019							
Defends the City and its employees on a wide variety of lawsuits, including claims brought pursuant to Chapter 101 of the Texas Civil Practices and Remedies Code and civil rights claims, including 42 U.S.C. Section 1983, that are filed in state and federal courts. Advises various City departments about legal issues.	10.6	1,707,264	12.9	2,166,327	15.6	2,629,051	
Total	45.9	12,997,483	52.6	26,954,489	59.4	28,639,166	

FISCAL YEAR 2023 BUDGET

Business Area Revenues Summary

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

Category	FY2021 Actual	FY2022 Current Budget	FY2022 Estimate	FY2023 Budget
Direct Interfund Services	12,920,927	26,954,489	26,954,489	28,639,166
Grand Total Revenues	<u><u>12,920,927</u></u>	<u><u>26,954,489</u></u>	<u><u>26,954,489</u></u>	<u><u>28,639,166</u></u>