

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 1, 2015 **Approx Start Time:** 9:00 **Approx Length:** 2.5 hours

Presentation Title: Quarterly General County Budget Committee Meeting

Department: Finance & County Administration

Presenters: Laurel Butman, Marc Gonzales, Nancy Newton, Diane Padilla

Other Invitees: Community members of Budget Committee

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational meeting regarding budget monitoring for FY 2014-15 and preparation for the FY 2015-16 budget year.

EXECUTIVE SUMMARY: This meeting will follow the agenda included in this packet.

FINANCIAL IMPLICATIONS (current year and ongoing): N/A, no budget deliberations

LEGAL/POLICY REQUIREMENTS:

The County is required to establish a budget committee pursuant to ORS 294.414.

PUBLIC/GOVERNMENTAL PARTICIPATION:

The presence of the budget committee ensures public participation in the budget process.

OPTIONS: N/A, information only

RECOMMENDATION: N/A, information only

ATTACHMENTS:

1. Attachment A: Meeting agenda
2. Attachment B: Property Tax Revenue/Budget Update – Fiscal Year 2015-16
3. Attachment C: Budget schedule
4. Attachment D: Updated General Fund 5-Year Forecast
5. Attachment E: Casualty Information from Risk Management
 - ▶ FAQ from Risk Management
 - ▶ Liability Claims: Top 5 Departments by Number & by Cost
 - ▶ Liability Claims Costs FY 2011-12 through FY 2014-15
 - ▶ Liability Claims Ending Fund Balance Compared to Actuarial Estimates
 - ▶ Excerpt from Risk Management Manual (Loss Prevention Plan)
 - ▶ Memorandum from Risk Manager to the Board regarding CCSO Casualty Claims

NOTES: The Performance Clackamas agenda item will include a PowerPoint presentation but our consultants are traveling on other engagements and will not be able to provide the presentation in advance. We will post that presentation online for the public as soon as it is available.

SUBMITTED BY:

Division Director/Head Approval _____ DP
Department Director/Head Approval _____ MG
County Administrator Approval _____ LB

For information on this issue or copies of attachments, please contact Diane Padilla @ 503-742-5425

ATTACHMENT A

Quarterly Budget Committee Meeting

Wednesday, April 1, 2015 ~ 9:00-11:30 a.m.

PSB Hearing Room

Budget Committee:

Public members: Jeff Caton, Eric Hofeld, Frank Magdlen, Ed Mura and Wilda Parks

Board members: Chair John Ludlow and Commissioners Jim Bernard, Paul Savas, Martha Schrader, and Tootie Smith

Staff: Administrator Don Krupp, Laurel Butman, Nancy Newton, Marc Gonzales, and Diane Padilla

1. Welcome and introductions 9:00-9:05 (All)
2. Property Tax Revenue/Budget Update for FY 2015-16 9:05-9:30 (Assessor Bob Vroman)
3. Administrator's Report: 9:30-10:00 (Don Krupp)
 - Budget process update
 - Updated General Fund 5-year projection
4. Increase in Large Casualty Claims 10:00-10:30 (Dwayne Kroening)
5. Budget Structure for Performance Clackamas Departments 10:30-11:30 (Marv Weidner)
6. Adjourn 11:30 (All)

Next Budget Committee Meeting: May 26, 2015 ~ 8:30am—5:00pm ~ DSB Room 115

ATTACHMENT B

**Property Tax Revenue/Budget Update
Fiscal Year 2015-16**

Property Tax Revenue/Budget Update - Fiscal Year 2015-2016



Presented by

Bob Vroman,

Clackamas County Assessor







NEW
HOMES

NEW HOMES

AND
HURRY!!
SELLING FAST!!

- | | | | |
|-------|------|------|--------|
| LOT 1 | SOLD | SOLD | LOT 16 |
| LOT 2 | SOLD | SOLD | LOT 17 |
| LOT 3 | SOLD | SOLD | LOT 18 |
| SOLD | SOLD | SOLD | LOT 19 |
| SOLD | SOLD | SOLD | |

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SALE PENDING



Market Observations

1/1/13 – 1/1/14

- Average Sale Price Up 12.9% (RMLS)
- Median Sale Price Up 12.8% (RMLS)
- Inventory down from 3.6 months to 3.2
- Total Market Time down from 112 days to 83
- Limited product on the market

Market Observations

1/1/14 – 1/1/15

- Average Sale Price Up 7.2% (RMLS)
- Median Sale Price Up 7.7% (RMLS)
- Inventory down from 3.2 months to 2.3
- Total Market Time down from 83 days to 70
- Limited product on the market

Median and Average Sale Price

Clackamas County

Year	Median	Average
2015	\$300,000	\$354,215

Portland Metropolitan RMLS

Year	Median	Average
2015	\$285,500	\$333,000

CLACKAMAS COUNTY - Value Growth by Tax Year

TAX YEAR	MARKET VALUE	GROWTH RATE	*TAXABLE MEASURE 50 ASSESSED VALUE	GROWTH RATE	NUMBER OF ACCOUNTS
2014	51,015,222,201	11.1%	42,300,451,426	4.8%	170,258
2013	45,905,312,668	4.3%	40,373,491,335	3.9%	169,329
2012	44,029,803,115	-3.8%	38,868,044,294	2.2%	168,862
2011	45,749,213,790	-6.5%	38,036,050,797	2.6%	169,200
2010	48,903,531,566	-10.2%	37,077,595,791	2.8%	169,236
2009	54,457,966,569	-9.2%	36,061,920,311	4.5%	172,525
2008	60,008,391,125	4.9%	34,517,930,429	5.7%	172,406
2007	57,192,695,090	17.5%	32,655,970,680	6.2%	171,261
2006	48,691,608,330	18.0%	30,751,633,489	5.8%	166,468
2005	41,266,289,753	11.9%	29,054,205,912	5.2%	164,638
2004	36,893,540,779	7.8%	27,617,467,835	4.7%	162,685
2003	34,220,258,939	5.6%	26,376,755,248	4.9%	161,458
2002	32,401,916,999	4.7%	25,153,450,492	4.8%	161,002
2001	30,953,135,346	4.3%	23,999,616,711	5.5%	159,662
2000	29,690,971,504	5.7%	22,756,576,982	6.7%	158,226
1999	28,101,486,020	7.6%	21,333,379,420	6.7%	155,876
1998	26,109,138,580	4.9%	20,001,415,720	4.8%	153,105

CLACKAMAS COUNTY Tax Growth by Tax Year

TAX YEAR	TOTAL TAXES BILLED TO CITIZENS	GROWTH RATE
2014	684,782,849	5.48%
2013	649,224,335	3.20%
2012	629,332,556	0.80%
2011	624,179,493	2.10%
2010	611,448,174	1.70%
2009	601,008,884	8.70%
2008	552,657,758	5.80%
2007	522,305,802	10.30%
2006	473,731,084	4.70%
2005	452,553,654	6.10%
2004	426,603,301	4.90%
2003	406,546,599	5.20%
2002	386,566,776	4.20%
2001	370,846,291	8.30%
2000	342,461,294	8.40%
1999	315,784,283	7.60%
1998	293,533,376	6.50%
1997	275,645,311	-2.50%
1996	282,579,728	12.20%
1995	251,879,614	-7.10%
1994	271,036,198	-6.10%

Measure 5 Compression Loss History by Category

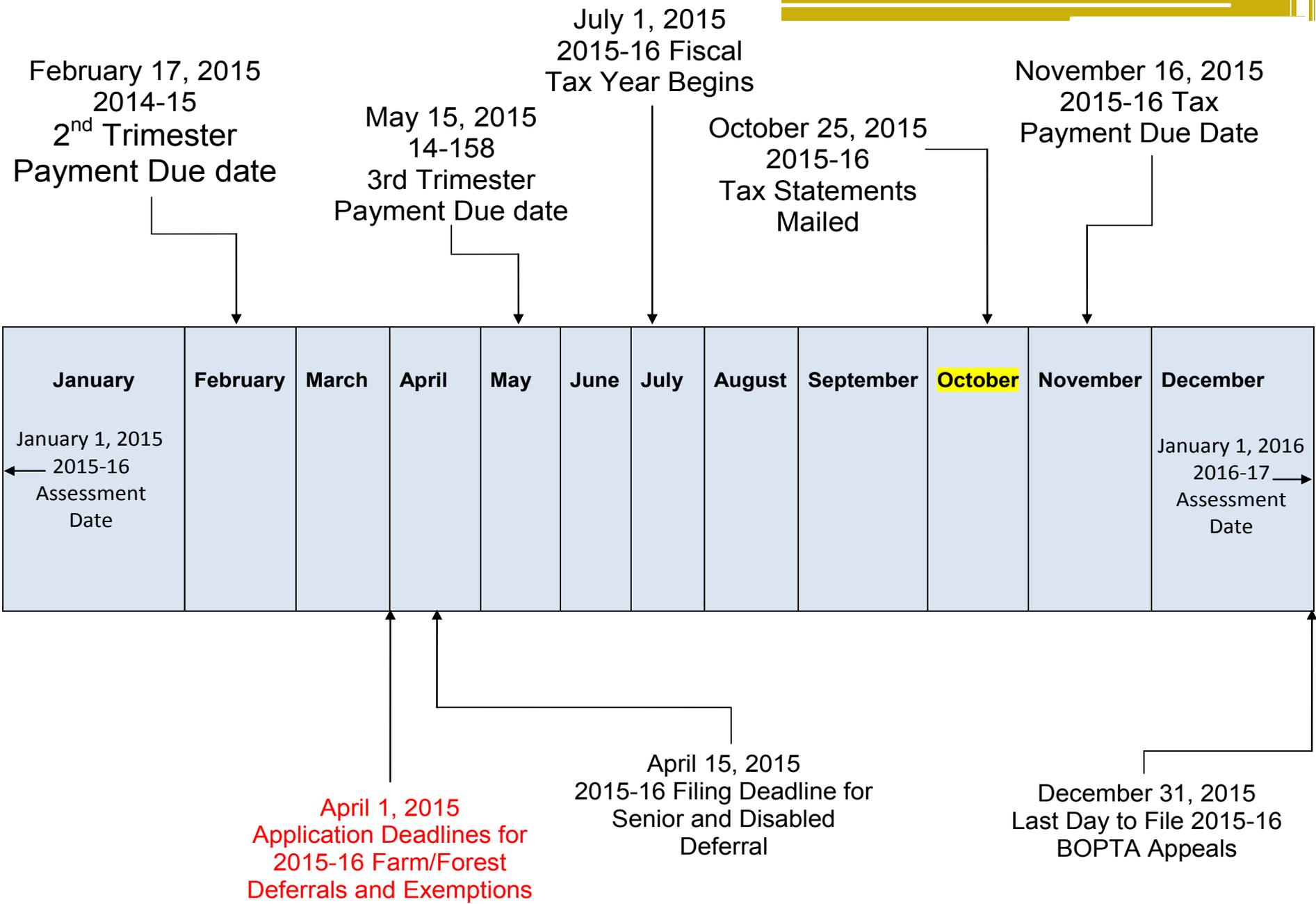
Year	Education Loss Amount	Gen Gov. Loss Amount	Total M5 Loss	Education Loss Count	Gen Gov. Loss Count
2015 EST.	10,687,950	241,780	10,929,730	46,614	4,730
2014	13,338,423	339,297	13,677,720	60,992	5,290
2013	19,512,343	568,394	20,080,737	89,576	8,481
2012	17,081,740	1,114,805	18,196,545	86,115	13,115
2011	12,138,717	516,803	12,655,520	54,401	4,894
2010	7,152,574	423,687	7,576,261	34,476	4,589
2009	3,403,241	282,424	3,685,664	24,808	4,029
2008	1,911,891	77,474	1,989,365	19,892	2,036
2007	1,768,818	75,753	1,844,571	20,643	1,784

Measure 5 Compression Loss History - Clackamas County

	2014	2013	2012	2011
CLACKAMAS COUNTY	\$24,839.34	\$37,964.88	\$112,263.91	\$56,417.32
PUBLIC SAFETY	\$130,255.75	\$245,475.54	\$458,028.57	\$194,697.44
LAW ENHANCED	\$72.02	\$184.73	\$65.17	\$57.88
COUNTY LIBRARY	\$4,083.36	\$6,232.70	\$18,231.49	\$9,134.87
EXTENSION SERVICE	\$513.85	\$784.67	\$2,294.50	\$1,149.85
URA CLACKAMAS	\$712.59	\$853.82	\$23,374.71	\$12,771.65
N CLACKAMAS PARK	\$2,684.17	\$3,243.06	\$15,401.80	\$8,748.78
TOTAL COUNTY IMPACT	\$163,161.08	\$294,739.40	\$629,660.15	\$282,977.79

Revenue History - Clackamas County

	2014	2013	2012	2011
CLACKAMAS COUNTY	\$108,987,297	\$104,262,680	\$98,818,400	\$97,054,361
PUBLIC SAFETY	\$10,269,571	\$9,670,873	\$9,088,865	\$9,152,852
LAW ENHANCED	\$6,258,012	\$6,015,986	\$5,453,971	\$5,361,330
COUNTY LIBRARY	\$16,265,103	\$15,523,192	\$14,723,062	\$14,460,137
EXTENSION SERVICE	\$2,049,885	\$1,956,455	\$1,854,026	\$1,820,813
URA CLACKAMAS	\$1,989,738	\$1,696,922	\$13,561,422	\$13,113,475
N CLACKAMAS PARK	\$6,387,501	\$6,097,777	\$5,552,565	\$5,460,383



February 17, 2015
2014-15
2nd Trimester
Payment Due date

May 15, 2015
14-158
3rd Trimester
Payment Due date

July 1, 2015
2015-16 Fiscal
Tax Year Begins

October 25, 2015
2015-16
Tax Statements
Mailed

November 16, 2015
2015-16 Tax
Payment Due Date

January	February	March	April	May	June	July	August	September	October	November	December
January 1, 2015 ← 2015-16 Assessment Date											January 1, 2016 2016-17 → Assessment Date

April 1, 2015
Application Deadlines for
2015-16 Farm/Forest
Deferrals and Exemptions

April 15, 2015
2015-16 Filing Deadline for
Senior and Disabled
Deferral

December 31, 2015
Last Day to File 2015-16
BOPTA Appeals

ATTACHMENT C

FY 2015-16 Budget Development Schedule

September	Quarterly Budget Committee planning session
November – December	Board of County Commissioners meet to discuss budget priorities and goals and establish budget calendar Quarterly Budget Committee planning session
January	Budget Office prepares revenue estimates, calculates department cost allocations and personnel costs
February	Budget workshop for departments
March - April	Quarterly Budget Committee planning session Internal budget reviews with departments, Administrator's Proposed Budget finalized
May	Budget Committee holds public meetings and approves budget – 5/11 Budget materials distributed to committee members and posted online 5/14 Notice of Budget Committee meeting published in newspaper 5/26 General County Budget Committee session begins 8:30 am 5/27 General County Budget Committee session begins 8:30 am 5/28 General County Budget Committee session begins 8:30 am Public testimony begins at 5:30 pm and will continue to any subsequent General County sessions
June	6/2-4 held for additional General Budget Committee sessions (if needed) Board of County Commissioners adopts Budget

Attachment D

Updated General Fund 5-Year Forecast

Clackamas County General Fund - Five Year Forecast at March 2015

General Assumptions:

The five-year forecast is based on currently available information and will need to be updated regularly if it is to remain relevant.

Service levels and staffing continue at current levels (344.6 FTE).

In the absence of a more specific basis, revenues and expenditures are adjusted per estimated change in Portland-Salem CPI-U as published by the Oregon Office of Economic Analysis. For 2016 - 2020 it ranges from 1.9% to 2.2%. This is a more moderate rate than was experienced prior to 2008.

Operating subsidy transfers continue at current levels adjusted for same growth rate as other costs.

Cost of living adjustment = 2% per year.

Assessed value growth = 3.5% for FY15; increasing steadily to 4.75% by FY19 and continuing to FY20 (Historical levels have been 5% - 6.5%).

Projection focuses on operating revenue vs. operating expenditure. Beginning fund balance, contingency and reserves not included.

**General Fund
Five Year Forecast - March 2015**

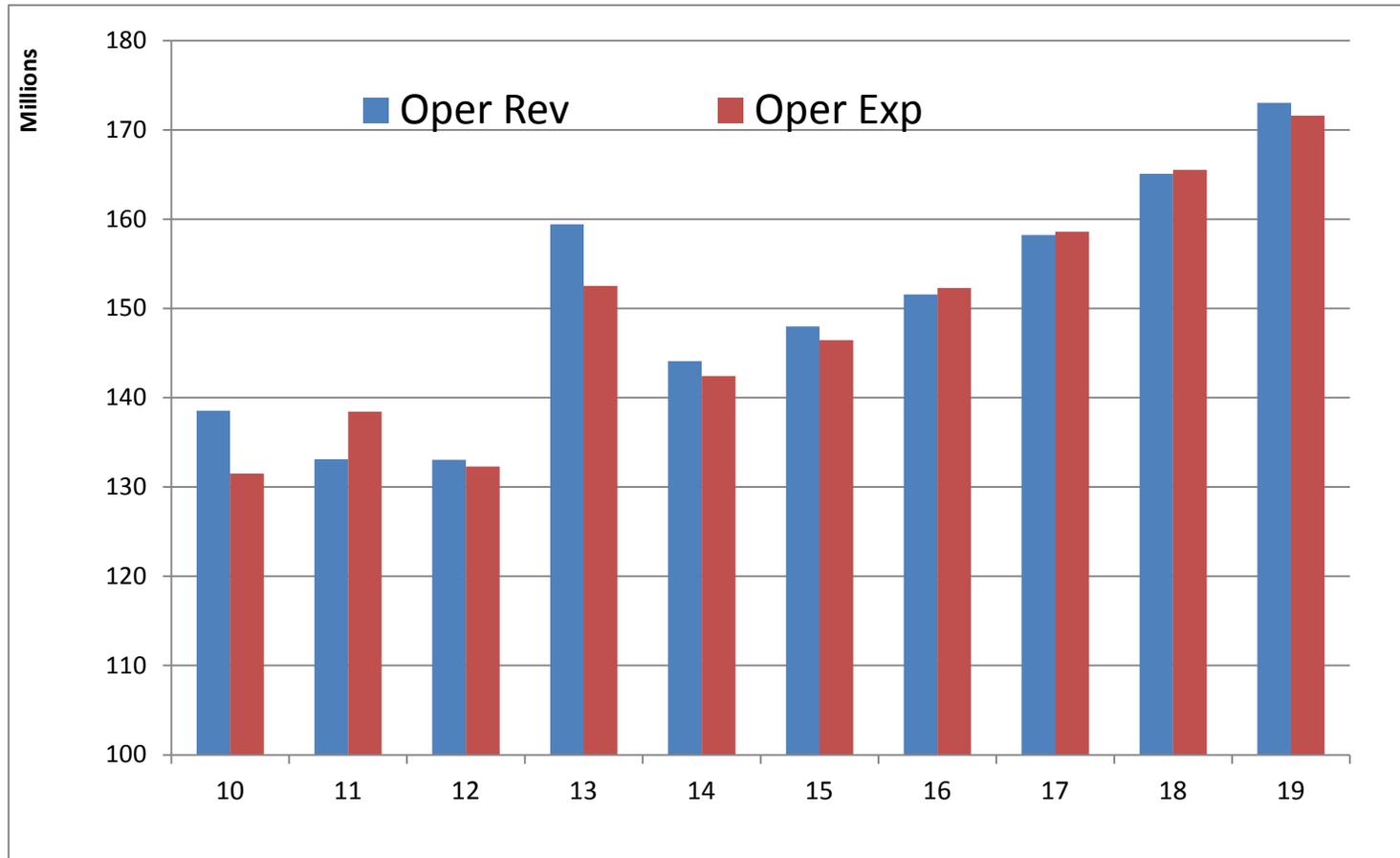
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Beginning Fund Bal	13,101,570	20,072,410	14,751,526	15,494,182	22,377,891	24,027,417	25,558,169	24,847,341	24,446,327	24,003,430
Prior Yr Rev	0	0	0	0	0	0	0	0	0	0
Property Tax	89,621,539	92,050,732	94,162,547	96,327,611	102,180,627	107,332,000	111,228,800	115,847,700	120,946,151	126,570,025
Franchise/Filing Fees	1,521,620	1,613,601	1,629,586	1,728,701	1,807,623	1,857,000	1,850,000	1,888,850	1,930,405	1,970,943
Federal (Timber, PILT)	4,295,229	4,245,344	1,296,834	1,308,911	1,493,045	420,144	409,000	417,589	426,776	435,738
State (Shared Revs, Grant, St Ct FY13)	5,310,766	5,161,069	4,389,832	4,936,335	5,153,495	4,345,601	4,300,000	4,390,090	4,486,452	4,580,457
Local (Contract)	28,600	29,116	2,919	3,852	5,425	3,708	2,000	2,042	2,087	2,131
Chg for Svc (Recording/Alloc Costs)	14,000,204	14,244,481	14,200,670	15,429,179	14,338,541	15,377,240	15,145,282	15,463,333	15,803,526	16,135,400
Fines & Penalties (St Court until FY13)	606,005	378,379	345,773	59,167	4,991	500	500	511	522	533
Misc Rev (Salary Reimb/Interest)	15,022,256	15,118,634	16,194,462	16,473,202	17,727,078	17,117,304	17,495,354	19,057,131	21,161,738	22,998,182
Loan Proceeds & Repayments *	2,497,005	16,079	111,795	20,079,302	99,956	100	0	0	0	0
Interfund Trnsfr Rev	5,647,861	245,285	698,017	3,058,155	1,268,500	1,533,333	1,133,333	1,139,633	313,039	319,612
Operating Revenue	138,551,085	133,102,720	133,032,435	159,404,415	144,079,281	147,986,930	151,564,269	158,206,878	165,070,695	173,013,022
% Change		-3.9%	-0.1%	19.8%	-9.6%	2.7%	2.4%	4.4%	4.3%	4.8%
Pers Svc	33,682,444	31,934,588	32,847,939	34,683,711	35,733,947	36,400,300	40,422,545	44,192,957	49,287,708	53,727,812
Matl & Svc	8,977,226	7,338,321	5,503,854	26,611,964	5,740,750	6,839,613	6,969,566	7,115,927	7,272,477	7,425,199
Debt Service	0	0	0	244,303	244,303	244,303	244,303	244,303	244,303	244,304
Operating Subsidy Trans to Depts	81,638,415	93,560,218	87,795,233	84,545,298	93,491,551	95,102,740	96,606,839	98,535,747	99,564,792	100,523,463
Cost Alloc	6,559,732	5,585,909	5,804,924	6,379,770	7,094,888	7,393,222	7,831,844	8,318,959	8,944,312	9,484,358
Cap Outlay	644,181	4,568	337,829	55,660	124,316	476,000	200,000	200,000	200,000	200,000
Operating Expense	131,501,998	138,423,604	132,289,779	152,520,706	142,429,755	146,456,178	152,275,097	158,607,892	165,513,592	171,605,136
% Change		5.3%	-4.4%	15.3%	-6.6%	2.8%	4.0%	4.2%	4.4%	3.7%
Ending Fund Bal	20,150,657	14,751,526	15,494,182	22,377,891	24,027,417	25,558,169	24,847,341	24,446,327	24,003,430	25,411,316
FTE	361.48	351.85	350.58	352.46	354.08	344.55	344.55	344.55	344.55	344.55
Filled at Year End	333.48	325.35	329.08	329.13	330.00	314.67	314.67	314.67	314.67	314.67
Vacant at Year End	28.00	26.50	21.50	23.33	24.08	29.88	29.88	29.88	29.88	29.88

FY13 = \$20.1 million payment to Trimet for Portland-Milwaukie Light Rail

FY14 = \$2.5 million loan to Health Housing & Human Services (via interfund transfer)

FY15 = \$833k of loan from Health Housing & Human Services repaid (via interfund transfer - year 1 of 3)

General Fund - Projected Operating Revenue vs. Operating Expense



	10	11	12	13	14	15	16	17	18	19
Oper Rev	138,551,085	133,102,720	133,032,435	159,404,415	144,079,281	147,986,930	151,564,269	158,206,878	165,070,695	173,013,022
Oper Exp	131,501,998	138,423,604	132,289,779	152,520,706	142,429,755	146,456,178	152,275,097	158,607,892	165,513,592	171,605,136

Revenue does not include carryforward. Expense does not include contingency or reserves.

Attachment E

Casualty Information from Risk Management

Frequently Asked Risk Management Questions:

- Why does the County self-insure its liability costs rather than purchase commercial insurance?

It is important to know that the County does purchase liability insurance. We purchase excess insurance that provides limits of \$7M above the County's self-insured retention of \$1M.

The Board of Commissioners has given approval for the County to participate in the forming of an excess insurance pool with other Oregon public entities which will provide \$10M in limits at a lower premium. The retention of \$1M will remain the same. The Risk Management Claims Fund funds losses within the \$1M retention layer.

Philosophically, self-insurance provides the County (at the department and division levels) with a greater impetus to manage safety better. After all, the money we save (or spend) is money directly within our budgets and control. Paying an insurance company to manage the claims does not create the same kind of opportunity to control our own destiny (costs).

Buying first dollar coverage is extremely expensive, if insurers will even sell a policy that starts at dollar one. There is almost always the requirement for the insured to accept some portion of the loss (deductible or retention). This is seen as a necessary partnership by insurance companies. I double-checked with our insurance broker and they confirmed that insurers are not interested in writing coverage that drops below the \$1M retention we are currently at.

- How does the current allocation model work?

The model we currently use was developed by Price, Waterhouse, Cooper, an actuarial firm. The basic structure calculates how much each department will pay into the Claims Fund based on certain factors. These factors are: payroll, risk level, and past claims experience (three years of costs). To allow for departments to share the allocation load the claims are individually capped before being entered into the claims experience portion of the calculation. This means that a department does not bear the full weight of any claim over \$80,000. This benefits a department that sustains a large claim. It also prevents that same claim from devastating a smaller department's budget. Keep in mind this only determines how the allocation "pie" is divided, it does not establish how big the "pie" is.

This allocation method is used by most self-insured public entities in Oregon.

- Why weren't previous allocations sufficient to keep up with losses?

Allocations include the average claims expenditures over the prior five year period. This amount is compared to the actuarial estimate and adjusted based on whether it is higher or lower than what the actuary recommends. Over the past few years this adjustment included the consideration of the overall County budgetary picture. There were a few years when allocations were reduced in order to not further burden already struggling department budgets.

Additionally, losses were higher than budgeted- when compared with both the five year average and the actuarial recommendation.

Lastly, the estimate of the ending fiscal year fund balance was lower than expected. When the ending fund balance is calculated (in January) it is calculated based on an estimate of where the current fiscal year will end in terms of the amount expended for claims. If the losses during the last half of the fiscal year are higher than anticipated, not only is the ending fund balance lower than expected, but the allocations for the next year that are based on the amount of that fund balance are less than the amount needed. This acts like a double-hit to the Fund. In striving for accuracy and predictability we weren't building in any cushion.

- Have there been any instances when departments paid a portion of a claim settlement in addition to their allocation?

Yes. There have been three instances where a department paid part of the costs associated with a claim. The departments were: Sheriff, WES, DTD. These involved unusual claims where it was felt that the department bore some individual responsibility and the other departments shouldn't be penalized.

- What is being done to prevent claims?

Our efforts to reduce and prevent claims are multi-faceted. The Risk/Benefits Division employs two loss prevention people who work directly with County departments on a daily basis. The County Risk Manual provides the practical guidance for how loss prevention is accomplished. Section 3 – Safety and Health Loss Prevention Plan is attached for your reference. It is comprehensive and practical.

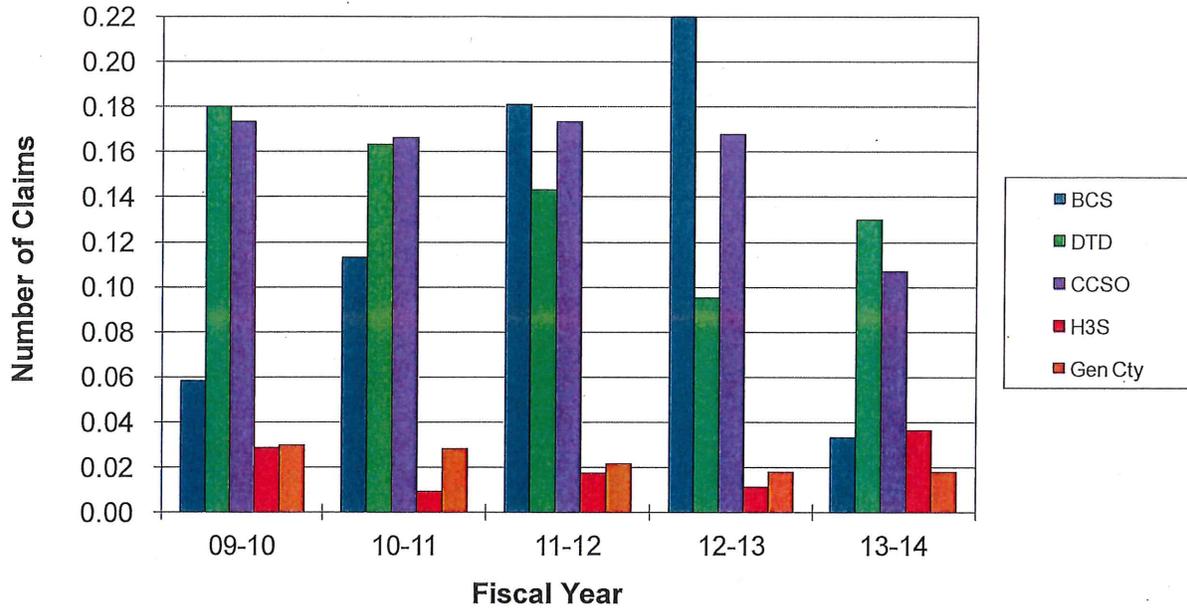
As it states, preventing losses is a partnership between us in risk management and County departments. However, because we are not involved in the day to day operations we must rely on department personnel to implement the necessary practical practices, such as hazard recognition, following training and acting within the scope of their duties .

Because losses should be prevented before a claim occurs incidents are reported and investigated. Causes are determined and solutions are identified and implemented. It is true that we can learn from claims that are filed, but by then there is no way to prevent many dollars from being expended. It must happen earlier through early identification and response.

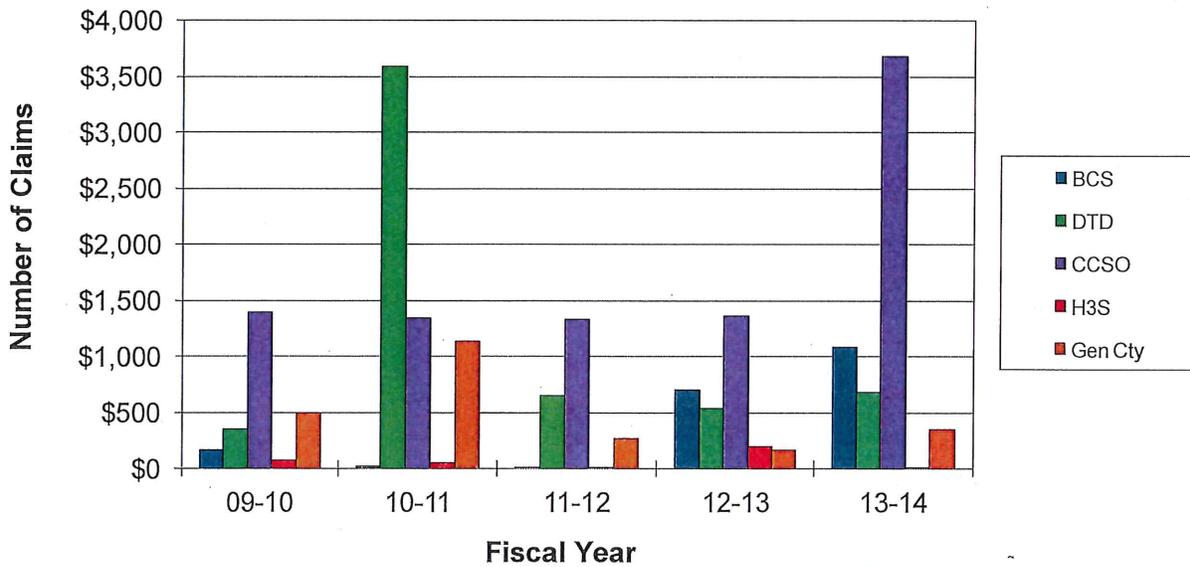
There has been much attention put on the large claim payouts in recent past. As I have evaluated these claims I would offer that if there is any common factor in these claims it would have to be the lack of commonality of the causes of the claims. This makes detection difficult because there are no trends or consistent practices that can be identified and corrected.

That isn't to say that each claim doesn't raise something that can and should be done to prevent something similar from happening again. This is done through collaboration between Risk, County Counsel and the involved department.

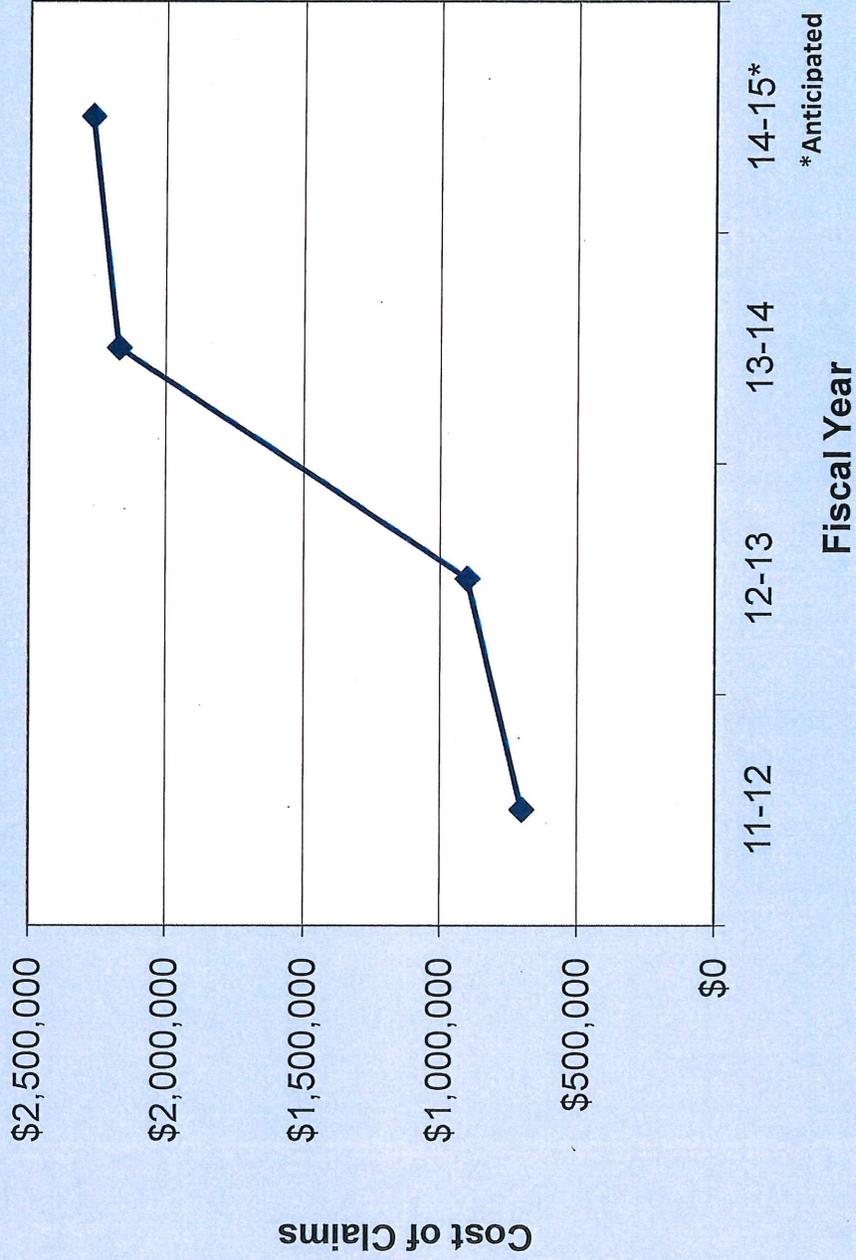
**Liability Claims - Top 5 Departments by Number
per \$100,000 of Payroll**



**Liability Claims - Top 5 Departments by Cost
per \$100,000 of Payroll
(Paid Costs During FY for All Claims)**



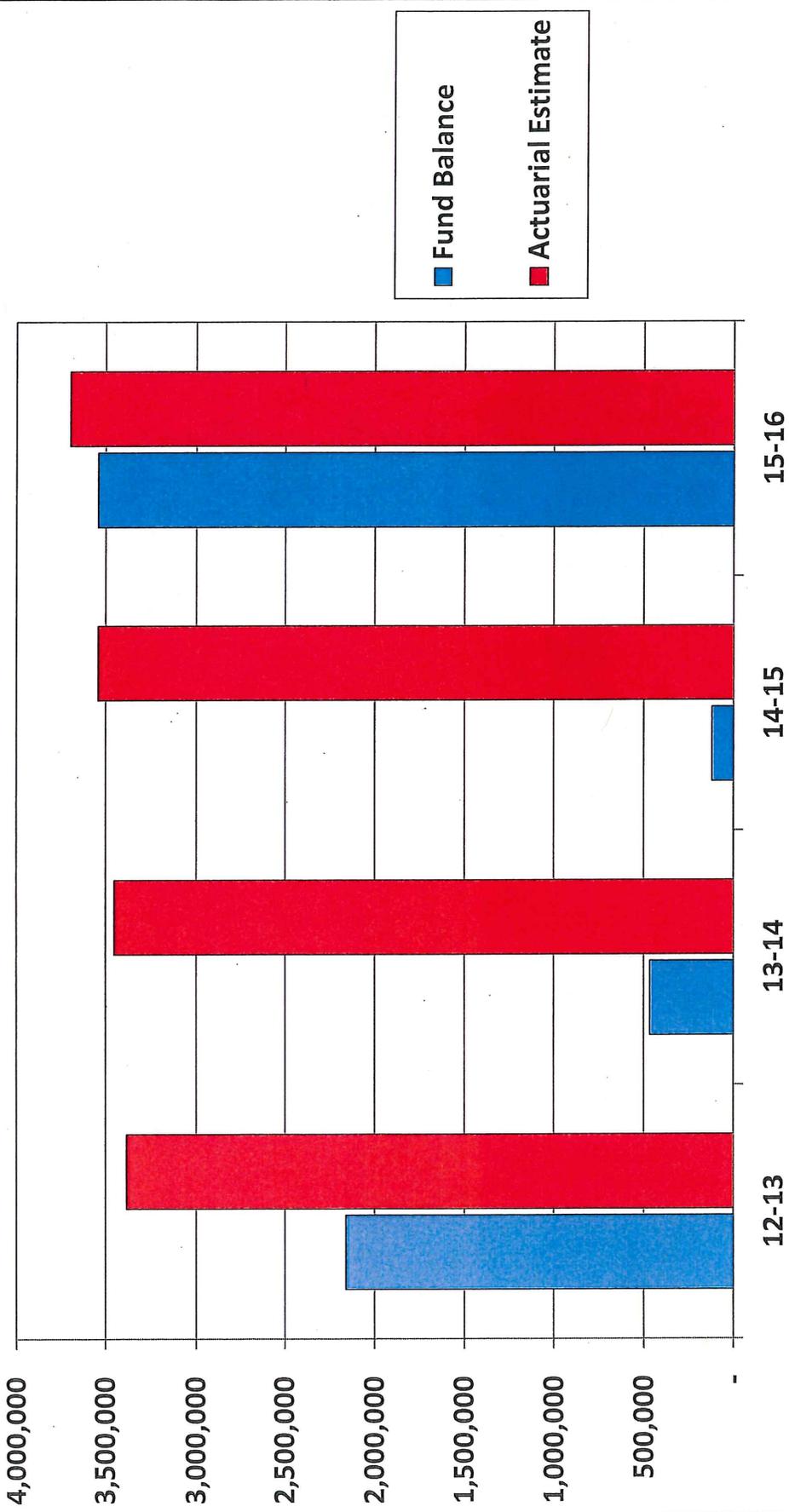
LIABILITY CLAIMS COSTS FY 11-12 THROUGH FY 14-15



◆ Liability Claims

Note: Costs Paid During Fiscal Year for All Claims

LIABILITY CLAIMS ENDING FUND BALANCE COMPARED TO ACTUARIAL ESTIMATES



Note: Actuarial Reflects Central Estimate

Safety and Health Loss Prevention Plan

ORS 437-001-1060 states that effective loss prevention by self-insured employers must address at least the following eleven elements.

- 1) Management commitment
- 2) An accountability system
- 3) Training
- 4) Hazard assessment and control
- 5) Investigating and corrective action for occupational injuries and illnesses
- 6) Personal protective equipment
- 7) On-site industrial hygiene and safety evaluation
- 8) Ergonomic assessment
- 9) Employee involvement
- 10) Annual evaluation
- 11) Records that document the assistance provided

The following is a discussion of each of the elements. It includes examples of activities or programs that have proven effective in promoting workplace safety and health. The concepts apply to all environments, without exception. However, how each is implemented can depend on the organization and culture of the department. Risk & Benefits is your partner in this process.

1. Management commitment to health and safety

Typically this is initiated through a clearly stated safety and health policy. Ideally it will be written, communicated and understood through all levels of the organization. Safety is recognized as a management function requiring the same executive direction and control as operation and cost.

It is sustained by including safety and health in the setting of goals and objectives for the department. All tiers of management and line supervision understand the goals and measures for achieving them.

Management is actively committed to safety and health, leading by example, supporting time and money spent on safety concerns. The workforce can explain, and fully embraces injury and illness prevention processes.

Where to find more information:

The Board of County Commissioners and County Administrator statements of commitment can be found in the Introduction to the Risk Management Manual.

Each department should have a similar statement of commitment from their director available to employees.

Section 1 of the Risk Management Manual, Organization and Responsibilities, speaks to management and supervisory roles.

RISK MANAGEMENT MANUAL

2. An accountability system for employer and employees

Successful accountability systems have appropriate consequences for both positive and negative performance and are applied consistently and evenhandedly to all.

Safety and health goals are part of performance evaluations at all tiers. Employees understand the goals and measures, and their role in achieving them.

Management follows the safety rules for their facilities and is an active force for change in the behavior of others.

Where to find more information:

The County's "Safety Incentive Program" is based on providing reinforcement for positive, incident free, performance. Information on the program can be found in Section 8 of the Risk Management Manual.

The principles of progressive discipline are followed when addressing negative performance. Safety expectations are discussed during new employee orientation. These are among the topics discussed in the "Clackamas County Employee Handbook" that all employees receive at hire.

3. Training practices and follow-up

At a minimum, employees receive training at the time of initial assignment, when processes or hazards change, and as needed to maintain proficiency. Observations are made to ensure that the training was understood.

Supervisors understand and reinforce the training in safe work procedures and hazard protection. Safety training is viewed as an essential part of professional development.

Managers are trained in and understand the principles of injury and illness prevention as well as their role in it.

DES/Risk & Benefits provides new employee orientation to cover countywide topics. An additional orientation session is held in the employee's department to provide site and task specific information.

Where to find more information:

New employee and department orientation is discussed in Section 6 of the Risk Management Manual.

Information on specific safety programs and policies can be found in Sections 8 and 9 of the Risk Management Manual.

RISK MANAGEMENT MANUAL

4. A system of hazard assessment and control

Prompt corrective action is taken when hazards are identified with a priority given to engineering controls. Safe work procedures, administrative controls, and personal protective equipment are used where engineering controls have not eliminated the hazard.

Supervisors include hazard recognition and correction as part of their regular observations in the work area. Prompt corrective action is taken.

Expert survey and technical assistance is used to respond to special needs, incidents, new equipment and processes.

The safety committee inspection team conducts effective routine hazard surveys. Team members have been trained in hazard recognition and submit recommendations for correction with their reports.

Where to find more information:

Safety Committees, including inspections, are discussed in Section 8 of the Risk Management Manual. Overviews of some of the most common regulatory requirements are in that section as well.

The Assessment Tool at the end of this section can be used by staff in the department to look at the hazards in a workplace and to gauge the level of compliance. The safety committee could also use it as part of their inspections and program review. Risk & Benefits staff will be using the same format when working with departments.

5. A system for investigating all recordable occupational injuries and illnesses that includes corrective action and written findings

All loss-producing incidents and near misses are investigated to identify means of prevention. The emphasis is on correction and prevention, not fault finding.

Injuries and illnesses are analyzed for trends and causes, and the information is shared throughout the organization.

Notifications are given in a timely fashion to OR-OSHA, Risk & Benefits, and family members.

Where to find more information:

Accident Reporting and Investigation is discussed in Section 4 of the Risk Management Manual.

6. A system for evaluating, obtaining, maintaining personal protective equipment (PPE)

All departments and locations will have completed the PPE assessment required by Oregon OSHA rule.

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The required PPE is provided by the employer to the employees in a range of styles and sizes to accommodate the variability between individuals.

Users of PPE will have been trained in the correct use, maintenance, and limitations of the equipment.

Where to find more information:

Information on developing and implementing a PPE program is included in Section 8 of the Risk Management Manual. Bloodborne Pathogen Exposure Control, which includes the use of PPE is discussed in Section 9

7. On-site routine industrial hygiene and safety evaluation to detect physical and chemical hazards of the workplace, and the implementation of engineering or administrative controls.

Subject matter expertise and specialized resources are available to the department to provide survey and technical assistance to respond to special needs, incidents, new equipment and processes.

Where to find more information:

The county has working relationships with expert consultants in various fields. Requests are typically handled through the Risk Manager. How to request assistance is addressed at the end of this section.

8. Evaluations of workplace design, layout and operation, and assistance with job site modifications utilizing an ergonomic approach

Safety is included as a consideration in the planning stages of projects rather than relegated to the end when change is costly or no longer feasible.

Ergonomics is a consideration in facilities design and when selecting furniture and equipment.

DES/Risk provides assistance with training, basic site evaluation and modifications, and/or to recommend outside resources.

Support is given to stretching and work readiness as part of an overall fitness program.

Organizational culture supports asking for assistance when making manual lifts and utilizing material handling equipment where available.

Where to find more information:

Ergonomic services are provided by Risk Management staff and outside experts in more complex situations. Requests for service are typically made via email to the Risk Manager. There is also a discussion of ergonomic principles in Section 8 of the Risk Management Manual.

RISK MANAGEMENT MANUAL

9. Employee involvement in the health and safety effort

Departments will have a safety committee that includes both labor and management that is active and effective.

All personnel have ownership and active roles in safety and health. Employers at all levels of the organization feel that they can have a positive impact and that their input is valued

Safety and health responsibilities are assigned. All personnel understand what performance is expected of them. The necessary authority and resources are available to meet the responsibilities for safety and health.

Employees are a part of the hazard control system. They are trained to recognize hazards and have a role in developing solutions. They self-correct where they can and access the hazard reporting system when they can not.

Where to find more information:

The Risk Management Manual covers Organization and Responsibility in Section 2 and Safety Committees in Section 8.

10. An annual evaluation of the employer's loss prevention activities based on the location's current needs

A comprehensive review is conducted at least annually to assess the program and set new goals as needed.

Risk/Benefits Division provides OSHA Recordable data by department and establishment to improve the department's ability to evaluate their performance.

Risk/Benefits does an internal review of activities and incident trends.

Where to find more information:

The current Risk Management Report is on both the County Intranet and Internet sites. The internal reviews have been provided to Oregon OSHA compliance staff as part of the inspection process.

11. The group shall maintain records which document the assistance provided to each member of the group

Risk & Benefits is committed to presenting information in a manner that is clear and effective for the end users.

Data collection systems are used to prioritize and answer inquiries about notification, timeliness of service, and value added to departments.

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Where to find more information:

Reports from site visits are provided to the client department. They may consist of printed and illustrated reports or handwritten forms provided by and to the client. Feed back is encouraged on whether the information was useful and how to improve the service.

Requesting Loss Prevention Assistance

Self-insured employers are required to make available to each of its workplaces or locations occupational safety and health loss prevention assistance and to inform its managers and workplace locations of the availability and the process for requesting loss prevention assistance.

- Requests for assistance in any of the areas outlined above can be made by anyone, via email, directly to the Risk Manager or Safety Analysts.
- Employees should copy their supervisor and safety committee representative at the same time they make the request to Risk.
- A long range goal is to create a method where reports of workplace hazards or safety and health questions can be submitted via the Clackamas County Intranet.

It is anticipated that there may be more requests than existing resources can immediately respond to. For this reason there also needs to be a system of prioritizing requests.

- All requests will be acknowledged no later than 2 working days after they have been received. If resources are not available to immediately respond the location making the request will be advised of other options.
- Any request from locations regarding imminent danger* will be responded to as soon as possible with loss prevention services.
- Requests regarding alleged hazards other than imminent danger shall be responded to with loss prevention services as soon as practicable, but not longer than 30 days following the date of the request.
- Requests for preventive hazard surveys, coaching of safety committees, and review of written documents will be responded to after alleged hazards have been addressed and as resources permit.

** Oregon OSHA defines imminent danger as a condition, practice or act which exists in any place of employment and could reasonably be expected to cause death or serious physical harm immediately (437-001-0015).*

MEMORANDUM

TO: CHAIR JOHN LUDLOW
CLACKAMAS COUNTY BOARD OF COMMISSIONERS

FROM: DWAYNE KROENING, RISK MANAGER
DEPARTMENT OF EMPLOYEE SERVICES – RISK MANAGEMENT

DATE: March 16, 2015

RE: CCSO Casualty Claims Discussion

Based on an average, liability claims costs over the past five years comprise about 67% of the total claims costs expended from the Risk Management Claims Fund (Risk Fund). Of that amount, approximately 66% is from claims assigned to the Sheriff's Office. These expenditures include settlements, judgments and payments made directly to cover bodily injury and property damage. In almost all cases these payments are made in response to either a tort claim or law suit.

In order to limit the catastrophic impact of a large settlement or verdict the County purchases excess liability insurance. The County Risk Fund pays up to \$1M of any claim and the insurance covers the remainder up to \$7M. In the past ten years there have been three claims that have reached this threshold.

I believe you are also interested in information about some past claims where specific departments contributed to a settlement directly from their budget. Typically, all claims costs are paid from the Risk Fund. The Risk Fund is funded through department allocations based on payroll, risk level and claims history. However, there have been a couple of instances where it was felt that a department bore individual responsibility for the cause of a claim and therefore should contribute independently beyond just their allocation. Some examples are:

Waxenfelter

DTD paid half of the settlement – approximately \$350K

There was one other claim but my efforts to identify it have come up short. My recollection is it involved the SO contributing about \$300K above their allocation to the payout. I believe it was around the year 2000.

In response to your question about what “overview, reduction specialist or other remedies may be in place regarding CCSO” (Ernie’s words) I would offer the following. If this has to do with reducing claims, here are a few ways this is done. These methods apply to all departments, not just the CCSO.

First, whenever a claim or suit is filed the circumstances involved in the incident are investigated and causes identified. Those causes are followed-up on by Risk Management, Counsel and department management. As an example, in the Grahn situation, as a result of the investigation there were changes and enhancements made to improve how domestic violence issues are handled within the SO. Another claim alleged excessive use of force in

the Jail. Based on the investigation it was determined that excessive force was used. Jail management agreed and is taking steps to correct this type of behavior.

Second, CCSO management and Risk Management review all incidents that occur that potentially could cause bodily injury, property damage or liability. Trends are identified and corrective measures are discussed. The Accident Review Board is integral to this analysis and makes recommendations about corrections to management.

Third, the CCSO Risk Manager (Captain O'Shaughnessy) and the County Risk Manager review all Use of Force Reports and collaborate on observations that appropriately lead to preventative measures, e.g. high speed pursuit without sufficient exigent circumstances to warrant it.

Risk Management instigates regular liability claims reviews where current claims are discussed. This involves Counsel and department management. This provides an opportunity for discussion about potential preventative measures.

I hope these comments are responsive to the information you are interested in. Please let me know if you have questions or would like additional information or clarification.