



Village of Biscayne Park Commission Agenda Report

Village Commission Meeting Date: December 1, 2015

Subject: Workers' Comp Cases - Discussion

Prepared By: Commissioner Barbara Watts

Sponsored By: Commission

Background

From what the Village Manager said at the Nov. Comm. Mtg., the Village has two remaining Workers' Comp cases that, last year, cost the Village approximately \$12,000, claims that seemingly date from years ago when the Village was "self-insured." I would like to know more about the costs of each of these cases per annum from initiation through the present and would like the Comm. to discuss possible solutions/endings to them, with the assistance, advice, and research of our Village Manager, Attorney, and their staff. In short, I ask that the above look into the matter and report to the Commission whether or not there are viable means of bringing these cases to a close, if it would be to the Village's fiscal advantage to do so.

Among other things, I'd like those looking into the matter to see whether or not the Village might benefit by looking into insurance policies that would cover the costs of their expenses for their injuries and offering to pay the premiums for them. The Affordable Health Care Act seems to disallow applicants' rejections because of prior illnesses/injuries; perhaps through it, the Village might be able to secure coverage for these employees at a cost less than what it is currently paying for their medical expenses? So too, given the plethora of specialized health insurance policies now available (cancer insurance, hospital stays etc.), might there be a h. ins. policy that would cover all or most of the employee/former employee's expenses for the specific condition that is the foundation of their claims? If the employee/former employee is over 65 years of age, could the Village offer to pay the premiums of

December 1, 2015

Commission Agenda Report

Workers' Comp Cases Discussion

policy/policies supplemental to Medicare that would cover the costs of medical treatment for injuries/conditions?

If the results of the above suggestions yield no benefit to the Village, I'd like the Village Attorney and Village Manager (and others involved with insurance, actuarial estimates etc.) to consider the possibility of making a buy-out offers to the two who have Workers' Com. Cases (plusses and minuses).

Fiscal / Budget Impact

Village staff and Attorney time.

Recommendation

The Commission should ask the Village Administration and Attorney to research/explore possible fiscally advantageous ends to these ongoing W. Comp. cases.

Attachments:

I'm not providing back-up because it's really not my job; I've not the skills to do this kind of research well and efficiently; it seems to me that such research (which I think is necessary) should be given to those who know more of/have more expertise with these matters.



Date: November 19, 2015

To: Heidi Siegel, Village Manager

From: Maria Camara, Village Clerk

RE: Worker's Compensation Claims – Self-Insured Claims

Since October 1, 2007, the Village has been covered under Florida Municipal Trust Insurance (FMIT) for worker's compensation. Prior to that, the Village was self-insured. Currently there are two open claims during the time when we were self-insured:

Employee: Carlos Meza
Date of Accident: 11/23/2004

Employee: Mitchell Glansberg
Date of Accident: 08/04/2006

Expenses related to these open claims are paid out on a quarterly basis to Miami-Dade County General Services Administration. The County processes the payments for all of the expenses associated with each claim, and then invoices the Village, adding a 5% administrative fee.

In FY 2010-11, a settlement payout was made for a claim (Employee: Pete Marotta, date of accident 08/08/2007) in the amount of \$99,500. This particular settlement was paid out from reserves.

In all the other fiscal years shown, the amount paid for the open claims each year has been paid through the general fund and adjusted accordingly during the budget amendment process.

Attachments:

- Based on available records, the breakdown of amounts paid for open claims for the last seven fiscal years. (2 pgs.)
- Explanation of a budget amendment to the general fund for FY 2011-12 for the over budget expenses for that year related to worker's compensation claims. (2 pgs.)
- Explanation of a budget amendment to the general fund for FY 2010-11 for the over budget expenses for that year related to worker's compensation claims. (1 pg.)
- Excerpt from the minutes of the October 5, 2010 commission meeting regarding the settlement for \$99,500. (1 pg.)
- Explanation from the FY 2010-11 CAFR Summary Report detailing the use of reserves related to the worker's compensation claim settlement. (1 pg.)



Village of Biscayne Park
Worker's Compensation Insurance
(While the Village was self-insured)

Miami Dade County
General Services Administration

FY 2014-2015

Qtr	Dates	Actual Claims	5% Admin Fee	Total	
1st	10-01-14 to 12-31-14	\$2,249.29	\$112.46	\$2,361.75	2003.81 Meza; bal Glansberg
2nd	01-01-15 to 03-31-15	\$4,277.51	\$213.88	\$4,491.39	2332.21 Glansberg; 1945.30 Meza
3rd	04-01-15 to 06-30-15	\$2,791.28	\$139.56	\$2,930.84	215.05 Glansberg; 2576.23 Meza
4th	07-01-15 to 08-31-15	\$1,568.82	\$78.44	\$1,647.26	100% Meza
4th	09-01-15 to 09-30-15	\$622.41	\$31.12	\$653.53	100% Meza
		\$11,509.31	\$575.46	\$12,084.77	

FY 2013-2014

Qtr	Dates	Actual Claims	5% Admin Fee	Total	
1st	10-01-13 to 12-31-13	\$2,877.00	\$143.85	\$3,020.85	100% Meza
2nd	01-01-14 to 03-31-14	\$2,888.70	\$144.44	\$3,033.14	100% Meza
3rd	04-01-14 to 06-30-14	\$3,958.55	\$197.93	\$4,156.48	3665.65 Meza; bal Glansberg
4th	07-01-14 to 08-31-14	\$1,430.72	\$71.54	\$1,502.26	100% Meza
4th	09-01-14 to 09-31-14	\$1,794.27	\$89.71	\$1,883.98	1590.27 Meza; bal Glansberg
		\$12,949.24	\$647.47	\$13,596.71	

FY 2012-2013

Qtr	Dates	Actual Claims	5% Admin Fee	Total	
1st	10-01-12 to 12-31-12	\$2,040.65	\$102.04	\$2,142.69	1930.44 Meza; bal Glansberg
2nd	01-01-13 to 03-31-13	\$2,443.89	\$122.20	\$2,566.09	2240.06 Meza; bal Glansberg
3rd	04-01-13 to 06-30-13	\$2,618.37	\$130.92	\$2,749.29	2610.61 Meza; bal Glansberg
4th	07-01-13 to 08-31-13	\$3,837.84	\$191.89	\$4,029.73	100% Meza
4th	09-01-13 to 09-30-13	\$674.96	\$33.75	\$708.71	100% Meza
		\$11,615.71	\$580.80	\$12,196.51	

FY 2011-2012

Qtr	Dates	Actual Claims	5% Admin Fee	Total	
1st	10-01-11 to 12-31-11	\$3,313.90	\$165.70	\$3,479.60	3257.90 Meza; bal Glansberg
2nd	01-01-12 to 03-31-12	\$58,452.30	\$2,922.62	\$61,374.92	58252.30 for Meza
3rd	04-01-12 to 06-30-12	\$3,350.17	\$167.51	\$3,517.68	2265.17 Meza
4th	08-01-12 to 08/31/12	\$1,511.09	\$75.55	\$1,586.64	100% Meza
4th	09-01-12 to 09-30-12	\$1,589.74	\$79.49	\$1,669.23	1345.30 Meza
		\$68,217.20	\$3,410.86	\$71,628.06	



Village of Biscayne Park
Worker's Compensation Insurance
(While the Village was self-insured)

Miami Dade County
General Services Administration

FY 2010-2011

Qtr	Dates	Actual Claims	5% Admin Fee	Total	
1st	10-01-10 to 12-31-10	\$90,991.82	\$4,549.59	\$95,541.41	(\$86,945.39 Claim + \$4347.27 admin fee is Marotta settlement) 4046.43 Meza; bal Glansberg
2nd	01-01-11 to 03-31-11	\$2,818.70	\$140.94	\$2,959.64	2447.75 Meza; bal Glansberg
3rd	04-01-11 to 06-30-11	\$1,529.73	\$76.49	\$1,606.22	1409.76 Meza; bal Glansberg
4th	07-01-11 to 09-30-11	\$4,462.93	\$223.15	\$4,686.08	3132.2 Meza; bal Glansberg
		\$99,803.18	\$4,990.16	\$104,793.34	
<i>Excluding Marotta Settlement====></i>		\$12,857.79	\$642.89	\$13,500.68	

FY 2009-2010

Qtr	Dates	Actual Claims	5% Admin Fee	Total	
1st	10-01-09 to 12-31-09	\$11,857.23	\$592.86	\$12,450.09	
2nd	01-01-10 to 03-31-10	\$12,213.72	\$610.69	\$12,824.41	
3rd	04-01-10 to 06-30-10	\$9,231.34	\$461.57	\$9,692.91	
4th	07-01-10 to 07-31-10	\$2,234.96	\$111.75	\$2,346.71	
4th	08-01-10 to 08-31-10	\$3,546.21	\$177.31	\$3,723.52	
4th	09-01-10 to 09-30-10	\$16,182.87	\$809.14	\$16,992.01	761.96 Meza
		\$55,266.33	\$2,763.32	\$58,029.65	

FY 2008-2009

Qtr	Dates	Actual Claims	5% Admin Fee	Total
1st	10-01-08 to 12-31-08	\$16,634.43	\$0.00	\$16,634.43
2nd	01-01-09 to 03-31-09	\$12,315.37	\$0.00	\$12,315.37
3rd	04-01-09 to 06-30-09	\$12,019.51	\$0.00	\$12,019.51
4th	07-01-09 to 09-30-09	\$25,006.00	\$0.00	\$25,006.00
		\$65,975.31	\$0.00	\$65,975.31



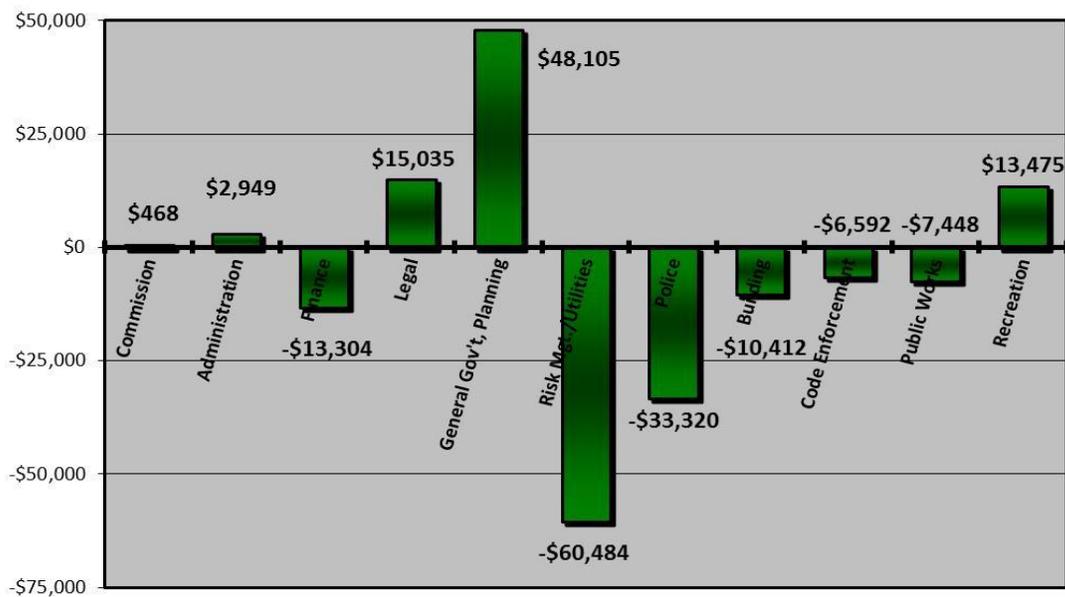
2011-12 BUDGET AMENDMENT

GENERAL FUND COMPARISON – PRELIMINARY YEAR-END EXPENSES

Compared to the adopted budget, the Actual Preliminary Year-end expenditures were over budget by **\$51,529**. Finance, Risk Mgt./Utilities, Police, Building, Code Compliance, and Public Works were all in a deficit. Below is an explanation of significant items impacting each department including:

- Risk Management – Old Workers Compensation Claim.
- Police – Increases in arrests and traffic citations increased Court Overtime.
- Public Works - Unanticipated expenditures include additional landscaping and tree and stump removal.
- Finance - Additional accounting professional services.
- Building – Inspector fees offset by increases in the number of permits and revenue generated.

Department	Adopted Budget	Actual Expense	Balance
Commission	\$ 20,443	\$ 19,976	\$ 468
Administration	189,441	186,492	2,949
Finance	129,881	143,185	(13,304)
Legal	100,000	84,965	15,035
General Gov't, Planning	188,015	139,910	48,105
Risk Mgt./Utilities	96,900	157,384	(60,484)
Police	952,337	985,657	(33,320)
Building	95,351	105,763	(10,412)
Code Compliance	49,784	56,376	(6,592)
Public Works	265,970	273,418	(7,448)
Recreation	120,857	107,382	13,475
	\$ 2,208,979	\$ 2,260,508	\$ (51,529)





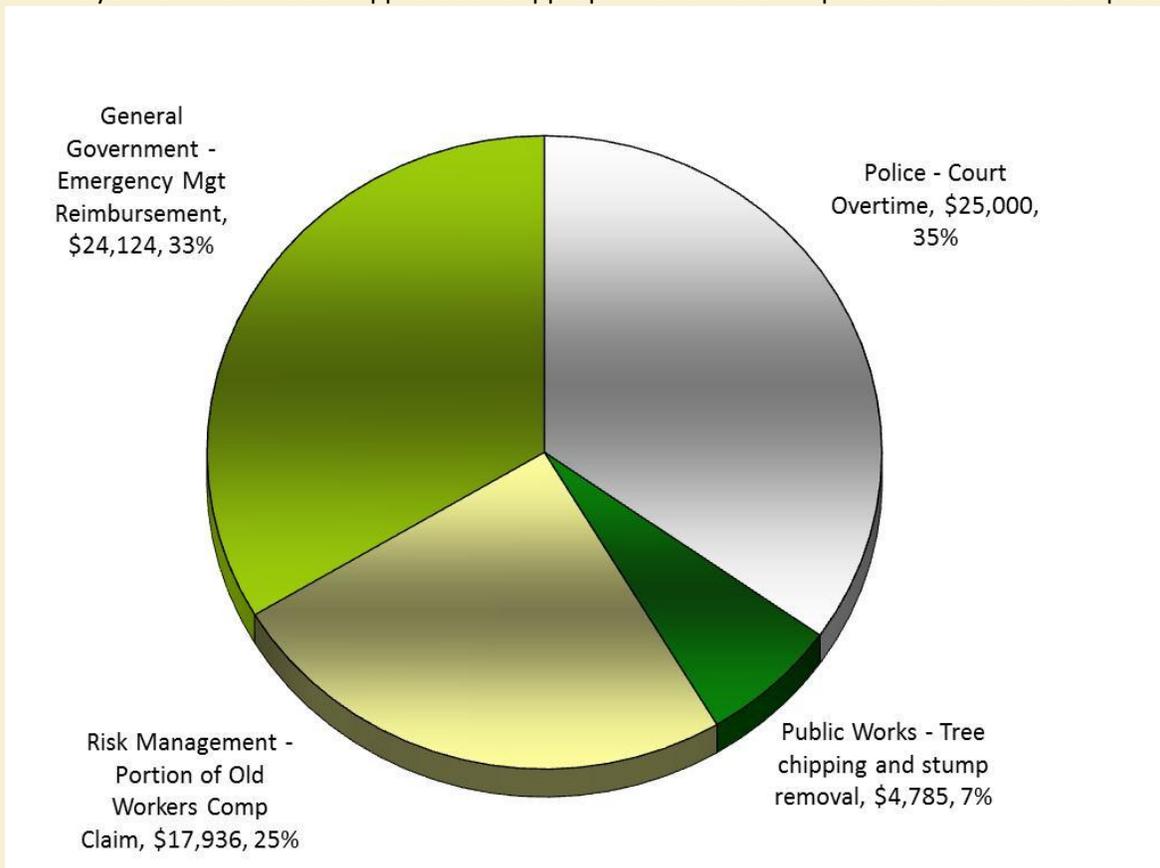
2011-12 BUDGET AMENDMENT

CONTINGENCY FUND BREAKDOWN

The Contingency Fund is a separate account designed for emergencies or unbudgeted expenditures. For Biscayne Park the account is used for emergencies or unbudgeted expenditures as well as for special projects approved by the Commission or resident committee groups.

Based on recommendations from our auditors, the Biscayne Park contingency fund operates as follows:

- The expenditure would be charged to the appropriate account line
- The contingency fund would then incur a budget amendment moving the monies from the contingency account to the correct account line
- At year-end commission approves the appropriation transfer as part of the amendment process



Description	Amount
Police - Court Overtime	\$ 25,000
Public Works - Tree chipping and stump removal	4,785
Risk Management - Portion of Old Workers Comp Claim	17,936
General Government - Emergency Mgt Reimbursement	24,124
	\$ 71,845



2010-11 BUDGET AMENDMENT

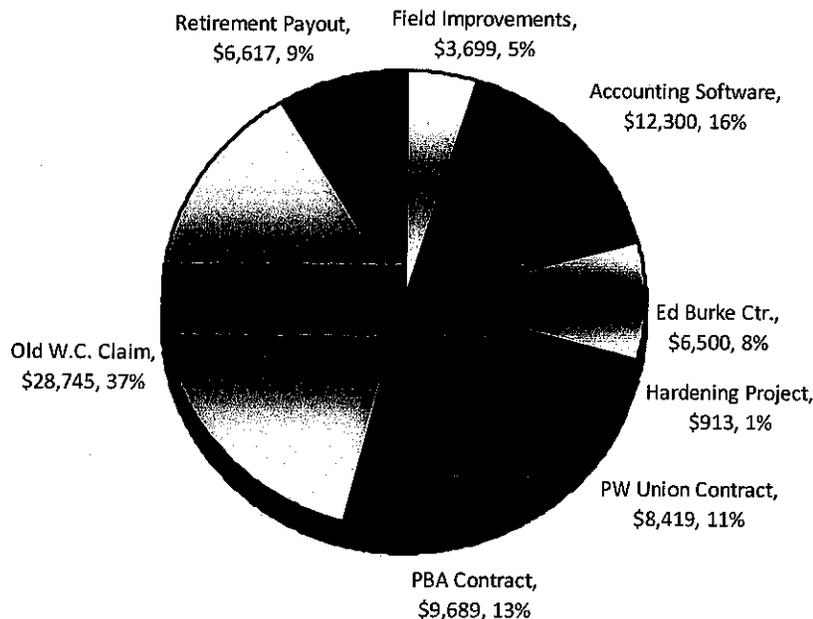
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Contingency Fund Appropriations



<u>Description</u>	<u>Amount</u>
Parks and Recreation - Improvement of field condition	\$ 3,699
Finance - Entire year with H.T.E. accounting software	12,300
Public Works - Improvements for Ed Burke Center	6,500
Public Works - Hardening Project	913
Public Works - Union Contract	8,419
Police - Union Obligations	9,689
Police - Worker's Compensation Claim	28,745
Code Enforcement - Employee retirement payout	6,617
	<u>\$ 76,882</u>

13 Reports

13.a < No committee reports.>

Village Attorney: Has reviewed the draft of code changes from the Code Review Board. Will be providing the board's recommendations on changes to the code on fences and hedges.

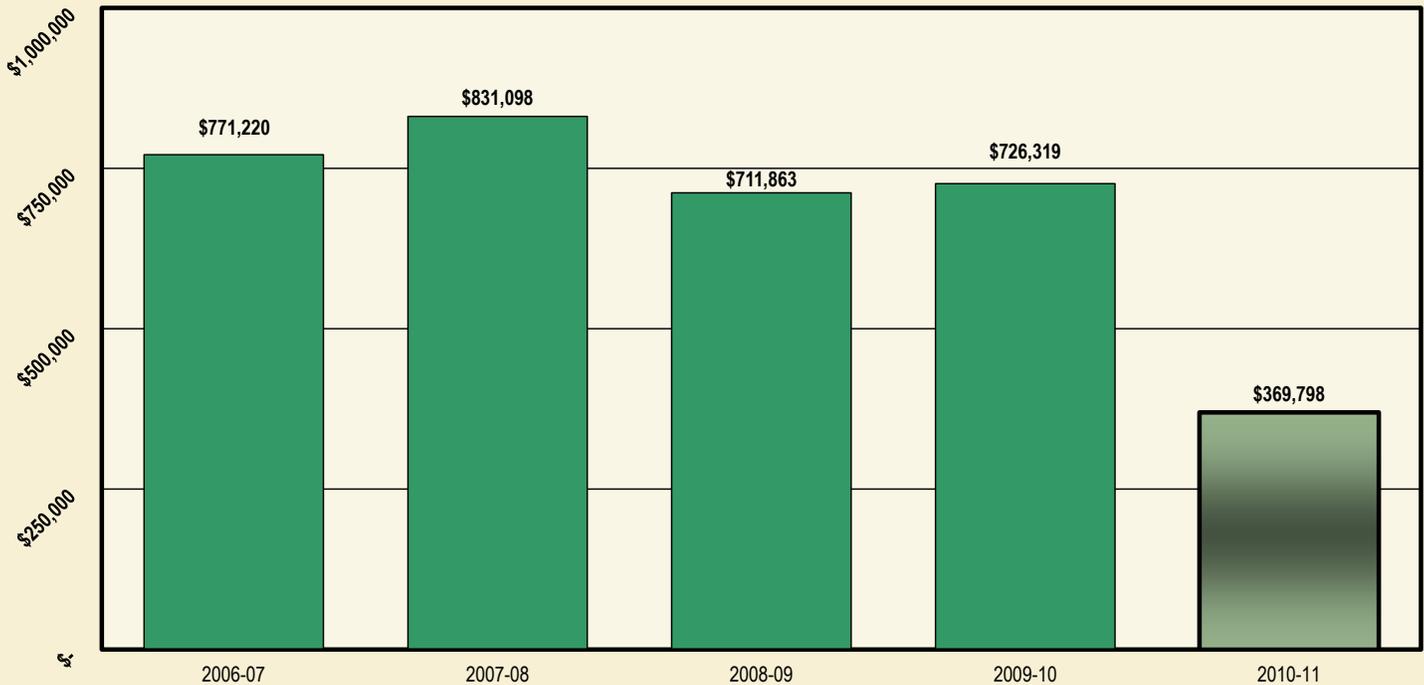
Provided an update on the Worker's Compensation case that was discussed previously in an "in the shade" meeting where a settlement of \$99,500 was reached.



Fiscal Year ending September 30, 2011 – General Fund Unrestricted Surplus

During 2010-11 the Village faced several financial challenges while implementing strategies that included re-evaluation of levels of service to residents, maintenance of infrastructure, utilization of the strategic plan to reinvest in the community, and development of a five year capital plan. These challenges included the economic downturn, plummeting property values, unanticipated expenditures, and prior year payables booked into the 2010-11 fiscal year, all of which contributed to the reduction of the General Fund Unrestricted Surplus.

The five year comparison below illustrates the financial impact these and other items have had on the General Fund Unrestricted Surplus, which has incurred a reduction of \$401,422 during this timeframe:



The CAFR report states that the Village is making every effort to improve the current level of unrestricted surplus. As of September 30, 2011 the unassigned General Fund surplus was \$369,798 as compared to \$726,319 in 2010, a decrease of \$356,521. This decrease reflects several unbudgeted items listed below:

- \$125,843 - Old Workers Compensation Claim and corresponding legal expenses that were not included in prior year's statements.
- \$113,531 – Use of CITT funds to implement stormwater drainage projects and maximize \$200,000 in State Grant Match Spending.
- \$62,635 - Reimbursement to the Florida Division of Emergency Management for ineligible Wilma reimbursements received during the 2005-06 fiscal year. Reimbursement was not posted in 2007-08 when the Village was notified.
- \$27,811 - Adjustment for Uncollectable Sanitation Waste Fees Prior Years that have been carried forward from prior years. This adjustment was not included when the account was established.
- \$19,190 - Additional Old Workers Compensation claims and Police payout settlement