

RISK MANAGEMENT 2015 ANNUAL REPORT



LEHIGH COUNTY AUTHORITY

Lehigh County Authority Annual Report Summary – 2015

This report reviews the Lehigh County Authority 2015 Risk Management Report. Our program effort has been designed to maintain a high safety awareness among employees, ensure a safe work environment by recognizing and reducing work hazards and maintain reasonable insurance cost. Employee training programs are outlined within this report.



MEET THE 2016 LCA SAFETY TEAM

KEVIN GERMAN – RISK MANAGER
KATHY MARTIN – HUMAN RESOURCES

DISTRIBUTION AND COLLECTION TEAM

- James Yoachim -Leader
- Bill Brogan
- Mike Walter
- Andrew Werley
- Michael Cawley

WATER FILTRATION PLANT TEAM

- Tim Carlson - Leader
- Mike Brunovsky
- Gretchen Schleppey
- Mike Walter
- George Lill
- Dave Adams
- Ryan Sirak

WASTEWATER TREATMENT PLANT TEAM

- Steve Stahlberg - Leader
- Bob Keenan
- Mark Kudera
- Joe Thompson
- Mike Walter
- Bob Adams
- Mike Brunovsky

LCA SUBURBAN TEAM

- Bob Argust - Leader
- Tim Geiger
- Tony Oswald



About Risk Management

The Risk Management division is responsible for managing the Authorities property and casualty risks and coordinating the Authorities safety programs.

Our mission is to:

- Promote a safe and healthy work environment by performing regular site and equipment inspections.
- Reduce costs related to accidents and injuries.
- Protect the resources and assets of the Authority.



RISK CONTROL

- **Immunization Program** – 4 employees from the suburban facility and 57 employees from the city facilities participated in this program.
- **Safety Shoe Program** – All employees that are subjected to wear safety shoes have monies appropriated for purchase of shoes.
- **Fire Extinguisher Inspection** – All facilities fire extinguishers are inspected every year. If any fail to pass inspection they are replaced promptly.
- **Site Inspection** – All facilities are inspected by the RM team, for areas of potential high risk. Linda Poole, Sr. Risk Control Consultant, Delaware Valley Compensation Trust, inspected our facilities. No citation issued. Overall, the system inspection indicated at LCA continues to provide a safe working environment.
- **Accident, Property, Liability Reports** – 10 Workers compensation claims, 2 lost time (less than 10 days), 4 property and 23 liability claims.
- **Safety Incentive program** – Provide weekly safety talks. Near miss reports very helpful and used to enhance safety. We purchased a safety lantern for each employee for their safety efforts.

RISK CONTROL

- **Safety Program** – Traditional training programs and formats were utilized during the year. DVD, videotapes, CD's, and tailgate weekly talks continue to provide the most effective training participation and results. Ongoing training efforts focused on:
- **Confined Space Entry**
- **Trenching and Shoring**
- **Personal Protective Equipment**
- **Defensive Driving**
- **First Aid Training**
- **Fork Lift Training**
- **Tailgate Talks**
- **Backhoe Safety**



AREAS OF EXPOSURE

- **Legal, General and Automobile Liability** – Purchased from Pennsylvania Intergovernmental Risk Management Association (PIRMA, a local government risk pool). Insurance provider is H.A. Thomson Company.
- **Property Insurance** – Purchased from our broker Murray Securus. Insurance provider is CNA Insurance Company. Authority asset values set at \$343,612,506.
- **Workers' Compensation** – The Workers' Compensation is purchased from Delaware Valley Workers Compensation Trust (DVWCT).
- **Pollution Liability Insurance** – Purchased from Greenwich Insurance Company

**2015 Annual Report
Insurance Cost Trend**

	2012		2013		2014		2015	
	Annual Premium	% Change from Prior-yr	Annual Premium	% Change from Prior-yr	Annual Premium	% Change from Prior-yr	Annual Premium	% Change from Prior-yr
PIRMA Pool:								
General Liability	\$ 50,773	5.31%	\$ 196,699	287.41%	\$ 192,239	-2.27%	\$ 184,799	-3.87%
Auto Liability & Comprehensive Damage	\$ 11,406	0.88%	\$ 45,339	297.50%	\$ 49,795	9.83%	\$ 53,500	7.44%
Public Officials Liability	\$ 10,548	-3.98%	\$ 26,391	150.20%	\$ 33,198	25.79%	\$ 34,691	4.50%
Property	\$ 108,330	-1.77%						
Contract with City			\$ 20,000	0%	\$ 20,000	0%	\$ 20,000	0.00%
Total PIRMA	\$ 181,057	1.20%	\$ 288,429	59.30%	\$ 295,232	2.36%	\$ 292,990	-0.76%
Other Insurance Costs:								
Property - Murray Securus			\$ 197,193	82.03%	\$ 197,800	0.31%	\$ 175,000	-11.53%
Worker's Compensation	\$ 25,176	26.09%	\$ 83,555	231.88%	\$ 188,719	125.86%	\$ 224,020	18.71%
Pollution Liability (PTP & WWTP)	\$ 8,191	6.34%	\$ 7,822	-4.50%	\$ 7,872	0.64%	\$ 9,494	20.60%
Employee Dishonesty Bond	\$ 540	0.75%	\$ 700	29.63%	\$ 971	38.71%	\$ 1,500	54.48%
Treasurer Bonds	\$ 200	0.00%	\$ 200	0.00%	\$ 190	-5.00%	\$ 200	5.26%
Total Other Insurance	\$ 34,107	20.70%	\$ 289,470	748.71%	\$ 395,552	36.65%	\$ 410,214	3.71%
Grand Total	\$ 215,164	1.44%	\$ 577,899	168.59%	\$ 690,784	19.53%	\$ 703,204	1.80%

Lehigh County Authority Risk Management
5-Year Expense History

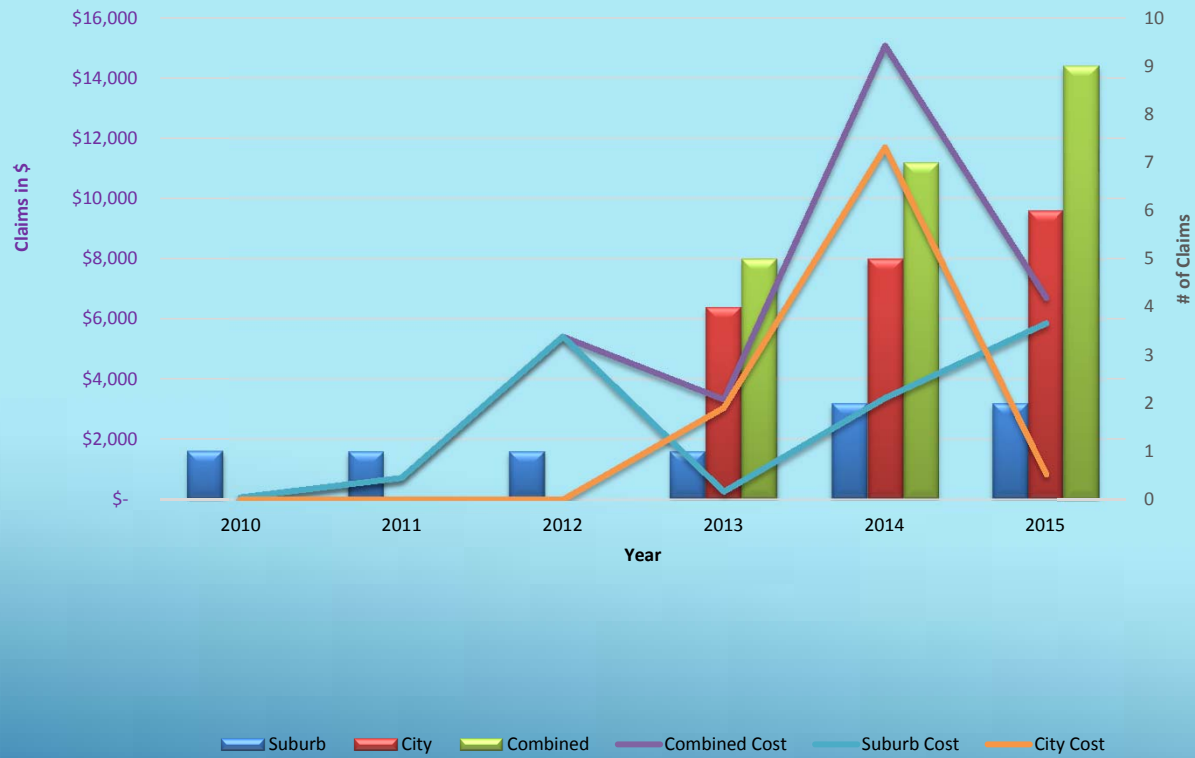
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Immunizations	\$ 3,250	\$ 192	\$ 90	\$ -	\$ -
Safety Shoes	\$ 11,646	\$ 8,573	\$ 1,520	\$ 1,200	\$ 1,583
Fire Extinguishers	\$ 1,867	\$ 5,500	\$ 1,140	\$ 735	\$ 1,139
Safety Training & Equipment	\$ 52,900	\$ 33,233	\$ 310	\$ 100	\$ -
Luncheon/Incentive	\$ 461	\$ 4,200	\$ -	\$ 1,100	\$ 1,057
CDL Drug & Alcohol Tests	\$ 1,145	\$ 1,354	\$ 220	\$ 221	\$ 218
RM and Safety Training Salary	\$ 70,432	\$ 90,417	\$ 10,900	\$ 8,745	\$ 8,884
Total	\$ 141,701	\$ 143,469	\$ 14,180	\$ 12,101	\$ 12,881

LCA Vehicle Incident and Claim History

Year	Suburban # of incidents	City # of incidents	Combined # of incidents	Combined Cost	Suburban Cost	City Cost
2010	1	0	0	\$ 75	\$ 75	\$ -
2011	1	0	0	\$ 728	\$ 728	\$ -
2012	1	0	0	\$ 5,420	\$ 5,420	\$ -
2013	1	4	5	\$ 3,326	\$ 267	\$ 3,059
2014	2	5	7	\$ 15,086	\$ 3,376	\$ 11,710
2015	2	7	9	\$ 6,709	\$ 5,862	\$ 847

Vehicle Incident Reports and Insurance Claims

as of December 31, 2015



Accomplishments for 2015 Risk Management Team

- Have four individual safety teams function as one.
- Updated the Health and Safety Manual
- Processing 10 workers compensation claims, 2 lost time claims, 4 restricted duty claims, 4 property claims and 23 liability claims
- Received \$6,000 rebate for high performance rating from DVIT
- Updated the Emergency Response Plan (ERP) for all Facilities.
- Held a tabletop exercise to test ERP
- Decrease self-insurance cost
- Installation of racks and shelving for PPE in the storage area of the Water Filtration Plant
- Add more safety training for employees
- Continue to upgrade old safety equipment throughout LCA
- Created a process for safe unloading of all chemicals at the WFP.



LOOKING FORWARD TO 2016

GOALS

- Decrease self-insurance cost
- Eliminate Workers Compensation claims
- Eliminate security issues at City Wastewater Treatment Plant
- Add more online safety training for employees
- Inspect suburban facilities for security upgrades
- Continue to upgrade old safety equipment throughout LCA
- Install electronic safety signs in each facility (Days without reportable accident)

QUESTIONS?

