

CITY OF APPLETON 2026 BUDGET

RISK MANAGEMENT

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CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT

MISSION STATEMENT

To maximize the City's overall mission by eliminating, reducing or minimizing risk exposures through the use of innovative risk control, claims management, risk financing, regulatory compliance and a variety of programs designed to provide a safe and healthy workplace and community.

DISCUSSION OF SIGNIFICANT 2025 EVENTS

The Risk Management staff continued to manage organizational liability through a variety of efforts. Some of the highlights of 2025 includes:

Continued to log safety data sheets and audit the system.

Completed annual safety testing requirements including the respirator medical surveillance program and respirator fit testing for all employees who are required to wear respirators. Annual hearing tests were completed on-site in the fall to ensure compliance with the hearing conservation program.

As of June 1, 2025, reviewed 50 special events to ensure adequate risk transfer to the event sponsor.

As of June 1, 2025, reviewed 125 City service and construction contracts to ensure adequate risk transfer to the applicable contractor or vendor.

Reviewed and suggested changes to the Lead Safety Policy.

As of June 1, 2025, completed building safety audits at the following locations: Library, Parks & Recreation Main Building (Witzke), and DPW-Parking Ramp Work Shop.

Pursued subrogation and restitution for damage to City property caused by third parties. As of June 1, 2025, \$61,477.86 has been recovered for previous losses.

Facilitated both Central and City Hall safety committee meetings as well as City Hall security committee meetings. Attended several departmental safety committee meetings on a regular basis.

Continued working with departments on root cause analysis of City accidents and incidents. Provided multiple training sessions to supervisors/management staff on conducting root cause analysis of our accidents and incidents.

Completed the following safety training during 2025: Utilities - Aerial Lift Safety (Multiple Sessions), Library - Personal Protective Equipment, Personal Responsibility for Safety, Blood Borne Pathogens, Fentanyl Awareness and Exposure Prevention, Slips/Trips/Falls Prevention, Lifting Safety, Ergonomics, and Reporting Accidents and Near Misses, DPW - Accident and Near Miss Reporting, Blood Borne Pathogens and Fentanyl Awareness and Exposure Prevention (Multiple Sessions).

Coordinated with CVMIC loss control representative on the following items: DPW and Parks & Recreation jobsite safety visits, fume hood inspections for Utilities and Police, multiple training sessions during DPW's safety training days, assistance with ATV/UTV train-the-trainer training, and noise exposure assessments.

Participated in several new employee and new supervisor training sessions where various risk management topics were covered.

Utilized LEARN (web-based training system) to develop safety lesson plans for all City departments (except for the Fire Department). These lesson plans contained several required safety topics as well as various loss control topics (e.g., lifting safety, ladder safety, phishing safety, office safety, electrical safety, etc).

Coordinated industrial hygiene service work to perform air sampling and exposure assessments on the following tasks: concrete sealer application (DPW-Parking), fire hydrant paint removal (DPW) and raking of in-field baseball diamonds for silica exposure (P&R).

Conducted OSHA 30 Hour training course for staff from Utilities, Parks & Recreation, and Human Resources.

CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT

MAJOR 2026 OBJECTIVES

Our key objective is to ensure that the City has sufficient insurance coverage and reserves for any type of claim, and to handle all claims and potential claims involving the City. Therefore, our focus will be on the development of new policies and revisions of existing policies consistent with this objective. In terms of insurance coverage and claims handling, we will:

Investigate and resolve all claims filed against the City.

Work with the Legal Services department or outside counsel on workers' compensation claims and other unresolved claims.

Review all property, liability and workers' compensation insurance coverages.

Evaluate funding source adequacy, including charges for service for workers' compensation, property and liability coverages.

Conduct an actuarial analysis of our insurance fund to make sure adequate funding is available for potential litigation claims.

Continue to review certificate of insurance requirements to make sure risk of liability is reduced through contractual risk transfer in case of any claims against the City.

Work with insurance provider on a frequent basis to assess City buildings to ensure the value of our property is adequately covered for insurance purposes.

Continue to provide training for all applicable staff in the areas of safety and loss prevention via in-person or online instruction.

Monitor OSHA 300 log entries (listing of work-related injuries and illnesses) and send mandatory reports to the State.

Analyze property and casualty loss data and work with departments to develop appropriate courses of action to mitigate these losses.

Work with vendors such as CVMIC, or complete internally, to make sure all safety-related education is available to our employees.

Continue to stay aware of changing safety regulations to ensure the City is in compliance.

Continue to work with the Legal Services department and applicable departments to review construction and service contracts to ensure proper risk transfer to the applicable contractor/vendor.

DEPARTMENT BUDGET SUMMARY

Programs		Actual		Budget			% Change *
Unit	Title	2023	2024	Adopted 2025	Amended 2025	2026	
Program Revenues		\$ 2,120,339	\$ 2,065,842	\$ 2,035,203	\$ 2,035,203	\$ 2,276,663	11.86%
Program Expenses							
6210	Property & Liability Mgt.	1,797,368	1,823,546	1,915,869	1,915,869	2,071,926	8.15%
6220	Loss Control	172,379	163,101	179,463	179,463	185,825	3.55%
Total Program Expenses		\$ 1,969,747	\$ 1,986,647	\$ 2,095,332	\$ 2,095,332	\$ 2,257,751	7.75%
Expenses Comprised Of:							
Personnel		398,706	384,244	417,821	417,821	419,337	0.36%
Training & Travel		9,208	4,346	9,300	9,300	9,300	0.00%
Supplies & Materials		5,414	5,204	5,965	5,965	5,929	-0.60%
Purchased Services		737,034	766,962	882,246	882,246	1,003,185	13.71%
Miscellaneous Expense		819,385	825,891	780,000	780,000	820,000	5.13%
Full Time Equivalent Staff:							
Personnel allocated to programs		2.98	2.98	2.98	2.98	2.98	

CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT

Property & Liability Management

Business Unit 6210

PROGRAM MISSION

For the financial benefit of our citizens, we will proactively administer and manage a fiscally responsible risk management program.

PROGRAM NARRATIVE

Link to City Goals:

Implements Key Strategies #1: "Responsibly deliver excellent services", #2: "Encourage active community participation and involvement" and #4: "Continually assess trends affecting the community and proactively respond".

Objectives:

Review all lines of insurance coverage for alternatives and cost reduction.

Analyze statistical data and develop programs to reduce exposures.

Proactively train and educate employees regarding risk management, safety and other loss control measures.

Review discounting opportunities for workers' compensation claims.

Review City contracts for adequate insurance requirements and proof of insurance.

Thoroughly review and process all property/casualty losses to reduce the City's total cost of risk.

Review special events for potential liability exposures, insurance requirements and proof of insurance (if required).

Major changes in Revenue, Expenditures, or Programs:

Expenditure Changes:

Budgeted uninsured work comp losses will be increasing from \$620,000 to \$650,000 based on our previous three-year history cost average.

Budgeted uninsured liability losses will be increasing from \$160,000 to \$170,000 based on our previous three-year history cost average.

Volunteer blanket accident insurance will no longer be budgeted for as the premium for this coverage is now fully paid by CVMIC.

Special events liability insurance coverage is newly added to our insurance portfolio which provides \$1 million coverage on a per occurrence basis with no deductible. This coverage provides a buffer between our liability coverage with CVMIC in which we have a \$200,000 self-insured retention limit. This coverage is for any special event held by the city such as parades, P&R events and APD events. The expected premium for this coverage during 2026 is \$4,200.

Our property insurance company, MPIC, recently hired an independent company to complete appraisal assessments on all city buildings, contractors (or off road equipment) and property in the open such as traffic lights and playground equipment. As a result of this appraisal, the total insurable value of our property is increasing from around \$576m to almost \$710m, which translates into an expected premium increase of almost \$75,000 in our property insurance premiums from 2025 to 2026.

Due to the ever-growing complexity of liability claims, it's recommended that a professional third party claims administrator (TPA) is prudent at this time to administer many of our liability claims. The expected annual fee for these services is \$20,000.

Revenue Changes:

Over 50% reduction in the expected dividend from CVMIC due to the insurance mutual's historical loss activity is reflected in the Other Reimbursements revenue.

CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT

Property & Liability Management

Business Unit 6210

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2023	2024	Adopted 2025	Amended 2025	2026
Revenues					
471000 Interest on Investments (Loss)	\$ 50,959	\$ 55,457	\$ -	\$ -	\$ -
480100 General Charges for Svc	1,930,572	1,950,960	1,978,583	1,978,583	2,244,866
503000 Damage to City Property	72,292	-	-	-	-
503500 Other Reimbursements	66,516	59,425	56,620	56,620	31,797
Total Revenue	<u>\$ 2,120,339</u>	<u>\$ 2,065,842</u>	<u>\$ 2,035,203</u>	<u>\$ 2,035,203</u>	<u>\$ 2,276,663</u>
Expenses					
610100 Regular Salaries	\$ 176,499	\$ 183,249	\$ 197,000	\$ 197,000	\$ 200,173
610500 Overtime Wages	773	330	-	-	-
615000 Fringes	76,990	59,832	66,783	66,783	67,728
620600 Parking Permits	1,440	1,440	1,440	1,440	1,440
630100 Office Supplies	1,014	980	1,000	1,000	1,000
632700 Miscellaneous Equipment	33	14	300	300	300
640100 Accounting/Audit Fees	1,932	1,830	1,500	1,500	1,800
640300 Bank Service Fees	466	527	-	-	500
640400 Consulting Services	6,500	8,230	8,300	8,300	8,300
650100 Insurance	712,336	741,223	859,546	859,546	970,685
662600 Uninsured Losses	39,520	167,025	160,000	160,000	170,000
662700 Uninsured Losses - W/C	779,865	658,866	620,000	620,000	650,000
Total Expense	<u>\$ 1,797,368</u>	<u>\$ 1,823,546</u>	<u>\$ 1,915,869</u>	<u>\$ 1,915,869</u>	<u>\$ 2,071,926</u>

DETAILED SUMMARY OF 2026 PROPOSED EXPENDITURES > \$15,000

Insurance

Liability	\$ 119,278
Liability TPA fees	20,000
Crime	3,494
Excess liability	9,828
Employment practice	29,499
Special events liability	4,200
Equipment breakdown	36,569
Package property	449,449
Auto physical damage	150,619
WC TPA fees	20,350
Excess workers' compensation	127,399
	<u>\$ 970,685</u>

Uninsured Losses

General liability	\$ 60,000
Automobile	110,000
	<u>\$ 170,000</u>

Uninsured Losses - W/C

Police Department	\$ 127,934
Fire Department	135,843
Public Works Department	92,941
Valley Transit	62,229
Library	40,698
Water Utility	16,637
Wastewater Utility	11,725
Stormwater Utility	26,719
Community Development	12,659
Parks & Recreation Dept	22,247
Sanitation Department	24,187
CEA	13,347
Health Department	12,611
Facilities Management	10,427
Parking Utility	6,515
Information Technology	8,239
Finance Department	4,227
Human Resource Dept	6,433
Legal Services Dept	5,689
Mayor's Office	4,215
Reid Golf Course	4,478
	<u>\$ 650,000</u>

CITY OF APPLETON 2026 BUDGET

RISK MANAGEMENT

Safety/Loss Prevention

Business Unit 6220

PROGRAM MISSION

For the benefit of City employees, we will identify, educate and promote loss prevention programs in order to provide a safe and healthy work environment.

PROGRAM NARRATIVE

Link to City Goals:

Implements Key Strategies #1: "Responsibly deliver excellent services", and #3: "Recognize and grow everyone's talents".

Objectives:

Participate in new employee orientation and new supervisor orientation classes.

Continue to conduct or facilitate required safety training for employees.

Continue to conduct or facilitate other loss control training for all employees.

Attend departmental safety committee meetings.

Facilitate central safety committee meetings and executive safety committee meetings.

Respond to and document ergonomic concerns and implement solutions.

Facilitate annual hearing tests on required personnel.

Facilitate annual lead testing program.

Review and develop programs to promote safety, reduce injuries, reduce claims, and ensure compliance with applicable safety regulations.

Facilitate annual respirator fit testing and obtain proper medical clearance for employee respirator usage.

Provide comprehensive safety training to help educate supervisors and employees in identifying and stopping potential hazards in the workplace such as offering OSHA 10-hour and OSHA 30-hour training courses.

Continue to conduct safety audits of City buildings to identify safety hazards.

Continue to review all injury and accident reports as well as workers' compensation and liability loss runs to identify potential loss control measures to prevent accident or injury re-occurrence.

Major changes in Revenue, Expenditures, or Programs:

To improve the efficiency and effectiveness of our required hearing conservation program, we want to engage an independent service provider to conduct annual hearing audiograms for our employees. By contracting with a qualified independent provider, we anticipate reducing the required amount of time to complete all annual hearing audiograms by more than 50%. This reduction in time would not only minimize operational disruptions, but also improve compliance and reduce administrative burdens on internal staff. The expected cost for these services in 2026 is \$9,000.

CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT

Safety/Loss Prevention

Business Unit 6220

PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2023	2024	Adopted 2025	Amended 2025	2026
Expenses					
610100 Regular Salaries	\$ 105,184	\$ 101,102	\$ 112,258	\$ 112,258	\$ 108,030
610500 Overtime Wages	66	-	-	-	-
615000 Fringes	39,194	39,731	41,780	41,780	43,406
620100 Training/Conferences	7,367	2,503	7,500	7,500	7,500
620200 Mileage Reimbursement	401	403	360	360	360
630300 Memberships & Licenses	125	125	125	125	125
630500 Awards & Recognition	91	-	140	140	104
630700 Food & Provisions	1,139	901	1,400	1,400	1,400
631500 Books & Library Materials	78	-	150	150	150
632001 City Copy Charges	2,554	2,992	2,300	2,300	2,300
632002 Outside Printing	-	100	200	200	200
632300 Safety Supplies	130	92	100	100	100
632700 Miscellaneous Equipment	250	-	250	250	250
640400 Consulting Services	13,897	13,244	11,000	11,000	20,000
641307 Telephone	103	107	100	100	100
659900 Other Contracts/Obligation	1,800	1,801	1,800	1,800	1,800
Total Expense	<u>\$ 172,379</u>	<u>\$ 163,101</u>	<u>\$ 179,463</u>	<u>\$ 179,463</u>	<u>\$ 185,825</u>

DETAILED SUMMARY OF 2026 PROPOSED EXPENDITURES > \$15,000

Consulting Services

Annual Hearing Audiograms	\$ 9,000
Pre-employment, Audio, Physical and Respiratory Tests	11,000
	<u>\$ 20,000</u>

CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT

	2023 ACTUAL	2024 ACTUAL	2025 YTD ACTUAL	2025 ORIG BUD	2025 REVISED BUD	2026 BUDGET
Program Revenues						
471000 Interest on Investments	50,958	55,457	6,775	-	-	-
480100 General Charges for Service	1,930,572	1,950,960	-	1,978,583	1,978,583	2,244,866
503000 Damage to City Property	72,291	-	-	-	-	-
503500 Other Reimbursements	66,516	59,425	38	56,620	56,620	31,797
TOTAL PROGRAM REVENUES	2,120,337	2,065,842	6,813	2,035,203	2,035,203	2,276,663
Personnel						
610100 Regular Salaries	281,685	284,350	88,808	309,258	309,258	308,203
610500 Overtime Wages	837	330	-	-	-	-
615000 Fringes	97,898	103,997	31,942	108,563	108,563	111,134
617000 Pension Expense	19,050	(7,048)	-	-	-	-
617100 OPEB Expense	(764)	2,615	-	-	-	-
TOTAL PERSONNEL	398,706	384,244	120,750	417,821	417,821	419,337
Training~Travel						
620100 Training/Conferences	7,367	2,503	467	7,500	7,500	7,500
620200 Mileage Reimbursement	401	403	120	360	360	360
620600 Parking Permits	1,440	1,440	-	1,440	1,440	1,440
TOTAL TRAINING / TRAVEL	9,208	4,346	587	9,300	9,300	9,300
Supplies						
630100 Office Supplies	1,014	980	664	1,000	1,000	1,000
630300 Memberships & Licenses	125	125	125	125	125	125
630500 Awards & Recognition	91	-	50	140	140	104
630700 Food & Provisions	1,139	901	644	1,400	1,400	1,400
631500 Books & Library Materials	78	-	-	150	150	150
632001 City Copy Charges	2,554	2,992	634	2,300	2,300	2,300
632002 Outside Printing	-	100	-	200	200	200
632300 Safety Supplies	130	92	34	100	100	100
632700 Miscellaneous Equipment	283	14	-	550	550	550
TOTAL SUPPLIES	5,414	5,204	2,151	5,965	5,965	5,929
Purchased Services						
640100 Accounting/Audit Fees	1,932	1,830	-	1,500	1,500	1,800
640300 Bank Service Fees	466	527	11	-	-	500
640400 Consulting Services	20,397	21,474	3,197	19,300	19,300	28,300
641307 Telephone	103	107	37	100	100	100
650100 Insurance	712,336	741,223	817,497	859,546	859,546	970,685
659900 Other Contracts/Obligation	1,800	1,801	2,775	1,800	1,800	1,800
TOTAL PURCHASED SVCS	737,034	766,962	823,517	882,246	882,246	1,003,185
Miscellaneous Expense						
662600 Uninsured Losses	39,520	167,025	45,832	160,000	160,000	170,000
662700 Uninsured Losses - Workers' Comp	779,865	658,866	187,154	620,000	620,000	650,000
TOTAL MISCELLANEOUS	819,385	825,891	232,986	780,000	780,000	820,000
TOTAL EXPENSE	1,969,747	1,986,647	1,179,991	2,095,332	2,095,332	2,257,751

CITY OF APPLETON 2026 BUDGET
RISK MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget
Revenues					
Charges for Services	\$ 1,930,572	\$ 1,950,960	\$ 1,978,583	\$ 1,978,583	\$ 2,244,866
Other	138,808	59,425	56,620	56,620	31,797
Total Revenues	<u>2,069,380</u>	<u>2,010,385</u>	<u>2,035,203</u>	<u>2,035,203</u>	<u>2,276,663</u>
Expenses					
Operating Expenses	<u>1,969,747</u>	<u>1,986,647</u>	<u>2,095,332</u>	<u>2,095,332</u>	<u>2,257,751</u>
Total Expenses	<u>1,969,747</u>	<u>1,986,647</u>	<u>2,095,332</u>	<u>2,095,332</u>	<u>2,257,751</u>
Operating Income (Loss)	99,633	23,738	(60,129)	(60,129)	18,912
Non-Operating Revenues (Expenses)					
Investment Income	50,959	55,457	-	-	-
Other Non-Operating Income	-	-	-	-	-
Transfer In - General Fund	-	-	-	-	-
Total Non-Operating	<u>50,959</u>	<u>55,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	150,592	79,195	(60,129)	(60,129)	18,912
Fund Balance - Beginning	<u>963,403</u>	<u>1,113,995</u>	<u>1,193,190</u>	<u>1,193,190</u>	<u>1,133,061</u>
Fund Balance - Ending	<u>\$ 1,113,995</u>	<u>\$ 1,193,190</u>	<u>\$ 1,133,061</u>	<u>\$ 1,133,061</u>	<u>\$ 1,151,973</u>

SCHEDULE OF CASH FLOWS

Cash - Beginning of Year	\$ 1,584,117	\$ 1,523,988
+ Change in Net Assets	<u>(60,129)</u>	<u>18,912</u>
Working Cash - End of Year	<u>\$ 1,523,988</u>	<u>\$ 1,542,900</u>

CITY OF APPLETON 2026 BUDGET RISK MANAGEMENT	
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