

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, OCTOBER 9, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 9, 2012, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Johnson, and Mayor Mounce

Absent: Council Member Katzakian, and Mayor Pro Tempore Nakanishi

Also Present: City Manager Bartlam, Deputy City Attorney Magdich, and City Clerk Johl

B. Topic(s)

B-1 Update Regarding General Liability and Workers' Compensation Programs (CM)

City Manager Rad Bartlam briefly introduced the subject matter of the general liability and workers' compensation programs.

Deputy City Manager Jordan Ayers and Management Analyst Janet Hamilton provided a PowerPoint presentation regarding the general liability (GL) and workers' compensation (WC) programs. Specific topics of discussion included an overview of the GL program, frequency and severity of GL claims, GL reserves, GL program costs, an overview of the WC program, frequency and severity of WC claims, WC claims by fiscal year, WC claims by department, WC estimated outstanding losses at 55% and 70% confidence levels, WC reserves, WC program costs, and WC allocation methodology.

In response to Council Member Johnson, Ms. Hamilton gave a brief overview of what the numbers mean on the GL frequency and severity chart.

In response to Mayor Mounce, Ms. Hamilton confirmed a specific amount of money representing the liability for each claim must be set aside for the entire life of the claim, which is why the overall goal is to close claims as quickly as possible.

In response to Council Member Johnson, Mr. Ayers stated an excess in reserves will be reviewed in the near future for redistribution or other related purposes including refunds to departments.

In response to Council Member Hansen, Mr. Ayers stated that, if the reserve amount is exceeded, staff would come back to Council for permission to obtain additional funds from the General Fund or another fund to which the claim was directly related.

In response to Council Member Johnson and Council Member Hansen, Ms. Hamilton confirmed that the WC program does cover volunteers such as the Police Partners and part-time employees.

In response to City Manager Bartlam, Ms. Hamilton provided a brief overview of Labor Code Section 4850, which applies to public safety only, and how it compares to all other City employees including Public Works.

In response to Council Member Johnson, Mr. Ayers stated overtime costs to supplement lost time is not calculated in WC costs as it is tracked separately.

In response to Mayor Mounce, Ms. Hamilton stated the most worn out bodies related claims come from Public Works as opposed to public safety, which has a wellness program of sorts already in place.

In response to Council Member Hansen, Mr. Ayers and Ms. Hamilton confirmed that the \$7.5 million figure on page 11 of the presentation is close to the 70% confidence level for funding.

In response to Mayor Mounce, Ms. Hamilton stated staff does a departmental presentation in an effort to educate employees about the WC program and how it relates financially to their specific department and the City overall.

In response to Council Member Hansen, Ms. Hamilton stated in an effort to prevent abuse staff utilizes certain strategies such as direct communication with doctors and surveillance.

In response to Council Member Johnson, Ms. Hamilton stated that, while there may be some recourse at the State level to address the concern about doctors who are abusing the system, generally speaking it would be difficult because the WC Appeals Board has a tendency to side with employees. A brief discussion ensued amongst Council regarding the statutory rights associated with Labor Code Section 4850, the genuine need to have time off under the law, and system abuse.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:35 a.m.

ATTEST:

Randi Johl  
City Clerk