

(**Bold** and underlined sections are new or replacements; [bracketed] sections are deleted.)

BEFORE THE BOARD OF COMMISSIONERS

FOR THE COUNTY OF MULTNOMAH

ORDINANCE NO. 581

An ordinance making certain revisions to the Risk Management Code MCC Chapter 2.60.

Multnomah County ordains as follows:

Section 1. Findings

(1) In October 1987, the Multnomah County Auditor released an audit of the Risk Management Program of Multnomah County recommending the strengthening of prevention and loss identification efforts and centralizing of several decentralized risk management functional areas.

(2) The Department of General Services responded to the audit with a six month program development project that identified the formal and informal risk management efforts within the county and made recommendations on expansion and funding of deficient program areas. The program development report was presented to the Board of County Commissioners in May 1988 to be implemented in July of 1988 with the new budget year. The program report is called "Risk Management: A Comprehensive Program Model for Multnomah County."

(3) In reviewing the existing Multnomah County Code and Ordinance 381, it was determined that the charter change that created the office of County Chair and replaced the County Executive form of government, plus the enhancements recommended by the program development project and by the audit, made it necessary to amend the ordinance and code. Those changes were requested by the Board on May 31, 1988 and submitted for the Board's consideration at their June 16, 1988 meeting.

Section 2. Amendment.

MCC 2.60.115 is amended to read as follows:

Risk management policy.

The Board of County Commissioners recognizes that a coordinated risk management program is important to the preservation of County assets, the safety of its employees, and the financial interest of Multnomah County's residents. Multnomah County's policy, with respect to the management of all risks of accidental loss, shall have as its objectives:

(A) The protection of the County against the financial consequences of accidental losses.

(B) The preservation of County's assets and public service capabilities from loss, destruction or depletion.

(C) [The minimization of the long-term cost to County of all activities related to the identification, prevention and control of accidental losses and their consequences.] The promotion of a balanced, comprehensive and cost-effective mix of exposure identification, risk evaluation, risk treatment and program implementation and monitoring activities.

(D) The creation of a coordinated management program with internal reporting procedures for incident and claim reporting of all losses incurred by the County, providing a constant assessment of fluctuating exposure to loss, loss-bearing capacity and available financial resources, including insurance.

(E) The establishment, to the extent possible, of an exposure-free County work and service environment in which County employees as well as members of the public can enjoy safety and security in the course of their daily activities.

### Section 3. Amendment.

MCC 2.60.120 is amended to read as follows:

#### Insurance Fund

(A) The County has an Insurance Fund (Fund) created by the Board of County Commissioners separate from the General Fund. The Fund was created to centrally account for all expenditures and reserves associated with the protection of the County's assets, employees, programs and operations. Accounts are established in the Fund for the financial administration of the workers' compensation, general liability, auto, property, employee medical/dental care benefits, life insurance, long-term disability, and unemployment insured and self-insured programs.

(B) Revenue Sources: Appropriations to the Fund will be made as provided in MCC 2.60.130 (B).

(C) Disbursements: In accordance with code and administrative procedures, the following expenditures may be charged to the Insurance Fund accounts:

(1) Insurance premiums for County operations.

(2) Costs and expenses related to administration, investigation, adjustment and litigation of all insured and uninsured claims, and loss arising from the County's operations.

(3) All costs for repairing and replacing personal property, money, and improvements to real property owned or leased by the County to the extent the County has contractually assumed risk of loss, where such property losses are within the coverage and retention level of insurance coverage carried by the County.



(4) Assessments, licenses, fees, and bonds promulgated by state statute.

(5) Employee workers' compensation claim expenditures in accordance with applicable statutes.

(6) County risk management administration expenses.

(7) [Loss prevention expenditures for: minor unanticipated projects not budgeted by the departments needed to immediately reduce loss frequency expense and comply with state/federal safety and health regulations.] (7) Prevention programs and projects may be funded by the Insurance Fund if they:

(a) Are clearly targeted toward loss control, and are inappropriate for either a budget modification or the regular budget process, or

(b) Are beneficial to all departments, or

(c) Reduce the costs of loss immediately, or

(d) Reduce the administrative costs of the risk management program, or

(e) Are mandated by state or federal law and affect more than one department.

Capital projects are excluded unless specifically approved by the Board of County Commissioners.

(8) County unemployment obligations and related administrative expenditures.

(9) Employee medical/dental health care claims, health promotion programs, and related administrative expenditures.

(10) Any other insurance or self-insurance related expenditures as deemed appropriate by the [County Executive] County Chair within standard budgetary procedures.

(D) Fund Reporting: A report shall be provided semi-annually to the [County Executive] County Chair and Board of County Commissioners on the financial status of the Insurance Fund Accounts.

(E) Fund Balance: The Insurance Fund balance shall be maintained at a level to pay all claims, premiums, administration expenditures, reserves and future reserves for incurred but not reported (IBNR) claims. Amounts shall not be transferred from the Insurance Fund unless a program defined by Subsection (A) is discontinued without further financial obligation and/or it is determined by a qualified independent actuary that the fund level may be adjusted.

(F) An actuarial evaluation shall be performed by a qualified independent actuary on the worker's compensation and liability sections of the self-insurance fund at least once every three years.

#### Section 4. Amendment.

MCC 2.60.130 is amended to read as follows:

Risk management function

(A) The Department of General Services shall direct and manage all risk management and insurance programs for Multnomah County. Authority granted to the department may be delegated as deemed appropriate by the Director of the Department of General Services [to the Risk Management Section of the Finance Division.] Authority granted to the Department includes, but is not limited to, the following authority:

(1) To purchase all insurance coverage required by law and contracts, or desirable for the effective and efficient operation of County government including, but not limited to: casualty insurance, property insurance, workers' compensation insurance, and other specialty forms of coverage.

(2) To consolidate insurance coverage and combine with self-insurance as is in the best interest of the County.

(3) To acquire actuarial, claims management, investigative and appraisal services for insured and self-insured program administration.

(4) To promulgate rules and procedures to govern the administration of the County's insurance and risk management activities.

(5) To administer all loss and claims arising from and out of the County's operations including, but not limited to, the County's liability, auto, property, workers' compensation, employee health care benefits and unemployment exposures.

(6) To coordinate the claims activity internally and/or with contracted claims service providers, legal counsel, department management and insurance companies.

(7) To identify loss exposures and administer programs to control and minimize losses sustained on County assets and property.

(8) To develop and maintain an information system for timely and accurate recording of loss experience, insurance premiums, property values, insurance fund cash flow and reserving obligations and other identified risk related information.

(9) To develop manuals and programs for training County personnel on loss control/safety techniques.

(10) To ascertain that contributions to the fund are adequate and appropriations and reserve balances are financially and actuarially sound.

(B) The Department of General Services may apportion to and collect from each County department office, board, or commission its contribution to a total sum for loss reserves, administrative expenses, insurance premiums, and loss expenditures. The contribution shall be based, wherever appropriate, upon the relative exposure and loss experience of each department for each aspect of risk and will be maintained in the County's Insurance Fund and subject to annual budgetary approval.



Section 5. Amendment.

MCC 2.60.140 is amended to read as follows:

Loss Prevention

Departments shall be responsible to conform with County, State and Federal safety standards. Each administrator, manager, and supervisor shall be responsible to conduct their operations in a manner which will safeguard the County's assets from loss or damage and employees from employment related illness and injury. Where significant risks are identified, remedial action will be taken to reduce these exposures. Managers are responsible for reporting all losses or claims to the Department of General Services, regardless of size of loss, in a timely manner as directed by County administrative procedures. **The Department of General Services is responsible for ensuring that mechanisms exist for reporting, record keeping and follow-up and that these are known throughout the County.**

Section 6. Amendment.

MCC 2.60.150 is amended to read as follows:

Authority

Authority for settlement of general liability claims against the County or its employees **and to enter into disputed claim settlements in workers' compensation cases** shall rest with the [Executive or his designee,] **County Chair or his/her designee**, except that claims arising out of the Sheriff's office shall be settled upon the authority of the Sheriff.

Section 7. Amendment.

Adoption

This Ordinance, being necessary for the health, safety, and general welfare of the people of Multnomah County, shall take effect on the thirtieth (30th) day after its adoption, pursuant to Section 5.50 of the Charter of Multnomah County.

ADOPTED this 23rd day of June, 1988, being the date of its \_\_\_\_\_ reading before the Board of County Commissioners of Multnomah County.

(SEAL)

BOARD OF COUNTY COMMISSIONERS  
MULTNOMAH COUNTY, OREGON

By Gladys McCoy  
Gladys McCoy, Chair  
Multnomah County

APPROVED AS TO FORM:

LAURENCE KRESSEL,  
County Counsel for  
Multnomah County, Oregon

By [Signature]

County Counsel

REVISION 1 - 6-15-88

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