

# Metro

## *Risk Management Program Can Be Strengthened*

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August 2006

A Report by the Office of the Auditor



**METRO**

PEOPLE PLACES

OPEN SPACES

**Alexis Dow, CPA**

**Metro Auditor**

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**METRO**

**OFFICE OF THE AUDITOR**

August 30, 2006

To the Metro Council and Metro-area citizens:

As part of the Metro Auditor risk assessment and work plan, we studied how Metro manages its exposure to liability claims, worker injuries and property damage. Metro covers these risks through a combination of self-insurance and insurance purchased on the commercial market. This costs Metro approximately \$2.2 million annually. Metro also administers programs to educate employees about safety and to identify and eliminate potential safety and liability risks.

The audit found that, in a number of respects, Metro's exposure to loss is well managed and cost containment practices are in place. Even so, improvements in programs, practices and processes can be made. We recommend Metro make changes in five key areas:

1. Develop a plan to ensure the risk management fund is actuarially sound.
2. Update program guidance for the risk management and accident prevention programs.
3. Enhance the safety program organization-wide.
4. Establish and document procedures in three areas:
  - Develop procedural manuals for managing and processing claims.
  - Clearly define the types of claims to be paid out of the risk management fund.
  - Ensure that all records containing personal employee data is kept secure and is accessible only to authorized people.
5. Strengthen reporting of four types of information:
  - Risk-related information reported in the financial statements
  - Current risks and risk mitigation plans
  - Liability claims and trend analyses in quarterly workers' compensation reports
  - Safety efforts and accomplishments and action plans to address safety issues.

The detailed results and recommendations resulting from this review are described on the following pages. The last section of the report presents the written response of Metro's Chief Operating Officer, Michael Jordan, to each recommendation.

We very much appreciated the assistance provided by all risk management and other personnel involved in the review. We also wish to recognize the many people at Metro who are actively committed to improving the efficiency and effectiveness of Metro operations.

Yours very truly,

A handwritten signature in black ink that reads "Alexis Dow".

Alexis Dow, CPA  
Metro Auditor

Auditor: Debbie DeShais, CPA

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## Executive Summary

As a large organization with many employees, facilities and a substantial interaction with the public, Metro faces a great deal of risk from possible liability claims, worker injuries and property damage. Metro covers these risks through a combination of self-insurance and insurance purchased on the commercial market. This is a substantial obligation for Metro, costing approximately \$2.2 million annually. Metro also administers programs to educate employees about safety and identify and eliminate potential safety and liability risks. This audit examines how Metro manages the organization's exposure to these risks.

The audit found that Metro's exposure to loss is generally well managed in many respects and cost containment practices are in place. For example, costs for workers' compensation claims and liability claims have dropped in the past several years, insurance costs are carefully managed, and outside expertise is efficiently obtained to augment Metro's small risk management staff. Even so, improvements in programs, practices and processes can be made in five key areas:

- **Ensure the soundness of the Risk Management Fund.** The balance in Metro's self-insurance fund for liability claims, workers' compensation and property insurance has been insufficient to meet actuarial recommendations for the past three years.
- **Update program guidance for programs that have changed over time.** Guidance and policies for several key risk management and accident prevention programs established 10-20 years ago have not been revised to reflect changes that have taken place. For example, the risk management plan contains no discussion of workers' compensation. Updating this guidance also would provide Metro with an opportunity to clarify its goals and objectives related to risk management and workplace safety.
- **Strengthen Metro's safety program.** Opportunities exist to enhance safety awareness by targeting attention to major types of accidents and strengthening safety guidance and training. Doing so could help save money, avoid costs and maximize returns on organizational investments.
- **Formalize and document procedures in several key areas of operation.** Procedures are needed in several areas. For example, claims are occasionally paid from department operating funds rather than the Risk Management Fund. This could misstate the amount of losses Metro realizes in a year and the actuarial estimate of claims liability.
- **Report results.** Metro's upper management is currently not receiving information about the risk management program's achievements (because there are no goals, objectives or performance measures associated with the program) or regular reports about Metro's current risks and the strategies for mitigating them. More information is also needed on Metro's exposure to loss, trends in liability claims and safety activities.

Specific recommendations for addressing these matters follow.

## Recommendations

1. **Develop a plan to ensure the risk management fund is actuarially sound.** The plan should be developed as soon as possible and include provisions for adverse contingencies as well as long-term provisions for ensuring that funding levels remain actuarially sound.
2. **Update program guidance for the risk management and accident prevention programs.** For each of these two programs, the body of this report specifies the types of information that should be included in the update.
3. **Enhance the safety program organization-wide.** Enhancements should include (1) processes to review the types of incidents or accidents occurring annually and (2) training for improving awareness of how these types of incidents or accidents occur, identifying conditions that could produce them, reporting potential hazards, and providing recommendations to keep them from occurring. In addition, the Supervisor and Safety Committee Reference and Training Manual should be reviewed for adequacy and appropriateness and revised as needed, and supervisor training should be incorporated as a regularly scheduled part of Metro's safety training program.
4. **Establish and document procedures in three areas.** (1) Develop step-by-step procedural manuals for managing and processing both liability and workers' compensation claims. (2) Clearly define the types of claims to be settled out of the risk management fund, and apply this definition uniformly across all Metro departments. (3) Ensure that all personnel files and records containing sensitive employee information and personal data are kept in a secure location not accessible by unauthorized people.
5. **Strengthen reporting of four types of information.** (1) Strengthen controls and procedures for ensuring that items reported in the financial statements are correct. (2) Formally report on current risks as well as risk mitigation plans associated with the Risk Management Program annually. (3) Include liability claims and trend analyses in the quarterly reports currently provided to management for workers' compensation claims. (4) Report safety efforts and accomplishments as well as action plans to modify trends or significant safety issues.

## Introduction

**Overview** This audit addresses the management of three key elements of risk in Metro's operations: liability, workers' compensation and property damage to facilities and equipment. Liability claims can be brought on by many circumstances, such as members of the public having an accident in a Metro facility or a company or individual incurring financial damages because of negligence on the part of a Metro employee. Workers' compensation involves providing medical treatment and income compensation if a Metro employee is injured on the job. Property damage can occur in many ways, ranging from storms to vandalism. Risk management is the process by which risks are isolated and subjected to rational management techniques in order to minimize Metro's overall exposure to loss.<sup>1</sup>

Metro uses two different methods to cover these risks. As with many local jurisdictions, Metro has determined there is financial benefit to being self-insured for liability incidents; however, Metro also purchases excess insurance to help cap losses associated with liability claims. In addition, Metro purchases commercial insurance for property damage and workers' compensation insurance through the State Accident Insurance Fund Corporation (SAIF).<sup>2</sup> Excess liability and property insurance comes into play if, in a given year, Metro's own expenditures for liability claims rise above \$1 million or its property damages are above \$500,000. The source of funding for liability claims and insurance premiums is the Risk Management Fund. All Metro units pay into this fund, with the total level of funding based on an actuarial estimate of (1) the amounts needed to pay prior and current year claims and (2) a sufficient reserve for the future. In fiscal year 2006, Metro budgeted more than \$2.2 million to cover these costs.<sup>3</sup>

Besides preparing for and administering claims, risk management also involves taking steps to keep liability and workers' compensation claims and property damage from occurring in the first place. Metro, like most large organizations, has established safety and related programs designed to identify potential risks and eliminate or minimize them. Metro has two main programs – an Accident Prevention and Loss Control program that focuses on the safety expectations of each job responsibility, and a Risk Management program that includes measures for helping ensure facilities and workplaces are kept in safe condition.

To manage risks associated with liability and workers' compensation claims, as well as property damage for all of its facilities and equipment, Metro has established a Risk Management Division. This Division has a number of responsibilities (see Table 1). The Division's staff consists of a manager, a part-time claims assistant, and a small amount of additional administrative help. The manager is an Associate Risk Manager<sup>4</sup> and is involved in several professional risk

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<sup>1</sup> Self-Insurance and Risk Management Program, page 1.

<sup>2</sup> ORS 656.407(7).

<sup>3</sup> This amount excludes \$5.5 million relating to medical benefits.

<sup>4</sup> Designation of the American Institute for Chartered Property Casualty Underwriting (AICPCU).

and insurance management organizations. The claims assistant has approximately four years' experience in processing workers' compensation claims and in returning injured employees to work as soon as possible, a key factor in controlling workers' compensation costs. The Division relies on outside help for much of its workload for actual claims. To help administer more difficult liability claims, the Division contracts with a firm that specializes in liability claims investigation and processing. Workers' compensation claims are processed by SAIF employees.

**Table 1**  
**Major Responsibilities of Metro's Risk Management Division**

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**Liability, workers' compensation and property damage programs**

- Planning, developing and implementing Metro's self-insurance program
- Purchasing cost effective commercial insurance
- Managing and administering Metro's liability and workers' compensation claims
- Managing Metro's budget for Metro's claims liability and insurance needs
- Advising management and staff on workers' compensation and liability claims issues – including cost containment strategies
- Analyzing and advising senior management of potential risks

**Safety and related programs**

- Managing Metro's overall safety program
- Acting as a safety resource and representative for all Metro facilities
- Advising management on environmental liability issues
- Developing and maintaining Metro's Emergency Operations Plan
- Coordinating emergency management response for the organization and conducting periodic drills

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**Laws affecting risk management**

Several state laws affect risk management. First, Oregon tort law actually limits the amount of liability Metro is subject to for any of its facilities and officers, employees or agents acting within the scope of their employment or duties. For instance, Metro's liability is limited to:

- \$50,000 to any claimant for any number of claims for damage to or destruction of property arising out of a single accident.
- \$100,000 to any claimant as general and special damages arising out of a single accident or occurrence unless those damages exceed \$100,000, in which case the claimant may recover additional special damages of up to \$100,000.
- \$500,000 for any number of claims arising out of a single accident or occurrence.<sup>5</sup>

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<sup>5</sup> ORS 30.270.

In addition, no awards shall be made for punitive damages. These limits have a direct effect on the amount of potential loss Metro is exposed to for liability claims.

Workers' compensation law is meant to provide prompt, complete medical treatment and fair, adequate and reasonable income benefits to injured workers.<sup>6</sup> Oregon law requires that employers be either approved through the Department of Consumer and Business Services as a "self-insured" employer for workers' compensation or, as with Metro, a "carrier-insured" employer.<sup>7</sup>

Under the Oregon Safe Employment Act,<sup>8</sup> Metro is required to provide safe and healthful working conditions for its employees. Oregon Administrative Rules also require that the employer see that workers are properly instructed and supervised in the safe operation of any machinery, tools, equipment, process or practice which they are authorized to use or apply and take reasonable means to require employees to work in a safe manner.<sup>9</sup> Metro's Accident Prevention and Loss Control program is designed to respond to these requirements. Metro has also established appropriate workplace safety committees as required by law.<sup>10</sup>

**Audit objectives and methodology**

The audit's objectives were to determine if Metro's risk management program is effective at:

- Managing Metro's exposure to risk of loss
- Meeting regulatory and authoritative requirements in relation to safety or risk management programs
- Eliminating potential safety hazards and providing a safe workplace for employees and a safe environment for citizens
- Ensuring funding levels for losses (expected losses as well as provisions for adverse contingencies) are actuarially sound
- Ensuring appropriate disclosures are made in relation to exposure levels.

Our work to carry out these objectives included reviewing relevant Oregon statutes and rules, Metro Code provisions, strategic plans, program plans, and processes, as well as records relating to safety practices, risk management and claims administration throughout Metro. We also conducted interviews with insurance industry experts, risk management staff and persons responsible for safety at each Metro facility. Extensive research was performed on safety and insurance issues facing public entities as well as issues relating to risk management. The research

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<sup>6</sup> ORS 656.012(2)(a).

<sup>7</sup> ORS 656.017(1)(a).

<sup>8</sup> ORS 654.001 to 654.295, 654.750 to 654.780 and 654.991.

<sup>9</sup> OAR 437-001-0760(1).

<sup>10</sup> ORS 654.176(1)(a).



and interviews allowed us to gain a fundamental knowledge of risk management practices for jurisdictions such as Metro and the processes and practices used by Metro to manage its exposure levels and ultimate risk of loss. We focused primarily on claims for the last three to five years.

To provide an objective framework for our work, we conducted two analyses based on industry-established criteria. As a framework for assessing risk management activities, we compared Metro's risk management practices with best practices from several different best practice sources,<sup>11</sup> such as risk and insurance periodicals, different state government publications, and OSHA. To assess Metro's safety programs, we compared Metro's activities to a set of guidelines and practices assembled by SAIF Corporation, the leading insurer for workers' compensation claims in the state. Appendixes A and B show the specific criteria included in these two sets of criteria, along with our assessment of the degree to which Metro's programs met these criteria.

The audit was conducted in accordance with government auditing standards. These standards require that we review internal controls and report significant deficiencies that are relevant to audit objectives. The Risk Management Division has many effective controls in place to ensure claims are addressed appropriately, adequately and timely. In addition the risk management teams are seasoned professionals with years of experience in managing risk and administering liability and workers' compensation programs. Any significant internal control deficiencies found during the course of the audit are described in the report.

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<sup>11</sup> See Appendix D for a detailed reference list.

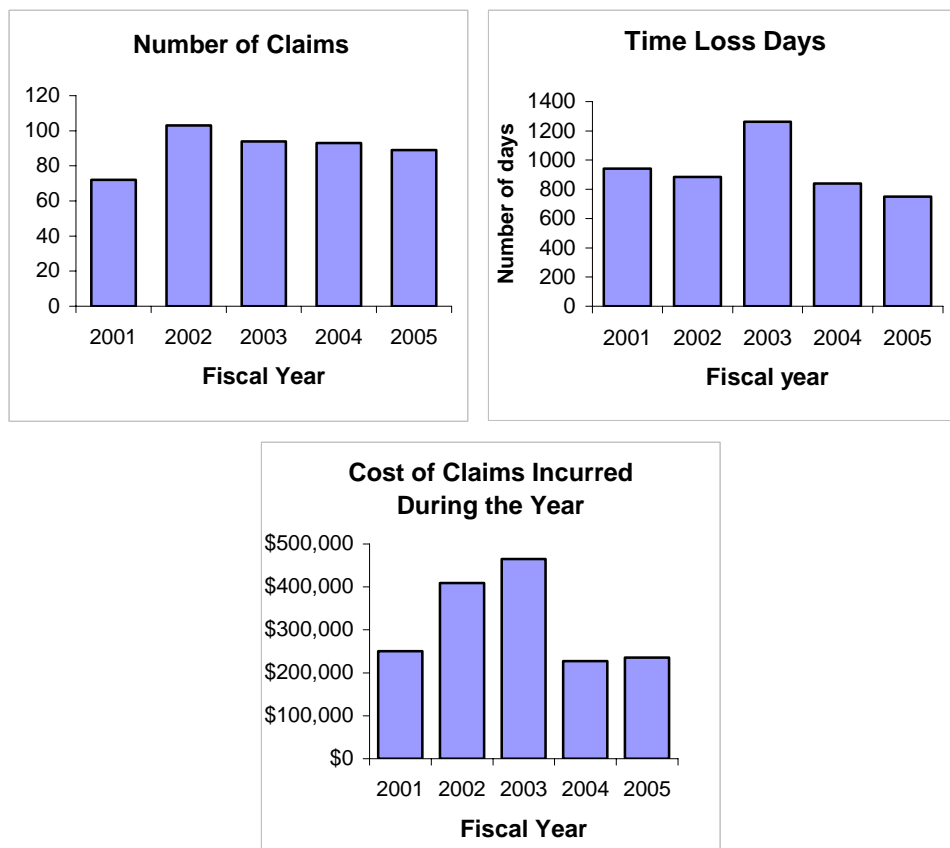
## Exposure to loss is well managed in several respects

In several ways, the Risk Management Division is doing a good job of managing Metro’s exposure to loss. These positive results can be seen in claims trends, cost containment measures, and several areas of program management, all of which are discussed below.

**Claim costs trending downward and are lower than other jurisdictions**

Trends for workers’ compensation costs are favorable, particularly over the most recent fiscal years. Figures 1-3 show three components of these trends – the number of claims, the number of days lost to work as a result of injury, and the total cost of claims incurred during the year. The number of claims has hovered around 90 each year and has dropped in each of the past three years. The number of lost work days has averaged 936 per year and is also trending down. Total costs, which have averaged \$317,000 a year, are down substantially since fiscal year 2003. Metro management attributes this primarily to a strengthening of Metro’s return-to-work program.

**Figures 1-3  
Workers’ compensation claim trends**



Trends are similar with regard to liability and property claims. In fiscal year 2001, claims totaled \$339,000; in fiscal year 2005, they stood at \$125,000.

Finally, comparisons with other jurisdictions show that Metro's average claim costs per employee are lower. A comparison of liability and workers' compensation claims with two other local jurisdictions – the City of Portland and Multnomah County – showed that the average claim cost per employee for Metro was substantially lower than the average for these two jurisdictions in fiscal year 2005. Based on figures reported in each jurisdiction's Comprehensive Annual Financial Report or adopted budget for fiscal year 2005, the average cost of a workers' compensation claim for Metro was \$3,000, compared with \$5,700 for Multnomah County and \$7,600 for the City of Portland.<sup>12</sup> In addition, the Oregon Workers' Compensation Division reports the average claim cost statewide for the past three years exceeds \$13,000,<sup>13</sup> while Metro's average cost per claim for the same period was \$3,400.

**Effective cost containment measures are in place**

The Risk Management Division takes a number of steps to contain costs, such as the following:

- **Managing insurance costs.** The risk manager contracts with an insurance broker to help determine the best insurance value based on the combination of all Metro's insurance needs. Metro's insurance premiums almost doubled in fiscal year 2003 and rose another \$100,000 to \$547,000 in fiscal year 2004. To combat the significant increases in premiums, the manager raised the deductible for property insurance from \$100,000 to \$500,000 and its liability self-insured retentions from \$500,000 to \$1,000,000. These changes resulted in a \$100,000 drop in premiums the following year. Raising deductibles and retentions exposed Metro to greater risk of uninsured loss, but a significant portion of that risk was mitigated by the \$100,000 annual drop in premiums and the decrease in liability claims over the last five years.

The risk manager has been creative in finding ways to control insurance costs. He has negotiated that Metro will pay no brokerage fees or commissions for its liability, property, directors and officers, or other such insurances. The insurance broker will receive only those workers' compensation commissions received directly from SAIF<sup>14</sup> as payment in full for all broker services to Metro.

- **Obtaining expertise.** For liability claims, one cost control available to Metro is to try to settle valid claims as quickly as possible. To accomplish this, Metro contracts with a firm specializing in liability incidents. Metro

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<sup>12</sup> This analysis does not take into consideration some seasonal employees and there may be other variables not included in the analysis that could impact the results.

<sup>13</sup> Average Claim Costs, Workers' Compensation Division, Department of Consumer and Business Services, State of Oregon.

<sup>14</sup> Insurance policies through SAIF are written through insurance brokers. SAIF pays those brokers commissions based on the amount of business it does with the organization (Metro in this case) and will not write a policy to exclude those commissions.

controls the contract cost by requiring a fixed price contract.<sup>15</sup> Metro is entitled to claim management of 20 claims for a single contract price. The contract is used for more difficult claims and to supplement when Metro's small staff is unable to process claims in a timely manner. Similarly, the risk manager also purchases insurance through SAIF. This provides Metro with such outside expertise as compensability and disability management specialists, return-to-work process specialists, and fraud investigation specialists.

**Other management programs help limit number and size of claims**

Besides adequate and timely claims management, claim costs are controlled by maintaining facilities, equipment, and grounds in a safe manner and by safe workplace practices. To a degree, programs for addressing these issues are in place. All major departments have safety committees that perform quarterly inspections of their facilities to ensure they are appropriately maintained. Safety committees also provide training on safe workplace practices.

Additionally, risk management has developed a strong return-to-work program. The return-to-work program allows Metro to participate in the State's Employer-at-Injury Program wherein the state reimburses Metro for a significant portion of the costs related to returning the employee to work in modified or light duty. The reimbursements Metro has received under the Employer-at-Injury-Program program have more than paid for the risk manager's workers' compensation specialist, and returning employees to work as soon as possible reduces workers' compensation benefit costs.

<sup>15</sup> Fixed price contracts effectively transfer risk of significant claim management costs, especially for complicated claims, to the contractor. The contractor is paid the same amount regardless of how much time he spends on the claims.

## Program improvements are needed

While some aspects of the risk management program are sound, we identified a number of areas in which Metro and its Risk Management Division can make improvements. These areas are as follows:

- Develop a plan to ensure the soundness of the Risk Management Fund.
- Update program guidance for two programs that have changed greatly over time.
- Take additional steps to strengthen the safety program organization-wide.
- Formalize and document procedures in several key areas of operation.
- Strengthen several aspects of reporting.

Given the Risk Management Division's small size – essentially two people – action in these areas may need to be prioritized and may take some time. Nonetheless, they represent important improvements that should be made.

### **Adequacy of Risk Management Fund reserves needs attention**

For some time, the actuaries who have developed the estimate of the funding levels needed for Metro's Risk Management Fund have raised concerns about the level of reserves Metro has decided to place in the fund. In the most recent actuarial reports for liability/property and workers' compensation, the actuary **strongly** recommended that Metro transfer an amount to fund the liability/ property program with an 80 percent confidence level and the workers' compensation program with an 85 percent confidence level<sup>16</sup>. The actuary also recommended margins for adverse contingencies. The actuary's report stated, "Loss experience can change suddenly and dramatically," and "This is especially true for a public entity with relatively small number of claims such as with Metro." In addition, Metro's decision to increase its deductible limits for its insurance coverage has also contributed to the potential volatility of the risk management program. The Risk Management Fund is now responsible for the first \$500,000 in property damage (up from \$100,00), and for the first \$1 million in liability claims (up from \$500,000). Metro management is aware of and has made attempts to rectify this funding problem on a gradual basis, but fund balances have remained extremely low in recent years.

We concur with the actuaries and recommend that Metro develop a plan to ensure the Risk Management Fund is actuarially sound (including provisions for adverse contingencies) as soon as possible and that the plan also include long-term provisions for ensuring that funding levels remain actuarially sound.

<sup>16</sup> An 80 percent confidence level means there is an 80 percent probability that actual ultimate costs will be less than the stated amount; an 85 percent confidence level raises the probability to 85 percent.

**Key programs have changed; procedures not updated**

The Risk Management Division has two major programs – the risk management program and the accident prevention program – that have undergone significant change, but guidance and procedures have not been revised to reflect the changes.

*Risk management program*

Metro's risk management program, called the Self-Insurance and Risk Management Program, has a program document that was formalized 20 years ago and has not been updated since. This outdated program document refers, for example, to a superseded form of Metro government and to a fund that no longer exists. The program document does briefly describe the following areas, but many of these procedures and processes have also changed over the past 20 years:

- *Fund administration*, including cost allocation methods used to allocate costs across departments for premiums, claims, asset replacement, and reserves for contingencies not covered by insurance. This section also discusses how interest revenue and proceeds from insurance policies are to be handled.
- *Claims administration*, including liability and property claims processing procedures as well as authority levels for claim settlement.
- *Loss prevention*, including measures to avoid losses such as safety programs, maintenance programs and hazard reduction programs.
- *Insurance industry relationships* that allow Metro to purchase insurance against losses where self-insurance is inadvisable.

Perhaps most significantly, guidance is lacking in a number of areas that either have been added as part of the Risk Management Division's operations or have become increasingly important as management tools. These include:

- Any discussion of workers' compensation, which is a significant component of the division's current responsibilities.
- Goals or objectives for the program and performance measures against which it can be evaluated.
- The division's role in Metro's emergency preparedness and operations plans.
- Guidance regarding Metro's preferred risk tolerance levels or a plan for achieving preferred levels. Without a formally documented plan for achieving preferred tolerance levels, Metro runs the risk of being funded based on what Metro departments can afford in any given year rather than the amount of actual risk the organization faces.

An updated, formally documented risk management program will allow Metro departments to better understand the purpose, responsibilities and needs of the Risk Management Division, as well as measures to provide for those needs. A well-written program can provide clarity regarding Metro's expectations of the risk management program as well as the role the risk management staff is to play in achieving those expectations. It can describe Metro's risk tolerance levels and its

plan and methodology for providing actuarially sound funding for all known claims as well as other unforeseen contingencies.

We recommend that Metro update the risk management program document to describe the expectations of the risk management program as well as the current role and responsibilities of the risk management staff. In addition to expectations, roles and responsibilities, the document should also define Metro's goals and objectives relating to managing its risk and describe the key strategies and activities to be used in order to achieve those goals. The revised document should include such things as authority levels for claim settlement, acceptable risk tolerance levels and Metro's strategy for adequately funding the program. The program should also contain performance measures against which it will be evaluated and, finally, the program should be evaluated and updated annually.

*Accident prevention  
program*

Metro's safety policy was originally established through ordinance<sup>17</sup> in 1981. Based on that policy, a formally documented program, called the Accident Prevention and Loss Control Program, was established in the early 1990s. In 1994, the ordinance establishing Metro's safety policy was repealed, making the document outdated. However, the safety program still remains in its original form to this date. In its current form, the safety program is missing many key elements. We reviewed the program using a self-assessment tool developed by SAIF and found that Metro could improve in 67 percent of the safety program elements listed in the self-assessment (see appendix B).

We also found that the existing document is not widely known or used. While the risk manager is aware of Metro's safety program document, only two of the seven departmental safety committees had a copy of it, and the representatives of those two committees said they had not looked at it in years. Without a current, formally approved, and widely distributed safety program or plan, it is highly unlikely that all Metro staff realize what Metro's safety policies are. An updated program specifying Metro's commitment to safety and its goals and objectives for maintaining a safe and healthy environment for employees and visitors would provide employees with a clear understanding of Metro's expectations regarding safety practices. The program could inform employees of the role of both Risk Management and the departments in achieving Metro's safety goals. It could also provide responsibility and accountability measures for all levels of employees throughout Metro. Metro's overall safety program could be used as the basis from which all departmental programs are drafted. This would help ensure that departments understood and embraced Metro's minimum safety requirements while allowing them the flexibility to expand their programs with rules and procedures designed to fit their individual departmental needs.

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<sup>17</sup> Ordinance 81-116, Sec 49.

We recommend that Metro update its Accident Prevention and Loss Control Program to ensure it:

- Provides clear guidance regarding the priority of the creation and maintenance of a safe work environment throughout Metro
- Clarifies the current rolls and responsibilities of each Metro department and employee
- Describes goals and objectives relating to overall safety at Metro
- Ensures Metro’s safety program is used as the basis for individual departmental safety programs
- Integrates safety and health expectations into each job responsibility
- Requires that supervisors and staff have safety performance goals and are evaluated on achievement of those goals
- Ensures people are rewarded in tangible, visible ways for promoting safety
- Promotes measurable safety awareness and promotion goals in supervisor and staff performance evaluations, especially in areas where work activities are prone to accidents and higher claims
- Contains performance measures against which the effectiveness of the program can be evaluated, such as reductions in:
  - Lost-time injury frequency
  - Medical treatment frequency
  - Sick days used
  - Medical costs
  - Workers’ compensation or liability claim costs
  - The number of potential safety issues reported during quarterly inspections.

**Strengthening Metro’s safety culture could reduce costs**

A point closely related to updating the accident prevention program is the overall enhancement of a safety culture at Metro. We identified two ways in which safety awareness could be strengthened – targeting major types of accidents and incidents in training programs, and reviewing other safety guidance and training for adequacy and appropriateness.

*Identify and target common types of accidents and incidents*

Workers’ compensation costs are directly impacted by accidents and incidents. While Metro’s overall workers’ compensation costs have been trending downward in recent years, continued emphasis on safety could help keep these costs low –and possibly reduce them further in the future. Besides reducing direct costs, reduced accident and incident rates also bring a savings in indirect costs, which may run five to ten times the amount of direct costs, according to the Oregon Department of Consumer & Business Services.<sup>18</sup> Promoting a safe environment may also reduce liability and property claims. As shown in Figure 4, which shows the primary types

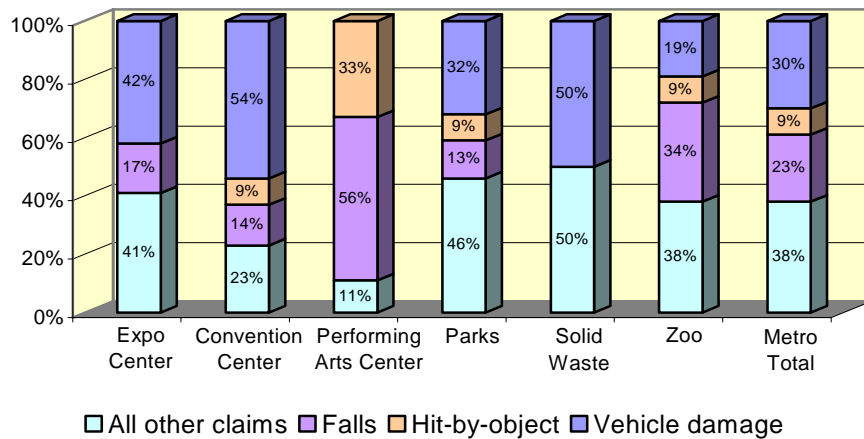
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<sup>18</sup> Oregon Occupational Safety and Health Division, Workplace Safety Committees, *A basic guide to developing and implementing an occupational safety and health committee*, (#440-2240). Indirect costs relate to such things as production delays, time lost by workers and supervisors attending an accident victim, clean up and start up of interrupted operations, conducting an accident investigation, time spent retraining others to replace injured workers, and possible lower efficiency.



of claims for each major Metro facility for fiscal years 2003-2005, a significant amount of Metro’s liability and property claims are from falls, being hit by objects and vehicle damage. In all, falling, being hit by objects or vehicle accidents caused 62 percent of liability incidents.<sup>19</sup>

**Figure 4**  
**Liability/property claims at Metro facilities, fiscal years 2003-2005**



These types of claims are best controlled through safety inspections of facilities and equipment (required by OSHA) and through enhanced training programs. The high incidence of a few types of accidents suggests Metro might benefit by focusing on them in safety awareness and training efforts. While departments train staff regularly on mandated safety issues such as hazardous materials, first aid and lock-out tag-out procedures,<sup>20</sup> the most prevalent types of incidents – vehicle accidents, falls, lifting etc. – are not often addressed. In some cases they may only be addressed during initial orientation training.

A good example of the benefits of providing periodic (more often than just at orientation) training or awareness campaigns is vehicle operation training. Metro has more vehicle damage claims than any other type of liability or property damage claim. According to John Howard, M.D., Director of the National Institute for Occupational Safety and Health, vehicle accidents are the leading cause of traumatic injury and death in the U.S. workplace. Vehicle accidents can result in significant property damage and serious injury to employees as well as citizens of the region. According to Oregon OSHA, the majority of all motor vehicle accidents are caused by driver error or poor operating practices, but they can also

<sup>19</sup> Our analysis of Metro's workers' compensation claim results showed similar results. In all, 57 percent of claims for the same period were caused by lifting, falling or being hit by an object (see Appendix C for graphic representation of workers' compensation claim results).

<sup>20</sup> Procedures used to prevent power from being inadvertently turned back on while an employee is working on the electrical system, for instance.

result from mechanical failure or improper maintenance. OSHA suggests that “an organization’s vehicle accident prevention effort should focus on both of these principal factors, driver error and vehicle failure, because both can be controlled.” Proper vehicle operation would help Metro reduce the number of these accidents.

Training on techniques to identify the types of objects people have been hit with and conditions within the facility that might result in falls would help ensure employees are better equipped to recognize potentially unsafe conditions. Not only must employees be able to recognize potential safety issues, they must also be able to adequately convey or report the issue to appropriate management. Training that focuses on the types of incidents or accidents that most often happen and techniques to identify and report potential hazards that cause them, will help reduce or prevent them from occurring.

Some Metro locations, such as the Zoo, have excellent safety programs and Metro safety committees appear to be aware of the importance of safety and do their best to eliminate issues and provide a safe working environment. However, we did not get the impression that safety was considered a “priority” throughout all of Metro. Few we spoke to know of any specific departmental goals meant to ensure safety was a priority and we found personal performance goals that included adherence to safety practices in only one small group of employees.

We recommend that Metro enhance its safety program organization-wide. Enhancement should include a process to review the most prevalent types of incidents or accidents occurring annually and training sessions developed and targeted directly at:

- Improving awareness as to how these types of incidents occur
- Identifying conditions that could result in incidents or accidents
- Reporting potential hazards
- Providing recommendations to help prevent incidents from occurring.

Once Metro’s safety program is updated, enhanced and finalized, we recommend that an organized safety awareness campaign be developed to inform employees of management’s commitment to making safety a priority throughout Metro. The campaign should be designed to make all Metro staff aware of management’s goals and objectives regarding safety and its expectations of supervisors and staff in achieving those goals and objectives. Management might also want to consider increasing safety reminders through media such as newsletters, bulletins, posters or adding a weekly safety tip to the weekly *Metro Update* e-mail from the Chief Operating Officer.

*Review safety guidance and training for adequacy and coverage*

Metro has a Supervisor and Safety Committee Reference and Training manual. This manual provides specific information on safety training, safety analysis, accident investigation and accident prevention. Although the manual is comprehensive and appears well thought out and organized, it is approximately 12 years old and should be updated. In addition, although the manual is intended both

for safety committees and supervisors, in recent years only safety committees have received training related to the subjects it covers. Supervisors are considered key to Metro’s loss prevention efforts and they are responsible for implementing and enforcing rules and regulations, as well as meeting safety expectations throughout Metro. Reviewing and revising the manual as needed and incorporating it into Metro’s regular training program for supervisors would help ensure that supervisors have the appropriate training and tools to complete their responsibilities.

We recommend that the Supervisor and Safety Committee Reference and Training Manual be reviewed for adequacy and appropriateness and revised as needed. We also recommend that supervisor training be incorporated as a regularly scheduled part of Metro’s safety training program.

**Develop and document procedures**  
*Claims processing manuals*

We identified three areas in which procedures need to be documented, clarified or developed.

Metro’s Risk Management Division does not have procedure manuals for processing liability and workers’ compensation claims. All of these processes and procedures are important in ensuring that Metro manages and processes claims in a cost effective, efficient and timely manner. Because Metro does not have detailed process and procedure manuals for any of these activities, it is subject to significant risk that claims processing efficiencies may be lost should the risk manager or his assistant leave Metro or become unable to perform claim management and processing duties for any reason.

We recommend that Metro develop step-by-step procedural manuals for managing and processing both workers’ compensation and liability claims. The workers’ compensation manual should contain directions for returning employees to work as soon as possible and detailed instructions regarding participation in the Employer-at-Risk program.

*Specify types of claims paid from risk management fund*

Occasionally, departments pay liability claims directly rather than through the risk management fund. When this happens, the costs are removed from the claims data provided to the actuary for use in evaluating what the risk management fund balance should be. For example, the Parks Department elected to pay directly for a \$50,000 claim in which the owner of adjacent property purchased by Metro through the open spaces program claimed that because of Metro’s purchase, he could no longer do what he intended to do with his own property. In total, the amounts we identified were not substantial and had no material effect on Metro’s financial statements. However, we also found several claim records with no dollar amounts attached to them. It is unclear whether departments paid directly for any of these claims.

Allowing Metro departments to pay claims from their current operating budgets rather than through the risk management fund has several consequences. It masks the full amount of loss to Metro and potentially affects the reliability of the actuary’s estimate of the amount needed in the risk management fund. This could

cause the risk liability and cost accounts to be understated in Metro's financial statements. Also, allowing departments to pay claims directly reduces their true claim experience for risk management cost allocation purposes.

Metro would benefit by specifying the types of claims that need to be settled through the risk management fund and include all of those types of claims in the claim record. Specification of the types of claims that need to be settled through the fund would ensure accurate financial records, greater transparency in accounting practices, appropriate allocation of risk management costs among departments and it would allow management to assess Metro's true exposure more accurately.

We recommend that Metro clearly define the types of claims that must be included in risk management records and settled out of the risk management fund and follow that rule uniformly across the departments. Metro's true exposure can then be calculated by the actuaries and assessed by management more accurately.

*Greater security for confidential records*

Safeguarding employee personal information is becoming increasingly important – not only to protect the confidentiality of transactions between employee and employer but to protect against personal confidential information being obtained and used for unlawful purposes such as identity theft. The audit revealed that liability and workers' compensation claims case files were being kept in an unlocked file cabinet in the risk management assistant's cubicle. In addition, we were able to electronically extract detailed claims data from the "projects" folder in the risk management section of Metro's computer network system.

We recommend that Metro develop a plan to ensure that all personnel files and records across Metro containing sensitive employee information and personal data be kept in a secure location not accessible by unauthorized people.

**Reporting needs to be strengthened**

We noted several areas for improvement in management reporting:

- *Financial reporting regarding Metro's exposure to loss.* For the past two years, Metro has understated its exposure related to deductibles by \$900,000 in its financial statements. Beginning July 1, 2003, the property insurance deductible increased from \$100,000 to \$500,000 and the liability insurance deductible from \$500,000 to \$1 million. This understatement is considered significant given the low levels of reserves in Metro's risk management fund. Developing strong controls to ensure Metro's financial statements are accurately reported will provide greater reliability and transparency of Metro's financial records.
- *Management reporting regarding the risk management program.* Metro's upper management is not receiving information about (1) the risk management program's achievements (because there are no goals, objectives or performance measures associated with the program) or (2) current risks and the strategies for mitigating them. Providing management with a formal annual update on current risks and risk mitigating strategies as well as program performance in achieving goals and objectives would

give them the necessary information to adjust goals, objectives and strategies in a timely manner.

- *Reporting of liability claim experience and trends.* While risk management staff does prepare an analysis of workers' compensation claims and trends, they do not currently do so for liability claims. Including liability claim statistics and trends in the quarterly workers' compensation report provided to all department heads and Metro's upper management would provide a more complete picture of claim experience within Metro.
- *Safety issues and accomplishments.* Formal Metro-wide safety reports sharing accomplishments and remedial action plans for known issues are not prepared and shared with management. Annual Metro-wide safety reports would provide management as well as Metro employees with information regarding progress toward achieving a safe and healthy environment.

We recommend that Metro:

- Strengthen its controls and procedures for ensuring that items reported in the financial statements are correct.
- Formally report on current risks as well as risk mitigation plans associated with the Risk Management Program annually.
- Include liability claims and trend analyses in the quarterly reports currently provided to management for workers' compensation claims.
- Formally report safety efforts, accomplishments and action plans to modify trends or significant safety issues.

## **Appendices**

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## Appendix A – Best practices for managing risk

Based on several articles by industry experts and publications from Oregon OSHA, we assembled a list of eight best practices for risk management. When we analyzed the Risk Management Division’s operations for the presence of these best practices, we found four of them well in place: a single point of accountability for the program, constant evaluation of risks and measures to limit exposure, timely claims processing, and strong cost containment practices. We found the remaining four to be absent or insufficient: written manuals; clear goals, objectives and performance measures; a strong safety program; and reporting on program performance. Our findings with regard to these eight criteria are depicted below:

**Table 2**  
**Best practices for managing risk**

Best Practice	In place at Metro?	Explanation
Single point accountability	Yes	Risk Manager is responsible for managing Metro’s overall exposure to loss, including liability and workers’ compensation claims as well as property damage and insurance premium costs.
Constant evaluation of risks and measures to limit exposure	Yes	Risk Manager utilizes specialists including insurance brokers, actuaries, examiners etc. to assist him in providing the best coverage given current costs and exposures. This includes self-retentions and deductible assessments.
Written program and procedure manuals	Not adequately	All program and procedure manuals are extremely dated and refer to forms of government, funds and practices no longer appropriate.
Clear, concise goals, objectives and performance measures	No	Neither the risk management program nor the safety program contains specific goals, objectives or performance measures.
Timely claims processing	Yes	Metro insures with SAIF Corporation and contracts with liability claim specialists to ensure resources are adequate to process claims in a timely manner.
Strong cost containment practices	Yes	Metro brokers, insures or contracts with outside organizations which include the following cost saving measures: the use of managed care organizations, claim management, medical bill auditing, fraud experts, local claim processing teams and premium cost evaluations necessary to determine the appropriate mix of self-insured retentions and deductibles necessary to mitigate skyrocketing premium costs.

<b>Best Practice</b>	<b>In place at Metro?</b>	<b>Explanation</b>
Strong safety program	Not adequately	Safety is the primary method of mitigating liability and workplace safety risks. Of the 18 key safety program elements suggested by SAIF Corporation, Metro needs improvement in 67% or 12 of those program elements. Metro's current safety program is outdated, incomplete and basically unknown.
Program performance evaluation and reporting	No	Metro has no specific goals, objectives or performance measures noted in the outdated risk management and safety programs, and hence formal evaluation of the programs' performance does not occur. Metro does report quarterly workers' compensation claims but it does not currently include liability claims in that report nor does it recommend changes or suggest areas in which an increased emphasis on safety is warranted.

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## Appendix B – Safety and health program assessment

An assessment of Metro’s safety program was also performed. SAIF Corporation provides the following safety program self-assessment tool for its clients to use in determining the adequacy of its program. The tool lists primary program elements and sections to note whether that element is effective or needs improvement. We obtained the tool and completed the assessment based on audit findings related to the program (see the comment section of the table). The results are that 67% of these primary program elements need improvement. Details are provided below:

**Table 3**  
**Safety and health program assessment**

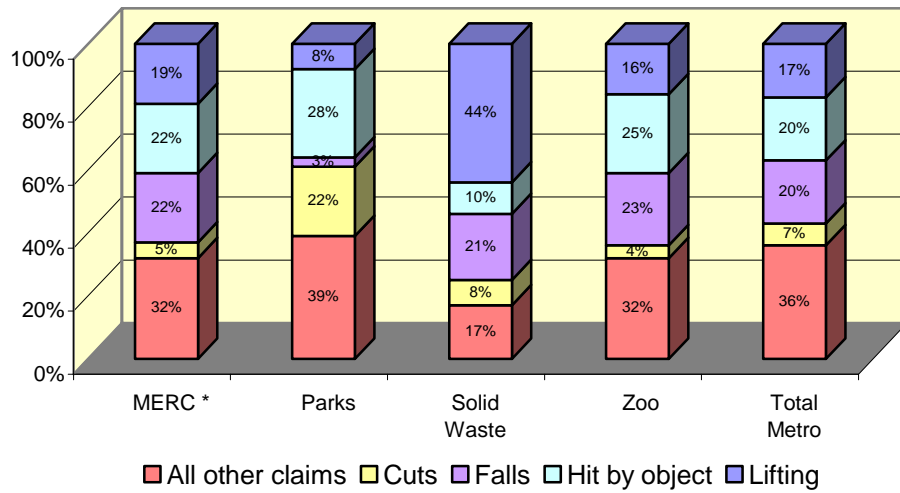
Program Elements	The program or procedure:		Comments
	Is Effective	Needs Improvement	
Mission reflects organization’s commitment to zero damage to people, property and product		✓	<ul style="list-style-type: none"> <li>• Safety policy does not commit to zero damage</li> <li>• Safety program is very old and antiquated</li> <li>• Safety program is guidelines not rules</li> </ul>
Clear management statement of safety commitment		✓	Ordinance establishing Metro’s safety policy has been repealed.
Managers set visible example of safety and health leadership		✓	Because Metro’s safety program is basically unknown, we believe management needs to improve in this area.
Authority and responsibility understood		✓	Authority levels and responsibility are documented in the risk management and safety programs, but both are out of date and unknown to employees. There is also a disconnect between Risk Management and the departments as to the role of each relating to safety.
Organizational safety policies and procedures		✓	<i>Metro’s Accident Prevention and Loss Control and Supervisor and Safety Committee Reference and Training Manual</i> are outdated.
Annual safety policy evaluation		✓	Evaluations of Metro’s overall and department safety programs are incomplete.

Program Elements	The program or procedure:		Comments
	Is Effective	Needs Improvement	
Safety committees	✓		Metro has committees for each location. Some, like the Zoo are especially well run.
Safety goals and objectives		✓	Most departments, as well as Metro's overall safety program, do not include safety goals and objectives.
Safety policy: discipline and reinforcement		✓	Only one small group of employees is evaluated on safety practices.
Written job standards and expectations	✓		While we are unsure whether specific safety standards are included in all job descriptions, all job classifications have basic descriptions.
Supervisor accountability		✓	In discussions with safety committees, most are unaware of specific supervisor accountability measures.
Use of behavior-based system of performance management		✓	Incentives other than an annual BBQ are not offered and most employees do not have safety goals and objectives nor are they evaluated on safety awareness and practices.
Ergonomics	✓		Metro does have an adequate ergonomics program.
Hazard identification and correction	✓		Metro has strong programs for hazard identification and correction, including written reports on potential hazards found during quarterly facility inspections.
Defensive driving program and training		✓	Driver training is provided to all employees using Metro vehicles or using personal vehicles for Metro business only as part of new-hire orientation.
Facilities and preventive maintenance	✓		We performed an audit of MERC facilities recently and found them adequately maintained. We have also visited several parks in the area as well as the zoo and noticed no significant issues.

Program Elements	The program or procedure:		Comments
	Is Effective	Needs Improvement	
Use of OSHA/contracted consultative services	✓		Metro safety committees have utilized OSHA services such as training videos and other materials.
Incentive program		✓	Metro offers each department \$500 for an incentive program. This usually results in a departmental picnic or BBQ. However, incentives for individual awareness and promotion of safety practices are not offered.

## Appendix C – Workers’ compensation claims analysis

**Figure 5**  
**Workers’ compensation claims analysis**



This data suggests Metro might benefit by choosing a couple types of claims to focus on for safety awareness and training. If consistently applied, the practice of promoting awareness of and focusing training on the most prevalent causes of claims each year could play a significant role in reducing the number of claims.

\* The Metropolitan Exposition Recreation Commission (MERC) is comprised of the Oregon Convention Center, Portland Center for the Performing Arts and Portland Metropolitan Exposition Center.

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# **Response to the Report**

Metro Chief Operating Officer Michael Jordan

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**METRO**

August 23, 2006

Alexis Dow  
Metro Auditor  
600 NE Grand Avenue  
Portland, Oregon 97232

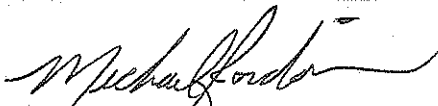
Dear Ms. Dow:

We are transmitting the response to the audit report entitled *Risk Management Program Can Be Strengthened*. An electronic copy is being provided separately.


I appreciate your findings that Metro's exposure to loss is well managed and cost containment practices are sound. We also appreciate your acknowledgement that the risk management teams are seasoned professionals with a considerable depth of experience. We share a concern about maintaining appropriate funding levels in the risk management fund, and we are looking forward to the completion of the latest independent actuarial study in September.

We agree with the recommendations for strengthening our program and will endeavor to do so over the next two years.

Sincerely,



Michael Jordan  
Chief Operating Officer



William Stringer  
Chief Financial Officer



**Audit: Risk Management Program Can Be Strengthened**

**Date: August 2006**

## AUDIT RESPONSE

### Recommendation 1

**Develop a plan to ensure the risk management fund is actuarially sound.** The plan should be developed as soon as possible and include provisions for adverse contingencies as well as long-term provisions for ensuring that funding levels remain actuarially sound.

### Agree

Yes  X

No       (specify reasons for disagreement)

### What action will be taken (if any)?

Risk Management, as part of Metro's self-insurance program, periodically contracts for an independent actuarial review of its claims history and reserve requirements. The actuarial report provides an analysis of expected claims and reserve requirements with escalating levels of confidence, or probability, that the reserves can meet fully all claims costs. The higher the confidence level desired, the higher the required reserves. The latest review is underway for the fiscal year ending June 30, 2006. A draft actuarial report is expected in September 2006 with a final report following within 30 days.

Risk Management will use this actuarial report to evaluate appropriate funding levels for the Risk Management Fund, given acceptable levels of confidence. The CFO will use the actuarial report to develop funding options for Council consideration.

### Who will take action?

The Risk Manager will obtain actuarial report.

The CFO will develop funding options for Council consideration.

The Council's determination will be reflected in the 2007-08 budget plan.

### When will action be accomplished?

Evaluation, recommendation and Council consideration by December 2006; implementation in FY 2007-08 budget.

### Follow-up necessary to correct or prevent reoccurrence.

Changing conditions (claims experience, cost of claims, cost of the program) will require that Metro continue to engage an actuarial study review periodically and make funding adjustments. Approval of the funding strategy may result in increases to the cost allocation system.

**Audit: Risk Management Program Can Be Strengthened**

**Date: August 2006**

## **AUDIT RESPONSE**

### **Recommendation 2**

**Update program guidance for the risk management and accident prevention programs.**

For each of these two programs, the body of this report specifies the kinds of information that should be included in the update.

### **Agree**

Yes  X

No       (specify reasons for disagreement)

### **What** action will be taken (if any)?

The Risk Manager will update the Risk Management program guidance and the safety program. The updates will be reviewed formally by the safety committees and presented to senior management.

### **Who** will take action?

Risk Manager

### **When** will action be accomplished?

FY 2006-07

### **Follow-up** necessary to correct or prevent reoccurrence.

The guidance will be reviewed at least every other year by Metro's safety committees and senior management.

**Audit: Risk Management Program Can Be Strengthened**

**Date: August 2006**

## **AUDIT RESPONSE**

### **Recommendation 3**

**Enhance the safety program organization-wide.** Enhancements should include (1) processes to review the types of incidents or accidents occurring annually and (2) training for improving awareness of how these types of incidents or accidents occur, identifying conditions that could produce them, reporting potential hazards, and providing recommendations to help them from occurring. In addition, the Supervisor and Safety Committee Reference and Training Manual should be reviewed for adequacy and appropriateness and revised as needed, and supervisor training should be incorporated as a regularly scheduled part of Metro's safety training program.

### **Agree**

Yes

No  (specify reasons for disagreement)

### **What action will be taken (if any)?**

- As part of recommendation #2, the written safety programs for Metro, including the Supervisor Safety Manual, will be updated and re-distributed to all departments.
- Risk Management offered training to all safety committees in FY 05-06 to ensure each safety committee received minimum training required by Oregon OSHA, including accident and incident investigation training. Risk Management will repeat this training in FY 06-07. This training will be offered once a year to each safety committee.
- The responsibility to conduct accident and incident investigation and review will be addressed in the updated safety manuals from recommendation #2. This responsibility resides with the parent department and parent safety committee, unless Risk Management determines additional action is warranted.
- Risk Management provided quarterly reports of workers' compensation claims to all departments in FY 05-06 including an analysis of the three-year claims history. Quarterly liability reports and a similar analysis of liability reports will be added in FY 06-07.

Risk Management is preparing a training to address back injury prevention, one of Metro's high-frequency claims. The training plan has two phases: The training will first be offered to facility safety committees allowing managers and supervisors to preview the training to become familiar with its content. In the second phase, managers will request training dates from Risk Management for specifically targeted sites.

### **Who will take action?**

Risk Manager

**When** will action be accomplished?

FY 06-07

**Follow-up** necessary to correct or prevent reoccurrence.

Safety Committees, working with the Risk Manager, will recommend the year's training schedule in the fall of each fiscal year, targeted to higher frequency claims.

**Audit: Risk Management Program Can Be Strengthened**

**Date: August 2006**

## **AUDIT RESPONSE**

### **Recommendation 4**

**Establish and document procedures in three areas.** (1) Develop step-by-step procedural manuals for managing and processing both liability and workers' compensation claims. (2) Clearly define the types of claims to be settled out of the risk management fund, and apply this definition uniformly across all Metro departments. (3) Ensure that all personnel files and records containing sensitive employee information and personal data are kept in a secure location not accessible by unauthorized people.

### **Agree**

Yes

No  (specify reasons for disagreement)

### **What** action will be taken (if any)?

- 1) Risk Management will develop a separate step-by-step procedure manual.
- 2) The update of the Risk Management program guidance, recommendation #2, will include the claim settlement guidelines.
- 3) Risk Management obtained keys for all cabinets and transferred the file mentioned by the Auditor's staff.

### **Who** will take action?

Risk Manager

### **When** will action be accomplished?

Risk Management program guidance will be updated in FY 06-07.

Procedure manual will be completed in FY 07-08.

The file and data security has been completed.

**Follow-up** necessary to correct or prevent reoccurrence.

**Audit: Risk Management Program Can Be Strengthened**

**Date: August 2006**

## **AUDIT RESPONSE**

### **Recommendation 5**

**Strengthen reporting of four types of information.** (1) Strengthen controls and procedures for ensuring that items reported in the financial statements are correct. (2) Formally report on current risks as well as risk mitigation plans associated with the Risk Management Program annually. (3) Include liability claims and trend analyses in the quarterly reports currently provided to management for workers' compensation claims. (4) Report safety efforts and accomplishments as well as action plans to modify trends or significant safety issues.

### **Agree**

Yes

No  (specify reasons for disagreement)

### **What action will be taken (if any)?**

(1) Strengthen controls and procedures for ensuring items reported in the financial statements are correct. The change in deductible amounts in the purchased program will be corrected in the FY 05-06 CAFR. A summary of the purchased insurance renewals will be provided to the CAFR coordinator at the time the purchases are made (usually June of each year).

(3) A quarterly liability claims report and trend analysis will be included with the workers' comp quarterly report to senior management, beginning with the quarter ending September 30, 2006.

(2) and (4) The current actuarial study and subsequent recommendation to Council will include the claims experience, the trends, the risks and the mitigation. In the years in which no actuarial study is being presented, the same elements will be included in the discussion with Council about funding levels as part of the annual budget preparation process.

### **Who will take action?**

Risk Manager will provide the necessary documentation to ensure accurate CAFR reporting and will prepare and distribute quarterly claims reports to senior management.

CFO will bring the actuarial report and funding recommendations to Council for direction for the FY 07-08 budget.

### **When will action be accomplished?**

Quarterly reports to senior management in month following end of quarter.

Council report by December 2006.

### **Follow-up** necessary to correct or prevent reoccurrence.

Annual report to Council and periodic reporting to department directors.



# Metro Auditor Report Evaluation Form

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**Name of Audit Report:** Risk Management Program Can Be Strengthened,  
August 2006

Please rate the following elements of this report by checking the appropriate box.

	<b>Too Little</b>	<b>Just Right</b>	<b>Too Much</b>
Background Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Details	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Suggestions for our report format: \_\_\_\_\_  
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**Thanks for taking the time to help us.**

Fax: 503.797.1831  
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