



## Department Description

The Risk Management Department manages the City's self-insured Workers' Compensation Programs; coordinates public liability and loss control measures intended to forecast and reduce the City's exposure to risks; administers employee health and safety programs, employee benefits contracts, and programs including employee savings plans, the Long-Term Disability Plan, and the Employee Assistance Program (EAP).

The Department's mission is:

*To effectively prevent, control, and minimize the City's financial risk while providing optimum services to the City's employees and the public through the centralized administration of healthcare, safety, loss control, employee benefit, and other risk management programs*

## Goals and Objectives

The following goals and objectives represent the action plan for the Department:

### ***Goal 1: Maintain good stewardship over City finances***

In order for the City to operate in the most efficient and effective manner possible, the Department must serve as a good steward of the City's finances. It must promote cost effective strategies and continue to improve accountability within the Department. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Meet reserve policy targets
- Deliver services in a cost-effective manner

# Risk Management

## ***Goal 2: Reduce risk and loss exposure***

In the past, the City focused on reacting to issues that arose. It is the Department's goal to reduce risk and loss exposure and create a more proactive culture within the City. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Promote and encourage behaviors that minimize loss
- Promote the importance of employee safety
- Identify and monitor loss metrics

## ***Goal 3: Promote the highest ethical standards and behavior among employees***

Promote and enforce the City's ethical practices to ensure integrity, accountability, service, team support, openness, and diversity in the Department. The Department will move toward enhancing its accomplishment of this goal by focusing on the following objectives:

- Offer training to management and staff on ethical standards
- Management review of standards and ethical practices with staff on a regular basis

# Service Efforts and Accomplishments

The Workers' Compensation claims management system (IVOS) upgrade started in Fiscal Year 2011 and will be completed in Fiscal Year 2012. This upgrade will facilitate compliance with State-mandated Workers' Compensation benefits for safety personnel and federal Medicare Set-Aside reporting requirements, as well as mandated employee notifications. New leave wage types for safety personnel were successfully implemented in payroll to comply with the State-mandated reporting requirements. Also, the Workers' Compensation Division's claims management function underwent a State audit and passed the initial Profile Audit Review which avoided a more comprehensive full compliance audit.

The Safety and Environmental Health Division has completed a citywide implementation of the Injury Illness Prevention Program. This program is an OSHA requirement and defines the safety roles of management, supervisors, and employees, and how to adhere to safety standards in order to prevent costly work-related injuries.

The Public Liability Division, continuing in its efforts to enhance the public's access to City services, has revised the Public Liability Claim Form for claims against the City. Public Liability staff work with other City departments by making presentations on the liability claims process and the revenue recovery services. The Public Liability day-to-day claims handling process underwent an internal City audit. The findings included recommendations for multiple business process enhancements which will be implemented within the next year.

The Benefits/Savings Division has replaced its mainframe benefits systems with the SAP benefits module and continues to modify and/or add SAP functionality to better serve City employees. New ESS enhancements allow new employees to enroll their dependents for benefits in SAP, input Flexible Spending Accounts directly in SAP, and automatically initiate COBRA letters for separated employees. These are all time-saving enhancements that will make the administration of benefits more efficient.

# Risk Management

## Key Performance Indicators

Performance Measure	Actual FY2010	Actual FY2011
1. Percent increase/decrease of workers compensation claims compared to prior year (as an indicator of safety program effectiveness)	-1%	+6%
2. Reserve balances in millions (and percentage of reserve goals) end of fiscal year for Public Liability	\$17.1 (30%)	\$17.1 (30%)
3. Reserve balances in millions (and percentage of reserve goals) end of fiscal year for Workers' Compensation	\$34.3 (44%)	\$34.3 (44%)



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# Risk Management

## Department Summary

	FY2011 Budget	FY2012 Adopted	FY2011–2012 Change
Positions	80.16	79.44	(0.72)
Personnel Expenditures	\$ 7,049,317	\$ 7,204,255	\$ 154,938
Non-Personnel Expenditures	2,616,730	2,021,506	(595,224)
<b>Total Department Expenditures</b>	<b>\$ 9,666,047</b>	<b>\$ 9,225,761</b>	<b>\$ (440,286)</b>
<b>Total Department Revenue</b>	<b>\$ 8,925,849</b>	<b>\$ 9,225,761</b>	<b>\$ 299,912</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2011 Budget	FY2012 Adopted	FY2011–2012 Change
Risk Management	\$ 9,666,047	\$ 9,225,761	\$ (440,286)
<b>Total</b>	<b>\$ 9,666,047</b>	<b>\$ 9,225,761</b>	<b>\$ (440,286)</b>

### Department Personnel

	FY2011 Budget	FY2012 Adopted	FY2011–2012 Change
Risk Management	80.16	79.44	(0.72)
<b>Total</b>	<b>80.16</b>	<b>79.44</b>	<b>(0.72)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Equipment/Support for Information Technology</b> Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	\$ 967,001	\$ -
<b>Non-Discretionary Adjustment</b> Total expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	755,846	-
<b>Hourly Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	1.44	57,465	-
<b>Position Addition</b> Addition of 0.50 Administrative Aide 1 to support the Administration Division.	0.50	34,043	-
<b>Employee Assistance Program</b> Reduction of 0.35 Employee Assistance Counselor and an addition of 0.25 Employee Assistance Program Manager to support the Employee Assistance Program.	(0.10)	(5,051)	-
<b>Reduction of Consultant Services</b> Reduction of expenditures for outside consultant services.	0.00	(21,716)	-
<b>Revised Revenue</b> Adjustment to reflect Fiscal Year 2012 revenue projections.	0.00	-	299,912
<b>Total</b>	<b>1.84</b>	<b>\$ 1,787,588</b>	<b>\$ 299,912</b>

# Risk Management

## Expenditures by Category

	FY2011 Budget	FY2012 Adopted	FY2011-2012 Change
<b>PERSONNEL</b>			
Salaries and Wages	\$ 4,201,967	\$ 4,375,643	\$ 173,676
Fringe Benefits	2,847,350	2,828,612	(18,738)
<b>PERSONNEL SUBTOTAL</b>	<b>\$ 7,049,317</b>	<b>\$ 7,204,255</b>	<b>\$ 154,938</b>
<b>NON-PERSONNEL</b>			
Supplies	\$ 78,237	\$ 78,237	\$ -
Contracts	1,405,257	756,976	(648,281)
Information Technology	999,642	967,001	(32,641)
Energy and Utilities	24,933	13,744	(11,189)
Other	107,996	204,883	96,887
Capital Expenditures	665	665	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>\$ 2,616,730</b>	<b>\$ 2,021,506</b>	<b>\$ (595,224)</b>
<b>Total</b>	<b>\$ 9,666,047</b>	<b>\$ 9,225,761</b>	<b>\$ (440,286)</b>

## Revenues by Category

	FY2011 Budget	FY2012 Adopted	FY2011-2012 Change
Charges for Current Services	\$ 29,402	\$ 29,402	\$ -
Revenue from Federal Agencies	8,896,447	9,196,359	299,912
<b>Total</b>	<b>\$ 8,925,849</b>	<b>\$ 9,225,761</b>	<b>\$ 299,912</b>

## Personnel Expenditures

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Adopted	Salary Range	Total
<b>Salaries and Wages</b>						
2000012	1105	Administrative Aide 1	0.50	1.00	\$36,962 - \$44,533	\$ 44,643
20000119	1218	Associate Management Analyst	1.00	1.00	54,059 - 65,333	64,457
20000188	1256	Benefits Representative 2	9.00	9.00	32,968 - 39,811	351,649
20000277	1340	Claims Aide	8.00	8.00	36,962 - 44,533	258,528
90000277	1340	Claims Aide - Hourly	2.31	0.42	36,962 - 44,533	15,524
20000278	1341	Claims Clerk	12.75	12.00	31,491 - 37,918	449,801
20000282	1343	Claims Representative 2	3.00	2.00	52,936 - 64,022	128,684
20000285	1343C	Claims Representative 2	7.00	7.00	52,936 - 64,022	448,473
20000283	1343A	Claims Representative 2	8.50	9.50	52,936 - 64,022	584,365
20000836	1816	Claims and Insurance Manager	2.00	2.00	73,445 - 88,837	175,009
20000539	1535	Clerical Assistant 2	1.50	2.00	29,931 - 36,067	72,494
90000539	1535	Clerical Assistant 2 - Hourly	0.00	0.50	29,931 - 36,067	18,481
20001168	2214	Deputy Director	1.00	1.00	46,966 - 172,744	117,000
20000382	1406	Employee Assistance Counselor	0.85	0.50	52,936 - 64,022	30,378
20000411	1429	Employee Assistance Program Manager	0.75	1.00	66,768 - 80,891	79,071
20000394	1417	Employee Benefits Specialist 1	2.00	0.00	44,470 - 54,059	-
90000394	1417	Employee Benefits Specialist 1 - Hourly	0.00	0.43	44,470 - 54,059	15,894
20000383	1407	Employee Benefits Specialist 2	0.00	2.00	54,059 - 65,333	128,706
20000924	1876	Executive Secretary	1.00	1.00	43,555 - 52,666	52,929

# Risk Management

## Personnel Expenditures (Cont'd)

Job Number	Job Class	Job Title / Wages	FY2011 Budget	FY2012 Adopted	Salary Range	Total
20000293	1349	Information Systems Analyst 3	1.00	1.00	59,363 - 71,760	71,760
20000834	1811	Rehabilitation Coordinator	1.00	1.00	58,261 - 70,429	-
20001122	2157	Risk Management Director	1.00	1.00	31,741 - 173,971	145,500
20000847	1823	Safety Officer	2.00	2.00	57,907 - 69,930	140,560
20000854	1826	Safety Representative 2	4.00	4.00	50,461 - 61,027	229,146
20001042	1972	Safety and Training Manager	1.00	1.00	66,768 - 80,891	81,296
20001017	1937A	Senior Claims Representative	3.00	3.00	58,261 - 70,429	212,343
20000927	1879	Senior Clerk/Typist	1.00	1.00	36,067 - 43,514	37,149
20000359	1391B	Supervising Claims Representative	3.00	3.00	64,002 - 77,314	227,303
20000358	1391A	Supervising Claims Representative	1.00	1.00	64,002 - 77,314	77,314
90000359	1391B	Supervising Claims Representative - Hourly	0.00	0.09	64,002 - 77,314	3,327
20000970	1917	Supervising Management Analyst Bilingual - Regular Exceptional Performance Pay-Classified Termination Pay Annual Leave	1.00	1.00	66,768 - 80,891	78,464 10,192 4,224 20,979
<b>Salaries and Wages Subtotal</b>			<b>80.16</b>	<b>79.44</b>		<b>\$ 4,375,643</b>
<b>Fringe Benefits</b>						
		Employee Offset Savings				\$ 66,017
		Flexible Benefits				501,417
		Long-Term Disability				25,043
		Medicare				57,044
		Other Post-Employment Benefits				456,992
		Retirement ARC				1,394,138
		Retirement DROP				17,067
		Retirement Offset Contribution				13,277
		Risk Management Administration				75,882
		Supplemental Pension Savings Plan				149,943
		Unemployment Insurance				16,420
		Workers' Compensation				55,372
<b>Fringe Benefits Subtotal</b>						<b>\$ 2,828,612</b>
<b>Total Personnel Expenditures</b>						<b>\$ 7,204,255</b>

# Risk Management

## Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2011 Budget*	FY2012 Adopted
<b>BEGINNING BALANCE AND RESERVES</b>		
Balance from Prior Year	\$ 740,198	\$ (1,550,540)
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 740,198</b>	<b>\$ (1,550,540)</b>
<b>REVENUE</b>		
Services to the General Fund	\$ 8,896,447	\$ 9,196,359
Services to Other Funds	29,402	29,402
<b>TOTAL REVENUE</b>	<b>\$ 8,925,849</b>	<b>\$ 9,225,761</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 9,666,047</b>	<b>\$ 7,675,221</b>
<b>OPERATING EXPENSE</b>		
Operating Expense	\$ 9,666,047	\$ 9,225,761
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 9,666,047</b>	<b>\$ 9,225,761</b>
<b>TOTAL EXPENSE</b>	<b>\$ 9,666,047</b>	<b>\$ 9,225,761</b>
<b>BALANCE</b>	<b>\$ —</b>	<b>\$ (1,550,540)</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 9,666,047</b>	<b>\$ 7,675,221</b>

\* At the time of publication, audited financial statements for Fiscal Years 2010 and 2011 were not available. Therefore, the Fiscal Year 2011 column reflects final budget amounts from the Fiscal Year 2011 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.