

# **Risk Management**



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## Department Description

The Risk Management Department provides central risk management services to City of San Diego residents, visitors, and employees to limit the risk exposure of the City's network of departments and infrastructure. The Department also provides data on workers' compensation, vehicle accidents, and public liability claims to City departments. This data provides City departments the information needed to monitor risk activities and implement business process improvements.

Central risk services provided by the Risk Management Department include workers' compensation claims management, flexible benefits, employee savings plan administration, safety and environmental health oversight, public liability claims management, and loss recovery which are administered through the Finance and Administration, Safety and Environmental Health, Employees Benefits, Public Liability and Loss Recovery, and Workers' Compensation Divisions.

The Department's mission is:

*To effectively prevent, control, and minimize the City's financial risk and provide optimum services to the City's employees and the public through the centralized administration of employee benefits, loss control, and safety*

The Department's vision is:

*To continue to improve the City's risk management program through close collaboration with City departments in identifying, analyzing, and implementing risk prevention and safety programs that reduce or mitigate exposure for the City*

## Did you know?

- 9,700 employees received flexible benefits
- 14,000 Flexible Savings Accounts reimbursements were processed
- 840 ergonomic evaluations were performed

# Risk Management

## Goals and Objectives

### *Goal 1: Safeguard public assets through strong financial management*

- Establish fiscally sound financial policies
- Produce transparent financial reporting
- Prepare fiscally sound, balanced budgets and capital plans

### *Goal 2: Provide excellent customer service*

- Own the problem until it is resolved

### *Goal 3: Strengthen the City's financial knowledge, skills, and abilities*

- Maximize use of the City's financial data

## Key Performance Indicators

Performance Indicator	FY2016 Target	FY2016 Actual	FY2017 Target	FY2017 Actual	FY2018 Target
1. Percentage of Public Liability Reports completed on schedule per Council Policy 000-09 <sup>1</sup>	N/A	83%	100%	100%	100%
2. Ratio of open claims to closed claims for Workers' Compensation <sup>2</sup>	N/A	1:1	1:1	1:1	1:1

1. This was a new performance indicator for Fiscal Year 2016; therefore, no target was set for Fiscal Year 2016.

2. This was a new performance indicator for Fiscal Year 2016; therefore, no target was set for Fiscal Year 2016.

# Risk Management

## Department Summary

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
FTE Positions (Budgeted)	83.28	87.23	85.23	(2.00)
Personnel Expenditures	\$ 7,589,525	\$ 8,254,631	\$ 8,693,142	\$ 438,511
Non-Personnel Expenditures	2,330,390	2,518,963	2,314,124	(204,839)
<b>Total Department Expenditures</b>	<b>\$ 9,919,915</b>	<b>\$ 10,773,594</b>	<b>\$ 11,007,266</b>	<b>\$ 233,672</b>
<b>Total Department Revenue</b>	<b>\$ 9,989,622</b>	<b>\$ 10,529,309</b>	<b>\$ 10,529,309</b>	<b>\$ -</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Risk Management	\$ 9,919,915	\$ 10,773,594	\$ 11,007,266	\$ 233,672
<b>Total</b>	<b>\$ 9,919,915</b>	<b>\$ 10,773,594</b>	<b>\$ 11,007,266</b>	<b>\$ 233,672</b>

### Department Personnel

	FY2016 Budget	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Risk Management	83.28	87.23	85.23	(2.00)
<b>Total</b>	<b>83.28</b>	<b>87.23</b>	<b>85.23</b>	<b>(2.00)</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b>	0.00	\$ 424,047	\$ -
Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.			
<b>Workers' Compensation Temporary Staffing</b>	0.00	250,000	-
Addition of non-personnel expenditures in support of temporary staffing.			
<b>Reclassification of Positions</b>	0.00	125,758	-
Addition of 6.00 Program Coordinators offset by the reduction of 2.00 Employee Benefits Administrators, 1.00 Supervising Workers' Compensation Claims Representative, 1.00 Supervising Claims Representative, 1.00 Senior Management Analyst, and 1.00 Benefits Representative 2 to better align position classifications with the services provided by the Department.			
<b>Addition of Information Systems Analyst 3</b>	1.00	100,366	-
Addition of 1.00 Information Systems Analyst 3 to support the upgrade or replacement of the City's claims management system.			
<b>Addition of Claims Representative 2</b>	0.00	26,399	-
Addition of 1.00 Claims Representative 2 offset by a reduction in non-standard hour funding to support the Public Liability and Loss Recovery Division.			

# Risk Management

## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Rental Compensation</b> Addition of non-personnel expenditures for rental compensation to the General Fund for Non-General Fund use of the Civic Center Plaza building.	0.00	18,357	-
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	0.00	6,171	-
<b>Hourly Sick Leave</b> Adjustment to reflect prior year expenditure trends, related to paid sick leave benefits for eligible hourly employees consistent with the requirements of Assembly Bill 1522.	0.00	(1,019)	-
<b>Non-Discretionary Adjustment</b> Adjustment to 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	(39,091)	-
<b>Reduction of Benefits Representative 2</b> Reduction of 3.00 Benefits Representative 2 and offset by the addition of 2.00 Employee Benefits Specialist 2 positions to better align position classifications with the services provided by the Department.	(1.00)	(71,877)	-
<b>Reduction of Clerical Assistant 2</b> Reduction of 1.00 Clerical Assistant 2 in the Safety and Environmental Health Division.	(1.00)	(84,624)	-
<b>Reduction of Safety Representative 2</b> Reduction of 1.00 Safety Representative 2 in the Safety and Environmental Health Division.	(1.00)	(86,710)	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	(175,105)	-
<b>One-Time Reductions and Annualizations</b> Adjustment to reflect the removal of one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2017.	0.00	(259,000)	-
<b>Total</b>	<b>(2.00)</b>	<b>\$ 233,672</b>	<b>\$ -</b>

## Expenditures by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 4,609,219	\$ 4,944,872	\$ 5,110,677	\$ 165,805
Fringe Benefits	2,980,306	3,309,759	3,582,465	272,706
<b>PERSONNEL SUBTOTAL</b>	<b>7,589,525</b>	<b>8,254,631</b>	<b>8,693,142</b>	<b>438,511</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 135,797	\$ 90,966	\$ 79,882	\$ (11,084)
Contracts	1,355,061	936,029	906,426	(29,603)
Information Technology	799,858	1,017,237	842,132	(175,105)
Energy and Utilities	7,514	6,817	5,413	(1,404)
Other	32,160	30,125	24,125	(6,000)

# Risk Management

## Expenditures by Category (Cont'd)

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Transfers Out	-	437,789	456,146	18,357
<b>NON-PERSONNEL SUBTOTAL</b>	<b>2,330,390</b>	<b>2,518,963</b>	<b>2,314,124</b>	<b>(204,839)</b>
<b>Total</b>	<b>\$ 9,919,915</b>	<b>\$ 10,773,594</b>	<b>\$ 11,007,266</b>	<b>\$ 233,672</b>

## Revenues by Category

	FY2016 Actual	FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Charges for Services	\$ 72,652	\$ 39,402	\$ 39,402	\$ -
Other Revenue	9,902,967	10,489,907	10,489,907	-
Rev from Money and Prop	14,003	-	-	-
<b>Total</b>	<b>\$ 9,989,622</b>	<b>\$ 10,529,309</b>	<b>\$ 10,529,309</b>	<b>\$ -</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
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### FTE, Salaries, and Wages

20000024	Administrative Aide 2	1.00	1.00	1.00	\$42,578 - \$51,334	\$ 47,918
20000119	Associate Management Analyst	2.00	2.00	1.00	54,059 - 65,333	46,738
20000188	Benefits Representative 2	8.00	5.00	0.00	32,968 - 39,811	-
20000277	Claims Aide	2.00	2.00	2.00	36,962 - 44,533	87,730
90000277	Claims Aide - Hourly	0.35	0.35	0.00	36,962 - 44,533	-
20000278	Claims Clerk	11.00	13.00	13.00	31,491 - 37,918	473,624
20000285	Claims Representative 2	7.00	7.00	8.00	52,936 - 64,022	492,846
90000285	Claims Representative 2 - Hourly	0.00	0.38	0.00	52,936 - 64,022	-
20000539	Clerical Assistant 2	2.00	2.00	1.00	29,931 - 36,067	36,067
90000539	Clerical Assistant 2 - Hourly	0.50	0.50	0.23	29,931 - 36,067	7,583
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	122,000
20000382	Employee Assistance Counselor	1.00	0.00	0.00	52,936 - 64,022	-
20000411	Employee Assistance Program Manager	1.00	0.00	0.00	66,768 - 80,891	-
20000393	Employee Benefits Administrator	2.00	2.00	0.00	66,768 - 80,891	-
90000394	Employee Benefits Specialist 1 - Hourly	0.35	0.00	0.00	44,470 - 54,059	-
20000383	Employee Benefits Specialist 2	2.00	5.00	7.00	54,059 - 65,333	400,731
20000293	Information Systems Analyst 3	1.00	1.00	2.00	59,363 - 71,760	143,520
20000172	Payroll Specialist 1	1.00	1.00	1.00	33,093 - 39,832	33,093
20001234	Program Coordinator	0.00	2.00	8.00	23,005 - 137,904	769,752
20001222	Program Manager	6.00	6.00	6.00	46,966 - 172,744	621,000
20001122	Risk Management Director	1.00	1.00	1.00	31,741 - 173,971	160,000
20000847	Safety Officer	2.00	2.00	2.00	57,907 - 69,930	137,762
20000854	Safety Representative 2	4.00	4.00	3.00	50,461 - 61,027	161,034
20001016	Senior Claims Representative	1.00	2.00	2.00	58,261 - 70,429	140,858
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	42,861
20000015	Senior Management Analyst	0.00	0.00	1.00	59,363 - 71,760	71,760
21000188	Senior Workers' Compensation Claims Representative	3.00	3.00	5.00	58,261 - 70,429	334,129

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## Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2016 Budget	FY2017 Budget	FY2018 Adopted	Salary Range	Total
20000358	Supervising Claims Representative	1.00	1.00	0.00	64,002 - 77,314	-
90000357	Supervising Claims Representative - Hourly	0.08	0.00	0.00	64,002 - 77,314	-
20000970	Supervising Management Analyst	0.00	0.00	1.00	66,768 - 80,891	66,768
21000189	Supervising Workers' Compensation Claims Representative	3.00	3.00	1.00	64,002 - 77,314	64,002
21000190	Workers' Compensation Claims Aide	4.00	5.00	5.00	36,962 - 44,533	211,015
21000186	Workers' Compensation Claims Representative 2	14.00	14.00	12.00	52,936 - 64,022	709,245
	Bilingual - Regular					7,280
	Budgeted Vacancy Savings					(318,615)
	Overtime Budgeted					39,224
	Sick Leave - Hourly					752
FTE, Salaries, and Wages Subtotal		83.28	87.23	85.23		\$ 5,110,677
		FY2016 Actual		FY2017 Budget	FY2018 Adopted	FY2017-2018 Change
Fringe Benefits						
	Employee Offset Savings	\$ 46,518	\$ 44,736	\$ 37,294	\$ (7,442)	
	Flexible Benefits	634,429	826,616	958,076	131,460	
	Insurance	108	-	-	-	
	Long-Term Disability	14,930	15,567	-	(15,567)	
	Medicare	67,994	69,977	73,631	3,654	
	Other Post-Employment Benefits	450,512	467,273	468,078	805	
	Retiree Medical Trust	3,600	4,766	6,905	2,139	
	Retirement 401 Plan	4,119	3,680	3,107	(573)	
	Retirement ADC	1,354,397	1,371,708	1,543,404	171,696	
	Retirement DROP	15,319	14,955	8,282	(6,673)	
	Risk Management Administration	76,262	80,738	78,858	(1,880)	
	Supplemental Pension Savings Plan	262,199	308,762	349,650	40,888	
	Unemployment Insurance	8,480	8,904	9,067	163	
	Workers' Compensation	41,440	92,077	46,113	(45,964)	
Fringe Benefits Subtotal		\$ 2,980,306	\$ 3,309,759	\$ 3,582,465	\$ 272,706	
Total Personnel Expenditures					\$ 8,693,142	



# Risk Management

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

Risk Management Administration Fund	FY2016 Actual	FY2017* Budget	FY2018 Adopted
<b>BEGINNING BALANCE AND RESERVES</b>			
Balance from Prior Year	\$ 526,764	\$ 596,472	\$ 683,420
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 526,764</b>	<b>\$ 596,472</b>	<b>\$ 683,420</b>
<b>REVENUE</b>			
Charges for Services	\$ 72,652	\$ 39,402	\$ 39,402
Other Revenue	9,902,967	10,489,907	10,489,907
Revenue from Use of Money and Property	14,003	—	—
<b>TOTAL REVENUE</b>	<b>\$ 9,989,622</b>	<b>\$ 10,529,309</b>	<b>\$ 10,529,309</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 10,516,387</b>	<b>\$ 11,125,781</b>	<b>\$ 11,212,729</b>
<b>OPERATING EXPENSE</b>			
Personnel Expenses	\$ 4,609,219	\$ 4,944,872	\$ 5,110,677
Fringe Benefits	2,980,306	3,309,759	3,582,465
Supplies	135,797	90,966	79,882
Contracts	1,355,061	936,029	906,426
Information Technology	799,858	1,017,237	842,132
Energy and Utilities	7,514	6,817	5,413
Other Expenses	32,160	30,125	24,125
Transfers Out	—	437,789	456,146
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 9,919,915</b>	<b>\$ 10,773,594</b>	<b>\$ 11,007,266</b>
<b>TOTAL EXPENSE</b>	<b>\$ 9,919,915</b>	<b>\$ 10,773,594</b>	<b>\$ 11,007,266</b>
<b>BALANCE</b>	<b>\$ 596,472</b>	<b>\$ 352,187</b>	<b>\$ 205,463</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 10,516,387</b>	<b>\$ 11,125,781</b>	<b>\$ 11,212,729</b>

\* At the time of publication, audited financial statements for Fiscal Year 2017 were not available. Therefore, the Fiscal Year 2017 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2017 Adopted Budget, while the beginning Fiscal Year 2017 balance amount reflects the audited Fiscal Year 2016 ending balance.



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