

Risk Management



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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, and public liability claims to City departments. This data provides City departments the information needed to monitor liability exposures 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, public liability claims management, loss recovery, and oversight of the insurance program, which are administered through the Finance and Administration, Employees Benefits, Public Liability and Loss Recovery, and Workers' Compensation Divisions.

The 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 strategies that reduce or mitigate exposure for the City.

The 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 claims, employee benefits, and loss control.

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	FY2020 Target	FY2020 Actual	FY2021 Target	FY2021 Actual	FY2022 Target
Percentage of Public Liability Reports completed on schedule per Council Policy 000-09	100%	100%	100%	100%	100%
Ratio of open claims to closed claims for Workers' Compensation ¹	0.0424	0.0424	0.0424	1:9	0.0424

1. The target was not met in FY2021 due to a surge of COVID-19 related cases.

Risk Management

Department Summary

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
FTE Positions (Budgeted)	89.23	85.23	79.23	(6.00)
Personnel Expenditures	\$ 10,023,463	\$ 10,042,143	\$ 10,468,283	\$ 426,140
Non-Personnel Expenditures	1,831,077	2,197,581	2,255,854	58,273
Total Department Expenditures	\$ 11,854,540	\$ 12,239,724	\$ 12,724,137	\$ 484,413
Total Department Revenue	\$ 12,713,539	\$ 11,000,000	\$ 12,084,323	\$ 1,084,323

Risk Management Administration Fund

Department Expenditures

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Risk Management	\$ 11,854,540	\$ 12,239,724	\$ 12,724,137	\$ 484,413
Total	\$ 11,854,540	\$ 12,239,724	\$ 12,724,137	\$ 484,413

Department Personnel

	FY2020 Budget	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Risk Management	89.23	85.23	79.23	(6.00)
Total	89.23	85.23	79.23	(6.00)

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Salary and Benefit Adjustments Adjustments to reflect savings resulting from vacant positions for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiations.	0.00	\$ 1,188,577	\$ -
Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology requirements.	0.00	341,895	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2021.	0.00	90,000	-
Addition of Claims Representative 2 Addition of 1.00 Claims Representative 2 to support the Public Liability and Loss Recovery Division.	1.00	87,506	-
City's Claims Management System Addition of non-personnel expenditures related to the annual maintenance fee to support the City's claims management system.	0.00	30,964	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Pay-In-Lieu of Annual Leave Adjustments Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	30,332	-
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	0.00	383	-
Equipment Rate Reduction Reduction in non-personnel expenditures associated with a rate reduction for equipment rentals.	0.00	(52)	-
Non-Discretionary Adjustment 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	(305,772)	-
Safety and Environment Program Transfer of 7.00 FTE Positions and associated non-personnel expenditures from the Risk Management Department to the new Compliance Department.	(7.00)	(979,420)	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2021.	0.00	-	2,015,293
Reimbursable Revenue Adjustment of revenue associated with the discontinuation of the Service Level Agreement with the Public Utilities Department.	0.00	-	(139,031)
Revised Revenue Reduction of revenue associated with the restructure of the Safety and Environment Program.	0.00	-	(791,939)
Total	(6.00)	\$ 484,413	\$ 1,084,323

Expenditures by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
PERSONNEL				
Personnel Cost	\$ 5,956,448	\$ 5,979,261	\$ 6,161,853	182,592
Fringe Benefits	4,067,015	4,062,882	4,306,430	243,548
PERSONNEL SUBTOTAL	10,023,463	10,042,143	10,468,283	426,140
NON-PERSONNEL				
Supplies	\$ 64,230	\$ 86,304	\$ 84,498	(1,806)
Contracts	957,320	1,404,808	1,093,687	(311,121)
Information Technology	796,106	685,969	1,058,828	372,859
Energy and Utilities	4,688	5,500	4,841	(659)
Other	8,734	15,000	14,000	(1,000)
NON-PERSONNEL SUBTOTAL	1,831,077	2,197,581	2,255,854	58,273
Total	\$ 11,854,540	\$ 12,239,724	\$ 12,724,137	\$ 484,413

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Revenues by Category

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Charges for Services	\$ 16,697	\$ 159,031	\$ 20,000	\$ (139,031)
Licenses and Permits	265	-	-	-
Other Revenue	12,616,307	10,840,969	12,064,323	1,223,354
Rev from Money and Prop	25,582	-	-	-
Transfers In	54,687	-	-	-
Total	\$ 12,713,539	\$ 11,000,000	\$ 12,084,323	\$ 1,084,323

Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Adopted	Salary Range	Total
FTE, Salaries, and Wages						
20000011	Account Clerk	2.00	2.00	0.00	\$ 34,957 - 42,074	\$ -
20000024	Administrative Aide 2	1.00	1.00	2.00	47,266 - 56,957	96,695
20000119	Associate Management Analyst	2.00	2.00	2.00	60,007 - 72,510	134,186
20000277	Claims Aide	2.00	2.00	2.00	41,036 - 49,429	97,376
20000278	Claims Clerk	13.00	13.00	13.00	34,957 - 42,074	539,097
20000282	Claims Representative 2	0.00	0.00	1.00	58,753 - 71,061	64,550
20000285	Claims Representative 2	9.00	6.00	6.00	58,753 - 71,061	411,925
90000539	Clerical Assistant 2- Hourly	0.23	0.23	0.23	33,205 - 40,019	8,413
20000013	Deputy Director	1.00	0.00	0.00	52,133 - 191,703	-
20001168	Deputy Director	1.00	2.00	2.00	52,133 - 191,703	299,646
20000383	Employee Benefits Specialist 2	7.00	6.00	6.00	60,007 - 72,510	422,557
20000293	Information Systems Analyst 3	2.00	2.00	2.00	65,869 - 79,649	159,298
20000172	Payroll Specialist 1	1.00	0.00	0.00	41,507 - 49,955	-
20001234	Program Coordinator	9.00	9.00	9.00	32,448 - 153,046	960,974
20001222	Program Manager	6.00	6.00	4.00	52,133 - 191,703	502,684
20001122	Risk Management Director	1.00	1.00	1.00	35,217 - 193,066	183,093
20000847	Safety Officer	3.00	3.00	0.00	64,269 - 77,616	-
20000854	Safety Representative 2	2.00	2.00	0.00	56,005 - 67,730	-
20001016	Senior Claims Representative	2.00	3.00	3.00	64,636 - 78,156	233,296
20000927	Senior Clerk/Typist	1.00	1.00	1.00	40,019 - 48,283	47,559
20000015	Senior Management Analyst	1.00	1.00	1.00	65,869 - 79,649	79,649
21000188	Senior Workers' Compensation Claims Representative	5.00	5.00	4.00	78,221 - 94,597	375,550
20000358	Supervising Claims Representative	1.00	1.00	1.00	71,039 - 85,814	85,814
21000189	Supervising Workers' Compensation Claims Representative	0.00	0.00	1.00	85,944 - 103,812	103,812
21000190	Workers' Compensation Claims Aide	4.00	3.00	4.00	41,036 - 49,429	186,359
21000186	Workers' Compensation Claims Representative 2 Bilingual - Regular	13.00	14.00	14.00	71,083 - 85,966	1,193,659
						5,824

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Personnel Expenditures

Job Number	Job Title / Wages	FY2020 Budget	FY2021 Budget	FY2022 Adopted	Salary Range	Total
	Budgeted Personnel					(148,309)
	Expenditure Savings					
	Overtime Budgeted					35,824
	Sick Leave - Hourly					752
	Vacation Pay In Lieu					81,570
FTE, Salaries, and Wages Subtotal		89.23	85.23	79.23		\$ 6,161,853

	FY2020 Actual	FY2021 Budget	FY2022 Adopted	FY2021-2022 Change
Fringe Benefits				
Employee Offset Savings	\$ 47,021	\$ 44,701	\$ 44,385	\$ (316)
Flexible Benefits	990,670	1,059,607	1,029,337	(30,270)
Insurance	1,181	-	-	-
Long-Term Disability	-	20,732	24,219	3,487
Medicare	92,079	86,686	87,636	950
Other	74,364	-	-	-
Other Post-Employment Benefits	511,849	490,854	465,956	(24,898)
Retiree Medical Trust	8,163	8,593	8,512	(81)
Retirement 401 Plan	3,085	2,635	2,111	(524)
Retirement ADC	1,779,724	1,782,642	2,045,580	262,938
Retirement DROP	10,755	11,410	17,373	5,963
Risk Management Administration	98,789	82,602	80,636	(1,966)
Supplemental Pension Savings Plan	414,437	435,407	445,988	10,581
Unemployment Insurance	9,300	9,189	8,811	(378)
Workers' Compensation	25,598	27,824	45,886	18,062
Fringe Benefits Subtotal	\$ 4,067,015	\$ 4,062,882	\$ 4,306,430	\$ 243,548
Total Personnel Expenditures			\$ 10,468,283	

Risk Management

Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2020 Actual	FY2021* Budget	FY2022** Adopted
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 596,354	\$ 1,455,353	\$ 1,037,784
TOTAL BALANCE AND RESERVES	\$ 596,354	\$ 1,455,353	\$ 1,037,784
REVENUE			
Charges for Services	\$ 16,697	\$ 159,031	\$ 20,000
Licenses and Permits	265	-	-
Other Revenue	12,616,307	10,840,969	12,064,323
Revenue from Use of Money and Property	25,582	-	-
Transfers In	54,687	-	-
TOTAL REVENUE	\$ 12,713,538	\$ 11,000,000	\$ 12,084,323
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 13,309,892	\$ 12,455,353	\$ 13,122,107
OPERATING EXPENSE			
Personnel Expenses	\$ 5,956,448	\$ 5,979,261	\$ 6,161,853
Fringe Benefits	4,067,015	4,062,882	4,306,430
Supplies	64,230	86,304	84,498
Contracts	957,320	1,404,808	1,093,687
Information Technology	796,106	685,969	1,058,828
Energy and Utilities	4,688	5,500	4,841
Other Expenses	8,734	15,000	14,000
TOTAL OPERATING EXPENSE	\$ 11,854,541	\$ 12,239,724	\$ 12,724,137
TOTAL EXPENSE	\$ 11,854,541	\$ 12,239,724	\$ 12,724,137
BALANCE	\$ 1,455,351	\$ 215,629	\$ 397,970
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 13,309,892	\$ 12,455,353	\$ 13,122,107

* At the time of publication, audited financial statements for Fiscal Year 2021 were not available. Therefore, the Fiscal Year 2021 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2021 Adopted Budget, while the beginning Fiscal Year 2021 balance amount reflects the audited Fiscal Year 2020 ending balance.

** Fiscal Year 2022 Beginning Fund Balance reflect the projected Fiscal Year 2021 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2021.