

# **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, loss prevention, and oversight of the insurance program which are administered through the Workers' Compensation, Public Liability and Loss Recovery, Employee Benefits, Loss Control, Finance/Administration, and IT Support sections.

***The vision is:***

Proactively reduce risk exposure and champion a culture of health and safety for the well-being of employees and the public.

***The mission is:***

Provide optimum services to City employees and the public through the administration of claims, employee benefits, loss control, and partnering with City departments to mitigate and manage risks.

### Goals and Objectives

***Goal 1: Create innovative workflows and processes.***

- Implementing new technology to streamline operations
- Going paperless

***Goal 2: Provide high quality customer service and stewardship of City finances.***

- Training for staff
- Succession planning and career development plans

# Risk Management

**Goal 3: Support data-informed decision making to reduce the City's risk exposure.**

- Analyzing and sharing data to inform decisions and strategy
- Ensuring data integrity

<b>Budget Equity Impact Statement</b>	
<b>Budget Equity Lens Summary Base Budget</b>	<b>Budget Equity Lens Summary Budget Adjustment</b>
<p><b><i>Is there an opportunity to adjust the department's ongoing Base Budget to address disparity?</i></b></p> <p>Yes</p> <p>The Risk Management Department is implementing internal efficiencies to address disparities in workload and free up staff time to improve customer service. This will primarily be achieved through the department's first Tactical Equity Plan goal #1: Create innovative workflows and processes.</p>	<p><b><i>Do the Budget Adjustments address a disparity?</i></b></p> <p>Yes</p> <p>The budget adjustments will address disparities that align with the Risk Management Department's Tactical Equity Plan goals: 1. Create innovative workflows and processes. 2. Provide high quality customer service and stewardship of City finances. 3. Support data-informed decision making to reduce the City's risk exposure. The budget adjustments requested collectively address disparities among employee workload as well as our service delivery to City employees and external customers. By permanently adding supplemental positions, the department is able to redistribute workload, allowing Risk Management's workers' compensation and public liability staff to more quickly respond to both internal and external customers. The addition of 1.00 Associate Management Analyst in the City's Insurance Program will primarily assist community groups, through enhanced customer engagement, to understand and meet the City's insurance requirements for special events and thereby reduce liabilities. Additions related to the claims management system relate to supporting staff in the delivery of service through maintaining the existing system and providing sufficient licenses for all staff to do their work. The addition of a supplemental position will provide the resources required for the procurement and implementation of a new system, which will not only continue to support staff's mission but will be more efficient and enhance the department's ability to support data-informed decision making.</p>

# Risk Management

## Key Performance Indicators

Performance Indicator	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	Goal
Percentage of Public Liability Reports completed on schedule per Council Policy 000-09	100%	100%	100%	100%	100%	100%
Ratio of open claims to closed claims for Workers' Compensation	1:0.9	1:1	1:0.9	1:0.8	1:1	1:1

# Risk Management

## Department Summary

	FY2022 Actual	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
FTE Positions (Budgeted)	79.23	87.23	94.00	6.77
Personnel Expenditures	\$ 10,253,235	\$ 11,676,602	\$ 13,342,780	\$ 1,666,178
Non-Personnel Expenditures	2,054,829	2,306,672	2,012,794	(293,878)
<b>Total Department Expenditures</b>	<b>\$ 12,308,064</b>	<b>\$ 13,983,274</b>	<b>\$ 15,355,574</b>	<b>\$ 1,372,300</b>
<b>Total Department Revenue</b>	<b>\$ 11,617,278</b>	<b>\$ 14,122,276</b>	<b>\$ 14,870,720</b>	<b>\$ 748,444</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2022 Actual	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
Risk Management	\$ 12,308,064	\$ 13,983,274	\$ 15,355,574	\$ 1,372,300
<b>Total</b>	<b>\$ 12,308,064</b>	<b>\$ 13,983,274</b>	<b>\$ 15,355,574</b>	<b>\$ 1,372,300</b>

### Department Personnel

	FY2022 Budget	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
Risk Management	79.23	87.23	94.00	6.77
<b>Total</b>	<b>79.23</b>	<b>87.23</b>	<b>94.00</b>	<b>6.77</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Salary and Benefit Adjustments</b> 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	\$ 856,278	\$ -
<b>Divisional Support</b> Addition of 6.00 FTE positions and non-personnel expenditures to support the Workers' Compensation, and Public Liability and Loss Recovery Divisions.	6.00	724,463	-
<b>Commercial Insurance Program Support</b> Addition of 1.00 Associate Management Analyst, non-personnel expenditures, and associated revenue to support the City's Commercial Insurance Program.	1.00	113,822	79,000
<b>Claims Management System</b> Addition of non-personnel expenditures to support the City's Claims Management System.	0.00	86,588	-
<b>Defined Contribution Plans Support</b> Addition of non-personnel expenditures to support contractual services for the Defined Contribution Plans Trustee Board.	0.00	6,735	-
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	(0.23)	(10,412)	-

# Risk Management

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Pay-in Lieu of Annual Leave Adjustments</b> Adjustments to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	(11,973)	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	0.00	(30,490)	-
<b>One-Time Additions and Annualizations</b> Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2023.	0.00	(163,600)	-
<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	(199,111)	-
<b>Revised Risk Management Administration Revenue</b> Adjustment to reflect revised risk management administration revenue projections.	0.00	-	669,444
<b>Total</b>	<b>6.77 \$</b>	<b>1,372,300 \$</b>	<b>748,444</b>

## Expenditures by Category

	FY2022 Actual	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 5,939,393	\$ 7,223,884	\$ 8,571,357	1,347,473
Fringe Benefits	4,313,842	4,452,718	4,771,423	318,705
<b>PERSONNEL SUBTOTAL</b>	<b>10,253,235</b>	<b>11,676,602</b>	<b>13,342,780</b>	<b>1,666,178</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 62,976	\$ 87,047	\$ 86,349	(698)
Contracts & Services	1,112,111	1,133,169	840,245	(292,924)
<i>External Contracts &amp; Services</i>	929,002	894,917	599,654	(295,263)
<i>Internal Contracts &amp; Services</i>	183,109	238,252	240,591	2,339
Information Technology	870,533	1,067,615	1,067,359	(256)
Energy and Utilities	2,791	4,841	4,841	-
Other	6,418	14,000	14,000	-
<b>NON-PERSONNEL SUBTOTAL</b>	<b>2,054,829</b>	<b>2,306,672</b>	<b>2,012,794</b>	<b>(293,878)</b>
<b>Total</b>	<b>\$ 12,308,064 \$</b>	<b>\$ 13,983,274 \$</b>	<b>\$ 15,355,574 \$</b>	<b>\$ 1,372,300</b>

## Revenues by Category

	FY2022 Actual	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
Charges for Services	\$ 270	\$ -	\$ 79,000	79,000
Licenses and Permits	106	-	-	-
Other Revenue	11,606,969	14,122,276	14,791,720	669,444
Rev from Money and Prop	9,934	-	-	-
<b>Total</b>	<b>\$ 11,617,278 \$</b>	<b>\$ 14,122,276 \$</b>	<b>\$ 14,870,720 \$</b>	<b>748,444</b>

# Risk Management

## Personnel Expenditures

Job Number	Job Title / Wages	FY2022 Budget	FY2023 Budget	FY2024 Adopted	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000024	Administrative Aide 2	2.00	2.00	2.00	\$ 58,888 - 70,962	\$ 129,850
20000119	Associate Management Analyst	2.00	2.00	2.00	74,763 - 90,340	172,406
20000277	Claims Aide	2.00	2.00	2.00	51,126 - 61,583	121,318
20000278	Claims Clerk	13.00	12.00	11.00	45,627 - 54,916	572,381
20000281	Claims Representative 1	0.00	0.00	1.00	60,478 - 73,199	60,478
20000282	Claims Representative 2	1.00	0.00	0.00	73,199 - 88,535	-
20000285	Claims Representative 2	6.00	7.00	10.00	73,199 - 88,535	855,469
90000539	Clerical Assistant 2 - Hourly	0.23	0.23	0.00	41,370 - 49,860	-
20001168	Deputy Director	2.00	2.00	2.00	67,740 - 249,134	337,895
20000393	Employee Benefits Administrator	0.00	1.00	1.00	83,726 - 101,449	83,726
20000383	Employee Benefits Specialist 2	6.00	8.00	8.00	67,812 - 81,941	626,003
20000293	Information Systems Analyst 3	2.00	2.00	2.00	83,637 - 101,133	202,266
20000172	Payroll Specialist 1	0.00	1.00	1.00	48,050 - 57,830	48,050
20001234	Program Coordinator	9.00	10.00	10.00	36,489 - 198,900	1,291,789
20001222	Program Manager	4.00	5.00	7.00	67,740 - 249,134	1,027,662
20001122	Risk Management Director	1.00	1.00	1.00	89,589 - 339,372	221,431
20001016	Senior Claims Representative	3.00	3.00	2.00	80,530 - 97,375	192,606
20000927	Senior Clerk/Typist	1.00	1.00	1.00	48,915 - 59,015	59,015
20000015	Senior Management Analyst	1.00	1.00	2.00	82,066 - 99,234	164,132
21000188	Senior Workers' Compensation Claims Representative	4.00	4.00	4.00	88,395 - 106,900	424,392
20000357	Supervising Claims Representative	0.00	1.00	1.00	88,508 - 106,915	97,186
20000358	Supervising Claims Representative	1.00	2.00	3.00	88,508 - 106,915	320,745
21000189	Supervising Workers' Compensation Claims Representative	1.00	1.00	1.00	97,122 - 117,314	117,314
21000190	Workers' Compensation Claims Aide	4.00	4.00	5.00	51,126 - 61,583	284,437
21000186	Workers' Compensation Claims Representative 2	14.00	15.00	15.00	80,328 - 97,146	1,424,380
	Bilingual - Regular					5,824
	Budgeted Personnel Expenditure Savings					(415,877)
	Overtime Budgeted					35,824
	Sick Leave - Hourly					752
	Vacation Pay In Lieu					109,903
<b>FTE, Salaries, and Wages Subtotal</b>		<b>79.23</b>	<b>87.23</b>	<b>94.00</b>		<b>\$ 8,571,357</b>

	FY2022 Actual	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
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**Fringe Benefits**



# Risk Management

	FY2022 Actual	FY2023 Budget	FY2024 Adopted	FY2023-2024 Change
Employee Offset Savings	\$ 44,926	\$ 48,203	\$ 46,373	\$ (1,830)
Flexible Benefits	1,016,009	1,105,269	1,111,116	5,847
Insurance	1,039	-	-	-
Long-Term Disability	25,302	24,696	29,718	5,022
Medicare	90,479	102,388	122,159	19,771
Other Post-Employment Benefits	457,111	460,809	506,321	45,512
Retiree Medical Trust	8,651	10,967	15,145	4,178
Retirement 401 Plan	3,907	11,361	57,755	46,394
Retirement ADC	2,102,954	2,055,013	2,535,677	480,664
Retirement DROP	11,833	14,960	10,203	(4,757)
Risk Management Administration	81,439	94,365	114,543	20,178
Supplemental Pension Savings Plan	412,298	454,799	155,481	(299,318)
Unemployment Insurance	8,625	8,963	9,601	638
Workers' Compensation	49,269	60,925	57,331	(3,594)
<b>Fringe Benefits Subtotal</b>	<b>\$ 4,313,842</b>	<b>\$ 4,452,718</b>	<b>\$ 4,771,423</b>	<b>\$ 318,705</b>
<b>Total Personnel Expenditures</b>			<b>\$ 13,342,780</b>	

# Risk Management

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

Risk Management Administration Fund	FY2022 Actual	FY2023* Budget	FY2024** Adopted
<b>BEGINNING BALANCE AND RESERVES</b>			
Balance from Prior Year	\$ 1,070,242	\$ 378,383	\$ 829,447
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 1,070,242</b>	<b>\$ 378,383</b>	<b>\$ 829,447</b>
<b>REVENUE</b>			
Charges for Services	\$ 270	\$ -	\$ 79,000
Licenses and Permits	106	-	-
Other Revenue	11,605,895	14,122,276	14,791,720
Revenue from Use of Money and Property	9,934	-	-
<b>TOTAL REVENUE</b>	<b>\$ 11,616,205</b>	<b>\$ 14,122,276</b>	<b>\$ 14,870,720</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 12,686,447</b>	<b>\$ 14,500,659</b>	<b>\$ 15,700,167</b>
<b>OPERATING EXPENSE</b>			
Personnel Expenses	\$ 5,939,393	\$ 7,223,884	\$ 8,571,357
Fringe Benefits	4,313,842	4,452,718	4,771,423
Supplies	62,976	87,047	86,349
Contracts & Services	1,112,111	1,133,169	840,245
Information Technology	870,533	1,067,615	1,067,359
Energy and Utilities	2,791	4,841	4,841
Other Expenses	6,418	14,000	14,000
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 12,308,064</b>	<b>\$ 13,983,274</b>	<b>\$ 15,355,574</b>
<b>TOTAL EXPENSE</b>	<b>\$ 12,308,064</b>	<b>\$ 13,983,274</b>	<b>\$ 15,355,574</b>
<b>BALANCE</b>	<b>\$ 378,383</b>	<b>\$ 517,385</b>	<b>\$ 344,593</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 12,686,447</b>	<b>\$ 14,500,659</b>	<b>\$ 15,700,167</b>

\* At the time of publication, audited financial statements for Fiscal Year 2023 were not available. Therefore, the Fiscal Year 2023 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2023 Adopted Budget, while the beginning Fiscal Year 2023 balance amount reflects the audited Fiscal Year 2022 ending balance.

\*\* Fiscal Year 2024 Beginning Fund Balance reflects the projected Fiscal Year 2023 Ending Fund Balance based on updated Revenue and Expenditures projections for Fiscal Year 2023.