

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 with 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

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- Succession planning and career development plans

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

Budget Equity Impact Statement	
Budget Equity Lens Summary Base Budget	Budget Equity Lens Summary Budget Adjustment
<p><i>Is there an opportunity to adjust the department's ongoing Base Budget to address disparity?</i></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><i>Do the Budget Adjustments address a disparity?</i></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>

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Key Performance Indicators

Performance Indicator	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimate	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	1:90	1:1	1:0.9	1:0.8	1:1.2	1:1

1. The target was not met in FY2021 and FY2022 due to a surge of COVID-19 related cases. In FY2023 the target is anticipated to be exceeded as COVID-19 claims are resolved.

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Department Summary

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
FTE Positions (Budgeted)	79.23	87.23	94.00	6.77
Personnel Expenditures	\$ 10,253,235	\$ 11,676,602	\$ 13,115,410	\$ 1,438,808
Non-Personnel Expenditures	2,054,829	2,306,672	2,012,794	(293,878)
Total Department Expenditures	\$ 12,308,064	\$ 13,983,274	\$ 15,128,204	\$ 1,144,930
Total Department Revenue	\$ 11,617,278	\$ 14,122,276	\$ 15,853,932	\$ 1,731,656

Risk Management Administration Fund

Department Expenditures

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Risk Management	\$ 12,308,064	\$ 13,983,274	\$ 15,128,204	\$ 1,144,930
Total	\$ 12,308,064	\$ 13,983,274	\$ 15,128,204	\$ 1,144,930

Department Personnel

	FY2022 Budget	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Risk Management	79.23	87.23	94.00	6.77
Total	79.23	87.23	94.00	6.77

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Divisional Support Addition of 6.00 FTE positions and non-personnel expenditures to support the Workers' Compensation and Public Liability and Loss Recovery Divisions.	6.00	\$ 698,485	-
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	661,430	-
Commercial Insurance Program Support Addition of 1.00 Associate Management Analyst, non-personnel expenditures, and associated revenue to support the City's Commercial Insurance Program.	1.00	107,278	79,000
Claims Management System Addition of non-personnel expenditures to support the City's Claims Management System.	0.00	86,588	-
Defined Contribution Plans Support Addition of non-personnel expenditures to support contractual services for the Defined Contribution Plans Trustee Board.	0.00	6,735	-

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Non-Standard Hour Personnel Funding Funding allocated according to a zero-based annual review of hourly funding requirements.	(0.23)	(10,412)	-
Pay-in Lieu of Annual Leave Adjustments Adjustments to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	(11,973)	-
Support for Information Technology Adjustment to expenditure allocations according to an annual review of information technology funding requirements.	0.00	(30,490)	-
One-Time Additions and Annualizations Adjustment to reflect one-time revenues and expenditures, and the annualization of revenues and expenditures, implemented in Fiscal Year 2023.	0.00	(163,600)	-
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	(199,111)	-
Revised Risk Management Administration Revenue Adjustment to reflect revised risk management administration revenue projections.	0.00	-	1,652,656
Total	6.77 \$	1,144,930 \$	1,731,656

Expenditures by Category

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
PERSONNEL				
Personnel Cost	\$ 5,939,393	\$ 7,223,884	\$ 8,333,541	1,109,657
Fringe Benefits	4,313,842	4,452,718	4,781,869	329,151
PERSONNEL SUBTOTAL	10,253,235	11,676,602	13,115,410	1,438,808
NON-PERSONNEL				
Supplies	\$ 62,976	\$ 87,047	\$ 86,349	(698)
Contracts & Services	1,112,111	1,133,169	840,245	(292,924)
<i>External Contracts & Services</i>	929,002	894,917	599,654	(295,263)
<i>Internal Contracts & 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	-
NON-PERSONNEL SUBTOTAL	2,054,829	2,306,672	2,012,794	(293,878)
Total	\$ 12,308,064	\$ 13,983,274	\$ 15,128,204	\$ 1,144,930

Revenues by Category

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Charges for Services	\$ 270	\$ -	\$ 1,731,656	1,731,656
Licenses and Permits	106	-	-	-
Other Revenue	11,605,895	14,122,276	14,122,276	-

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Revenues by Category

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Rev from Money and Prop	9,934	-	-	-
Total	\$ 11,616,205	\$ 14,122,276	\$ 15,853,932	\$ 1,731,656

Personnel Expenditures

Job Number	Job Title / Wages	FY2022 Budget	FY2023 Budget	FY2024 Proposed	Salary Range	Total
FTE, Salaries, and Wages						
2000024	Administrative Aide 2	2.00	2.00	2.00	\$ 54,716 - 65,935	\$ 126,684
20000119	Associate Management Analyst	2.00	2.00	2.00	69,466 - 83,940	164,389
20000277	Claims Aide	2.00	2.00	2.00	47,504 - 57,220	118,360
20000278	Claims Clerk	13.00	12.00	11.00	40,467 - 48,706	535,023
20000281	Claims Representative 1	0.00	0.00	1.00	56,194 - 68,013	59,003
20000282	Claims Representative 2	1.00	0.00	0.00	68,013 - 82,262	-
20000285	Claims Representative 2	6.00	7.00	10.00	68,013 - 82,262	823,324
90000539	Clerical Assistant 2 - Hourly	0.23	0.23	0.00	38,439 - 46,327	-
20001168	Deputy Director	2.00	2.00	2.00	62,941 - 231,483	329,654
20000393	Employee Benefits Administrator	0.00	1.00	1.00	77,794 - 94,261	81,684
20000383	Employee Benefits Specialist 2	6.00	8.00	8.00	63,008 - 76,136	610,706
20000293	Information Systems Analyst 3	2.00	2.00	2.00	77,711 - 93,968	197,334
20000172	Payroll Specialist 1	0.00	1.00	1.00	44,646 - 53,732	46,878
20001234	Program Coordinator	9.00	10.00	10.00	33,904 - 184,808	1,266,370
20001222	Program Manager	4.00	5.00	7.00	62,941 - 231,483	1,002,597
20001122	Risk Management Director	1.00	1.00	1.00	83,242 - 315,328	216,030
20001016	Senior Claims Representative	3.00	3.00	2.00	74,825 - 90,476	187,903
20000927	Senior Clerk/Typist	1.00	1.00	1.00	45,449 - 54,834	57,575
20000015	Senior Management Analyst	1.00	1.00	2.00	76,252 - 92,204	160,130
21000188	Senior Workers' Compensation Claims Representative	4.00	4.00	4.00	82,132 - 99,327	414,044
20000357	Supervising Claims Representative	0.00	1.00	1.00	82,237 - 99,341	94,815
20000358	Supervising Claims Representative	1.00	2.00	3.00	82,237 - 99,341	312,924
21000189	Supervising Workers' Compensation Claims Representative	1.00	1.00	1.00	90,241 - 109,003	114,453
21000190	Workers' Compensation Claims Aide	4.00	4.00	5.00	47,504 - 57,220	277,476
21000186	Workers' Compensation Claims Representative 2	14.00	15.00	15.00	74,637 - 90,264	1,389,615
	Bilingual - Regular Budgeted Personnel Expenditure Savings					5,824
	Overtime Budgeted Sick Leave - Hourly					(405,733)
						35,824
						752

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Personnel Expenditures

Job Number	Job Title / Wages	FY2022 Budget	FY2023 Budget	FY2024 Proposed	Salary Range	Total
	Vacation Pay In Lieu					109,903
FTE, Salaries, and Wages Subtotal		79.23	87.23	94.00		\$ 8,333,541

	FY2022 Actual	FY2023 Budget	FY2024 Proposed	FY2023-2024 Change
Fringe Benefits				
Employee Offset Savings	\$ 44,926	\$ 48,203	\$ 45,242	\$ (2,961)
Flexible Benefits	1,016,009	1,105,269	1,119,866	14,597
Insurance	1,039	-	-	-
Long-Term Disability	25,302	24,696	32,724	8,028
Medicare	90,479	102,388	118,710	16,322
Other Post-Employment Benefits	457,111	460,809	508,635	47,826
Retiree Medical Trust	8,651	10,967	14,696	3,729
Retirement 401 Plan	3,907	11,361	56,958	45,597
Retirement ADC	2,102,954	2,055,013	2,544,947	489,934
Retirement DROP	11,833	14,960	9,955	(5,005)
Risk Management Administration	81,439	94,365	115,077	20,712
Supplemental Pension Savings Plan	412,298	454,799	151,460	(303,339)
Unemployment Insurance	8,625	8,963	9,568	605
Workers' Compensation	49,269	60,925	54,031	(6,894)
Fringe Benefits Subtotal	\$ 4,313,842	\$ 4,452,718	\$ 4,781,869	\$ 329,151
Total Personnel Expenditures			\$ 13,115,410	

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Revenue and Expense Statement (Non-General Fund)

Risk Management Administration Fund	FY2022 Actual	FY2023* Budget	FY2024** Proposed
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 1,070,242	\$ 378,383	\$ 485,105
TOTAL BALANCE AND RESERVES	\$ 1,070,242	\$ 378,383	\$ 485,105
REVENUE			
Charges for Services	\$ 270	\$ -	\$ 1,731,656
Licenses and Permits	106	-	-
Other Revenue	11,605,895	14,122,276	14,122,276
Revenue from Use of Money and Property	9,934	-	-
TOTAL REVENUE	\$ 11,616,205	\$ 14,122,276	\$ 15,853,932
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 12,686,447	\$ 14,500,659	\$ 16,339,037
OPERATING EXPENSE			
Personnel Expenses	\$ 5,939,393	\$ 7,223,884	\$ 8,333,541
Fringe Benefits	4,313,842	4,452,718	4,781,869
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
TOTAL OPERATING EXPENSE	\$ 12,308,064	\$ 13,983,274	\$ 15,128,204
TOTAL EXPENSE	\$ 12,308,064	\$ 13,983,274	\$ 15,128,204
BALANCE	\$ 378,383	\$ 517,385	\$ 1,210,833
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 12,686,447	\$ 14,500,659	\$ 16,339,037

* 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.