

# Risk Management



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# Risk Management



## 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 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 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.

# 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	FY2018 Target	FY2018 Actual	FY2019 Target	FY2019 Estimate	FY2020 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 <sup>1</sup>	1:1	1:80	1:1	1:1	1:1

1. The target was not met in FY 2018 due to implementation of State regulations.

# Risk Management

## Department Summary

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
FTE Positions (Budgeted)	85.23	86.23	89.23	3.00
Personnel Expenditures	\$ 9,042,275	\$ 9,778,299	\$ 10,835,072	\$ 1,056,773
Non-Personnel Expenditures	1,905,573	2,143,079	2,300,875	157,796
<b>Total Department Expenditures</b>	<b>\$ 10,947,849</b>	<b>\$ 11,921,378</b>	<b>\$ 13,135,947</b>	<b>\$ 1,214,569</b>
<b>Total Department Revenue</b>	<b>\$ 10,359,387</b>	<b>\$ 11,130,932</b>	<b>\$ 13,200,293</b>	<b>\$ 2,069,361</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Risk Management	\$ 10,947,849	\$ 11,921,378	\$ 13,135,947	\$ 1,214,569
<b>Total</b>	<b>\$ 10,947,849</b>	<b>\$ 11,921,378</b>	<b>\$ 13,135,947</b>	<b>\$ 1,214,569</b>

### Department Personnel

	FY2018 Budget	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Risk Management	85.23	86.23	89.23	3.00
<b>Total</b>	<b>85.23</b>	<b>86.23</b>	<b>89.23</b>	<b>3.00</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	\$ 674,991	-
<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	537,924	-
<b>Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements.	0.00	138,566	-
<b>Insurance Claims Management and Administration</b> Addition of 1.00 Program Coordinator to support the administration of the public liability claims management system.	1.00	134,126	-
<b>City Retiree Health Insurance Administration</b> Addition of 1.00 Program Coordinator to support the administration of health insurance benefits for City retirees.	1.00	133,916	-
<b>Transportation Alternatives Program (TAP) Restructure</b> Transfer of 1.00 Account Clerk from the Transportation & Storm Water Department to the Risk Management Administration Fund.	1.00	94,961	-
<b>Loss Prevention</b> Addition of 1.00 Claims Representative 2 and associated revenue to support the Loss Prevention Section.	1.00	82,403	185,000

# Risk Management

## Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Transportation Alternatives Program (TAP) Administration</b> Addition of contractual expenditures to assist in the administration of the Transportation Alternatives Program.	0.00	70,000	-
<b>Pay-in-Lieu of Annual Leave Adjustments</b> Adjustment to expenditures associated with projected compensation to employees in-lieu of the use of annual leave.	0.00	46,508	-
<b>Non-Standard Hour Personnel Funding</b> Funding allocated according to a zero-based annual review of hourly funding requirements.	0.00	545	-
<b>Reallocation of Supervising Management Analyst</b> Reduction of 1.00 Supervising Management Analyst and addition of 1.00 Associate Management Analyst to better align the position classification with the operations of the Department.	0.00	(16,664)	-
<b>Reduction of Employee Benefits Specialist 2</b> Reduction of 1.00 Employee Benefits Specialist 2 within the Employee Benefits division.	(1.00)	(94,013)	-
<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 2019.	0.00	(115,476)	(1,993)
<b>Rent Reclassification</b> Reclassification of rent expenditures from discretionary to non-discretionary.	0.00	(473,218)	-
<b>Revised Revenue</b> Adjustment to reflect revised revenue projections.	0.00	-	1,886,354
<b>Total</b>	<b>3.00 \$</b>	<b>1,214,569 \$</b>	<b>2,069,361</b>

## Expenditures by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 5,136,155	\$ 5,716,585	\$ 6,360,667	644,082
Fringe Benefits	3,906,121	4,061,714	4,474,405	412,691
<b>PERSONNEL SUBTOTAL</b>	<b>9,042,275</b>	<b>9,778,299</b>	<b>10,835,072</b>	<b>1,056,773</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 88,853	\$ 89,092	\$ 86,287	(2,805)
Contracts	1,062,482	1,383,311	1,421,626	38,315
Information Technology	728,245	632,706	771,272	138,566
Energy and Utilities	7,906	5,898	6,690	792
Other	18,088	15,000	15,000	-
Transfers Out	-	17,072	-	(17,072)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>1,905,573</b>	<b>2,143,079</b>	<b>2,300,875</b>	<b>157,796</b>
<b>Total</b>	<b>\$ 10,947,849</b>	<b>\$ 11,921,378</b>	<b>\$ 13,135,947</b>	<b>1,214,569</b>

## Revenues by Category

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Charges for Services	\$ 80,492	\$ 159,031	\$ 159,031	-
Other Revenue	10,245,822	10,969,908	13,041,262	2,071,354
Rev from Money and Prop	13,927	-	-	-
Transfers In	19,146	1,993	-	(1,993)
<b>Total</b>	<b>\$ 10,359,387</b>	<b>\$ 11,130,932</b>	<b>\$ 13,200,293</b>	<b>2,069,361</b>

# Risk Management

## Personnel Expenditures

Job Number	Job Title / Wages	FY2018 Budget	FY2019 Budget	FY2020 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000011	Account Clerk	0.00	1.00	<b>2.00</b>	\$ 33,605 - 40,459	\$ 78,941
20000024	Administrative Aide 2	1.00	1.00	<b>1.00</b>	45,444 - 54,769	46,816
20000119	Associate Management Analyst	1.00	1.00	<b>2.00</b>	57,691 - 69,723	115,382
20000277	Claims Aide	2.00	2.00	<b>2.00</b>	39,449 - 47,528	93,630
20000278	Claims Clerk	13.00	13.00	<b>13.00</b>	33,605 - 40,459	507,029
20000285	Claims Representative 2	8.00	8.00	<b>9.00</b>	56,488 - 68,327	589,215
20000539	Clerical Assistant 2	1.00	0.00	<b>0.00</b>	31,929 - 38,482	-
90000539	Clerical Assistant 2 - Hourly	0.23	0.23	<b>0.23</b>	31,929 - 38,482	8,090
20000013	Deputy Director	0.00	0.00	<b>1.00</b>	50,128 - 184,332	133,387
20001168	Deputy Director	1.00	1.00	<b>1.00</b>	50,128 - 184,332	133,387
20000383	Employee Benefits Specialist 2	7.00	8.00	<b>7.00</b>	57,691 - 69,723	454,666
20000293	Information Systems Analyst 3	2.00	2.00	<b>2.00</b>	63,342 - 76,578	153,156
20000172	Payroll Specialist 1	1.00	1.00	<b>1.00</b>	37,086 - 46,859	45,057
20001234	Program Coordinator	8.00	8.00	<b>9.00</b>	24,537 - 147,160	935,838
20001222	Program Manager	6.00	6.00	<b>6.00</b>	50,128 - 184,332	694,377
20001122	Risk Management Director	1.00	1.00	<b>1.00</b>	33,863 - 185,643	170,731
20000847	Safety Officer	2.00	2.00	<b>3.00</b>	61,795 - 74,622	204,520
20000854	Safety Representative 2	3.00	3.00	<b>2.00</b>	53,845 - 65,125	118,970
20001016	Senior Claims Representative	2.00	2.00	<b>2.00</b>	62,160 - 75,159	150,318
20000927	Senior Clerk/Typist	1.00	1.00	<b>1.00</b>	38,482 - 46,432	45,736
20000015	Senior Management Analyst	1.00	1.00	<b>1.00</b>	63,342 - 76,578	75,429
21000188	Senior Workers' Compensation Claims Representative	5.00	5.00	<b>5.00</b>	68,370 - 90,948	427,994
20000358	Supervising Claims Representative	0.00	1.00	<b>1.00</b>	68,305 - 82,508	68,305
20000970	Supervising Management Analyst	1.00	1.00	<b>0.00</b>	71,249 - 86,311	-
21000189	Supervising Workers' Compensation Claims Representative	1.00	0.00	<b>0.00</b>	82,652 - 99,834	-
21000190	Workers' Compensation Claims Aide	5.00	4.00	<b>4.00</b>	39,449 - 47,528	181,994
21000186	Workers' Compensation Claims Representative 2	12.00	13.00	<b>13.00</b>	62,139 - 82,675	983,717
	Bilingual - Regular					7,280
	Budgeted Vacancy Savings					(149,782)
	Overtime Budgeted					39,224
	Sick Leave - Hourly					752
	Vacation Pay In Lieu					46,508
<b>FTE, Salaries, and Wages Subtotal</b>		<b>85.23</b>	<b>86.23</b>	<b>89.23</b>		<b>\$ 6,360,667</b>

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
<b>Fringe Benefits</b>				
Employee Offset Savings	\$ 48,472	\$ 50,429	\$ 55,991	5,562
Flexible Benefits	969,030	1,031,990	1,049,761	17,771
Insurance	1,075	-	-	-
Long-Term Disability	2	-	-	-
Medicare	80,290	82,287	90,975	8,688
Other Post-Employment Benefits	485,470	514,416	531,824	17,408
Retiree Medical Trust	6,011	7,363	8,261	898

# Risk Management

	FY2018 Actual	FY2019 Budget	FY2020 Proposed	FY2019-2020 Change
Retirement 401 Plan	3,238	3,864	2,981	(883)
Retirement ADC	1,846,535	1,794,375	2,127,468	333,093
Retirement DROP	9,045	9,580	5,923	(3,657)
Risk Management Administration	79,964	88,452	104,576	16,124
Supplemental Pension Savings Plan	335,777	386,826	443,097	56,271
Unemployment Insurance	9,112	9,512	9,773	261
Workers' Compensation	32,099	82,620	43,775	(38,845)
<b>Fringe Benefits Subtotal</b>	<b>\$ 3,906,121</b>	<b>\$ 4,061,714</b>	<b>\$ 4,474,405</b>	<b>\$ 412,691</b>
<b>Total Personnel Expenditures</b>			<b>\$ 10,835,072</b>	



# Risk Management

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

Risk Management Administration Fund	FY2018 Actual	FY2019* Budget	FY2020 Proposed
<b>BEGINNING BALANCE AND RESERVES</b>			
Balance from Prior Year	\$ 1,520,800	\$ 890,588	\$ 189,792
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 1,520,800</b>	<b>\$ 890,588</b>	<b>\$ 189,792</b>
<b>REVENUE</b>			
Charges for Services	\$ 80,492	\$ 159,031	\$ 159,031
Other Revenue	10,245,822	10,969,908	13,041,262
Revenue from Use of Money and Property	13,927	-	-
Transfers In	19,146	1,993	-
<b>TOTAL REVENUE</b>	<b>\$ 10,359,387</b>	<b>\$ 11,130,932</b>	<b>\$ 13,200,293</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 11,880,187</b>	<b>\$ 12,021,520</b>	<b>\$ 13,390,085</b>
<b>OPERATING EXPENSE</b>			
Personnel Expenses	\$ 5,136,155	\$ 5,716,585	\$ 6,360,667
Fringe Benefits	3,906,121	4,061,714	4,474,405
Supplies	88,853	89,092	86,287
Contracts	1,062,482	1,383,311	1,421,626
Information Technology	728,245	632,706	771,272
Energy and Utilities	7,906	5,898	6,690
Other Expenses	18,088	15,000	15,000
Transfers Out	-	17,072	-
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 10,947,849</b>	<b>\$ 11,921,378</b>	<b>\$ 13,135,947</b>
<b>TOTAL EXPENSE</b>	<b>\$ 10,947,849</b>	<b>\$ 11,921,378</b>	<b>\$ 13,135,947</b>
<b>BALANCE</b>	<b>\$ 932,338</b>	<b>\$ 100,142</b>	<b>\$ 254,138</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 11,880,187</b>	<b>\$ 12,021,520</b>	<b>\$ 13,390,085</b>

\* At the time of publication, financial statements for Fiscal Year 2019 were not available. Therefore, the Fiscal Year 2019 Revenues, Expenditures, and Fund Balances reflect those amounts as published in the Fiscal Year 2019 Adopted Budget. Fiscal Year 2020 Beginning Fund Balance reflects the projected Fiscal Year 2019 Ending Fund Balance based on updated Revenue and Expenditure Projections for Fiscal Year 2019.



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