

# **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?

- 9,000 employees received flexible benefits<sup>1</sup>
- 12,000 Flexible Savings Accounts reimbursements were processed<sup>1</sup>

# Risk Management

- 570 ergonomic evaluations were performed<sup>1</sup>

## 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	Target <sup>1</sup> FY2015	Actual <sup>1</sup> FY2015	Estimated <sup>2</sup> FY2016	Target FY2017
1. Percentage of Public Liability Reports completed on schedule per Council Policy 000-09	N/A	N/A	N/A	100%
2. Ratio of open claims to closed claims for Workers' Compensation	N/A	N/A	N/A	1:1

1. During Fiscal Year 2016, new department tactical plans and key performance indicators were developed. As such, Fiscal Year 2015 data may be unavailable.
2. New performance indicators for Fiscal Year 2016. Some baseline data is currently under development.

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1. Fiscal Year 2015 rounded figures

# Risk Management

## Department Summary

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
FTE Positions (Budgeted)	82.13	83.28	87.23	3.95
Personnel Expenditures	\$ 7,662,206	\$ 7,960,986	\$ 8,265,838	\$ 304,852
Non-Personnel Expenditures	2,172,787	2,597,892	2,275,827	(322,065)
<b>Total Department Expenditures</b>	<b>\$ 9,834,994</b>	<b>\$ 10,558,878</b>	<b>\$ 10,541,665</b>	<b>\$ (17,213)</b>
<b>Total Department Revenue</b>	<b>\$ 9,408,318</b>	<b>\$ 10,558,878</b>	<b>\$ 10,529,309</b>	<b>\$ (29,569)</b>

## Risk Management Administration Fund

### Department Expenditures

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Risk Management	\$ 9,834,994	\$ 10,558,878	\$ 10,541,665	\$ (17,213)
<b>Total</b>	<b>\$ 9,834,994</b>	<b>\$ 10,558,878</b>	<b>\$ 10,541,665</b>	<b>\$ (17,213)</b>

### Department Personnel

	FY2015 Budget	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Risk Management	82.13	83.28	87.23	3.95
<b>Total</b>	<b>82.13</b>	<b>83.28</b>	<b>87.23</b>	<b>3.95</b>

### Significant Budget Adjustments

	FTE	Expenditures	Revenue
<b>Workers' Compensation Support</b>	4.00	\$ 306,966	\$ -
Addition of 1.00 Program Coordinator, 1.00 Workers' Compensation Claims Aide, 2.00 Claims Clerk, and associated non-personnel expenditures to support state-mandated business functions in the Workers' Compensation Division.			
<b>Addition of Program Coordinator</b>	1.00	114,588	-
Addition of 1.00 Program Coordinator and non-personnel expenditures for information technology support.			
<b>Addition of Claims Representative 2</b>	1.00	84,977	-
Addition of 1.00 Claims Representative 2 and associated non-personnel expenditures to support the Public Liability & Loss Recovery Division.			
<b>Salary and Benefit Adjustments</b>	0.00	57,834	-
Adjustments to reflect the annualization of the Fiscal Year 2016 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.			
<b>Non-Discretionary Adjustment</b>	0.00	6,055	-
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.			

# Risk Management

## Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
<b>Employee Rewards and Recognition Program</b> Addition of non-personnel expenditures to comply with the Employee Rewards and Recognition Program per Administrative Regulation 95.91.	0.00	4,181	-
<b>Non-Standard Hour Personnel Funding</b> Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements.	(0.05)	(4,106)	-
<b>Equipment/Support for Information Technology</b> Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	(8,943)	-
<b>Civic Center Plaza Rent Reallocation</b> Adjustment reflects the reallocation of rent for Civic Center Plaza from the General Fund.	0.00	(58,727)	-
<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 2016.	0.00	(253,600)	-
<b>Transfer of Employee Assistance Program</b> Transfer of the Employee Assistance Program from the Risk Management Department to the Human Resources Department.	(2.00)	(266,438)	-
<b>Revised Revenue</b> Adjustment to reflect revised revenue projection.	0.00	-	(29,569)
<b>Total</b>	<b>3.95</b>	<b>\$ (17,213)</b>	<b>\$ (29,569)</b>

## Expenditures by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
<b>PERSONNEL</b>				
Personnel Cost	\$ 4,533,948	\$ 4,933,396	\$ 4,944,872	\$ 11,476
Fringe Benefits	3,128,259	3,027,590	3,320,966	293,376
<b>PERSONNEL SUBTOTAL</b>	<b>7,662,206</b>	<b>7,960,986</b>	<b>8,265,838</b>	<b>304,852</b>
<b>NON-PERSONNEL</b>				
Supplies	\$ 103,709	\$ 85,870	\$ 90,966	\$ 5,096
Contracts	958,337	920,830	692,893	(227,937)
Information Technology	1,006,890	1,026,180	1,017,237	(8,943)
Energy and Utilities	10,601	7,276	6,817	(459)
Other	34,884	30,125	30,125	-
Transfers Out	58,366	527,611	437,789	(89,822)
<b>NON-PERSONNEL SUBTOTAL</b>	<b>2,172,787</b>	<b>2,597,892</b>	<b>2,275,827</b>	<b>(322,065)</b>
<b>Total</b>	<b>\$ 9,834,994</b>	<b>\$ 10,558,878</b>	<b>\$ 10,541,665</b>	<b>\$ (17,213)</b>

# Risk Management

## Revenues by Category

	FY2015 Actual	FY2016 Budget	FY2017 Proposed	FY2016-2017 Change
Charges for Services	\$ 60,953	\$ 39,402	\$ 39,402	\$ -
Other Revenue	9,344,797	10,519,476	10,489,907	(29,569)
Rev from Money and Prop	2,568	-	-	-
<b>Total</b>	<b>\$ 9,408,318</b>	<b>\$ 10,558,878</b>	<b>\$ 10,529,309</b>	<b>\$ (29,569)</b>

## Personnel Expenditures

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
<b>FTE, Salaries, and Wages</b>						
20000024	Administrative Aide 2	1.00	1.00	1.00	\$42,578 - \$51,334	\$ 44,533
20000119	Associate Management Analyst	1.00	2.00	2.00	54,059 - 65,333	122,047
20000188	Benefits Representative 2	8.00	8.00	5.00	32,968 - 39,811	192,212
20000277	Claims Aide	2.00	2.00	2.00	36,962 - 44,533	87,730
90000277	Claims Aide - Hourly	0.70	0.35	0.35	36,962 - 44,533	15,586
20000278	Claims Clerk	12.00	11.00	13.00	31,491 - 37,918	470,822
20000285	Claims Representative 2	8.00	7.00	7.00	52,936 - 64,022	424,634
90000285	Claims Representative 2 - Hourly	0.00	0.00	0.38	52,936 - 64,022	22,107
20000283	Claims Representative 2	0.50	0.00	0.00	52,936 - 64,022	-
20000837	Claims and Insurance Manager	1.00	0.00	0.00	73,445 - 88,837	-
20000836	Claims and Insurance Manager	2.00	0.00	0.00	73,445 - 88,837	-
20000539	Clerical Assistant 2	2.00	2.00	2.00	29,931 - 36,067	72,134
90000539	Clerical Assistant 2 - Hourly	0.50	0.50	0.50	29,931 - 36,067	16,484
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	122,000
20000382	Employee Assistance Counselor	1.00	1.00	0.00	52,936 - 64,022	-
20000411	Employee Assistance Program Manager	1.00	1.00	0.00	66,768 - 80,891	-
20000393	Employee Benefits Administrator	2.00	2.00	2.00	66,768 - 80,891	161,782
90000394	Employee Benefits Specialist 1 - Hourly	0.35	0.35	0.00	44,470 - 54,059	-
20000383	Employee Benefits Specialist 2	2.00	2.00	5.00	54,059 - 65,333	281,519
20000293	Information Systems Analyst 3	1.00	1.00	1.00	59,363 - 71,760	71,760
20000172	Payroll Specialist 1	0.00	1.00	1.00	33,093 - 39,832	32,905
20001234	Program Coordinator	0.00	0.00	2.00	23,005 - 137,904	180,000
20001222	Program Manager	1.00	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	126,788
20000854	Safety Representative 2	4.00	4.00	4.00	50,461 - 61,027	242,278
20001042	Safety and Training Manager	1.00	0.00	0.00	66,768 - 80,891	-
20001016	Senior Claims Representative	0.00	1.00	2.00	58,261 - 70,429	128,690
20000927	Senior Clerk/Typist	1.00	1.00	1.00	36,067 - 43,514	42,369
21000188	Senior Workers' Compensation Claims Representative	3.00	3.00	3.00	58,261 - 70,429	199,119
20000358	Supervising Claims Representative	1.00	1.00	1.00	64,002 - 77,314	77,314

# Risk Management

## Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2015 Budget	FY2016 Budget	FY2017 Proposed	Salary Range	Total
90000357	Supervising Claims Representative - Hourly	0.00	0.08	0.00	64,002 - 77,314	-
90000359	Supervising Claims Representative - Hourly	0.08	0.00	0.00	64,002 - 77,314	-
20000970	Supervising Management Analyst	1.00	0.00	0.00	66,768 - 80,891	-
21000189	Supervising Workers' Compensation Claims Representative	3.00	3.00	3.00	64,002 - 77,314	231,942
21000190	Workers' Compensation Claims Aide	5.00	4.00	5.00	36,962 - 44,533	210,453
21000186	Workers' Compensation Claims Representative 2	12.00	14.00	14.00	52,936 - 64,022	856,267
	Bilingual - Regular					7,280
	Budgeted Vacancy Savings					(321,859)
	Overtime Budgeted					39,224
	Sick Leave - Hourly					1,771
	Termination Pay Annual Leave					3,981
FTE, Salaries, and Wages Subtotal		82.13	83.28	87.23		\$ 4,944,872
		FY2015 Actual		FY2016 Budget	FY2017 Proposed	FY2016–2017 Change
Fringe Benefits						
Employee Offset Savings	\$	50,359	\$	42,142	\$ 44,736	\$ 2,594
Flexible Benefits		554,416		683,923	833,703	149,780
Insurance		115		-	-	-
Long-Term Disability		40,338		15,275	15,610	335
Medicare		63,575		65,672	69,956	4,284
Other Post-Employment Benefits		469,672		447,336	467,601	20,265
Retiree Medical Trust		2,362		3,925	4,766	841
Retirement 401 Plan		3,916		3,938	3,680	(258)
Retirement ADC		1,570,666		1,344,203	1,375,506	31,303
Retirement DROP		14,414		13,410	14,955	1,545
Risk Management Administration		67,618		79,800	80,817	1,017
Supplemental Pension Savings Plan		232,308		274,614	308,762	34,148
Unemployment Insurance		9,359		8,754	8,947	193
Workers' Compensation		49,143		44,598	91,927	47,329
Fringe Benefits Subtotal		\$ 3,128,259	\$	3,027,590	\$ 3,320,966	\$ 293,376
Total Personnel Expenditures					\$ 8,265,838	



# Risk Management

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

Risk Management Administration Fund	FY2015 Actual	FY2016* Budget	FY2017 Proposed
<b>BEGINNING BALANCE AND RESERVES</b>			
Balance from Prior Year	\$ 954,893	\$ 528,217	\$ 211,136
<b>TOTAL BALANCE AND RESERVES</b>	<b>\$ 954,893</b>	<b>\$ 528,217</b>	<b>\$ 211,136</b>
<b>REVENUE</b>			
Charges for Current Services	\$ 60,953	\$ 39,402	\$ 39,402
Other Revenue	9,344,797	10,519,476	10,489,907
Revenue from Federal Agencies	—	—	—
Revenue from Use of Money and Property	2,568	—	—
<b>TOTAL REVENUE</b>	<b>\$ 9,408,318</b>	<b>\$ 10,558,878</b>	<b>\$ 10,529,309</b>
<b>TOTAL BALANCE, RESERVES, AND REVENUE</b>	<b>\$ 10,363,210</b>	<b>\$ 11,087,095</b>	<b>\$ 10,740,445</b>
<b>OPERATING EXPENSE</b>			
Personnel Expenses	\$ 4,533,948	\$ 4,933,396	\$ 4,944,872
Fringe Benefits	3,128,259	3,027,590	3,320,966
Supplies	103,709	85,870	90,966
Contracts	958,337	920,830	692,893
Information Technology	1,006,890	1,026,180	1,017,237
Energy and Utilities	10,601	7,276	6,817
Other Expenses	34,884	30,125	30,125
Transfers Out	58,366	527,611	437,789
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 9,834,994</b>	<b>\$ 10,558,878</b>	<b>\$ 10,541,665</b>
<b>TOTAL EXPENSE</b>	<b>\$ 9,834,994</b>	<b>\$ 10,558,878</b>	<b>\$ 10,541,665</b>
<b>BALANCE</b>	<b>\$ 528,217</b>	<b>\$ 528,217</b>	<b>\$ 198,780</b>
<b>TOTAL BALANCE, RESERVES, AND EXPENSE</b>	<b>\$ 10,363,210</b>	<b>\$ 11,087,095</b>	<b>\$ 10,740,445</b>

\* At the time of publication, audited financial statements for Fiscal Year 2016 were not available. Therefore, the Fiscal Year 2016 column reflects final budgeted revenue and expense amounts from the Fiscal Year 2016 Adopted Budget, while the beginning FY 2016 balance amount reflects the audited Fiscal Year 2015 ending balance.