

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 benefits¹
- 12,000 Flexible Savings Accounts reimbursements were processed¹

Risk Management

- 570 ergonomic evaluations were performed¹

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 | Actual FY2015 | Target ¹ FY2016 | Actual FY2016 | Target FY2017 |
|-------------------------------------------------------------------------------------------|---------------|----------------------------|---------------|---------------|
| 1. Percentage of Public Liability Reports completed on schedule per Council Policy 000-09 | 83% | N/A | 83% | 100% |
| 2. Ratio of open claims to closed claims for Workers' Compensation | 1:1 | N/A | 1:1 | 1:1 |

1. New performance indicators for Fiscal Year 2016. Some baseline data is currently under development.

1. Fiscal Year 2015 rounded figures

Risk Management

Department Summary

| | FY2015 Actual | FY2016 Budget | FY2017 Adopted | FY2016-2017 Change |
|--------------------------------------|---------------------|----------------------|----------------------|-----------------------|
| FTE Positions (Budgeted) | 82.13 | 83.28 | 87.23 | 3.95 |
| Personnel Expenditures | \$ 7,662,206 | \$ 7,960,986 | \$ 8,254,631 | \$ 293,645 |
| Non-Personnel Expenditures | 2,172,787 | 2,597,892 | 2,518,963 | (78,929) |
| Total Department Expenditures | \$ 9,834,994 | \$ 10,558,878 | \$ 10,773,594 | \$ 214,716 |
| Total Department Revenue | \$ 9,408,318 | \$ 10,558,878 | \$ 10,529,309 | \$ (29,569) |

Risk Management Administration Fund

Department Expenditures

| | FY2015 Actual | FY2016 Budget | FY2017 Adopted | FY2016-2017 Change |
|-----------------|---------------------|----------------------|----------------------|-----------------------|
| Risk Management | \$ 9,834,994 | \$ 10,558,878 | \$ 10,773,594 | \$ 214,716 |
| Total | \$ 9,834,994 | \$ 10,558,878 | \$ 10,773,594 | \$ 214,716 |

Department Personnel

| | FY2015 Budget | FY2016 Budget | FY2017 Adopted | FY2016-2017 Change |
|-----------------|------------------|------------------|-------------------|-----------------------|
| Risk Management | 82.13 | 83.28 | 87.23 | 3.95 |
| Total | 82.13 | 83.28 | 87.23 | 3.95 |

Significant Budget Adjustments

| | FTE | Expenditures | Revenue |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------|---------|
| Workers' Compensation Support 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. | 4.00 | \$ 308,435 | \$ - |
| Workers' Compensation Temporary Staffing Addition of non-personnel expenditures for Workers' Compensation temporary staffing contract to support State-mandated business functions and reporting requirements. | 0.00 | 250,000 | - |
| Addition of Program Coordinator Addition of 1.00 Program Coordinator and non-personnel expenditures for information technology support. | 1.00 | 116,079 | - |
| Addition of Claims Representative 2 Addition of 1.00 Claims Representative 2 and associated non-personnel expenditures to support the Public Liability & Loss Recovery Division. | 1.00 | 85,853 | - |
| Salary and Benefit Adjustments 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. | 0.00 | 38,741 | - |

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Significant Budget Adjustments (Cont'd)

| | FTE | Expenditures | Revenue |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|--------------------|
| 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 | 6,055 | - |
| Employee Rewards and Recognition Program Addition of non-personnel expenditures to comply with the Employee Rewards and Recognition Program per Administrative Regulation 95.91. | 0.00 | 4,181 | - |
| Non-Standard Hour Personnel Funding Adjustment to expenditures according to a zero-based annual review of non-standard hour personnel funding requirements. | (0.05) | (4,109) | - |
| Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses. | 0.00 | (8,943) | - |
| Civic Center Plaza Rent Reallocation Adjustment reflects the reallocation of rent for Civic Center Plaza from the General Fund. | 0.00 | (58,727) | - |
| One-Time Reductions and Annualizations 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) | - |
| Transfer of Employee Assistance Program Transfer of the Employee Assistance Program from the Risk Management Department to the Human Resources Department. | (2.00) | (269,249) | - |
| Revised Revenue Adjustment to reflect revised revenue projection. | 0.00 | - | (29,569) |
| Total | 3.95 | \$ 214,716 | \$ (29,569) |

Expenditures by Category

| | FY2015 Actual | FY2016 Budget | FY2017 Adopted | FY2016-2017 Change |
|-------------------------------|---------------------|----------------------|----------------------|-----------------------|
| PERSONNEL | | | | |
| Personnel Cost | \$ 4,533,948 | \$ 4,933,396 | \$ 4,944,872 | \$ 11,476 |
| Fringe Benefits | 3,128,259 | 3,027,590 | 3,309,759 | 282,169 |
| PERSONNEL SUBTOTAL | 7,662,206 | 7,960,986 | 8,254,631 | 293,645 |
| NON-PERSONNEL | | | | |
| Supplies | \$ 103,709 | \$ 85,870 | \$ 90,966 | \$ 5,096 |
| Contracts | 958,337 | 920,830 | 936,029 | 15,199 |
| 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) |
| NON-PERSONNEL SUBTOTAL | 2,172,787 | 2,597,892 | 2,518,963 | (78,929) |
| Total | \$ 9,834,994 | \$ 10,558,878 | \$ 10,773,594 | \$ 214,716 |

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Revenues by Category

| | FY2015 Actual | FY2016 Budget | FY2017 Adopted | 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 | - | - | - |
| Total | \$ 9,408,318 | \$ 10,558,878 | \$ 10,529,309 | \$ (29,569) |

Personnel Expenditures

| Job Number | Job Title / Wages | FY2015 Budget | FY2016 Budget | FY2017 Adopted | Salary Range | Total |
|---------------------------------|-------------------------------------------------------|------------------|------------------|-------------------|---------------------|-----------|
| FTE, Salaries, and Wages | | | | | | |
| 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 |
| 20000283 | Claims Representative 2 | 0.50 | 0.00 | 0.00 | 52,936 - 64,022 | - |
| 90000285 | Claims Representative 2 - Hourly | 0.00 | 0.00 | 0.38 | 52,936 - 64,022 | 22,107 |
| 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 |

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Personnel Expenditures (Cont'd)

| Job Number | Job Title / Wages | FY2015 Budget | FY2016 Budget | FY2017 Adopted | 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 Adopted | | FY2016-2017 Change |
| Fringe Benefits | | | | | | |
| | Employee Offset Savings | \$ 50,359 | \$ 42,142 | \$ 44,736 | | \$ 2,594 |
| | Flexible Benefits | 554,416 | 683,923 | 826,616 | | 142,693 |
| | Insurance | 115 | - | - | | - |
| | Long-Term Disability | 40,338 | 15,275 | 15,567 | | 292 |
| | Medicare | 63,575 | 65,672 | 69,977 | | 4,305 |
| | Other Post-Employment Benefits | 469,672 | 447,336 | 467,273 | | 19,937 |
| | 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 | 1,371,708 | | 27,505 |
| | Retirement DROP | 14,414 | 13,410 | 14,955 | | 1,545 |
| | Risk Management Administration | 67,618 | 79,800 | 80,738 | | 938 |
| | Supplemental Pension Savings Plan | 232,308 | 274,614 | 308,762 | | 34,148 |
| | Unemployment Insurance | 9,359 | 8,754 | 8,904 | | 150 |
| | Workers' Compensation | 49,143 | 44,598 | 92,077 | | 47,479 |
| Fringe Benefits Subtotal | | \$ 3,128,259 | \$ 3,027,590 | \$ 3,309,759 | | \$ 282,169 |
| Total Personnel Expenditures | | | | | \$ 8,254,631 | |

Risk Management

Revenue and Expense Statement (Non-General Fund)

| Risk Management Administration Fund | FY2015 Actual | FY2016* Budget | FY2017 Adopted |
|---------------------------------------------|----------------------|----------------------|----------------------|
| BEGINNING BALANCE AND RESERVES | | | |
| Balance from Prior Year | \$ 954,893 | \$ 528,217 | \$ 504,939 |
| TOTAL BALANCE AND RESERVES | \$ 954,893 | \$ 528,217 | \$ 504,939 |
| REVENUE | | | |
| Charges for Services | \$ 60,953 | \$ 39,402 | \$ 39,402 |
| Other Revenue | 9,344,797 | 10,519,476 | 10,489,907 |
| Revenue from Use of Money and Property | 2,568 | – | – |
| TOTAL REVENUE | \$ 9,408,318 | \$ 10,558,878 | \$ 10,529,309 |
| TOTAL BALANCE, RESERVES, AND REVENUE | \$ 10,363,210 | \$ 11,087,095 | \$ 11,034,248 |
| OPERATING EXPENSE | | | |
| Personnel | \$ 4,533,948 | \$ 4,933,396 | \$ 4,944,872 |
| Fringe Benefits | 3,128,259 | 3,027,590 | 3,309,759 |
| Supplies | 103,709 | 85,870 | 90,966 |
| Contracts | 958,337 | 920,830 | 936,029 |
| 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 |
| TOTAL OPERATING EXPENSE | \$ 9,834,994 | \$ 10,558,878 | \$ 10,773,594 |
| TOTAL EXPENSE | \$ 9,834,994 | \$ 10,558,878 | \$ 10,773,594 |
| BALANCE | \$ 528,217 | \$ 528,217 | \$ 260,654 |
| TOTAL BALANCE, RESERVES, AND EXPENSE | \$ 10,363,210 | \$ 11,087,095 | \$ 11,034,248 |

* 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.