

# RISK MANAGEMENT DEPARTMENT

**MISSION STATEMENT:** To protect the City's assets through the provision of creative and cost-effective risk management services

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**T**his department encompasses three staff positions. The department's purpose is to identify and to minimize exposures that could result in financial loss to the City. The department is responsible for the administration of comprehensive loss prevention programs that incorporate current practices and philosophies most effective in preventing injuries, vehicular collisions,

liabilities, and damage to equipment and materials. The department provides consultation and management services in the areas of workers' compensation; general and auto liability; insurance procurement; employee insurance benefits, including life, long term disability, and state disability; employee safety; uninsured losses; and public loss prevention.

## RISK MANAGEMENT DEPARTMENT ORGANIZATIONAL CHART



**FY 2006-2008  
ACCOMPLISHMENTS**

Continue to weigh organizational needs and liabilities against the ever-changing insurance market while managing approximately 50 active liability claims, 130 workers' compensation cases, and 60 new uninsured losses each year

**FY 2008-2009  
GOALS AND OBJECTIVES**

- To protect public and employee safety
- To recommend changes to all departments to remove City from any possible liability
- To stay current in knowledge of principles, practices, and methods of safety and loss prevention, also state and federal laws relating to health and safety, including CAL/OSHA
- To continue with Safety Committee to communicate safe work practices throughout the organization
- To provide the City insurance coverage without interruption throughout the upcoming fiscal year

## PERFORMANCE MEASURES

Performance Measure	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Estimated	2008-2009 Adopted
New workers' compensation claims	70	82	48	48	48
Total open workers' compensation claims	160	130	136	130	130
New general liability claims	55	60	60	60	60
Total open general liability claims	50	48	50	50	50

## AUTHORIZED POSITIONS

Title	2005-2006 Actual	2006-2007 Actual	2007-2008 Budgeted	2008-2009 Adopted
<b>Full-Time Positions</b>				
Risk Management Director	1.00	1.00	1.00	1.00
Safety and Claims Manager	1.00	1.00	1.00	1.00
Administrative Assistant II	1.00	1.00	1.00	1.00
Full-Time Total	3.00	3.00	3.00	3.00
<b>Department Total</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

### BUDGET COMMENTS

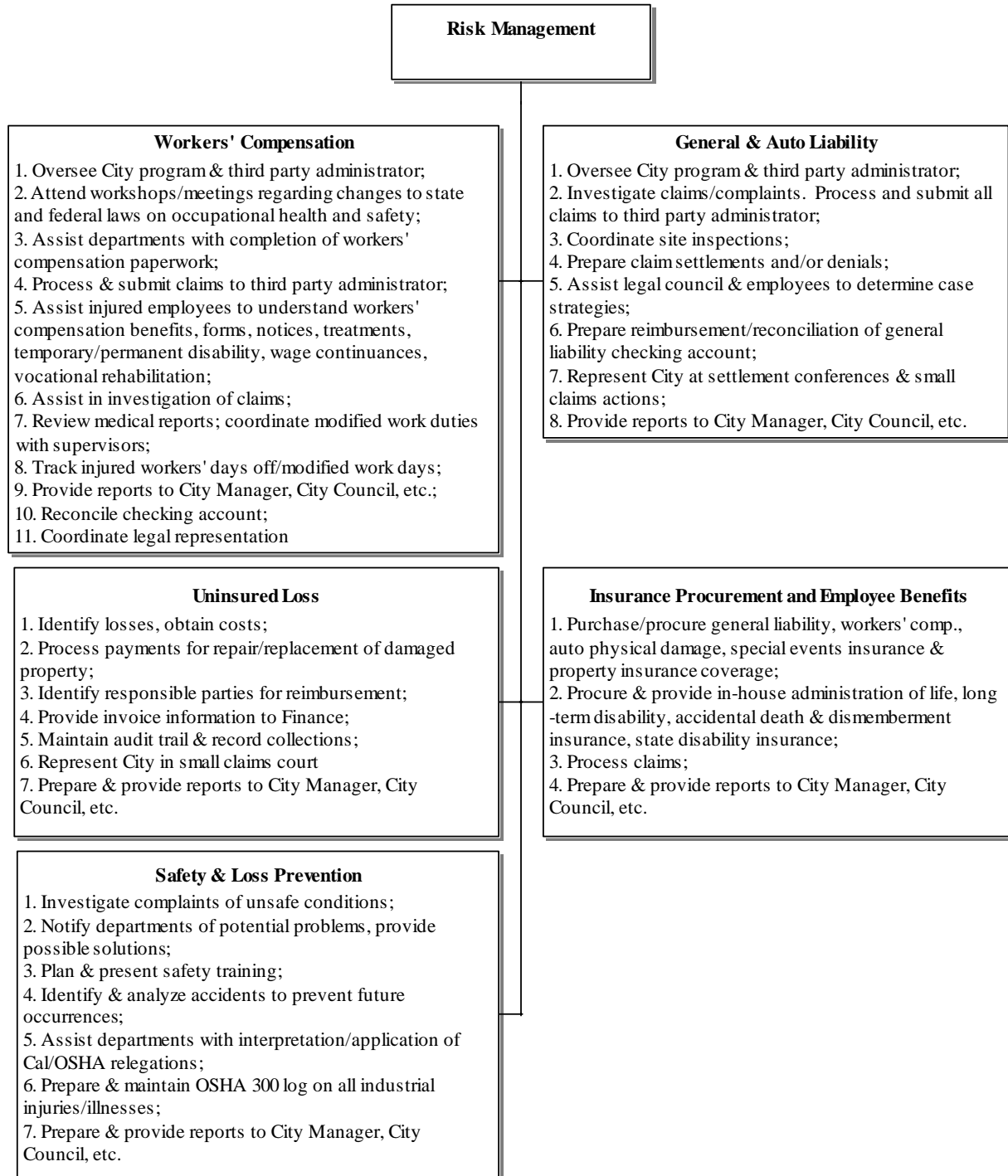
The General Liability – Insurance fund (361-1530) covers insurance premiums for general and auto liability, fire, vandalism, etc.

Costs related to general liability claims and litigations are tracked in the General Liability – Self-Insurance fund (361-1520). Future costs are subject to variation from year to year and are shown as a budget estimate. A transfer from reserves covers expenditures.

The amount of \$25,000 is the Third-Party Administrator services fee.

Costs related to workers' compensation claims and litigation are tracked in the Workers' Comp – Self-Insurance fund (363-1520). Future costs are subject to variation from year to year and are shown as a budget estimate. A transfer from reserves covers expenditures. The amount of \$93,000 is the Third Party Administrator services fee.

# Activity Tree



## BUDGET SUMMARY

<b>Expenditure Type:</b>	<b>Actual Expenditures 2005-2006</b>	<b>Actual Expenditures 2006-2007</b>	<b>Adjusted Budget 2007-2008</b>	<b>Estimated Expenditures 2007-2008</b>	<b>Adopted Budget 2008-2009</b>
5000 Personnel	297,255	308,868	338,276	345,579	339,011
6000 Supplies and Services	2,089,598	3,234,097	2,428,083	2,344,823	2,372,014
7000 Capital Outlay	-	4,500	-	-	-
<b>Total Department</b>	<b>2,386,853</b>	<b>3,547,465</b>	<b>2,766,359</b>	<b>2,690,402</b>	<b>2,711,025</b>

### **Funding Sources:**

360 Self Ins - Uninsured Loss	87,832	72,407	118,428	80,000	100,000
361 Self Ins - Genrl/Auto Liab	626,342	1,802,800	1,189,963	1,145,050	1,177,550
363 Self Ins - Worker's comp	1,672,679	1,672,258	1,457,968	1,465,352	1,433,475
<b>Total Funding</b>	<b>2,386,853</b>	<b>3,547,465</b>	<b>2,766,359</b>	<b>2,690,402</b>	<b>2,711,025</b>

**361 SELF INSURANCE GENRL/AUTO I**

<i>Account Number</i>	<i>2006 Actuals</i>	<i>2007 Actuals</i>	<i>2008 Adj Budget</i>	<i>2008 Yr. End Est</i>	<i>2009 Adopted</i>
<b>15 RISK MANAGEMENT</b>					
<b><u>1520 SELF INSURANCE</u></b>					
6111 LEGAL SERVICES	210,792	256,156	200,000	250,000	250,000
6119 OTHER PROFESSIONAL SERVICES	25,194	24,605	25,000	25,000	25,000
6120 OTHER CONTRACTUAL SERVICES	3,250	3,375	3,413	3,500	3,500
6127 INVESTIGATIONS	0	1,618	5,000	2,500	2,500
6217 DEPO COPYING RELATED LEGAL SVC	34,398	35,718	60,000	35,000	35,000
6409 ACTUARIAL ADJUSTMENT	145,201-	690,261	0	0	0
6416 BONDS	500	0	0	0	0
6419 OTHER INSURANCE	87,789	497,067	350,000	350,000	350,000
<b>Total MATERIALS AND SERVICES</b>	<b>216,722</b>	<b>1,508,800</b>	<b>643,413</b>	<b>666,000</b>	<b>666,000</b>
<b>Total <u>SELF INSURANCE</u></b>	<b>216,722</b>	<b>1,508,800</b>	<b>643,413</b>	<b>666,000</b>	<b>666,000</b>
<b><u>1530 INSURANCE</u></b>					
6407 SPECIAL EVENTS INSURANCE	2,160	2,431	0	0	0
6411 GENERAL LIABILITY	328,400	218,229	435,000	400,000	400,000
6412 FIRE, VANDAL, EXTEND CONV.	68,989	67,125	100,000	75,000	100,000
6414 EQUIPMENT FLOATER	5,773	4,722	7,500	0	7,500
6415 ACCID. DEATH & DISABILITY	1,478	1,493	1,900	1,900	1,900
6416 BONDS	2,820	0	2,150	2,150	2,150
<b>Total MATERIALS AND SERVICES</b>	<b>409,620</b>	<b>294,000</b>	<b>546,550</b>	<b>479,050</b>	<b>511,550</b>
<b>Total <u>INSURANCE</u></b>	<b>409,620</b>	<b>294,000</b>	<b>546,550</b>	<b>479,050</b>	<b>511,550</b>
<b>Total RISK MANAGEMENT</b>	<b>626,342</b>	<b>1,802,800</b>	<b>1,189,963</b>	<b>1,145,050</b>	<b>1,177,550</b>
<b>Fund Total SELF INSURANCE GEI</b>	<b>626,342</b>	<b>1,802,800</b>	<b>1,189,963</b>	<b>1,145,050</b>	<b>1,177,550</b>

**363 SELF-INSURANCE - WORKERS' C**

<i>Account Number</i>	<i>2006 Actuals</i>	<i>2007 Actuals</i>	<i>2008 Adj Budget</i>	<i>2008 Yr. End Est</i>	<i>2009 Adopted</i>
<b>15 RISK MANAGEMENT</b>					
<b>1510 RISK MANAGEMENT</b>					
5111 FULL TIME SALARIES	206,429	208,049	226,162	226,162	229,190
5113 OVER TIME SALARIES	0	207	0	0	0
5121 HOLIDAY OPT/NO PERS	0	259	0	152	350
5124 SICK LEAVE BUY BACK	4,118	3,364	4,654	4,000	4,798
5125 VACATION BUY BACK	4,114	8,606	14,048	15,571	14,815
5151 WORKERS' COMPENSATION	770	786	862	885	502
5152 HEALTH/FLEX BENEFIT	21,832	21,296	22,843	24,000	21,590
5153 GROUP LIFE	1,132	1,358	485	725	720
5154 GROUP LONG TERM DISABILITY	1,431	1,498	1,847	1,570	1,608
5155 MEDICARE	904	2,405	760	2,750	2,898
5157 RETIREMENT - NONSWORN	31,087	40,181	42,906	42,900	36,686
5158 DEFERRED COMPENSATION	5,012	4,966	4,200	6,800	6,700
5159 DENTAL INS BENEFIT	933	1,583	1,211	1,745	1,918
5161 VISION	0	0	538	590	559
5163 RETIREMENT HEALTH SAVINGS PLAN	0	0	2,684	2,000	1,800
5165 COMPENSATED ABSENCES ADJ	14,407	1,734	0	0	0
5166 RETIREE LUMP SUM BENEFIT	0	0	0	0	3,502
5168 SUPPLEMENTAL RETIREMENT PLAN	0	0	11,373	11,373	7,000
5169 EPMC REPLACEMENT PLAN	0	0	0	653	596
5171 UNEMPLOYMENT	87	161	103	103	179
5251 AUTO ALLOWANCE	3,621	3,600	3,600	3,600	3,600
<b>Total PERSONNEL SERVICES</b>	<b>295,877</b>	<b>300,053</b>	<b>338,276</b>	<b>345,579</b>	<b>339,011</b>
6020 EDUCATIONAL	797	1,412	1,506	1,500	1,500
6030 MEMBERSHIPS	550	690	1,500	1,500	1,500
6050 ALLOWANCES	2,139	1,348	2,000	2,000	2,000
6117 CONSULTANTS	8,205	6,074	10,000	10,000	10,000
6138 MISC EQUIPMENT CONTRACTS	301	331	400	400	400
6144 TELEPHONE -- CITY SYSTEM	2,300	1,500	1,500	1,500	950
6147 CELLULAR PHONES	741	923	1,200	1,200	1,400
6210 OFFICE SUPPLIES	1,451	1,194	1,200	1,200	1,200
6212 REPROGRAPHIC SERVICES	984	1,029	1,188	1,188	734
6270 SPECIAL DEPARTMENT SUPPLIES	60	60	0	0	0
6319 POOL CAR USAGE	0	4	0	0	0
6410 CHGBK - PROPERTY & LIABILITY INS	7,500	7,500	7,500	7,500	4,780
6493 ADMIN. AND OVERHEAD	11,109	11,442	11,785	11,785	0

**363 SELF-INSURANCE - WORKERS' C**

<i>Account Number</i>	<i>2006 Actuals</i>	<i>2007 Actuals</i>	<i>2008 Adj Budget</i>	<i>2008 Yr. End Est</i>	<i>2009 Adopted</i>
6999 NON-CAPITAL EQUIPMENT	1,042	1,057	0	0	0
<b>Total MATERIALS AND SERVICES</b>	<b>37,179</b>	<b>34,564</b>	<b>39,779</b>	<b>39,773</b>	<b>24,464</b>
<b>Total CAPITAL ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total <u>RISK MANAGEMENT</u></b>	<b>333,056</b>	<b>334,617</b>	<b>378,055</b>	<b>385,352</b>	<b>363,475</b>

**1520 SELF INSURANCE**

<b>Total PERSONNEL SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
6111 LEGAL SERVICES	158,097	164,018	130,000	130,000	130,000
6117 CONSULTANTS	0	3,350	0	0	0
6119 OTHER PROFESSIONAL SERVICES	88,624	92,685	95,000	95,000	95,000
6120 OTHER CONTRACTUAL SERVICES	3,250	3,375	3,413	3,500	3,500
6127 INVESTIGATIONS	14,930	7,877	10,000	10,000	10,000
6217 DEPO COPYING RELATED LEGAL SVC	17,436	15,968	5,000	15,000	15,000
6409 ACTUARIAL ADJUSTMENT	176,303	138,930	0	0	0
6511 WORKERS COMP MEDICAL	566,108	575,673	500,000	500,000	500,000
6512 WORKERS COMP TEMP DISABILITY	5,000	0	5,000	5,000	5,000
6513 WORKERS COMP PERM DISABILITY	193,292	227,146	200,000	210,000	200,000
6514 WORKERS COMP REHABILITATION	36,284	1,632	30,000	10,000	10,000
<b>Total MATERIALS AND SERVICES</b>	<b>1,259,324</b>	<b>1,230,654</b>	<b>978,413</b>	<b>978,500</b>	<b>968,500</b>
<b>Total <u>SELF INSURANCE</u></b>	<b>1,259,324</b>	<b>1,230,654</b>	<b>978,413</b>	<b>978,500</b>	<b>968,500</b>

**1530 INSURANCE**

5112 PART TIME SALARIES	1,353	8,655	0	0	0
5151 WORKERS' COMPENSATION	5	30	0	0	0
5155 MEDICARE	20	130	0	0	0
<b>Total PERSONNEL SERVICES</b>	<b>1,378</b>	<b>8,815</b>	<b>0</b>	<b>0</b>	<b>0</b>
6418 EXCESS INSURANCE	78,921	93,672	101,500	101,500	101,500
<b>Total MATERIALS AND SERVICES</b>	<b>78,921</b>	<b>93,672</b>	<b>101,500</b>	<b>101,500</b>	<b>101,500</b>
7122 FURNITURE AND FIXTURES	0	4,500	0	0	0

**363 SELF-INSURANCE - WORKERS' C**

<i>Account Number</i>	<i>2006 Actuals</i>	<i>2007 Actuals</i>	<i>2008 Adj Budget</i>	<i>2008 Yr. End Est</i>	<i>2009 Adopted</i>
<b>Total</b> CAPITAL ASSETS	0	4,500	0	0	0
<b>Total</b> <u>INSURANCE</u>	80,299	106,987	101,500	101,500	101,500
<b>Total</b> RISK MANAGEMENT	1,672,679	1,672,258	1,457,968	1,465,352	1,433,475
<b>Fund Total</b> SELF-INSURANCE - W	1,672,679	1,672,258	1,457,968	1,465,352	1,433,475
<b>Grand Total</b>	2,386,853	3,547,465	2,766,359	2,690,402	2,711,025

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