

# **RISK MANAGEMENT**

## **DEPARTMENT MISSION**

We partner with customer departments to maximize their human resources so they can deliver the greatest possible level of services to our citizens.

## **PROGRAM DESCRIPTION**

### **Risk Management**

Risk management assists departments in efforts to minimize major negative consequences of their operations. Responsible for the administration of Workers' Compensation, Third Party Liability claims, Purchased Insurance and workplace safety assistance programs.

## **OBJECTIVES FOR FY 2003-2004**

- Provide quality Workers' Compensation and Liability claims administration in a responsive, respectful manner by decreasing the time to resolve claims and respond to customer inquiries
- Minimize negative impact of losses due to contract related risks by reviewing procurement specifications and applying appropriate risk transfer methods
- Protect city assets through appropriate risk management techniques including the purchase and maintenance of insurance policies and establishing a self-inspection program

## **MAJOR BUDGET ITEMS**

- Save \$19,829 by implementing Service Incentive Pay program that is consistent with the State mandated Uniform Service Incentive Pay program
- Save \$43,416 as a result of transitioning Employee Health Benefits to a Catastrophic Coverage Program with a Preventive Care component
- Line-Item and Zero Base budget review resulted in savings of \$43,100 from reductions or elimination of educational supplies, city forces, furniture, software, printing charges, reference books, equipment rental, miscellaneous special services, office supplies, city forces, professional development and memberships
- Delete 3.0 regular FTEs and \$117,300 for the elimination of vacancies

## RISK MANAGEMENT

	FY 2001-02 Actual	FY 2002-03 Budget	FY 2002-03 Estimate	FY 2003-04 Adopted
<b>BEGINNING FUND BALANCE</b>	(18,472,074)	(21,671,072)	(21,671,072)	(22,904,711)
<b>REVENUES</b>				
Workers' Compensation	19,949,698	20,926,381	21,266,088	21,785,858
Third Party Liability	6,719,734	10,069,927	10,069,927	12,822,866
Purchased Insurance	2,480,488	4,132,890	4,132,890	4,613,740
Interest and Other	376,782	500,000	370,000	300,000
<b>TOTAL REVENUES</b>	29,526,702	35,629,198	35,838,905	39,522,464
<b>EXPENDITURES (By Program)</b>				
Workers' Compensation	19,213,612	20,355,041	19,771,642	21,228,667
Third Party Liability	10,299,569	10,248,587	11,924,485	12,265,676
Purchased Insurance	1,396,152	3,561,550	3,561,550	4,056,550
Risk Administration	1,816,367	1,865,139	1,814,867	1,734,773
<b>TOTAL EXPENDITURES</b>	32,725,700	36,030,317	37,072,544	39,285,666
<b>ENDING FUND BALANCE *</b>	(21,671,072)	(22,072,191)	(22,904,711)	(22,667,913)
<b>EXPENDITURES (By Category)</b>				
Salaries and Benefits	18,130,097	21,764,651	18,387,247	19,664,375
Supplies and Materials	16,622	34,021	22,020	3,577
Other Services and Charges	14,627,092	14,279,756	18,711,388	19,665,825
Capital Outlays	0	0	0	0
Reimbursements	(48,111)	(48,111)	(48,111)	(48,111)
<b>TOTAL</b>	32,725,700	36,030,317	37,072,544	39,285,666
<b>FTEs (By Type)</b>				
Regular	24.0	24.0	24.0	21.0
Overtime	0.1	0.0	0.0	0.0
Temporary Help	0.0	0.0	0.0	0.0
Day Labor	0.0	0.0	0.0	0.0
<b>TOTAL</b>	24.1	24.0	24.0	21.0
<b>FTEs (By Program)</b>				
Risk Management	24.1	24.0	24.0	21.0
<b>TOTAL</b>	24.1	24.0	24.0	21.0

\* Includes liabilities of \$24 million for workers' compensation and other claims expected to be paid in the following year. The Adopted budget includes funding to pay these claims.

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	<b>FY 2003-04 Adopted</b>
<b>RISK FUNDS</b>	<b>39,285,666</b>
<b>ADDITIONAL OPERATING RESOURCES</b>	
NONE	0
<b>TOTAL</b>	<b>0</b>
<b>TOTAL OPERATING RESOURCES</b>	<b>39,285,666</b>

