

Risk Management Division

Finance Department

Financial Performance and Budget Committee

November 8, 2023

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RMC 03.18.030

3.18.030 Powers and Responsibilities of the Risk Manager

Monitor and report annually to the City's Financial Performance and Budget Committee and City Council the insurance administration, and the compliance of City departments, offices, and agencies with the internal controls



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RISK MANAGEMENT TEAM



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RISK MANAGEMENT DIVISION

1. Insurance Procurement
2. Certificate of Insurance Review (COI)
3. 1st Party Claims/Settlement Administration
4. General Liability & Workers Compensation Rate Development
5. Emergency and Non-Emergency Responses Citywide
6. Hazardous Waste Contract Administration
7. Development of programs & trainings to help mitigate risks.



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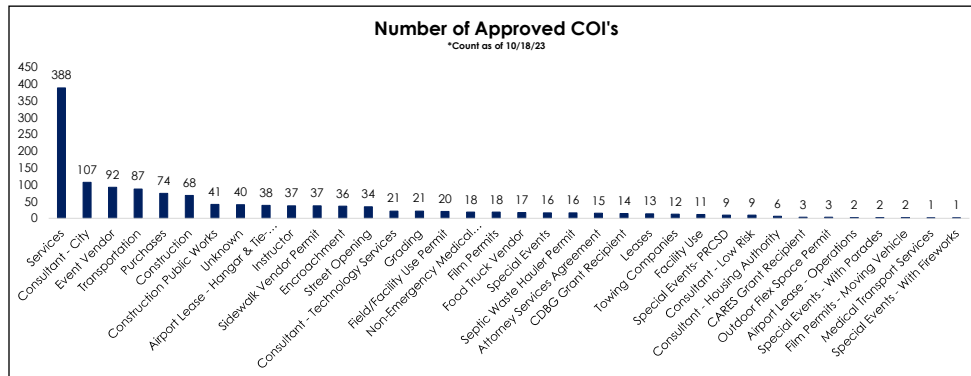
5 YEAR INSURANCE COSTS

| Policy Description | 19-20 | 20-21 | 21-22 | 22-23 | 23-24 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Broker Fee | \$53,045.00 | \$56,276.00 | \$49,500.00 | \$49,500.00 | \$51,975.00 |
| EXCESS WC | \$460,165.00 | \$476,291.00 | \$528,805.00 | \$584,281.00 | \$668,592.00 |
| AIRPORT INSURANCE | \$7,250.00 | \$8,159.55 | \$9,572.00 | \$10,530.00 | \$12,038.00 |
| GENERAL LIABILITY | \$381,169.64 | \$447,309.00 | \$334,258.42 | \$475,753.69 | \$490,898.00 |
| EXCESS GENERAL LIABILITY | \$184,212.00 | \$252,735.35 | \$741,534.64 | \$966,440.00 | \$1,061,383.75 |
| POLLUTION for RPU PLANTS | \$ | \$25,999.38 | \$25,999.38 | \$23,688.65 | \$23,672.59 |
| CRIME *NEW 21-22* | \$ | \$ | \$25,051.00 | \$26,799.00 | \$27,147.00 |
| STAND-ALONE CYBER LIABILITY * New 23-24* | - | - | - | - | \$282,676.00 |
| DIFFERENCE IN CONDITIONS - EXCESS EARTHQUAKE INSURANCE | \$63,396.68 | \$72,611.47 | \$99,260.02 | \$101,659.40 | \$113,959.00 |
| PROPERTY & B&M RPU PLANTS | \$151,991.00 | \$765,238.15 | \$926,315.19 | \$1,053,512.73 | \$1,351,410.08 |
| APIP PROPERTY | \$1,327,555.00 | \$1,329,523.53 | \$1,599,769.12 | \$2,205,521.78 | \$3,074,006.25 |
| MUSEUM FINE ARTS | \$34,600.00 | \$36,330.00 | \$32,515.00 | \$32,515.00 | \$31,645.00 |
| AIRPORT HULL LIABILITY- POLICE AVIATION | \$51,758.00 | \$59,265.35 | \$71,212.00 | \$76,383.00 | \$243,933.00 |
| Total Premium Paid | \$2,715,142.32 | \$3,529,738.78 | \$4,443,791.77 | \$5,606,584.25 | \$7,433,335.67 |
| \$ Change | - | \$814,596.46 | \$914,052.99 | \$1,162,792.48 | \$1,826,751.42 |
| YOY Increase | - | 30% | 26% | 26% | 33% |



CERTIFICATES OF INSURANCE

Risk Management launched the COI Portal August 3, 2020. Since the launch, the Risk Management Team has reviewed over 7,000 COI's.



GATHERGUARD

All third parties who hold private events on City owned or leased property must provide the City with proof of insurance.

Over 130 individual policies have been purchased since the launch of the program.



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EMERGENCY & NON-EMERGENCY RESPONSES

Risk Management is on call 24/7 ready to assist all City Departments in responding to emergencies and non-emergency situations that pose a threat to property, life, or the health of others.

| Fiscal Year | 19/20 | 20/21 | 21/22 | 22/23 |
|--------------------|---------------|---------------|---------------|---------------|
| Total Spent | \$ 523,045.33 | \$ 437,910.30 | \$ 373,373.19 | \$ 811,024.86 |
| % Change | -72% | -16% | -15% | 117% |



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HAZARDOUS WASTE ADMINISTRATION

ADMINISTRATIVE DUTIES

1. Procure and manage the Professional Services Agreement with the City's Hazmat contractor.
2. Submit the annual CA Department of Toxic Substances eVQ Survey.
3. Pay all CDTFA related hazmat taxes.
4. Renew all County operating permits.
5. Maintain records and copies of hazmat manifest documents.

There was one critical incident in FY 22-23 that required an emergency response.

| EPA #s | Address | Facility Title |
|--------------|---------------------------|---|
| CAL000263583 | 2221 Eastridge Ave, 92507 | Springs Power Plant |
| CAL000305521 | 5901 Payton Ave, 92504 | RERC - Riverside Energy Resource Center |
| CAL000351710 | 2201 Railroad St, 92880 | Clearwater Cogen Plant |
| CAL000173294 | 8181 Lincoln Ave, 92504 | Lincoln Station |
| CAL000129031 | 7020 Central Ave, 92504 | RPD Aviation Unit |
| CAL000356241 | 10540 Magnolia Ave, 92505 | Magnolia Station |
| CAD040502114 | 8095 Lincoln Ave, 92504 | Corpyard |
| CAC003042187 | 1450 Linden St | Linden Booster Station |
| CAL000443921 | Citywide | Accidental Dump Sites |
| CAL000125170 | 5950 Acorn St, 92504 | Wastewater Plant |
| CAL000307528 | 6951 Flight Road, 92504 | Airport |
| CAL000385899 | 2911 Adams St, 92504 | UOC - Electric Operations |
| CAC003125282 | 3302 Gibson St, 92503 | Fire Station #12 |



General Liability & Workers Compensation Rates

Risk Management is responsible for calculating how much each division needs to contribute each of the self-insurance funds.

$$(\% \text{ of Total Claims } *70\%) + (\% \text{ of Staff Exposure} *30\%) * \text{Funding Requirement} = \text{Division Rate}$$


630 Fund- Pays for all third-party tort claims & lawsuits submitted against the City.

610 Fund- Pays for all workers compensation claims & expenses.



RISK MANAGEMENT FUNCTIONS CITYWIDE

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RECOMMENDATION

That the Financial Performance and Budget Committee receive, provide input on, and forward to the City Council for approval an annual update of the City's Risk Management Division and Insurance Program Administration.

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