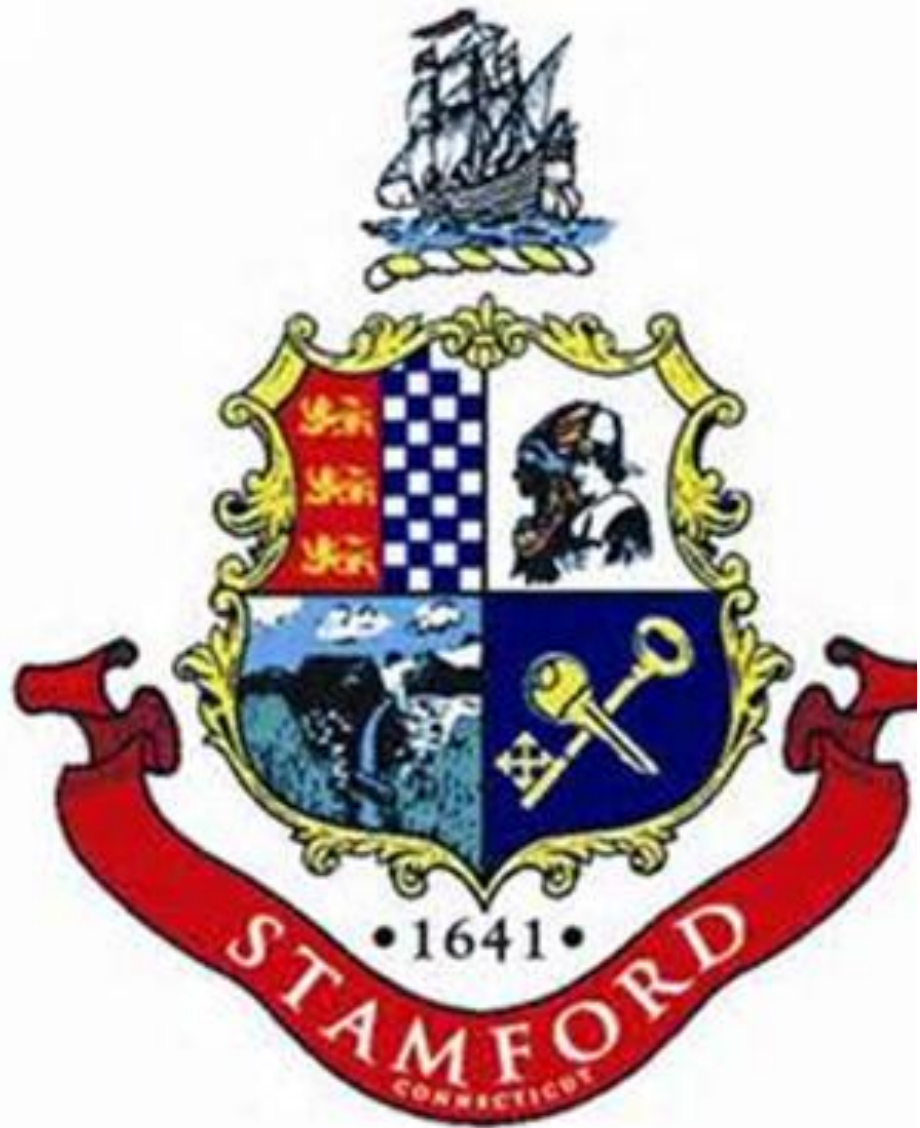


RISK MANAGEMENT
FUND

David Villalva
Risk Manager

March 12, 2025



Department Function

- The Risk Fund is an internal insurance service fund that develops and initiates insurance and self-insurance programs, safety and loss control activities, and claims administration to minimize the financial impact of accidental loss to the taxpayers.
- Other funds are charged back an annual budgeted expense by the Risk Fund through an allocation based on exposure and actual loss experience.

Department/Div. Organizational Chart



Budget Summary (FY 2025-26)

	FY 23/24 Actual	FY 24/25 Adopted	FY 25/26 Mayor's Request	\$ Var Adopted	% Var Adopted
Self-Insured Loss Payments	9,405,676	12,141,682	11,552,888	(588,794)	-4.8%
Insurance Premiums	6,010,923	7,061,664	7,567,574	505,910	7.2%
Third-Party Administrative Costs	261,970	291,348	291,348	-	0.0%
Safety & Loss Control	9,286	10,000	85,000	75,000	750.0%
Risk Mgmt Department & Administration	611,676	825,339	851,746	26,407	3.2%
	16,299,531	20,330,033	20,348,556	18,523	0.1%

Self-Insured Loss Payments includes Workers' Comp claims and General Liability claims against the City. General Liability expense is budgeted lower and is based on estimated loss payments for potential Legal Settlements for outstanding claims based on review with the Legal Dept.

Insurance premium increases due to the national insurance marketplace – primarily for Property Insurance.

Safety & Loss control increase due to switch from operating departments to Risk Management for certain safety-related functions including upkeep/maintenance/inspections of AEDs, Fire Extinguishers, and First Aid Kits to ensure OSHA compliance.

New or Expanded Services/Programs (FY 2025-26)

Safety & Loss Control Function

The City's programs for fire extinguisher maintenance, AED maintenance and first aid kits have been re-vamped with Risk Management taking over a large portion of the responsibility.

A centralized control of these functions serves to address OSHA compliance.

Key Challenges & Changes (FY 2025-26)

- Insurance premium pricing increases – particularly for Property Insurance - due to natural disasters and weather-related catastrophic events
- Severity of worker injuries negatively impact workers' comp expense. Top 5 injuries through the first six months of FY24/25 made up 2% of total claims but accounted for 38% of total workers' comp costs.

Thank You!