

Agenda Report

October 21, 2019

TO: Honorable Mayor and City Council
FROM: Department of Human Resources
SUBJECT: ADOPT A RESOLUTION ESTABLISHING A NEW CLASSIFICATION AND SALARY CONTROL RATE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review; and
2. Amend the Salary Resolution to establish a Risk Manager classification in the Department of The City Manager and set salary control rate.

BACKGROUND:

A recent organizational risk management assessment concluded that having a centralized risk management function will improve the City's ability to have an organized, integrated, and strategic approach to managing risk. The organizational study, completed by a risk management firm that provides services to public and private sector clients, was comprehensive and included the following:

- Review all relevant risk management, liability claims, workers' compensation, safety and insurance functions;
- Identify any gaps in City's current program;
- Recommend options for new organizational structures and staffing levels or provide justification for maintaining status quo;
- Identify cost savings (if any) and any increases in efficiencies for recommended organization;
- Quantify impacts to service delivery of recommended organization;

Field interviews were conducted with City staff representing five major risk departments, Police, Fire, Public Works, Water & Power, and Human Services and Recreation, as well as departments where the various risk management functions are housed or providing key risk management support. The Cities of Glendale, Santa Monica and Anaheim were used to compare service models with what is currently being done in Pasadena. All employees currently performing risk management functions were invited to interviews with the consultant.

The City faces three key areas that are exposed to risk: Illnesses and injuries of City employees in the course and scope of employment; damage to physical assets of the city, such as buildings, facilities, vehicles, equipment and supplies; and civil tort liability resulting from city programs, services and infrastructure. The results of the study highlighted the fact that there presently is not a staff position within the City structure specifically charged with managing risk.

The absence of a dedicated Risk Manager position means that there is not a centralized authority to identify and analyze risks, to evaluate various risk control and risk financing techniques to reduce the frequency and severity of loss and protect the City's assets, to direct implementation of various selected risk management strategies, or to monitor the outcome.

In order to improve the management of risk City-wide, it is recommended that the City Council establish the new classification of Risk Manager, as set forth below:

Risk Manager: This new classification will work in the City Manager's Office and oversee all the risk management functions. It is the responsibility of Risk Manager to minimize the City's civil liability claims and risk exposure, recommend and negotiate insurance coverage, oversee the development and implementation of City-wide safety and injury-prevention programs, manage or provide management assistance to the workers' compensation program, administer indemnity and insurance requirements for contractors, vendors and tenants and to provide professional advice to departments and City management on policies and procedures to minimize City liability and claims against the City and/or its employees. The Risk Manager will oversee a Risk Management Division within the City Manager's Office as may eventually be established through the administrative authority of the City Manager. While an organizational structure for the Risk Management division was recommended, the Risk Manager, when hired, will be charged with reviewing the recommendation and determining the final structure. It is expected that current staff will continue to perform their existing duties in their current locations. The classification of Risk Manager will be established with an annual salary control rate of \$152,143.

This action does not authorize an additional FTE. This position will be in the non-represented management group.

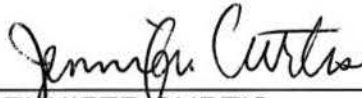
COUNCIL POLICY CONSIDERATION:

Approval of staff's recommendation supports the City Council's strategic goals of maintaining fiscal responsibility.

FISCAL IMPACT:

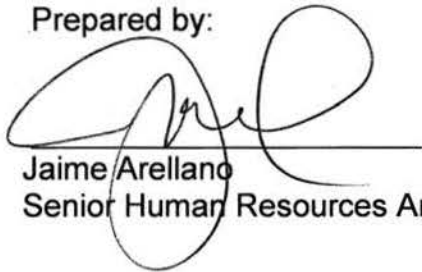
Approval and implementation of the new classification of Risk Manager will have no fiscal impact as it will replace the currently vacant classification of Finance and Management Services Administrator with the same salary control rate and will be funded under the Workers' Compensation Fund and General Fund.

Respectfully submitted,



JENNIFER CURTIS
Director of Human Resources

Prepared by:



Jaime Arellano
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Approved by:



STEVE MERMELL
City Manager

ATTACHMENT – Resolution adopting classification and salary control rate