

RESOLUTION NO. 5755

A RESOLUTION ADOPTING THE CITY OF ALBANY RISK MANAGEMENT POLICY

WHEREAS, the Risk Management Policy is incorporated into the annual budget document and, together with the Investment Policy and the Financial Policies, establishes the fiscal environment for the budget and other financial operations of the City of Albany; and

WHEREAS, the Finance Director recommended revisions to the Risk Management Policy which better define the roles of the City Council, City Manager, and Department Directors in identifying and managing the inherent risks of providing municipal services; and

WHEREAS, the City Council received a report of the City's claims experience and reviewed the Risk Management Policy at its work session on March 9, 2009, and any changes were incorporated into the document.

NOW, THEREFORE, BE IT RESOLVED that the City of Albany City Council adopts Exhibit A as the Risk Management Policy for the City of Albany.

DATED AND EFFECTIVE THIS 11TH DAY OF MARCH 2009.



Mayor

ATTEST:



City Clerk

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|  | City of Albany Finance Policy Policy #: F-08-08-001 Title: Risk Management | |
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I. POLICY STATEMENT

It is the policy of the City of Albany to proactively identify and manage the inherent risks of providing municipal services. Potential losses will be mitigated through employee safety committees, loss prevention programs, property and liability insurances, Workers' Compensation, and employee health, life, and disability benefits.

II. GENERAL RESPONSIBILITIES

Each employee of the City is responsible to contribute to a safe environment for all employees and the public. Employees should help identify and correct unsafe conditions and should follow all established safety laws, policies, and practices.

The City Manager and department directors are responsible to protect the City of Albany's assets by identifying and managing risks. Primary objectives include containing costs, minimizing accidents and injuries to employees and the public, reducing the frequency and severity of property loss, and promoting a healthy employee workforce and working environment.

Department directors are responsible for managing the risks of operations in their respective departments. They ensure that effective safety and loss prevention programs are implemented and oversee the investigation of claims and losses.

Department directors coordinate their efforts with the Senior Accountant who acts as the City's Risk Manager. The Risk Manager is responsible for facilitating claims processing and working closely with third party property and liability insurers.

The City Manager may choose to retain professional advisors, consultants, insurers, brokers, and agents of record to assist the City in placing appropriate insurances and developing effective safety and loss prevention programs.

III. SPECIFIC RESPONSIBILITIES

1. Human Resources Director.

- a. Coordinate and promote city-wide safety awareness and employee wellness programs.
- b. Manage the City's Worker's Compensation and health insurance programs to contain costs and promote safety and wellness for employees and their families.

2. Finance Director.

- a. Recommend appropriate levels of property and general liability insurance to the City Manager and City Council.
- b. Coordinate periodic inventories of all property, buildings, equipment, vehicles, and other capital assets and verify that appropriate insurance is in place.
- c. Maintain policies, bonds, and other legal documentation of insurance.

- d. Provide an annual report to the City Council showing claims experience and the costs of insurance programs.
3. **Fire Chief.**
- a. Conduct fire and life safety inspections of City facilities on a periodic basis according to the level of risk in each facility.
 - b. Verify that all facilities are in compliance with recognized fire code standards for fire and life safety.
4. **City Attorney.**
- a. Develop templates of contracts and leases which include language to identify and mitigate liability and other potential losses.
 - b. Notify the City Manager of changes in state statutes and common law that affect municipal liability.
 - c. Assist insurers in the investigation and settlement of claims against the City.
 - d. Review insurance and bond contracts.

IV. RETAINING AND TRANSFERING RISK

1. Reserve Account.

A Risk Management Fund will be maintained with a working balance of \$2,000,000 for unforeseen catastrophic events and major deductibles. Each department will be responsible for claims and deductibles up to \$5,000 per incident resulting from losses in their respective operations.

2. Insurance Coverages.

The following policy limits and deductibles will be maintained:

Property/Boiler & Machinery

Limit: Determined each year by the filed value of insured property.

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| Deductibles: | Buildings/Contents | \$10,000 |
| | Boiler & Machinery | \$10,000 |
| | Mobile Equipment | \$10,000 |
| | Earthquake | 2% deductible per occurrence \$10,000 min/\$50,000 max |
| | Flood | Same as earthquake |

Tort Liability

Limit: \$5,000,000

Auto Liability

Limit: \$5,000,000

Auto Physical Damage

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| Deductibles: | Comprehensive | \$100 |
| | Collision | \$500 |

Senior Center Trips

Limit: \$5,250

3. Self Insurance.

The City shall self-insure to the extent it is more cost effective than commercial insurance and does not present unacceptable financial or other risks to the City.

V. ALLOCATION OF INSURANCE COSTS

Departments and programs that have dedicated revenue sources or are independent legal entities will be charged insurance costs specific to the risk exposures of the operations of those departments and programs.

Premiums and related costs for liability insurance, Workers' Compensation, and property insurance will be allocated to each department based on claims experience and risk exposure. Property insurance costs are allocated according to the specific properties used and operated by each department or program.

VI. CONFIDENTIALITY OF RECORDS

All personally identifiable and confidential information will be maintained in compliance with the Identity Theft Protection Policy, Finance Policy Number F-04-08. All employee medical records and long-term disability claims held by the City will be maintained in separate locked files and access will be controlled through the City Manager and Human Resources Departments.

All police reports will be kept confidential unless the Albany Police Department and/or the City Attorney approve release.

VII. REPORTING PROPERTY/CASUALTY ACCIDENTS AND LOSSES

1. Accidents and losses must be reported promptly and in accordance with prescribed procedures. The benefits of timely reporting include enhanced citizen confidence, better protection of the City's interests, reduced time lost for employees and equipment, and savings realized through prompt settlements.

Reports of general liability claims and automobile accidents should be immediately reported to the Risk Manager. The following information should be included in every report:

- a. Date, time, and location of accident or event
- b. Description of vehicle, equipment, or property involved
- c. Name(s) of person(s) involved
- d. Name(s) of person(s) injured
- e. Description of any medical attention received
- f. Nature of damage/loss and estimated cost
- g. Description of circumstances; diagram of events if possible
- h. Insurance Policy Numbers, Agents, and/or Agencies
- i. Name(s) and addresses of witnesses
- j. Appropriate signatures
- k. Copy of DMV report, if filed
- l. Copy of police report, if filed

In addition, procedures described in Human Resources Policy HR-SF-02-001 (Property Loss/Damage) must be followed.

2. The Risk Manager will process all accident/loss notices, except Workers' Compensation, and will notify the appropriate insurance company.
3. The Human Resources Department will file Workers' Compensation accident reports with the appropriate insurance company. Workers' Compensation incidents will be processed in accordance with Human Resources Policy HR-SF-03-001 (Reporting On-the-Job Injuries).
4. Accidents of a serious nature and those occurring on weekends or holidays should be called in to the appropriate supervisor and followed up with the proper accident forms and information. The Risk Manager should be notified of the accident on the first day back to work.
5. As required by law, on-the-job injuries to employees that result in overnight hospitalization for treatment (not just observation), must be reported to OR-OSHA within twenty-four (24) hours of the injury. An on-the-job accident that results in the hospitalization of three or more employees, or in a fatality, must be reported to OR-OSHA within eight (8) hours of the accident. In either of these situations, the Human Resources Generalist or Human Resources Director should be notified immediately so they may make notification to OR-OSHA.

VIII. REPORTS TO BE FILED

1. All Property/Casualty claims reports will be filed with the Risk Manager.
2. Minutes of City Council meetings, safety meetings, and all other City Committee meetings in which Risk Management policy or procedure decisions are made will be filed as appropriate.
3. Inspection reports when the building inspector or Fire Department inspects City premises will be filed with the Risk Manager or the Fire Department.
4. Long-term Disability and Life Insurance claims and Workers' Compensation claims and reports will be filed with the Human Resources Department.

IX. RISK MANAGER RECORDS

The Risk Manager shall keep the following records:

1. An inventory of current locations, descriptions, and insurable values of all property/vehicles owned or leased by the City.
2. An insurance register, outlining all coverages in force and including premiums, policy numbers, servicing agents, terms of coverage, and expiration dates.
3. Premium payment and allocation records.
4. Claims filed and pending.

5. Loss records subdivided into property, liability, and other liability claims paid by the insurer under existing insurance policies.
6. Claim recoveries received from third parties who have damaged City property or who are reimbursing for City wages paid.

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| Supersedes: | Created/Amended by/date: | Effective Date: 3-11-09 |
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