

Risk Management

FY2025 Proposed Budget

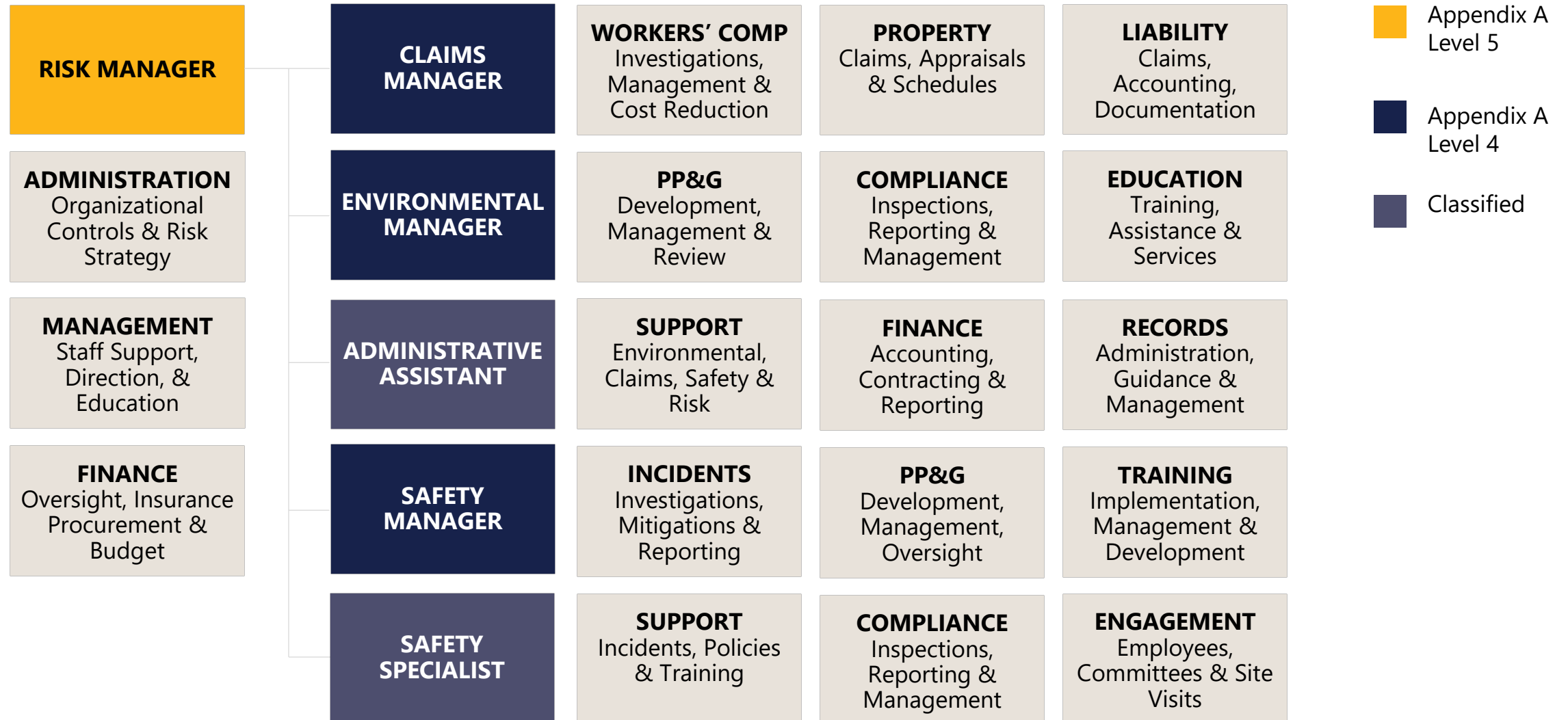


Risk Management **Mission & Service**

Our mission is to protect the Kenai Peninsula Borough (KPB) and Kenai Peninsula Borough School District (KPBSD) through identification, analyzation, and mitigation against the consequences of accidental losses and claims.

We serve as a resource for protecting the health, safety, and well-being of KPB and KPBSD employees through continuous efforts to reduce the frequency, severity of claims through education, analysis, active participation and communication.

Risk Management Organization Chart



11234 – ADMIN

Overhauled the KPB training program including the development of new modules and expanding to monthly classroom-based trainings. Developed a web-based AED inspection tool for use on mobile. Collaborated with several departments to demolish the Zip Mart property without taking on long-term liability.

11236 – WORKERS' COMP

Identified scope and approach to an organization-wide Job Hazard Analysis (JHA) process. Overhauled our safety observation process including new cards, action item logs, and coaching materials. Our Safety Committee began publishing a quarterly safety newsletter.

Risk Management **FY24** **Achievements**

11237 – PROPERTY

In cooperation with IT, created the initial Management of Change (MOC) workflow and outlined the foundation for a Master Asset List for Buildings, Equipment, and Auto.

11238 – LIABILITY

Updated the Video Surveillance Policy to standardize access guidelines, access authority routing, and internal/external requests for surveillance footage. Developed a Risk Assessment Request form to capture requests by internal stakeholders and effectively document Risk Management Committee's recommendations. This is the foundation for the FY2025 New Initiative to develop a Risk Register.

Risk Management **FY24 Achievements (Cont.)**

11234 – ADMIN

Create a web-based library for certificates of insurance to pre-qualify contractors and reduce organization-wide redundancies. Update SPCC Plans to digital format – currently a mix of print and digital records. Create departmental SOPs for cross training and COOP.

11236 – WORKERS' COMP

Conduct in-person investigations for all Recordable injuries to improve the effectiveness of cost-reduction and improve mitigation methods. Update Workers' Compensation materials and develop new employee guides and supervisor training opportunities.

Risk Management **FY25** **Objectives**

11237 – PROPERTY

Leverage web-based tools to implement a Management of Change (MOC) process for new property additions or modifications. Update floorplans for all KPB facilities including layers for camera, access control, and other risk-related equipment locations.

11238 – LIABILITY

Create a Risk Register to capture operational risks, develop actionable response plans, prepare for possible impacts, and recommend mitigation methods to the Administration. Develop a web-based insurance requirements flowchart to improve stakeholder experience and streamline the contracting process.

Risk Management **FY25 Objectives (Cont.)**

Risk Management Expenditure Summary

	FY24 Original Budget	FY25 Proposed Budget	Change From FY24
Personnel	\$912,148	\$923,294	\$11,146
Supplies	\$3,800	\$3,650	\$(150)
Services	\$6,018,905	\$7,201,217	\$1,182,312
Capital Outlay	\$1,405	\$0	\$(1,405)
Inter-Dept.	\$0	\$0	\$0
Totals	\$6,936,258	\$8,128,161	\$1,191,903

% Increase **17.18%**

Risk Management Market Projection

	FY24 Actuals	FY25 Projected	% Change
Package*	\$3,039,305	\$3,653,502	20.2%
Equipment	\$38,084	\$43,534	14.3%
Excess Liability	\$321,620	\$380,403	18.3%
Storage Tank	\$10,507	\$11,960	13.8%
Environmental	\$38,887	\$40,826	5.0%
Medical	\$7,200	\$8,083	12.3%
Firefighter ADD	\$7,128	\$7,875	10.0%
Aircraft	\$29,653	\$32,140	8.4%
Drone	\$0	\$6,942	N/A
Totals	\$3,492,385	\$4,185,266	19.8%

11234 – ADMIN

The budget remains flat with negligible increases to Personnel (1.2%).

11236 – WORKERS' COMP

The budget includes an increase of \$141,490 (7.8%) to claims reserves and an increase of \$92,829 (12.4%) in estimated workers' compensation premiums and payroll audit costs.

11237 – PROPERTY

The budget includes a significant increase of \$849,270 (55.6%) for estimated increases in property values and premiums. These increases capture unanticipated property value increases of 10% in FY24 and additional anticipated increases of 5% in FY25.

11238 – LIABILITY

The budget includes an overall increase of \$105,116 (13.3%) in general liability, excess liability, and crime policies as well as an increase of \$14,334 (14.7%) for other policies.

Risk Management **Significant Budgetary Impacts**

11234 – ADMIN

Employee retention and “knowledge vacuum” may be creating long-term financial impacts (direct and indirect) which may be reflected in claim costs and frequency across all categories.

11236 – WORKERS’ COMP

Expansion of presumptive disability statutes continue to impact risk avoidance for emergency services organizations. Increasing cost of medical treatment and litigation in the State of Alaska.

11237 – PROPERTY

Lack of facilities management is driving the volume and cost of claims including significant failures at several facilities. Appraisals continue to increase as do insurance rates.

11238 – LIABILITY

Our liability exposures, loss ratio, and overall costs continue to present challenges in securing reasonably priced excess insurance. Increased litigation costs and claims submitted through the Public Loss Process.

Risk Management **Long-Term Concerns**