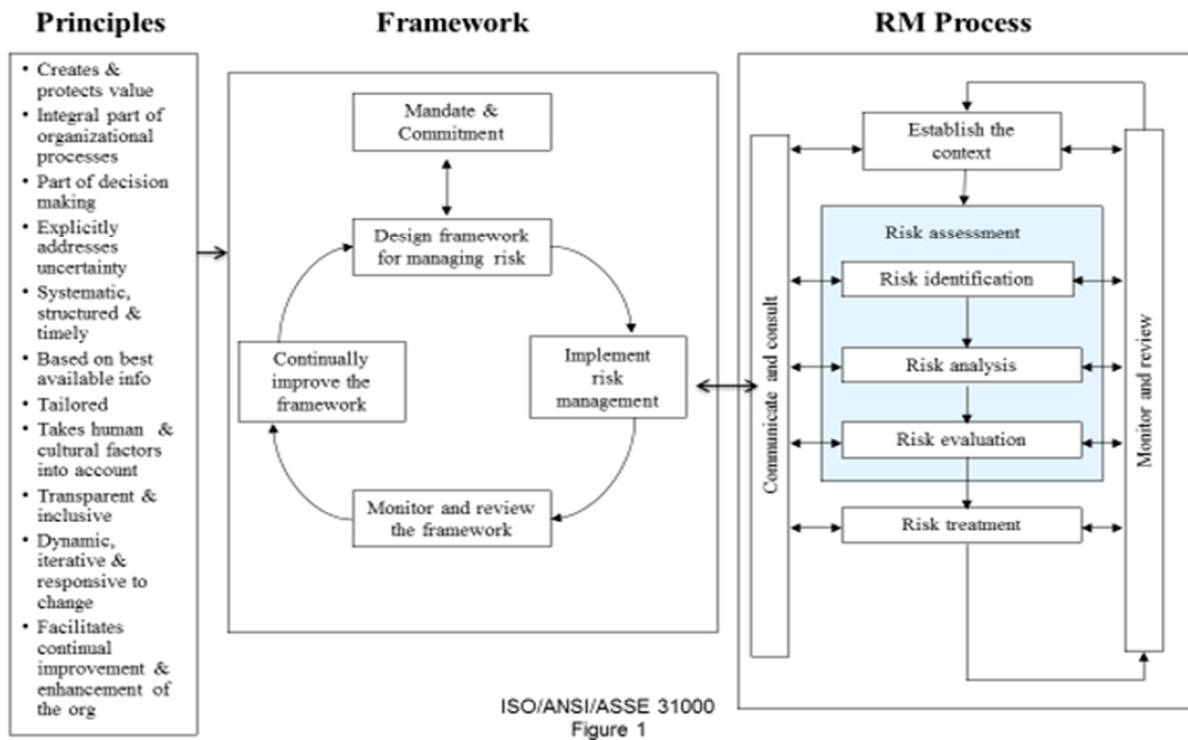


***ERM: Adding Value to
Your Public Agency***

Participant Case Study

FIGURE 1



CASE STUDY: CITY OF STARLIGHT BAY, CA

MISSION STATEMENT

Preserve, protect, and provide innovative & cost effective services that enhance the quality of life for residents, visitors, businesses.

VISION STATEMENT

Desired destination for to live, work and play.

OPERATING PRINCIPLES

Inclusive Governance

- Manage the operations of the City as an engaged, collaborative, and responsive team of professionals who provide services in an effective, accountable, and inclusive manner.
- Continue and enhance transparency and accountability with community members, providing easy access to information, helpful and informed staff, and meaningful opportunities to participate in the City's decision-making processes and other municipal and community activities.

Financial Sustainability

- Practice sound and responsible financial management, while providing fiscally sustainable government services that address the needs of the community.
- Support and sustain a business environment that contributes to economic prosperity and revenue generation, and improves the economic well-being of the community.
- Ensure excellent service and the best investment of taxpayer money

Respectful Partnerships

- Encourage honest dialogue, diversity in thinking & problem solving
- Streamline everything we do using best practices

Infrastructure & Environment

- Continue to build and enhance a more sustainable and resilient community by incorporating green and sustainable infrastructure projects and environmental conservation.
- Utilize technology to maximize efficiency and productivity for improved City operations.



ABOUT CITY OF STARLIGHT BAY

Starlight Bay is a city in Bay County, California. The population was 63,552 at the 2010 census and 66,452 in the 2016 census.

Background

The City of Starlight Bay has a self-insured workers' compensation program with claims mostly self-administered. Medical-only claims are adjusted internally while indemnity claims are adjusted by a one-person independent contractor working on site. Payments related to workers' compensation claims are handled between the City's risk manager and finance department.

About the City

City of Starlight Bay - has approximately 450 full time employees which include 67 sworn firefighters eligible for 4850 benefits. Law enforcement is contracted out. The City also employs 72 part-time employees and up to 80 volunteers. The City departments are comprised of City Administration, Risk Management, Finance, Human Resources, Legal, Parks & Recreation, Planning & Building, Public Works/Engineering and Fire/Marine Safety.

As of December 1, 2017, there are approximately 40 open claims consisting of 25 indemnity claims and 15 medical-only claims. Of the 40 open claims, 10 are litigated.

Departments with higher than average frequency include Administration and Parks/Recreation (repetitive motion, orthopedic) and departments with higher than average severity include Police and Fire (cumulative trauma, orthopedic).

Current issues with the workers' compensation program include:

- Other PARMA members with TPAs and JPAs have talked about new more helpful Risk Management Information Systems (RMIS).
- Concern about not being up-to-date on all requirements of DWC

Desired improvements for the workers' compensation program include:

- More individual help for injured workers
- Better data to help set safety priorities

General Scope

A program review to assess the current state of the Workers' Compensation program and evaluate options. The review is organized along five phases as described below:

- Phase 1: On-site program assessment/recommendations (Operational)
- Phase 2: Financial feasibility report & impact study (Financial, Operational)
- Phase 3: Risk assessment (Risk)
- Phase 4: Communication and consultation of Phase 1, 2 and 3 findings with principal stakeholders (City Manager, Finance, Administration, Legal and HR)
- Phase 5: Final recommendation and issuance of RFQ.

RISK SCORING WORKSHEET

Risk Informed Decision:

The City wishes to assess its self-insured workers' compensation program to decide whether to:

1. Maintain status quo (solo contract administrator)
2. Move program to TPA
3. Move program to JPA

Process:

The City must include an assessment of how the risks involved in each option could potentially impact, positively or negatively, its ability to effectively execute its mission statement, vision and operating principles as identified by the ERM Committee.

Decision 1: Maintain Status Quo

| Risk A: | Likelihood* | Impact* |
|---|--------------------|----------------|
| Exceed Budget | | |
| Risk B: | | |
| Non-compliant with DWC | | |
| Opportunity A: | | |
| Provide innovative care to injured employees | | |

*Scale: 1-Low; 2-Medium; 3-High

Decision 2: Move Program to TPA

| Risk A: | Likelihood* | Impact* |
|--|--------------------|----------------|
| Exceed Budget | | |
| Risk B: | | |
| Non-compliant with DWC | | |
| Opportunity A: | | |
| Provide innovative care to injured employees | | |

*Scale: 1-Low; 2-Medium; 3-High

Decision 3: Move Program to JPA

| Risk A: | Likelihood* | Impact* |
|--|--------------------|----------------|
| Exceed Budget | | |
| Risk B: | | |
| Non-compliant with DWC | | |
| Opportunity A: | | |
| Provide innovative care to injured employees | | |

*Scale: 1-Low; 2-Medium; 3-High