

CITY OF FOSTER CITY ESTERO MUNICIPAL IMPROVEMENT DISTRICT

RISK MANAGEMENT POLICY

1. Scope & Goals

- 1.1. The goals of the Risk Management Policy are as follows:
 - 1.1.1. Maintain an effective system to identify, measure and control loss exposures;
 - 1.1.2. Maintain an effective claims administration system;
 - 1.1.3. Prevent injuries and losses to the public for which the City/District is responsible;
 - 1.1.4. Prevent losses to City/District property and vehicles; and
 - 1.1.5. Protect the City/District from catastrophic losses, or an annual accumulation of losses, that would cause financial hardship.
- 1.2. The scope of the Risk Management Policy is as follows:
 - 1.2.1. Injuries and losses to the public due to the actions or decisions of City/District employees or officials in the course of their duties;
 - 1.2.2. Injuries and losses to the public due to conditions and operations within the control of the City/District;
 - 1.2.3. Damage to City/District property and vehicles; and
 - 1.2.4. Exposures relating to work done for the City/District under contract.
- 1.3. The Risk Management Policy and Programs shall complement and be coordinated with the provisions of the City/District Injury and Illness Prevention Program (IIPP), which focuses on reducing employee safety risks and workers' compensation losses.

2. Roles & Responsibilities

- 2.1. City/District Manager – The City/District Manager is ultimately responsible for carrying out the provisions of the Risk Management Policy. The City/District Manager assigns the authority and responsibility for implementing the policy through a variety of Risk Management Programs described herein.
- 2.2. Risk Manager – The City/District Manager shall designate a Risk Manager who shall lead the policy implementation effort and oversee the various Risk Management Programs described herein. The Risk Manager shall coordinate the Risk Management Program and communicate about the program through and with the City/District Manager, Department Heads, and Department Safety Committee(s) as necessary to address risk management issues.
- 2.3. Executive Team/Department Heads – The Risk Manager shall on an at least quarterly basis, review with the Executive Team the annual Risk Management Goals and Action

Plan. The Executive Team shall assist in identifying and recommending ways to reduce or eliminate risk exposures associated with current and/or proposed changes to City/District policies, programs and operations. Department Heads are further responsible for carrying out the provisions of the Risk Management Policy and overseeing the implementation of Risk Management Programs within their departments. They are responsible for ensuring that risk management principles and practices are included in their departments' operations and for advising the City/District Manager and Risk Manager about City/District and departmental risk issues.

- 2.4. Department Safety Committees – Safety Committees shall be established within departments, divisions, work groups or work locations as appropriate. More than one committee may be established within a department to address different kinds of risk and safety issues (e.g., Recreation and Parks.) Departments with similar risk and safety issues may be represented on a single committee (e.g., Administrative departments in City Hall.) Committee membership shall represent a vertical and horizontal cross section of department, division, work group or work location personnel. Safety Committees shall establish a regular meeting schedule to: review all accidents and near misses; recommend corrective measures to eliminate the likelihood of a recurrence of accident-producing conditions; seek out and recommend best practices that reduce risk and improve safety; promote risk and safety awareness among employees; conduct risk and safety inspections; and sponsor risk and safety education and training programs for employees.
- 2.5. Supervisors – Supervisors are responsible for the day-to-day safety of employees and the public. They are to be proactive in managing their employees, contractors, and work operations so as to reduce risks and improve safety. Supervisors shall provide employee training in work practices that reduce risks and improve safety. They shall provide information and assist in the investigation of claims.
- 2.6. Employees – Employees are responsible for making safety and risk management a priority in the performance of their duties. Employees are expected to observe and follow safe work practices, to participate in safety training, to report any hazardous condition they observe to their immediate supervisor, Department Head or Risk Manager and to provide information and assist in the investigation of claims. The ultimate success of the Risk Management Programs described herein depends on the contributions and commitment of each employee.

3. Risk Management Programs

The City/District shall commit sufficient resources to the development and implementation of Risk Management Programs so that the goals of the Risk Management Policy are achieved. The City/District may engage the services of insurance, safety and risk management companies and consultants to assist with the development and implementation of Risk Management Programs. The City/District is a member of the Association of Bay Area Governments Pooled Liability Assurance Network (ABAG PLAN). ABAG PLAN provides shared risk programs, including pooled property, and purchasing pools as well as

claims administration, cost recovery services and risk management services. The City/District shall maintain the following Risk Management Programs:

- 3.1. Insurance – The City/District shall establish self-insurance retention limits consistent with its financial resources. The City/District shall establish reserves for all self-insured losses to recognize the projected future cost, and appropriate funds to cover all self-insured liabilities. Insurance for risks and catastrophic loss potential shall be purchased whenever it is economically feasible within the judgment of the City/District Manager.
- 3.2. Risk Transfer – The Risk Manager shall develop risk transfer processes that assure the use of hold harmless and indemnity clauses in all agreements, contracts, leases, permits, purchase orders and rental agreements, and the use of insurance requirements that provide adequate protection within the judgment of the City/District Manager.
- 3.3. Claims Administration – The Risk Manager shall be the City/District’s liaison with the ABAG PLAN and its claim administration program. All accident reports, incident reports, and claims shall be forwarded as soon as possible to the Risk Manager for review and processing. The Risk Manager shall review all accident reports, incident reports and claims, and shall notify the ABAG PLAN in a timely manner of all serious accidents, incidents or claims. Department Heads and Supervisors shall review all accident reports, incident reports, and claims affecting their departments, and provide timely information to the Risk Manager and the ABAG PLAN.
- 3.4. Accident & Safety Reviews – A process shall be implemented by the Risk Manager to review all accidents, incidents and claims to determine their cause, preventability, methods to prevent future occurrences, and claims and litigation defense strategy in conjunction with the ABAG PLAN. A process also shall be implemented by the Risk Manager to discuss safety issues and get feedback from employees on how to make City/District operations safer for employees and the public. The Risk Manager shall establish a schedule for regular and timely accident and safety reviews.
- 3.5. Hazard Identification, Elimination & Mitigation – The Risk Manager shall establish a system to quickly identify hazardous conditions and effect repairs. All employees shall be encouraged to notify their supervisor, Department Head, or Risk Manager of any condition that may expose someone to injury or property damage.
- 3.6. Best Practices – Departments shall develop and implement risk management best practices for their operations as identified with assistance from the Risk Manager and the ABAG PLAN. Best practices shall be actively pursued at a minimum in the following areas: vehicle use and operations, tree and landscape maintenance, playground maintenance, facilities maintenance, sanitary sewer maintenance, street maintenance, police operations, fire operations, contractor selection and control, contractual risk transfer, hazard identification, and Americans with Disabilities Act (ADA) compliance.

3.7. Training – The Risk Manager shall assist departments in securing training for employees in areas that support risk management efforts including: implementing best practices, transferring risk, investigating claims, and other safety subjects.

James C. Hardy, City/District Manager

Date