



Leaders at the Core of Better Communities

2015 Local Government Excellence Awards Program Program Excellence Awards Nomination Form

(All programs nominated must have been fully operational for a minimum of 12 months, prior to January 31, 2015)

Deadline for Nominations: March 3, 2015

Complete this form (sections 1 and 2) and submit with your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (*select only one*):

- Community Health and Safety
- Community Partnership
- Community Sustainability
- Strategic Leadership and Governance

Name of program being nominated: Risk Management Program

Jurisdiction(s) where program originated: The City of Sugar Land

Jurisdiction population(s): 86,495

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented for at least 12 months prior to January 31, 2015, to be eligible. The start date [on or before January 31, 2014] should not include the initial planning phase.)

Month: October Year: 2013

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Seattle, Washington, September 2015. (Each individual listed MUST be an ICMA member to be recognized.):

Name: Pat Pollicoff

Title: Communications Director Jurisdiction: The City of Sugar Land

SECTION 2: Information About the Nominator/Primary Contact

Name of contact: Pat Pollicoff

Title: Director of Communications Jurisdiction: The City of Sugar Land

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2015 ICMA Awards: Strategic Leadership and Governance- Risk Management Program

Problem assessment

Due to the complexity of the insurance industry and the significant growth of the City in the last 10 years, the Risk Management program became fragmented because of a lack of comprehensive governing policies and program efficiency. The Risk Management program was reviewed with a major focus on workers comp claims costs, at-fault fleet accidents, liability/litigation activities, in-house claims, property claims and employee coverage.

As a result of this strategic project and analysis, the City hired a consultant to assess the Risk Management program. The consultant recommended that the City expand its Safety Program by developing new policies and procedures to enhance the ones already in place. The goal was to develop a long-term comprehensive and improved Safety Program by mitigating injuries and accidents. Risk management carefully reviewed the city's claims process and insurance requirements across key departments in the City.

Program implementation and costs

After the risk analysis in FY10, the Risk Management department was expanded with the hiring of a full-time Safety Coordinator and a Risk Analyst hired for a two-year internship in 2012 to allow the Risk Manager to focus on the goals and objectives of Risk Management. The Safety Coordinator and Safety Committee played a key role in the development of the Safety Program.

Strong claims management is imperative to a successful Risk Management program. Therefore, Risk Management staff visited with the Texas Municipal League's Intergovernmental Risk Pool (TMLIRP) representatives to create a plan for annual claim reviews. Since the TMLIRP

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does not assume the rights of the insured for property claims under the City's deductible, improving the claims recovery process was very important to the planning and implementation process.

Tangible results or measurable outcomes of the program

The changes implemented in the Risk Management programs, including the development of more effective policies and outstanding training opportunities, have resulted in significant savings for the City, far fewer workmen's comp cases, lost days, personal and property liability claims.

- The safety and loss prevention program now includes a full force accident review board, safety committee, audits and inspection program, emergency evacuation for the workforce, a defensive driving program, a drug and alcohol screening program, employee driving record checks and many other policy and procedure developments.
- New annual risk analysis and trend reports are distributed to City management and departments. The reports are vital to the success of the Risk Management program by keeping management informed of current and past risks, exposures and trends.
- Risk Management also improved the management of liability claims filed by residents by mailing a letter, along with a claims form, to better explain the claims process to the claimant. This simple addition to keep our customers informed is a positive approach in the City's commitment to excellent customer service.
- One of the key components of the new Safety Program was to develop an Accident Review Board (ARB) policy and form a review board of City employees. The ARB reviews

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all accidents involving property damage or personal injury and decides whether the accidents were preventable and recommends any needed corrective actions.

- Risk Management also works closely with the Fire, Police, Sugar Land Regional Airport, Public Works and Emergency Management departments to help create comprehensive policies and evacuation trainings for active shooter, bomb threats and other emergency situations.
- The Defensive Driving Course was updated in compliance with State standards and with the unique needs of the City of Sugar Land drivers in mind.
- The Workers' Compensation program has also been a key component to the success of the Safety Program.
- The modified duty program is now designed to assist employees in getting back to work sooner following a Workers' Compensation claim, all while improving employee morale and saving the City tax dollars.
- Risk Management built relationships with key departments in the City to improve the process in which the City seeks reimbursement for property claims. The Risk Management office currently submits 100 percent of in-house claims for cost recovery.
- Risk Management also works with Fort Bend County prosecutors to assist in restitution recovery of damaged property (traffic light poles, pedestrian and signage poles) on cases that involved DWI's or other criminal activity. The City's prosecutor assists with restitution on municipal court cases that involve similar property damage.

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The outstanding work of Risk Management and its committees, along with the support of management and employees, has resulted in the following significant improvements and greatly reduced number of claims:

- 100% in-house claims subrogation
- 71% recovery of in-house claims (costs to repair/replace vs. recovered dollars)
- 62% decrease in citywide Workers' Compensation net incurred costs in a three-year period
- 63% decrease in lost time days for the overall city in a five-year period
- 91% decrease in net incurred Workers' Compensation costs for the Fire Department in a four-year period
- 62% decrease in net incurred workers compensation costs for the Police Department in a four-year period
- Consistent decrease in net incurred workers compensation claim costs for other city departments
- 64% decrease in citywide Auto Liability costs in a three-year period

As a result of the decreasing costs, City-wide insurance premiums are gradually decreasing. Building relationships and improving communication are also key factors in the success of the program. The City is experiencing long-term productivity from an improved Risk Management program with greater employee satisfaction, improved morale, cost savings, and most importantly, less risk.

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Lessons learned during planning, implementation, and analysis of the program.

Bringing the City organization on board to implement change had to be well-organized and communicated. It involved numerous meetings and collaboration with departments, supervisors and employees as well as TMLIRP representatives, to ensure all were onboard with our programs, policies and procedures. Risk Management is a program that cannot become static – we must assess our risks on a daily basis. The results speak for themselves.