



Director Approval - Original Approval Date: 12/31/2021
Update Approval Date: _____
Signature: [Handwritten Signature]

Date: 12/31/2021 Updated: Date To Be Reviewed: Five Years – 12/31/2026

Title of Document: 9.1.1 LOPR_Risk Management Plan

Background:

Lake Oswego Parks & Recreation values the safety of the employees, volunteers, and patrons who work in, play at, and enjoy LOPR properties and programs. Risk management is a program that reinforces that value by establishing processes and procedures to minimize risk of injury, property loss, and preserving all that LOPR has to offer. This plan has been approved by the LOPR Director and will be updated every three years.

Goals:

The efforts set forth in this plan are directed toward achieving goals that are long term and sustainable. LOPR is working towards goals that will have a department wide impact and all levels of LOPR will benefit from achieving these goals.

The first goal is to reduce the risk of injuries of employees which is measurable by reducing the recordable rate of worker injuries. The target goal is to maintain a rate that is considered equal to or better than the industry average for agencies of like size and operation. This goal has been achieved by LOPR and now maintenance of the goal will be the major undertaking. It is one thing to reach a goal but another to be able to maintain the goal over time.

The second goal is to reduce the risk of injury of LOPR patrons and program participants and claims against LOPR. The nature of recreation poses exposure to injury; however, LOPR is committed to minimizing the risk through risk identification and mitigation strategies.

All actions undertaken through risk management efforts will focus on these two goals. There will be other goals established to accomplish certain steps in this program but ultimately, all will lead to achieving the two goals as established herein.

Procedure:

IDENTIFYING RISKS

Risk identification is the first step in the risk management process. Risk identification and analysis provide a solid foundation on which to base loss control programs. Identification can be achieved by classifying loss exposures by type.



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There are six types of exposures faced by LOPR:

1. Employee injury
2. Patron injury/liability claim
3. Physical property damage
4. Loss of income
5. Extra expense
6. Loss of positive public image

Identifying loss exposure is an on-going process such as hazard assessments, job safety analysis, new project and maintenance analysis, incident and accident investigation, and claims. The goals of identifying risks are:

- Ensure a safe environment for employees and for members of the public;
- Reduce the cost of accidents, including insurance premiums, through effective safety programs and practices;
- Protect LOPR's assets;
- Minimize the possible interruption of vital public services.
- Ensure that all exposures to financial loss are discovered and treated; and
- Reduce other financial losses by implementing documented expectations and risk management systems that reduce exposures caused by theft, employee dishonesty and risky behaviors of both employees and participants.

Loss reports are a very effective means of identifying and addressing risk exposure. To protect itself from unnecessary losses, LOPR has established a process of identifying risks by:

- Requiring incident reports
- Reviewing losses incurred through investigation of the incident;
- Determining the root cause of the incident; and
- Reviewing the findings of the investigation to develop action plans to eliminate, transfer, mitigate or accept future losses from identical or like causes.

Loss reports will be analyzed and the results will be shared with the appropriate departments to begin the process of loss prevention. The analysis will consist of identifying:

- The type of loss;
- The frequency of loss; and
- The severity of loss.



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The analysis will include prioritizing losses to determine those losses that create the greatest exposure to LOPR. This information will be used to develop action plans to control the risk by avoidance, transfer, mitigation or acceptance of the risk.

LOSS PREVENTION AND LOSS CONTROL

Loss prevention is the first and most effective strategy of protecting LOPR from loss. The main strategies that will be employed for loss prevention are to:

- Educate employees to recognize unknown or unseen hazards and on potential preventative or corrective actions;
- Train employees in the methods of avoiding, mitigating or transferring risk;
- Assist LOPR safety programs are designed to prevent injuries and promote the health and well-being of employees and patrons;
- Develop other strategies that will enable LOPR to better manage its risks;
- Educating patrons on expected code of conduct during programs and events;
- Ensuring patrons are aware of participation risks and that pertinent liability waivers are signed; and
- Ensuring contracted program providers are aware of and are expected to practice expected code of conduct and LOPR safety measures.

The loss prevention strategy should be directed toward techniques designed to prevent peril or loss from occurring. It should focus on frequency of loss with an eye toward changes to policies, procedures, practices, training, awareness, modifying surroundings or circumstances through the design or function of the environment, including equipment, tools, facilities, etc. as a means of developing prevention plans.

Loss control is the second most effective strategy protecting LOPR from loss. The loss control program is directed toward loss avoidance, transfer, mitigation or acceptance. The following are the main elements of the loss control program:

- Awareness training of known hazards;
- Incident/loss investigation leading to root cause identification;
- Employee health and safety program designed to address work injuries;
- Early return to work program; and
- Vehicle safety program that sets standards of operation of fleet vehicles and equipment.



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The loss control program is designed to determine the best path to address loss exposure. A conscious determination should be made based on the information available to determine the most effective means of addressing the identified loss whether it is avoidance, mitigation or acceptance.

Avoidance is the most effective of these methods. If a known hazard exists resulting in injuries or claims, it should be determined if the hazard can be avoided/eliminated without jeopardizing the mission, service delivery, function, etc.

Risk transfer would be the next most effective method. Risk transfer is the ability to move or share the exposure with another party. This can be accomplished through pooling the risk with other entities; purchasing insurance to cover the risk; hold harmless agreements, liability waivers, additional insured agreements, or other contractual arrangements which isolate, shift, or transfer risk and financial responsibility to another party.

Mitigation is the next most effective method of controlling the exposure. Mitigation techniques are to be focused on reducing the severity of the loss by minimizing that which can be damaged or cause damage and salvaging that which has been damaged. Reduction of the exposure to an acceptable level would be required for this method to be effective.

The last method of loss control is acceptance. Planned acceptance is the conscious application of risk retention. Careful attention must be given to the amount of risk assumed compared to the value of the loss. If the loss is of little value compared to the cost of insuring the loss, it would be effective to accept the risk exposure.

Questions that are to be asked to make the determination are:

1. Are the expected losses lower than the cost of insuring the loss?
2. Are the expected losses lower than the insurance company estimates?
3. How extensive are the exposures?
4. Is this type of exposure easy to reduce internally?
5. Do we have the ability to accurately predict losses?
6. Does our loss history support risk retention? What is the dollar loss to premium ratio?
7. Is this a type of loss that is small or probable?
8. Do we have the financial ability to sustain probable or maximum losses?
9. Are we willing to accept the possible negative media attention and possible loss of credibility with the public?
10. Do we have the staff capability to manage retained risks?



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RISK FINANCING

A determination of how much exposure or risk is to be assumed along with the how much can be financed through insurance will determine the amount of financing required for a sound risk management program. Insuring too much risk may lead to excessive insurance costs but not insuring enough may result in significant financial loss.

An analysis shall be undertaken to determine the acceptable levels of exposure and insurance. To be considered are:

Direct costs:

1. Actual losses paid
2. Staff costs required to manage the program
3. Insurance premiums
4. Cost of prevention programs
5. Loss of income

Indirect costs:

1. Lost time by injured employees
2. Loss of production from work restrictions placed on injured employees
3. Lost time from employees stopped by an incident or injured employee
4. Lost time by supervision
 - Assistance given injured employee
 - Provide medical attention
 - Preparation of reports
 - Investigation of the incident
 - Training of injured employee's replacement
5. Cost of replacing employee
6. Delay of progress of job
7. Loss of efficiency for in-experienced employee
8. Lost time due to delay in replacing/repairing damaged equipment

Consultation with the contracted insurance broker shall be undertaken to determine an adequate level of insurance to cover the various exposures germane to LOPR and the cost of securing the insurance policies to provide the needed coverage. The City will determine the amount needed for the self-insurance retention fund, the type and amount of insurance



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coverage to purchase. Funds shall be set aside in the insurance line in the City budget to be approved by City Council.

REVIEW

This plan shall be reviewed and updated every 3 years by the LOPR Director or designee. The review will include work practice controls, the process of inspections, and loss prevention and control strategies, and risk reduction procedures for any new programs that are under consideration to be implemented.

SUMMARY

A conscientious and systematic risk management program may seem overly imposing to the employees. It is recognized that employees have a multitude of other functions to perform and may question whether it is really worth keeping records, documenting actions, doing inspections, following procedures, etc. Before reaching any conclusions, consideration should be given to the extensive benefits which will far outweigh these concerns:

- Higher employee morale and productivity because of a safer work environment
- Increase work productivity because of accident reduction
- Decreased cost of accidents
- Reduce loss, misuse, or theft of property
- Ensuring that all possible risks are discovered and treated
- Minimized costs through a sound combination of risk financing, retention, transfer, control, avoidance, prevention and mitigation

As employees and the public see the benefits of a sound and effective risk management program, they will come to expect and appreciate a thoughtful program designed to provide protection of LOPR workers, public, and assets, along with the savings of tax dollars.

Responsibility/Contacts: Director, Deputy Directors, Supervisors