



## 2021 Spencer~RIMS Risk Management Challenge

- Spencerville is a fictitious American city based on civic and demographic data from real US cities provided by public sector risk managers.
- The case study is brought to you by the RIMS Diversity and Inclusion Council
- All teams are asked to submit a written proposal, not to exceed 10 pages (not including works cited, cover, and table of contents).
- All proposals are due to [RMChallenge@rims.org](mailto:RMChallenge@rims.org) no later than January 17, 2021.



Welcome to  
Spencerville —  
Gateway to  
California's  
Central Valley

- Located in Northern California – West of Interstate 99 and the gateway to the Central Valley or the “Breadbasket of the World”
- Services provided:
  - Fire – Police – Public Works – Water District – IT – Finance – HR – City Clerk – City Attorney – Economic Development – Parks and Recreation – Library – Community Development – City Manager
- Mayor and City Council are elected officials
- Revenue (2019) ~ \$533M
- Expenses (2019) ~ \$442M
- 9 Unions representing 92% of the employee population. New contracts come up for bargaining in 2021



## Spencerville Demographics





## Spencerville is a diverse community\*

- Hispanic/Latinx –40.3%
- White/Caucasian – 37%
- Asian – 21.5%
- Black/African American~12.2%
- Other\*\* – 6.9%

\*2010 census

\*\* Other ethnicities include two or more races, Native American

## Spencerville Demographics

### Historical Population:

- 1990 – 210,843
- 2000 – 243,771
- 2010 – 295,707
- 2020 – 315,797 (est)



# Spencerville Demographics

- The employees who work for the City of Spencerville are also diverse

Age_Bracket								
Row Labels	AMERICAN INDIAN/ALASKAN	ASIAN	BLACK	HISPANIC	NATIVE HAWAIIAN/PAC ISLAND	TWO OR MORE RACES	WHITE	Grand Total
29 & <		23	6	85	2	7	121	244
30-34	1	25	14	73	1	10	120	244
35-39	1	27	11	75		3	121	238
40-44	2	22	8	49		1	100	182
45-49	3	17	9	59		1	127	216
50-54	1	23	16	37	1	2	93	173
55-59	1	15	14	31	1		79	141
60 & >	2	13	12	24		2	76	129
Grand Total	11	165	90	433	5	26	837	1567

# Spencerville Demographics

## Spencerville's police department demographics:

- 469 full time officers
  - ❖ 413 male / 56 female
  - ❖ White – 263 or 56%
  - ❖ Latinx – 141 or 30%
  - ❖ Asian – 45 or 10%
  - ❖ Black – 13 or 3%
  - ❖ Other – 7 or 1%

## Spencerville's fire department demographics:

- 171 full time officers
  - ❖ 170 male / 1 female
  - ❖ White – 134 or 79%
  - ❖ Latinx – 26 or 15%
  - ❖ Asian – 6 or 4%
  - ❖ Black – 2 or 1%
  - ❖ Other – 2 or 1%



# THE CHALLENGE

Due to COVID, projected revenues starting July 1, 2021 will be reduced by 15%

- How does Spencerville manage the reduction in revenue with DEI and union negotiations?
- Which departments should have their budgets cut? Explain why for each department.
- Who could be affected by these department budget cuts (employees and citizens)? Also explain how employees and citizens could be affected.
- What would be the 2 top risks and 2 opportunities for the health of the City?

# PAYROLL CONSIDERATIONS

			Payroll + Cost of Benefits (65%)	Other Services (35%)
Fire	6.00%	\$ 26,520,000	\$ 17,238,000	\$ 9,282,000
Police	14.00%	\$ 61,880,000	\$ 40,222,000	\$ 21,658,000
Public Works	10.50%	\$ 46,410,000	\$ 30,166,500	\$ 16,243,500
Water District	10.50%	\$ 46,410,000	\$ 30,166,500	\$ 16,243,500
IT	6.00%	\$ 26,520,000	\$ 17,238,000	\$ 9,282,000
Finance	5.00%	\$ 22,100,000	\$ 14,365,000	\$ 7,735,000
HR	4.00%	\$ 17,680,000	\$ 11,492,000	\$ 6,188,000
City Clerk	4.00%	\$ 17,680,000	\$ 11,492,000	\$ 6,188,000
City Attorney	4.00%	\$ 17,680,000	\$ 11,492,000	\$ 6,188,000
Economic Development	9.00%	\$ 39,780,000	\$ 25,857,000	\$ 13,923,000
Parks and Recreation	8.00%	\$ 35,360,000	\$ 22,984,000	\$ 12,376,000
Library	7.00%	\$ 30,940,000	\$ 20,111,000	\$ 10,829,000
Community Development	9.00%	\$ 39,780,000	\$ 25,857,000	\$ 13,923,000
City Manager	3.00%	\$ 13,260,000	\$ 8,619,000	\$ 4,641,000
Total	100%	\$ 442,000,000	\$ 287,300,000	\$ 154,700,000



# OBJECTIVES

- Identify and assess the risks and opportunities for Spencerville.
- Advise the mayor on the city's strengths, weaknesses, opportunities, and threats.
- Provide recommendations for managing the city's budget with a projected decrease in revenue. Explain rationale for each recommendation.
- Summarize and detail how the recommendations could affect the diversity of the city, the equitable treatment of its population (citizens and employees), and Spencerville's ability to be inclusive.

# ASSUMPTIONS/FACTORS

- 100% of the population utilizes the services provided by public works and the water district.
- 60% of the population owns their home, while 35% rent/lease in Spencerville. The other 5% include children or homeless
  - Average family size of 3.5; 25% of population single and 75% family size of 2 or more.
- 40% of the population utilizes the services provided by Parks and Recreation, while 89% utilize the Library services.
- 90% of Spencerville's population patronize businesses aided by Economic Development.