

**CITY OF MERCED  
2020-2021 CITY COUNCIL APPROVED BUDGET**

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**PERSONNEL**  
**FUND NO. 672**  
**ACCOUNT NO. 0402**

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***DESCRIPTION***

The Personnel Department is responsible for ensuring that the City's system of recruitment, selection, hiring, labor negotiations, and employee relations is kept up-to-date and relevant to the organizational structure and purposes, and that it operates in compliance with personnel rules, regulations and procedures. This involves studies and analysis of occupational data, job observation and employee and supervisor interviews to determine physical, mental, and training requirements of jobs. This information assists the Department to develop and maintain job descriptions and specifications, and lines of career movement. Department staff processes employment applications, payroll status changes, administers Federal and State Leave Laws, oversees selection procedures and monitors oral interview boards to ensure compliance with applicable laws and regulations.

***MISSION***

The mission of the Personnel Department is to ensure fair and impartial professional and technical support services in the overall administration of the City's personnel program.

***GOALS***

- Establish a culture and reputation of superior customer service
- Develop and maintain a program that affords staff development and retention
- Disseminate information to all City departments relating to statewide litigation, federal litigation, and legislation concerning personnel administration in the City of Merced
- Fill position vacancies created through various forms of turnover

***OBJECTIVES***

1. Monitor all state and federal case law and legislation that could impact personnel administration in the City of Merced.

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

Distribution of Annual Labor Law Posters, legislative reports and new state and federal laws to appropriate departments.

## PERSONNEL

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|--|--|
| 2. Update Policies and Personnel Rules and Procedures                                    | Work to update City policies to ensure they incorporate all labor law updates and continuing to update the Personnel Rules and Procedures.       |
| 3. Compensation Study  | Wrap up Compensation study and begin to implement recommendations.   |
| 4. Employee Recognition  | Continue to provide employee recognition with the annual Employee Service Awards and to seek opportunities for additional employee appreciation. |
| 5. Work closely with departments to fill the position vacancies created through turnover | Continue to fill vacancies as they open up. Meet with departments to plan for any upcoming retirements.  |

### ***2020/2021 Budget Highlights***

Recruitments are expected to continue to remain steady during the 2020-21 fiscal year. The use of Neogov is continuing to provide benefits in terms of saving staff time, decreased postage costs, etc. The Personnel Department plans on completing the compensation study and begin to implement recommended changes. As time allow, the department will work to update City-wide polices and continue updating the Personnel Rules and Procedures.



BUDGET DETAIL EXPENSES

672-0402 Personnel							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2017-18	ACTUAL 2018-19	FINAL BUDGET 2019-20	DEPT. HEAD REQUEST 2020-21	CITY MGR. RECOM. 2020-21	COUNCIL APPROVAL 2020-21
511.01-00	Regular Salaries	221,937	209,067	275,781	287,497	233,869	233,869
511.04-01	Regular Overtime	419	0	0	0	0	0
511.10-02	Unused Sick Leave	167	1,120	0	0	0	0
511.10-05	Retirement PERS Classic	17,253	13,635	15,045	17,055	16,599	16,599
511.10-06	Social Security-OASDI	13,565	12,719	17,136	17,810	14,637	14,637
511.10-07	Social Security-Medicare	3,249	3,073	4,090	4,233	3,453	3,453
511.10-10	Retirement-PERS New Membr	0	3,101	8,072	8,989	4,587	4,587
511.10-12	Workers Compensation	546	643	801	987	840	840
511.10-20	Earned Benefit	0	1,127	6,353	6,835	6,652	6,652
511.10-24	Vehicle Allowance	5,452	5,699	5,846	5,846	5,846	5,846
511.10-33	Core Allowance	41,706	43,417	62,264	63,938	40,646	40,646
511.10-35	Post Employment Benefits	4,963	5,572	12,086	5,438	5,438	5,438
511.10-73	Retirement UAL Misc	23,331	33,968	37,437	42,306	35,589	35,589
Personnel Services		332,588	333,141	444,911	460,934	368,156	368,156
512.12-00	Telephone	1,162	1,137	1,255	1,280	1,280	1,280
512.13-00	Postage	819	1,205	1,000	1,020	1,020	1,020
512.14-00	Advertising	1,914	299	5,851	5,968	5,968	5,968
512.15-00	Office Supplies	7,246	5,788	8,300	8,466	8,466	8,466
512.17-00	Professional Services	168,267	299,975	316,061	317,261	307,761	307,761
512.18-00	Travel and Meetings	1,145	1,226	3,310	3,310	2,648	2,648
512.20-00	Training Expense	1,363	1,633	2,800	8,800	7,040	7,040
512.21-00	Rents/Leases	11,352	11,576	10,037	11,577	11,577	11,577
512.24-00	Memberships, Subscription	1,358	1,159	2,408	2,437	2,437	2,437
512.29-00	Other Materials Supplies	32,341	15,706	25,000	25,500	25,500	25,500
512.30-01	Dept Share of Insurance	4,767	5,852	5,177	6,979	6,507	6,507
512.34-00	Contingency Reserve	0	0	8,063	9,436	11,303	11,303
512.45-00	Facilities Maint Charge	28,641	28,284	29,156	35,778	32,338	32,338
Supplies and Services		260,375	373,840	418,418	437,812	423,845	423,845
513.43-00	Machinery/Equipment	0	9,205	0	0	0	0
Property		0	9,205	0	0	0	0
514.91-01	Adm Exp-City Manager	5,312	6,233	6,500	7,104	6,681	6,681
514.91-02	Adm Exp-City Attorney	1,412	1,320	2,004	1,757	1,554	1,554
514.91-03	Adm Exp-City Clerk	2,596	2,979	4,013	4,871	4,084	4,084
514.91-09	Adm Exp-Finance	14,125	15,564	16,724	19,863	18,482	18,482
514.91-10	Adm Exp-Purchasing	1,718	1,666	1,791	2,122	1,994	1,994
514.91-16	Adm Exp-City Council	1,456	1,504	1,570	1,840	1,690	1,690
Administrative		26,619	29,266	32,602	37,557	34,485	34,485
613.64-00	Depreciation Expense	1,388	1,388	0	0	0	0
Property		1,388	1,388	0	0	0	0
617.65-00	Capital Imp. Projects	0	15,723	0	0	6,000	6,000
Capital Outlay		0	15,723	0	0	6,000	6,000
**	Personnel	620,970	762,563	895,931	936,303	832,486	832,486

## **SUPPORT SERVICES – PERSONNEL**

- 14-00 Advertising for recruitments
- 17-00 Physical exams for new employees, public safety pre-employment physical exams, lease of exam materials for recruitments, disability hearing charges (administrative law judge), Assessment Centers.
- 18-00 League of California Cities Employee Relations Institute, California Public Employees Labor Relations Conference (CALPELRA), International Personnel Managers Association (IPMA), Employee Risk Management Authority meetings, CalPERS Educational Forum, Western Regional and Central California meetings, and travel associated with training in Line 20-00 below
- 20-00 Registration fees for conferences and meetings listed in Line 18-00 above.
- 24-00 CALPELRA; IPMA; Jobs Available; Personnel Testing Council; and related publications and updates
- 29-00 Recruitment oral board and Personnel Board miscellaneous expenses, workplace posters.

**INFORMATION TECHNOLOGY**  
**FUND NO. 672**  
**ACCOUNT NO. 0403-0405**

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***DESCRIPTION***

The function of the Information Technology Department is to provide the City with technological support to enhance its mission and to support the City's strategic goals. The department strives to improve City services through the use of technology to bring as many governmental services to the community as possible while making internal staff more effective and productive.

***MISSION***

To serve our community by exploring, implementing and supporting effective and innovative use of technology through teamwork, collaboration, innovation, and accountability to our departmental partners to improve the quality of life for the citizens of Merced.

Our service delivery objective is to provide the leadership and vision necessary to carry out the City's strategic goals by utilizing sound project management practices to plan, implement, secure and support the IT systems and networks throughout the City of Merced while providing high quality service to our customers.

***GOALS***

- ◇ Focus on services to the community with technology improvements including online services and field operations improvements.
- ◇ Plan and implement projects in an enterprise manner.
- ◇ Maintain the city's aging network and business systems at a satisfactory level, within budgetary levels, and support our customers' ability to serve the community effectively.
- ◇ Maintain strong vendor relationships to ensure the City's business systems are stable, secure, compliant, supported and cost effective.
- ◇ Bring government services to the community through the use of Internet, smartphone apps, and phone services.

## **INFORMATION TECHNOLOGY**

### **OBJECTIVES**

### **PERFORMANCE MEASUREMENTS/INDICATORS**

#### **Application Projects**

**A1** Phase one of new Enterprise Resource Planning (ERP) software. Phase 1 includes GMBA, Account receivable, purchasing/inventory, Purchase card, cash receipts, business licenses, CAFR and Advanced Reporting, and more. The first phase of the project is budgeted in FY18/19 and FY19/20, and FY20/21. Additional phases on the project will be included into future budget years.

This project started in FY19/20 and is expected to complete at the end of FY20/21 for Phase 1. Phase 1B/C and Phase 2 will start after the completion on the project.

**A2** Upgrade the Police and Fire Department Computer Aided Dispatch and Records Management system.

This project is anticipated to be complete by Q3 of FY20/21.

**A3** Phase 2 expansion of the mercedcommunitycalendar.org to allow for additional features and functions including ticketing and greater communication between event organizer and attendees.

This project is anticipated to be complete by Q1 of FY20/21.

#### **Service Projects**

**S1:** Office 365 features. Turn of additional features and services as part of cloud strategy to allow greater collaboration and sharing of information between departments and external business partners.

This project is anticipated to be complete the end of Q4 of FY20/21.



## **Technology Infrastructure Project**

T1: Upgrade All City computers to Windows 10 version. Last fiscal year computers were upgraded to an older Windows 10 version, this will get all Computers to the newest version supportable by the City.

This project is anticipated to be completed by the end of Q4 of FY20/21.

T2: Replacement of battery backup system for City Data Center. Allow the operations of computer services in the event of a power outage critical operations include Police/Fire Dispatch, and other City business functions.

This project is anticipated to be completed by the end of Q3 of FY20/21.

T3: Replacement of network switching infrastructure to new modern network infrastructure. This the last of three phases of the project

This project is anticipated to be completed by the end of Q3 of FY20/21.

T4: Cyber Security enhancement to City compute operations to provide additional protection from ransomware that is target city across the united states.

This project is anticipated to be completed by the end of Q3 of FY20/21.

## ***2020-2021 BUDGET HIGHLIGHTS***

In FY19/20 we will start the process to select a vendor to partner with to replace the aging ERP system. We start Phase 1 of the ERP project in FY19/20. Phase 1 of the project will continue through all of Fiscal year 20/21.



Information Tech - Admin

P E R S O N N E L

Number of Positions

Classification	Funded In Budget 2019-20	Dept.Head Request 2020-21	City Mgr. Recom. 2020-21	Council Approval
Dir. of Information Technology	1.00	1.00	1.00	1.00
Inform. Tech Mgr/Sys Eng III	1.00	1.00	1.00	1.00
Software Analyst I/II/III	3.00	3.00	3.00	3.00
Systems Engineer I/II or Systems Technician I/II/III	5.00	5.00	5.00	5.00
TOTAL	10.00	10.00	10.00	10.00

BUDGET DETAIL EXPENSES

672-0403	Information Tech - Admin			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2017-18	2018-19	2019-20	2020-21	2020-21	2020-21
511.01-00	Regular Salaries	669,919	697,586	852,363	892,000	868,125	868,125
511.03-00	Extra Help	13,003	14,086	14,090	38,722	14,090	14,090
511.04-01	Regular Overtime	7,490	28,336	20,016	18,614	18,116	18,116
511.10-05	Retirement PERS Classic	39,810	41,003	45,339	51,135	49,767	49,767
511.10-06	Social Security-OASDI	43,503	45,939	55,387	57,969	56,465	56,465
511.10-07	Social Security-Medicare	10,363	10,948	13,158	14,137	13,410	13,410
511.10-08	State Unemployment	0	0	872	6,173	6,173	6,173
511.10-10	Retirement-PERS New Membr	12,722	14,841	26,106	29,671	28,877	28,877
511.10-12	Workers Compensation	6,509	5,714	5,944	25,077	21,364	21,364
511.10-17	Stand By Pay	33,370	32,849	35,102	36,067	35,102	35,102
511.10-20	Earned Benefit	11,595	2,635	7,522	7,729	7,522	7,522
511.10-24	Vehicle Allowance	0	0	0	8,352	8,352	8,352
511.10-27	PTS Plan FICA Alternative	169	183	183	503	183	183
511.10-33	Core Allowance	139,629	139,217	157,132	169,418	165,787	165,787
511.10-35	Post Employment Benefits	19,731	16,006	15,438	15,944	15,944	15,944
511.10-73	Retirement UAL Misc	77,220	95,191	115,706	131,262	132,105	132,105
Personnel Services		1,085,033	1,144,534	1,364,358	1,502,773	1,441,382	1,441,382
512.11-00	Utilities	0	0	25,893	25,225	25,225	25,225
512.12-00	Telephone	26,786	20,499	25,693	24,269	24,269	24,269
512.13-00	Postage	421	334	400	400	400	400
512.14-00	Advertising	146	0	300	300	300	300
512.15-00	Office Supplies	4,167	4,206	4,400	4,400	4,400	4,400
512.17-00	Professional Services	241,425	219,067	137,592	210,273	188,225	188,225
512.18-00	Travel and Meetings	2,893	2,529	7,634	6,500	6,500	6,500
512.20-00	Training Expense	14,232	7,966	14,659	13,219	13,219	13,219
512.21-00	Rents/Leases	211,759	200,809	0	0	0	0
512.22-00	Office Equipment O & M	276,014	295,278	294,204	295,993	295,993	295,993
512.23-00	Vehicle Operations/Maint	3,040	3,184	2,618	2,662	2,490	2,490
512.24-00	Memberships, Subscription	8,056	5,965	195,578	212,376	212,376	212,376
512.29-00	Other Materials Supplies	10,993	7,600	11,060	11,060	11,060	11,060
512.30-01	Dept Share of Insurance	15,460	14,724	12,855	17,130	20,043	20,043
512.35-84	Retro Fee Expense	150	100	100	102	102	102
512.45-00	Facilities Maint Charge	54,760	54,188	55,932	68,406	61,943	61,943
Supplies and Services		870,302	836,449	788,918	892,315	866,545	866,545
513.43-00	Machinery/Equipment	36,295	175,773	424,156	228,806	228,806	228,806
Property		36,295	175,773	424,156	228,806	228,806	228,806
514.91-01	Adm Exp-City Manager	8,150	10,345	9,913	12,071	11,753	11,753
514.91-02	Adm Exp-City Attorney	2,167	2,190	3,055	2,986	2,733	2,733
514.91-03	Adm Exp-City Clerk	3,333	3,801	3,682	5,750	4,803	4,803
514.91-09	Adm Exp-Finance	21,673	25,833	25,503	33,750	32,515	32,515
514.91-10	Adm Exp-Purchasing	2,636	2,765	2,731	3,606	3,508	3,508
514.91-16	Adm Exp-City Council	2,235	2,497	2,394	3,126	2,973	2,973
Administrative		40,194	47,431	47,278	61,289	58,285	58,285
613.64-00	Depreciation Expense	53,781	63,163	0	0	0	0
Property		53,781	63,163	0	0	0	0
617.65-00	Capital Imp. Projects	4,834	0	2,132,102	2,831,809	2,824,789	2,824,789
Capital Outlay		4,834	0	2,132,102	2,831,809	2,824,789	2,824,789
**	Information Tech - Admin	2,090,439	2,267,350	4,756,812	5,516,992	5,419,807	5,419,807

## **INFORMATION TECHNOLOGY**

- 17-00 Professional assistance with implementation of networking, Internet access, website design, and systems integration/database support
- 18-00 Municipal Information Systems Association of California (MISAC), New ERP, and Tyler conferences, and training
- 20-00 Travel associated with conferences and training in line 18
- 21-00 Computer room alarm monitoring, high speed internet connection, and offsite data storage, Cloud based application services rentals.
- 22-00 Maintenance and support of printers, Servers, Uninterruptible Power Supply, AS/400 and attached devices, business systems software support, imaging system support, disaster recovery support, and on-site service and support for network
- 24-00 Memberships and subscriptions
- 29-00 Tapes, print heads, backup batteries and other computer related supplies

**TECHNOLOGY REPLACEMENT AND MAINTENANCE**  
**FUND NO. 673**  
**ACCOUNT NO. 0403**

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***PROGRAM***

This program was funded at a 40% level last fiscal year. This year it is proposed to be funded at 60%. In previous years when this program was funded by department contribution to this internal services supported the replacement of aging, outdate, and not functional technology. As uses for technology has grown over the years the type of items that was covered under this program increases. Examples of technology that are replaced under this program include PC, large printers, servers, storage systems, network infrastructure, Telephones, CCTV, and more.



BUDGET DETAIL EXPENSES

673-0403 PC Maintenance & Repair							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2017-18	ACTUAL 2018-19	FINAL BUDGET 2019-20	DEPT. HEAD REQUEST 2020-21	CITY MGR. RECOM. 2020-21	COUNCIL APPROVAL 2020-21
512.22-00	Office Equipment O & M	13,513	15,085	15,600	15,600	15,600	15,600
512.24-00	Memberships, Subscription	117,646	162,035	162,100	162,100	162,100	162,100
	Supplies and Services	131,159	177,120	177,700	177,700	177,700	177,700
513.43-00	Machinery/Equipment	43,061	95,884	661,817	518,989	518,776	518,776
	Property	43,061	95,884	661,817	518,989	518,776	518,776
613.64-00	Depreciation Expense	138,346	116,211	0	0	0	0
	Property	138,346	116,211	0	0	0	0
908.93-70	Trsf-Housing Admin (070)	0	0	27	0	0	0
	Other	0	0	27	0	0	0
**	PC Maintenance & Repair	312,566	389,215	839,544	696,689	696,476	696,476



**PEG ACCESS FEE**  
**FUND NO. 051**  
**ACCOUNT NO. 0416**

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***PROGRAM***

Used to account for funds received for Public, Education and Governmental (PEG) access paid as part of the state franchise agreements with local cable providers. Provide for funding for capital assets to Audio/Video and video production of events that are broadcast on the P.E.G. Channels.



BUDGET DETAIL EXPENSES

051-0416 PEG Access							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2017-18	ACTUAL 2018-19	FINAL BUDGET 2019-20	DEPT. HEAD REQUEST 2020-21	CITY MGR. RECOM. 2020-21	COUNCIL APPROVAL 2020-21
513.43-00	Machinery/Equipment	17,500	25,778	32,053	19,500	19,500	19,500
	Property	17,500	25,778	32,053	19,500	19,500	19,500
617.65-00	Capital Imp. Projects	167,468	69,271	420,128	489,217	489,217	489,217
	Capital Outlay	167,468	69,271	420,128	489,217	489,217	489,217
**	PEG Access	184,968	95,049	452,181	508,717	508,717	508,717

## **RISK MANAGEMENT AND SAFETY**

### **RISK MANAGEMENT AND SAFETY**

**FUND NOS. 666, 667, 668 & 672**

**ACCOUNT NOS. 0409, 0410, 0411, & 0412**

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#### ***DESCRIPTION***

The City of Merced Risk Management and Safety program encompasses two operational divisions.

The Workers' Compensation Division administers the self-insured workers' compensation program, including preparation of reports for management, benefit approval and payment authorization, coordination with a third party workers' compensation administrator, and coordination with the City Attorney's office in litigated claims. The workers' compensation self-insurance retention is \$350,000.

The Liability Insurance Division provides a mechanism through which the City purchases general liability, property and fire, boiler and machinery, fidelity, Public Official bonds and airport liability. Expenses are allocated to departmental operating accounts and transferred into the liability insurance fund from which the expenses are paid. The general liability insurance is funded through the Central San Joaquin Valley Risk Management Authority (CSJVRMA). This is a risk sharing pool with a self-insurance retention of \$100,000 for general liability. City staff coordinates efforts with a third party administrator. Employment practices coverage is also available under the CSJVRMA through the Employment Risk Management Authority (ERMA) with a self-insurance retention of \$100,000. The commercial property, fire, and boiler and machinery coverage is purchased through the Alliant Property Insurance Program. The commercial property and fire carry a \$10,000 deductible, and the boiler and machinery has a \$2,500 deductible. The fidelity coverage (crime/dishonesty employee bond) has a \$1 million limit per loss with a \$5,000 deductible. The City's airport is fully insured for \$20 million combined single limit per aircraft/per occurrence, with no deductible.

## **RISK MANAGEMENT AND SAFETY**

### **INSURANCE ADMINISTRATION**

The City of Merced Insurance Administration Division includes all personnel with assignments in the risk management area, as well as accompanying operational expenses.

#### ***MISSION***

The mission of the Insurance Administration Division is to provide technical support for the administration of the insurance function.

#### ***GOALS***

- ◇ Review and evaluate alternate methods of providing adequate insurance coverage in all areas of City needs.
- ◇ Administer a citywide wellness program.

#### ***OBJECTIVES***

#### ***PERFORMANCE MEASUREMENTS/INDICATORS***

- |   |  |
|---|--|
| 1. Review insurance coverage obtained in all areas of City needs. | Meet with Broker of Record annually in month of May for all lines of coverage to insure premium are cost effective in the insurance marketplace.               |
| 2. Provide health education to all City employees.                | Conduct a Health Fair each Fall in conjunction with annual open enrollment of employee benefits in October.  |
| 3. Citywide Wellness Program.                                     | Improve overall employee participation to at least 15% in various wellness and fitness related programs with the use of the Corporate Wellness Strategic Plan. |



## BUDGET DETAIL EXPENSES

672-0409 Risk Management Admin.							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2017-18	ACTUAL 2018-19	FINAL BUDGET 2019-20	DEPT. HEAD REQUEST 2020-21	CITY MGR. RECOM. 2020-21	COUNCIL APPROVAL 2020-21
511.01-00	Regular Salaries	146,889	152,726	158,708	163,073	158,708	158,708
511.04-01	Regular Overtime	276	0	0	0	0	0
511.10-02	Unused Sick Leave	945	480	0	0	0	0
511.10-05	Retirement PERS Classic	8,006	8,448	9,058	10,059	9,790	9,790
511.10-06	Social Security-OASDI	8,787	9,069	9,550	9,863	9,658	9,658
511.10-07	Social Security-Medicare	2,088	2,163	2,269	2,336	2,271	2,271
511.10-10	Retirement-PERS New Membr	3,416	3,778	4,245	4,714	4,587	4,587
511.10-12	Workers Compensation	317	322	401	492	420	420
511.10-20	Earned Benefit	0	702	2,742	2,840	2,764	2,764
511.10-24	Vehicle Allowance	2,336	2,443	2,506	2,506	2,506	2,506
511.10-33	Core Allowance	35,990	36,803	38,274	39,333	38,492	38,492
511.10-35	Post Employment Benefits	4,899	4,862	4,856	4,850	4,850	4,850
511.10-73	Retirement UAL Misc	14,849	17,906	21,544	23,997	24,151	24,151
	Personnel Services	228,798	239,702	254,153	264,063	258,197	258,197
512.12-00	Telephone	16	15	348	354	354	354
512.13-00	Postage	602	356	817	833	833	833
512.15-00	Office Supplies	188	55	232	236	236	236
512.17-00	Professional Services	5,399	4,425	0	0	0	0
512.18-00	Travel and Meetings	393	596	801	1,300	1,040	1,040
512.20-00	Training Expense	0	0	543	50	40	40
512.24-00	Memberships, Subscription	4,050	4,123	4,336	4,497	4,497	4,497
512.29-00	Other Materials Supplies	0	0	6,138	6,260	5,945	5,945
512.30-01	Dept Share of Insurance	4,045	3,938	3,643	5,152	5,924	5,924
512.45-00	Facilities Maint Charge	37,358	36,892	38,030	46,666	42,180	42,180
	Supplies and Services	52,051	50,400	54,888	65,348	61,049	61,049
514.91-01	Adm Exp-City Manager	2,925	2,786	2,254	3,377	3,215	3,215
514.91-02	Adm Exp-City Attorney	778	590	695	835	748	748
514.91-03	Adm Exp-City Clerk	1,196	1,023	836	1,571	1,280	1,280
514.91-09	Adm Exp-Finance	7,779	6,956	5,800	9,443	8,895	8,895
514.91-10	Adm Exp-Purchasing	946	745	621	1,009	960	960
514.91-16	Adm Exp-City Council	802	672	544	875	813	813
	Administrative	14,426	12,772	10,750	17,110	15,911	15,911
**	Risk Management Admin.	295,275	302,874	319,791	346,521	335,157	335,157

## **RISK MANAGEMENT ADMINISTRATION**

- 17-00 Safety posters, hearing and vision tests, Hepatitis B vaccinating, lumbar corsets, wrist braces, and other ergonomic supplies/equipment
- 18-00 Quarterly claims reviews with Workers' Compensation Administration, Worker's Compensation training sessions, CSJVRMA Annual Retreat, and Annual Conference of Public Agency Risk Managers (PRIMA/PARMA), and miscellaneous meetings
- 20-00 Registration fees for PRIMA/PARMA Annual Conference, CSJVRMA, and various Worker's Compensation and computer training sessions
- 24-00 Public Risk Insurance Managers Association (PRIMA); Public Agencies Management Association (PARMA); Council of Self-Insured Public Agencies; General Industry Safety Order; ADA Monthly & Annual Updates



## **RISK MANAGEMENT AND SAFETY**

### **WORKERS' COMPENSATION**

#### ***MISSION***

The mission of the Workers' Compensation Division is to provide professional and technical support for the administration of the self-insured workers' compensation program.

#### ***GOALS***

- ◇ Ensure that the City is receiving the most competitive workers' compensation excess insurance coverage and premium levels that can be obtained in the open market.
- ◇ Maintain a high quality of service to employees and ensure that price and service levels are competitive for third party administration.
- ◇ Process all claims in a timely manner.
- ◇ Prevent accidents/reduce personal injury/occupational injury by maintaining an Injury and Illness Prevention Program.

#### ***OBJECTIVES***

1. In-house administration of claims and employee training.
2. Review the work product of the third party claims administrator.

#### ***PERFORMANCE MEASUREMENTS/INDICATORS***

Reduction in the number of active files by effective claims administration and supervision/manager training.

Meet quarterly with the third party administrator to monitor litigated and non-litigated claims and insure there are no violations of regulations.

Examples of indicators would be prevention of accidents, reduction of personal injury and occupational illness, and compliance with all safety and health standards through orientation and training to all employees.



BUDGET DETAIL EXPENSES

666-0410 Insurance: Workers Comp							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2017-18	ACTUAL 2018-19	FINAL BUDGET 2019-20	DEPT. HEAD REQUEST 2020-21	CITY MGR. RECOM. 2020-21	COUNCIL APPROVAL 2020-21
512.17-00	Professional Services	152,535	155,915	152,667	312,845	312,845	312,845
512.30-10	Wrk Cmp-Medical	769,999	821,412	569,790	789,275	789,275	789,275
512.30-11	Wrk Cmp-Permanent Disblty	430,619	967,460	326,376	376,376	376,376	376,376
512.30-12	Legal	213,822	351,133	368,575	158,575	158,575	158,575
512.30-13	Wrk Cmp-Umbrella Coverage	420,306	496,604	550,968	636,897	636,897	636,897
512.34-00	Contingency Reserve	0	0	214,877	630,853	206,274	206,274
512.35-00	Special Dept. Expense	18,727	1,604	25,000	25,000	25,000	25,000
512.38-00	Support Services	15,480	9,803	3,162	4,275	3,772	3,772
Supplies and Services		2,021,488	2,803,931	2,211,415	2,934,096	2,509,014	2,509,014
514.91-01	Adm Exp-City Manager	6,883	8,139	8,048	9,476	8,896	8,896
514.91-02	Adm Exp-City Attorney	1,830	1,723	2,480	2,344	2,069	2,069
514.91-03	Adm Exp-City Clerk	3,238	3,291	3,578	5,321	4,372	4,372
514.91-09	Adm Exp-Finance	18,303	20,324	20,705	26,492	24,609	24,609
514.91-10	Adm Exp-Purchasing	2,226	2,176	2,217	2,831	2,655	2,655
514.91-16	Adm Exp-City Council	1,887	1,964	1,944	2,454	2,250	2,250
Administrative		34,367	37,617	38,972	48,918	44,851	44,851
515.92-01	Interdept DSC-General Fnd	126,098	133,807	130,732	111,762	111,092	111,092
Interdepartmental		126,098	133,807	130,732	111,762	111,092	111,092
521.10-13	WC ContinuingDeathBenefit	37,856	37,856	10,192	0	0	0
Personnel Services		37,856	37,856	10,192	0	0	0
**	Insurance: Workers Comp	2,219,809	3,013,211	2,391,311	3,094,776	2,664,957	2,664,957

## **INSURANCE: WORKERS' COMPENSATION**

- 17-00 Administrative contract with Tristar Risk Management and for review of medical bills.
- 30-10 Medical payments to physicians, surgeons, chiropractors, psychologists, etc., for treatment resulting from a work injury as defined by Labor Code Section 4600.
- 30-11 Permanent disability payments for work injuries that result in a medically documented permanent limitation as defined in Labor Code Sections 4658-4663.
- 30-12 Miscellaneous case costs (records costs, subpoenas, investigation, etc.).
- 30-13 Excess Worker's Compensation policy to cover losses in excess of \$350,000 self-insured retention (LAWCX), California user funding assessment and California insurance fraud investigation assessment, injury benefits trust fund, and uninsured employer benefits fund.
- 34-00 Contingency for unanticipated claims and reserve for claims both reported and unreported.
- 35-00 Advance payments to CalPERS for public safety disability retirements.

## **RISK MANAGEMENT AND SAFETY**

### **LIABILITY**

#### ***MISSION***

The mission of the Liability Insurance Division is to provide adequate insurance coverage and establish risk management practices to reduce liability exposure where possible.

#### ***GOALS***

- ◇ Improve risk management practices to reduce liability exposure when possible.
- ◇ Ensure that the services of the third party claims administrator meet the City's needs and the needs and requirements of the liability excess insurance carrier.

#### ***OBJECTIVES***

1. Review work product of the third party claims administrator for efficiency and reliable claims administration.
2. Review effectiveness and cost-savings for liability claims filed against the City of Merced and improve efforts of cost recovery for property damages and workers' compensation claims, when applicable.
3. Review effectiveness and cost-reduction efforts for employment practices claims.
4. Review effectiveness and cost savings for property insurance and boiler and machinery coverage.

#### ***PERFORMANCE MEASUREMENTS/INDICATORS***

Meet and review claims on a quarterly basis with the third party administrator to monitor effectiveness, and reduction in litigation.

10% reduction in liability claims and increase in cost savings through training provided by continued membership and coverage through the Central San Joaquin Valley Risk Management Authority. Quarterly review with Insurance Department staff to monitor efficiency and effectiveness of in-house subrogation demands.

Elimination or reduction in claims for unlawful employment practices through training provided by continued membership and coverage through the Employment Risk Management Authority (ERMA) offered through the CSJVRMA.

Monitor current and new City acquisitions annually in March to insure proper coverage.



## BUDGET DETAIL EXPENSES

667-0411	Insurance: Liability			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2017-18	2018-19	2019-20	2020-21	2020-21	2020-21
512.30-12	Legal	62,373	17,315	574,453	574,453	574,453	574,453
512.30-20	Liab-General Liability	1,501,731	1,411,127	1,680,923	1,978,709	1,978,709	1,978,709
512.30-23	Liab-Reserve for Self Ins	0	0	153,473	132,670	136,454	136,454
512.30-24	Subrogation Claims Expens	2,662	0	50,000	50,000	50,000	50,000
512.38-00	Support Services	40,762	40,762	40,762	40,762	40,762	40,762
	Supplies and Services	1,607,528	1,469,204	2,499,611	2,776,594	2,780,378	2,780,378
514.91-01	Adm Exp-City Manager	5,743	5,749	6,065	6,391	6,294	6,294
514.91-02	Adm Exp-City Attorney	1,527	1,217	1,869	1,581	1,464	1,464
514.91-03	Adm Exp-City Clerk	2,347	2,112	2,250	2,972	2,506	2,506
514.91-09	Adm Exp-Finance	15,270	14,356	15,605	17,867	17,411	17,411
514.91-10	Adm Exp-Purchasing	1,857	1,537	1,671	1,909	1,879	1,879
514.91-16	Adm Exp-City Council	1,575	1,388	1,465	1,655	1,592	1,592
	Administrative	28,319	26,359	28,925	32,375	31,146	31,146
515.92-01	Interdept DSC-General Fnd	176,403	186,315	198,039	162,263	160,678	160,678
515.92-17	Interdept DSC-Develop Svc	37,905	39,148	3,734	42,240	41,270	41,270
	Interdepartmental	214,308	225,463	201,773	204,503	201,948	201,948
613.64-00	Depreciation Expense	10,938	10,938	0	0	0	0
	Property	10,938	10,938	0	0	0	0
617.65-00	Capital Imp. Projects	6,500	0	0	0	0	0
	Capital Outlay	6,500	0	0	0	0	0
908.93-01	Trsf-General Fund (001)	0	0	0	100,577	100,577	100,577
	Other	0	0	0	100,577	100,577	100,577
**	Insurance: Liability	1,867,593	1,731,964	2,730,309	3,114,049	3,114,049	3,114,049

## **INSURANCE: LIABILITY**

30-12 Case-driven costs incurred by City Attorney for litigation related to PCE issues and general liability; Personnel Board outside legal costs

30-20 Insurance Premiums:

    Pooled Excess Liability (CSJVRMA and ERMA)

    Property and Boiler and Machinery

    Fidelity

    Public Officials Bond

    Airport Liability

30-23 Reserves for payment of present and future out-of-court and court-mandated settlements and general liability claims

30-24 Subrogation Claim Expense



## **RISK MANAGEMENT AND SAFETY**

### **UNEMPLOYMENT INSURANCE**

#### ***MISSION***

The mission of the Unemployment Insurance Division is to provide benefits to employees who have left the City services and qualify for unemployment compensation.

#### ***GOALS***

- ◇ Maintain adequate financial reserves to protect the City against any unknown and unpredictable monetary demands on this fund in any given fiscal year.
- ◇ Ensure that former employees are qualified to receive benefits.

#### ***OBJECTIVES***

#### ***PERFORMANCE MEASUREMENTS/INDICATORS***

- |   |   |
|---|---|
| 1. Monitor all unemployment claim pay-outs to ensure the accuracy of charges being made against the City's self-funded account by the State of California EDD office. | Payments only made to approved claims.      |
| 2. Investigate and challenge unauthorized filings.  | No payments to unauthorized past-employees. |

#### ***2020-2021 BUDGET HIGHLIGHTS***

The Insurance Division continues to review safety and workers' compensation programs as outlined in the Injury and Illness Prevention Program (IIPP) to insure the organization is in compliance with state and federal regulations.

The Insurance Division will continue to work with our group health insurance carrier (Anthem) to increase employee awareness and participation in the corporate wellness program.



BUDGET DETAIL EXPENSES

668-0412 Insurance: Unemployment							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2017-18	ACTUAL 2018-19	FINAL BUDGET 2019-20	DEPT. HEAD REQUEST 2020-21	CITY MGR. RECOM. 2020-21	COUNCIL APPROVAL 2020-21
512.30-30	Unemp Ins-Unemployment	28,984	42,400	172,276	153,738	153,738	153,738
512.34-00	Contingency Reserve	0	0	78,051	68,394	69,270	69,270
512.38-00	Support Services	1,914	1,052	339	381	324	324
	Supplies and Services	30,898	43,452	250,666	222,513	223,332	223,332
514.91-01	Adm Exp-City Manager	1,099	1,226	1,186	1,216	1,080	1,080
514.91-02	Adm Exp-City Attorney	292	260	366	301	251	251
514.91-03	Adm Exp-City Clerk	449	450	440	566	430	430
514.91-09	Adm Exp-Finance	2,921	3,062	3,052	3,401	2,987	2,987
514.91-10	Adm Exp-Purchasing	355	328	327	363	322	322
514.91-16	Adm Exp-City Council	301	296	286	315	273	273
	Administrative	5,417	5,622	5,657	6,162	5,343	5,343
**	Insurance: Unemployment	36,315	49,074	256,323	228,675	228,675	228,675

FUND NO. 668  
ACCOUNT NO. 0412

**INSURANCE: UNEMPLOYMENT**

30-30 Unemployment insurance

**EMPLOYEE BENEFITS  
FUND NO. 669  
ACCOUNT NO. 0413**

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***DESCRIPTION***

The Employee Benefits budget provides the mechanism through which the City pays the cost of health, long-term disability, life, dental and vision insurance for all eligible employees. Monies are budgeted in departmental operating accounts and then transferred during the year into the Employee Benefit fund from which benefit payments are actually made.

The City Council has established an Employee Benefits Committee. The Committee is advisory to the City Council on health and welfare issues and is comprised of representatives from each of the City's bargaining units and unrepresented management.

***MISSION***

The mission of the Employee Benefits Division is to provide negotiated benefits to City employees while recognizing cost containment needs.

***GOAL***

- ◇ Review and evaluate employee benefit cafeteria plan and Section 125 tax deferred plan and make changes/enhancements as needed going forward.

***OBJECTIVES***

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

- |   |  |
|---|--|
| 1. Continue to provide city-wide cafeteria and Section 125 tax deferred plan for employee benefits. | Re-evaluate on an ongoing basis the employee benefit cafeteria plan and Section 125 tax deferred plan and make changes/enhancements when indicated.                    |
| 2. Establish and maintain an adequate reserve fund.   | At the end of the fiscal year, June 30, 2021, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

EMPLOYEE BENEFITS

***2020-2021 BUDGET HIGHLIGHTS***

There are no anticipated significant changes in program direction, expenditures or revenues contingent upon fiscal stability. Group medical benefits for active, temporary and retired employee will meet Affordable Care Act requirements.



BUDGET DETAIL EXPENSES

669-0413	Employee Benefits			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2017-18	2018-19	2019-20	2020-21	2020-21	2020-21
511.10-06	Social Security-OASDI	7,047	0	16,504	16,201	16,201	16,201
511.10-07	Social Security-Medicare	1,672	1,039	3,860	3,789	3,789	3,789
511.10-20	Earned Benefit	122,032	99,782	266,184	261,309	261,309	261,309
	Personnel Services	130,751	100,821	286,548	281,299	281,299	281,299
512.17-00	Professional Services	9,210	9,757	23,000	42,500	42,500	42,500
512.30-40	Emp Bnft-Group Health/Acc	6,988,817	7,275,201	8,291,885	8,387,360	8,161,458	8,161,458
512.30-41	Group Health Ins Retirees	1,399,362	1,444,001	1,445,778	1,433,885	1,433,885	1,433,885
512.30-42	Emp Bnft-Group Life	66,686	72,046	73,568	66,383	66,199	66,199
512.30-43	Emp Bnft-Sht & Lg Trm Dis	82,668	91,015	95,992	94,895	94,464	94,464
512.30-45	Emp Bft-Dentl/Vision Care	630,226	644,193	698,568	667,490	663,935	663,935
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	213,754	161,141	189,974	189,974
512.30-61	Flexible Spending-Medical	36,638	38,111	70,540	87,137	87,137	87,137
512.30-62	Flexible Spending-DepCare	6,731	1,159	11,551	14,175	14,175	14,175
512.38-00	Support Services	83,998	61,204	30,600	34,833	32,632	32,632
	Supplies and Services	9,304,336	9,636,687	10,955,236	10,989,799	10,786,359	10,786,359
514.91-01	Adm Exp-City Manager	29,576	34,948	34,705	33,452	32,763	32,763
514.91-02	Adm Exp-City Attorney	7,863	7,399	10,697	8,274	7,620	7,620
514.91-03	Adm Exp-City Clerk	12,090	12,839	12,875	15,559	13,046	13,046
514.91-09	Adm Exp-Finance	78,645	87,267	89,289	93,528	90,637	90,637
514.91-10	Adm Exp-Purchasing	9,565	9,342	9,561	9,994	9,780	9,780
514.91-16	Adm Exp-City Council	8,109	8,435	8,382	8,664	8,286	8,286
	Administrative	145,848	160,230	165,509	169,471	162,132	162,132
968.93-66	Trsf-Workers Comp (666)	250,000	250,000	150,000	150,000	150,000	150,000
968.93-68	Trsf-Unemployment Fu(668)	132,632	0	0	0	0	0
	Other	382,632	250,000	150,000	150,000	150,000	150,000
**	Employee Benefits	9,963,567	10,147,738	11,557,293	11,590,569	11,379,790	11,379,790



## **EMPLOYEE BENEFITS**

30-40 Group health premiums to Anthem Blue Cross of California.

30-42 Group life insurance premiums.

30-43 Long-term disability premiums.

30-45 Claims payment for self-insured dental and fully-insured vision programs.

30-46 Amount held in contingency as reserve for retention.