

**CITY OF MERCED  
2013-2014 ADOPTED BUDGET**

**TAB 8**

<b>SUPPORT SERVICES</b>	<b>PAGE NO.</b>
Personnel	8-1
Information Technology	8-6
Personal Computer Replacement and Maintenance	8-12
Public Educational and Governmental Access Fee	8-15
Risk Management and Safety	8-18
Workers Compensation	8-23
Liability	8-27
Unemployment	8-32
Employee Benefits	8-36

***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 for both internal and external customers.
- 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

***OBJECTIVES***

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

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

Continued distribution of legislative reports and new state and federal laws to appropriate departments. Examples of indicators are number of labor-related issues, and discrimination, harassment, and family medical leave issues.

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|--|--|
| 2. Implement a performance appraisal software system to streamline employee evaluations. | Have all departments using the new systems for all evaluations.          |
| 3. Review Administrative Policies and Procedures for updates as needed.                  | Complete review and begin redrafting applicable policies during 2013-14. |
| 4. Continue imaging terminated personnel files.  | Complete a minimum of 25% of terminated files during 2013-14.            |

### **2013/2014 Budget Highlights**

An increase in recruitments is expected during the 2013-14 fiscal year. Personnel intends to continue to conduct recruitments at a high level and also begin to implement a new performance appraisal software system that will streamline the process of completing and processing employee evaluations.

Personnel

EXPENSES	Actual 2010-11	Actual 2011-12	Final Budget 2012-13	City Mgr. Recom. 2013-14	Council Approval 2013-14
Personnel Expenses	366,795	300,404	310,834	320,240	320,240
Supplies and Services	158,667	148,353	161,198	190,697	260,697
Debt Service	0	0	0	0	0
Acquisitions	0	0	0	0	0
Capital Improvements	1,211	0	0	0	0
<b>TOTAL</b>	<b>526,673</b>	<b>448,757</b>	<b>472,032</b>	<b>510,937</b>	<b>580,937</b>

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FINANCING SOURCES	Actual 2010-11	Actual 2011-12	Final Budget 2012-13	Estimated 2013-14
PERS-EE Share 2.5% @ 55	6,993	10,035	12,307	18,820
Support Servcs-Charges	513,377	449,800	438,205	448,433
Unclassified	125	0	0	0
Interdept DSR-General Fnd	218	226	152	77
Interdept DSR-Street Tree	218	188	190	192
Interdept DSR-Streets	508	414	342	230
Interdept DSR-Pub Wrks Ad	73	38	38	0
Interdept DSR-Wastewater	580	640	722	613
Interdept DSR-Water Sys	834	941	950	960
Interdept DSR-Refuse	1,233	1,280	1,368	1,305
Interdept DSR-Fleet	326	263	228	192
Other Revenues	2,188	15,068-	17,530	110,115
<b>TOTAL</b>	<b>526,673</b>	<b>448,757</b>	<b>472,032</b>	<b>580,937</b>

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PERSONNEL

Number of Positions

Classification	Funded In Budget 2012-13	City Mgr. Recom. 2013-14	Council Approval
Dir. of Support Services	.60	.70	.70
Personnel Technician I/II/III	2.00	2.00	1.00
Personnel Coordinator			1.00
Insurance Coordinator	.15	.15	.15
<b>TOTAL</b>	<b>2.75</b>	<b>2.85</b>	<b>2.85</b>

BUDGET DETAIL EXPENSES

672-0402 Personnel						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
511.01-00	Regular Salaries	221,608	187,463	190,809	202,978	202,978
511.03-00	Extra Help	5,687	3,784	0	2,247	2,247
511.04-01	Regular Overtime	0	21	0	0	0
511.10-02	Unused Sick Leave	121	102	0	0	0
511.10-05	Retirement PERS Classic	38,393	37,651	39,710	44,383	44,383
511.10-06	Social Security-OASDI	14,891	11,076	11,864	12,209	12,209
511.10-07	Social Security-Medicare	3,711	2,799	2,774	3,019	3,019
511.10-12	Workers Compensation	929	602	574	715	715
511.10-20	Earned Benefit	27,978	675	0	0	0
511.10-24	Vehicle Allowance	4,403	4,569	4,795	5,695	5,695
511.10-27	PTS Plan FICA Alternative	74	49	0	29	29
511.10-32	Cash Back-Biweekly Allow	105	0	0	1,398	1,398
511.10-33	Core Allowance	42,072	43,864	45,146	31,826	31,826
511.10-35	Post Employment Benefits	6,823	7,749	15,162	15,741	15,741
Personnel Services		366,795	300,404	310,834	320,240	320,240
512.12-00	Telephone	312	288	300	300	300
512.13-00	Postage	850	519	500	515	515
512.14-00	Advertising	9,151	2,293	1,000	5,000	5,000
512.15-00	Office Supplies	2,735	1,839	1,500	1,545	1,545
512.16-00	Printing	5	0	0	0	0
512.17-00	Professional Services	80,098	77,642	95,000	89,567	159,567
512.18-00	Travel and Meetings	1,589	921	750	1,250	1,250
512.20-00	Training Expense	925	1,030	1,000	2,030	2,030
512.24-00	Memberships, Subscription	505	8,260	2,351	2,836	2,836
512.29-00	Other Materials Supplies	1,263	1,336	2,500	5,000	5,000
512.30-01	Dept Share of Insurance	7,215	7,229	4,854	3,865	3,865
512.34-00	Contingency Reserve	0	0	5,498	26,979	26,979
512.45-00	Facilities Maint Charge	31,385	34,434	32,978	34,715	34,715
Supplies and Services		136,033	135,791	148,231	173,602	243,602
514.91-01	Adm Exp-City Manager	4,476	2,214	2,186	4,520	4,520
514.91-02	Adm Exp-City Attorney	403	5	235	1,204	1,204
514.91-09	Adm Exp-Finance	13,556	8,308	8,610	9,223	9,223
514.91-10	Adm Exp-Purchasing	1,973	958	1,084	1,270	1,270
514.91-16	Adm Exp-City Council	2,226	1,077	852	878	878
Administrative		22,634	12,562	12,967	17,095	17,095
613.64-00	Depreciation Expense	1,211	0	0	0	0
Property		1,211	0	0	0	0
**	Personnel	526,673	448,757	472,032	510,937	580,937

## **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***

- ◇ Chair and support the Information Technology Executive Committee (ITEC).
- ◇ Carry out the Information Technology Strategic Plan adopted by the ITEC.
- ◇ Plan for projects in an enterprise manner.
- ◇ Focus on services to the community with technology improvements including online services and field operations improvements.
- ◇ Improve service to the Information Technology Department's customers.
- ◇ Refine and expand formal policies and procedures governing information technology.
- ◇ Improve documentation and management of the City's applications and network infrastructure.
- ◇ Maintain the city's network and business systems at a satisfactory level for our customers supporting their 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 and advance phone services.

## **INFORMATION TECHNOLOGY**

### **OBJECTIVES**

### **PERFORMANCE MEASUREMENTS/INDICATORS**

#### **Application Projects**

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|--|--|
| A1. Assist in upgrading automated mapping system (GIS)   | Upgrade the City's ArcGIS platform to version 10 or greater in the second quarter of fiscal year 2013/14.  |
| A2. Migrate the City's Enterprise Land Use and Financial Systems to web based and supported platform with Innoprise. | Transition the City's Utility Billing and Financial systems to the Innoprise system by the third quarter of 2013/14.   |
| A3. Upgrade the City's Public Safety System to take advantage of new geographical capabilities.                      | Support the Police Department in servicing the community by upgrading to the best version available for Public Safety in the third quarter of fiscal year 2013/14. |

#### **Community Transparency Projects**

- |   |   |
|---|---|
| C1. Provide Infrastructure and equipment to record, live web stream, and Broadcast Town Hall Council Meetings over the City's government channel. | Broadcast of Town Hall meetings via YouTube and the City's Government channel by the 1 <sup>st</sup> Town Hall meeting in 2014. |
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#### **Technology Infrastructure Projects**

- |  |   |
|--|---|
| T1. Install fingerprint LiveScan technology in the Police Department Public Safety vehicles. | Activation of fingerprint LiveScan technology in the Police Fleet by the end of the Fiscal Year 2013/14. This project is dependent on the approval of a County grant. |
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## **2013-2014 BUDGET HIGHLIGHTS**

Complete the enterprise projects transitioning the Utility Billing and Financial services systems to Innoprise, upgrading the City's public safety system to take advantage of improved Geographical Information Systems (GIS) technology and provide offsite video/internet broadcast capabilities for Town Hall meetings.

Information Tech - Admin

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EXPENSES	Actual 2010-11	Actual 2011-12	Final Budget 2012-13	City Mgr. Recom. 2013-14	Council Approval 2013-14
Personnel Expenses	1,100,970	1,065,210	1,095,216	1,250,904	1,250,904
Supplies and Services	539,309	621,213	614,013	626,523	626,523
Debt Service	0	0	0	0	0
Acquisitions	25,977	0	0	4,800	4,800
Capital Improvements	311,576	207,994	0	0	0
TOTAL	1,977,832	1,894,417	1,709,229	1,882,227	1,882,227

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FINANCING SOURCES	Actual 2010-11	Actual 2011-12	Final Budget 2012-13	Estimated 2013-14
PERS-EE Share 2.5% @ 55	21,778	36,989	46,105	66,030
PERS-EE Share 2% @ 62	0	0	0	5,358
Support Servcs-Charges	1,653,515	1,692,110	1,620,709	1,638,813
Investment Earnings	4,068	3,117	2,700	1,700
Unclassified	0	1,628	0	0
Telephone Commission	3,007	2,504	3,000	2,000
Sale of Equipment	3,158	3,867	0	0
Interdept DSR-Wastewater	0	0	0	48,012
Interdept DSR-Water Sys	0	0	0	68,589
Interdept DSR-Refuse	0	0	0	20,577
Trsf-General Fund (001)	0	0	0	70,000
Trsf-PEG Access Fees(051)	10,000	0	10,000	0
Trsf-Fleet Replaceme(674)	19,106	0	0	0
Other Revenues	263,200	154,202	26,715	38,852-
TOTAL	1,977,832	1,894,417	1,709,229	1,882,227

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PERSONNEL

Number of Positions

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Classification	Funded In Budget 2012-13	City Mgr. Recom. 2013-14	Council Approval
Dir. of Information Technology	1.00	1.00	1.00
Information Technology Manager	1.00	1.00	1.00
Software Analyst I/II/III	3.00	3.00	3.00
Systems Tech I/II/III OR Systems Engineer I/II/III	4.00	5.00	5.00
TOTAL	9.00	10.00	10.00

BUDGET DETAIL EXPENSES

672-0403	Information Tech - Admin					
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
511.01-00	Regular Salaries	698,919	677,738	703,647	782,978	782,978
511.03-00	Extra Help	12,308	12,294	12,489	12,489	12,489
511.04-01	Regular Overtime	7,491	6,162	8,500	8,500	8,500
511.04-04	Call Back Time Worked	225	0	0	0	0
511.10-02	Unused Sick Leave	2,089	2,089	2,090	2,090	2,090
511.10-05	Retirement PERS Classic	121,338	136,216	146,581	155,835	155,835
511.10-06	Social Security-OASDI	45,309	43,133	45,395	50,385	50,385
511.10-07	Social Security-Medicare	11,105	10,592	10,798	12,093	12,093
511.10-08	State Unemployment	6,245	0	0	0	0
511.10-10	Retirement-PERS New Membr	0	0	0	14,283	14,283
511.10-12	Workers Compensation	3,163	6,227	3,655	15,994	15,994
511.10-17	Stand By Pay	31,659	30,729	21,085	28,698	28,698
511.10-20	Earned Benefit	18,950	8,601	6,268	6,268	6,268
511.10-24	Vehicle Allowance	7,338	7,615	7,992	8,136	8,136
511.10-26	Call Back - Non Worked	357	0	0	0	0
511.10-27	PTS Plan FICA Alternative	160	160	162	162	162
511.10-32	Cash Back-Biweekly Allow	5	0	0	0	0
511.10-33	Core Allowance	120,663	108,157	110,202	138,310	138,310
511.10-35	Post Employment Benefits	13,646	15,497	16,352	14,683	14,683
Personnel Services		1,100,970	1,065,210	1,095,216	1,250,904	1,250,904
512.12-00	Telephone	39,370	34,539	39,368	39,350	39,350
512.13-00	Postage	377	341	400	400	400
512.15-00	Office Supplies	5,339	5,205	5,229	5,329	5,329
512.17-00	Professional Services	82,259	58,992	109,441	117,368	117,368
512.18-00	Travel and Meetings	3,019	8,559	10,123	11,724	11,724
512.20-00	Training Expense	7,147	11,243	11,550	16,107	16,107
512.21-00	Rents/Leases	37,588	33,185	35,714	28,700	28,700
512.22-00	Office Equipment O & M	255,114	308,447	313,140	318,090	318,090
512.23-00	Vehicle Operations/Maint	1,971	2,638	2,781	2,781	2,781
512.24-00	Memberships, Subscription	784	67,481	9,663	10,725	10,725
512.29-00	Other Materials Supplies	7,507	6,732	7,395	7,395	7,395
512.30-01	Dept Share of Insurance	19,323	21,323	13,994	10,702	10,702
512.45-00	Facilities Maint Charge	39,265	43,023	41,186	43,437	43,437
Supplies and Services		499,063	601,708	599,984	612,108	612,108
513.43-00	Machinery/Equipment	25,977	0	0	4,800	4,800
Property		25,977	0	0	4,800	4,800
514.91-01	Adm Exp-City Manager	6,711	2,323	2,365	3,373	3,373
514.91-02	Adm Exp-City Attorney	603	5	255	1,057	1,057
514.91-09	Adm Exp-Finance	20,525	8,718	9,314	8,099	8,099
514.91-10	Adm Exp-Purchasing	2,957	1,005	1,173	1,115	1,115
514.91-16	Adm Exp-City Council	3,338	1,130	922	771	771
Administrative		34,134	13,181	14,029	14,415	14,415
515.92-01	Interdept DSC-General Fnd	6,112	6,324	0	0	0
Interdepartmental		6,112	6,324	0	0	0
613.64-00	Depreciation Expense	200,718	185,376	0	0	0
Property		200,718	185,376	0	0	0
617.65-00	Capital Imp. Projects	110,858	22,618	0	0	0
Capital Outlay		110,858	22,618	0	0	0
**	Information Tech - Admin	1,977,832	1,894,417	1,709,229	1,882,227	1,882,227

## **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), Innoprise Software Inc., and New World Systems 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
- 22-00 Maintenance and support of printers, 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
- 23-00 Maintenance and operation of department vehicles
- 24-00 Memberships and subscriptions
- 29-00 Tapes, print heads, toner, and other computer related supplies

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

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***PROGRAM***

Contingent upon available funding, user departments contribute to this internal service which supports the replacement of the City's investment in personal computers, printers, plotters, scanners, servers, network infrastructure, and other peripherals.



BUDGET DETAIL EXPENSES

673-0403 PC Maintenance & Repair						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
512.22-00	Office Equipment O & M	12,035	14,872	15,000	15,000	15,000
512.24-00	Memberships, Subscription	116,691	116,691	116,691	116,691	116,691
	Supplies and Services	128,726	131,563	131,691	131,691	131,691
513.43-00	Machinery/Equipment	496,386	81,537	620,501	934,071	934,071
	Property	496,386	81,537	620,501	934,071	934,071
613.64-00	Depreciation Expense	259,999	206,103	0	0	0
	Property	259,999	206,103	0	0	0
908.93-01	Trsf-General Fund (001)	250,000	0	0	0	0
	Other	250,000	0	0	0	0
**	PC Maintenance & Repair	1,135,111	419,203	752,192	1,065,762	1,065,762

**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.





BUDGET DETAIL EXPENSES

051-0416 PEG Access						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
512.17-00	Professional Services	10,169	26,199	18,500	18,500	18,500
	Supplies and Services	10,169	26,199	18,500	18,500	18,500
617.65-00	Capital Imp. Projects	0	27,382	254,170	232,255	232,255
	Capital Outlay	0	27,382	254,170	232,255	232,255
968.93-72	Trsf-Support Service(672)	10,000	0	10,000	0	0
	Other	10,000	0	10,000	0	0
998.93-10	Trsf-PFEDA Area2 CIP(910)	42,840	0	0	0	0
	Other	42,840	0	0	0	0
**	PEG Access	63,009	53,581	282,670	250,755	250,755

## **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 Worker's Compensation Division administers the self-insured worker's compensation program, including preparation of reports for management, benefit approval and payment authorization, coordination with a third party worker's 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 fully insured policy 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). The commercial property, fire, and boiler and machinery coverage is purchased through the Public Entity 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 safety program.

#### ***OBJECTIVES***

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

- |   |   |
|---|---|
| 1. Review insurance coverage obtained in all areas of City needs. | Meet with Broker of Record 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 in conjunction with annual open enrollment of employee benefits.  |
| 3. Citywide Safety Review Committee.                              | Conduct no less than two Committee meetings in an effort to increase employee safety involvement and help promote safety communication. |
| 4. Citywide Wellness Program .                                    | Improve overall employee participation to at least 10% in various wellness and fitness related programs.                                |



BUDGET DETAIL EXPENSES

672-0409	Risk Management Admin.					
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
511.01-00	Regular Salaries	114,412	119,000	120,350	134,335	134,335
511.10-02	Unused Sick Leave	688	579	0	0	0
511.10-05	Retirement PERS Classic	19,811	23,855	25,006	29,340	29,340
511.10-06	Social Security-OASDI	6,889	7,159	7,456	8,084	8,084
511.10-07	Social Security-Medicare	1,660	1,725	1,744	1,947	1,947
511.10-12	Workers Compensation	374	359	343	443	443
511.10-24	Vehicle Allowance	1,468	1,523	1,598	2,441	2,441
511.10-32	Cash Back-Biweekly Allow	23	0	0	0	0
511.10-33	Core Allowance	27,482	29,162	29,062	27,187	27,187
511.10-35	Post Employment Benefits	4,876	5,540	4,992	5,129	5,129
Personnel Services		177,683	188,902	190,551	208,906	208,906
512.12-00	Telephone	294	275	300	300	300
512.13-00	Postage	782	536	700	700	700
512.15-00	Office Supplies	418	258	200	200	200
512.17-00	Professional Services	6,458	4,195	4,000	5,246	5,246
512.18-00	Travel and Meetings	1,015	194	700	700	700
512.20-00	Training Expense	295	0	475	475	475
512.24-00	Memberships, Subscription	2,988	7,000	4,132	3,643	3,643
512.30-01	Dept Share of Insurance	4,966	5,682	3,856	3,106	3,106
512.45-00	Facilities Maint Charge	31,385	34,434	32,978	34,715	34,715
Supplies and Services		48,601	52,574	47,341	49,085	49,085
514.91-01	Adm Exp-City Manager	1,664	780	738	1,201	1,201
514.91-02	Adm Exp-City Attorney	150	2	79	379	379
514.91-09	Adm Exp-Finance	5,055	2,928	2,905	2,901	2,901
514.91-10	Adm Exp-Purchasing	733	338	366	399	399
514.91-16	Adm Exp-City Council	828	379	287	276	276
Administrative		8,430	4,427	4,375	5,156	5,156
613.64-00	Depreciation Expense	47	0	0	0	0
Property		47	0	0	0	0
**	Risk Management Admin.	234,761	245,903	242,267	263,147	263,147

## **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 Worker's Compensation Administration, Worker's Compensation training sessions, CSJVRMA Annual Retreat, and Annual Conference of Public Agency Risk Managers (PRIMA/PARMA), and miscellaneous meetings
- 20-0 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; Occupational Safety and Health Magazine; General Industry Safety Order; ADA Monthly & Annual Updates; Worker's Compensation Law Bulletin.

## **RISK MANAGEMENT AND SAFETY**

### **WORKER'S COMPENSATION**

#### **MISSION**

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

#### **GOALS**

- ◇ Ensure that the City is receiving the most competitive worker's 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**

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

- |  |  |
|--|--|
| 1. In-house administration of claims and supervisor/manager training.  | Reduction in the number of active files by effective claims administration and supervision/manager training. Currently, 90% of claims are processed within 24 hours of notice. Conduct no less than 2 trainings with managers and supervisors regarding workers' compensation forms and internal routing procedures. |
| 2. Review the work product of the third party claims administrator.  | Meet quarterly with the third party administrator to monitor litigated and non-litigated claims and insure there are no violations of regulations.   |
| 3. Injury and Illness Prevention Program to reflect the City's commitment to maintaining a safe and healthful workplace, and complying with all applicable federal, state, and local laws and 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 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
512.17-00	Professional Services	68,887	118,421	87,400	90,480	90,480
512.30-10	Wrk Cmp-Medical	939,443	1,108,498	550,000	800,455	800,455
512.30-11	Wrk Cmp-Permanent Disblty	318,850	467,003	150,000	250,000	250,000
512.30-12	Legal	48,983	114,783	98,350	131,150	131,150
512.30-13	Wrk Cmp-Umbrella Coverage	252,407	225,136	261,396	278,333	278,333
512.34-00	Contingency Reserve	0	0	722,480	1,670,531	1,670,531
512.35-00	Special Dept. Expense	11,432	0	6,000	11,966	11,966
512.38-00	Support Services	22,927	23,420	30,789	24,904	24,904
Supplies and Services		1,662,929	2,057,261	1,906,415	3,257,819	3,257,819
514.91-01	Adm Exp-City Manager	5,463	3,254	3,462	10,009	10,009
514.91-02	Adm Exp-City Attorney	491	7	373	2,867	2,867
514.91-09	Adm Exp-Finance	16,686	12,211	13,635	21,973	21,973
514.91-10	Adm Exp-Purchasing	2,407	1,408	1,717	3,025	3,025
514.91-16	Adm Exp-City Council	2,717	1,583	1,349	2,092	2,092
Administrative		27,764	18,463	20,536	39,966	39,966
515.92-01	Interdept DSC-General Fnd	111,822	78,894	72,501	101,535	101,535
Interdepartmental		111,822	78,894	72,501	101,535	101,535
**	Insurance: Workers Comp	1,802,515	2,154,618	1,999,452	3,399,320	3,399,320

## **INSURANCE: WORKER'S 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 \$250,000 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 Vocational rehabilitation funds necessary to provide benefits to workers who are medically unable to return to work at their pre-injury jobs. Vocational service may include, but is not limited to, evaluation, counseling, job analysis, job modification assistance, retraining, and job placement assistance as defined Labor Code Sections 4635 – 4647; and 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.
  
1. Review effectiveness and cost-savings for liability claims filed against the City of Merced.
  
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.

Reduction in liability claims and cost savings through training provided by continued membership and coverage through the Central San Joaquin Valley Risk Management Authority.

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.

Once a year monitor current and new City acquisitions to insure proper coverage and conduct a Request for Proposal to insure premium is most cost effective in the insurance marketplace.

## **RISK MANAGEMENT AND SAFETY**

### ***2013-2014 BUDGET HIGHLIGHTS***

The Insurance Division will utilize electronic communication in place of U.S. mail service whenever possible; in an effort to go green and reduce costs for postage and office supplies.

Insurance: Liability

EXPENSES	Actual 2010-11	Actual 2011-12	Final Budget 2012-13	City Mgr. Recom. 2013-14	Council Approval 2013-14
Personnel Expenses	0	0	0	0	0
Supplies and Services	2,106,829	3,242,560	2,416,989	1,785,002	1,785,002
Debt Service	0	0	0	0	0
Acquisitions	0	0	0	0	0
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>2,106,829</b>	<b>3,242,560</b>	<b>2,416,989</b>	<b>1,785,002</b>	<b>1,785,002</b>
XX					

FINANCING SOURCES	Actual 2010-11	Actual 2011-12	Final Budget 2012-13	Estimated 2013-14
Other Revenues	2,106,829	3,242,560	2,416,989	1,785,002
<b>TOTAL</b>	<b>2,106,829</b>	<b>3,242,560</b>	<b>2,416,989</b>	<b>1,785,002</b>
XX				

BUDGET DETAIL EXPENSES

ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14
667-0411	Insurance: Liability					
512.30-12	Legal	650,359	851,948	426,250	165,000	165,000
512.30-20	Liab-General Liability	1,054,547	1,113,111	1,012,520	1,113,687	1,113,687
512.30-23	Liab-Reserve for Self Ins	34,813	630,643	568,462	217,106	217,106
512.30-24	Subrogation Claims Expens	12,316	13,440	50,000	50,000	50,000
512.30-25	Liab-General Claims	35,000	1,500,000	0	0	0
512.38-00	Support Services	40,762	40,762	40,762	40,762	40,762
	Supplies and Services	1,758,171	2,888,618	2,097,994	1,586,555	1,586,555
514.91-01	Adm Exp-City Manager	9,510	7,170	4,372	5,290	5,290
514.91-02	Adm Exp-City Attorney	855	16	471	1,667	1,667
514.91-09	Adm Exp-Finance	29,164	26,902	17,220	12,776	12,776
514.91-10	Adm Exp-Purchasing	4,191	3,101	2,169	1,759	1,759
514.91-16	Adm Exp-City Council	4,730	3,486	1,704	1,217	1,217
	Administrative	48,450	40,675	25,936	22,709	22,709
515.92-01	Interdept DSC-General Fnd	300,208	281,544	258,582	145,645	145,645
515.92-17	Interdept DSC-Develop Ser	0	31,723	34,477	30,093	30,093
	Interdepartmental	300,208	313,267	293,059	175,738	175,738
**	Insurance: Liability	2,106,829	3,242,560	2,416,989	1,785,002	1,785,002

**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

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**

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.
2. Investigate and challenge unauthorized filings.

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

Payments only made to approved claims.

No payments to unauthorized past-employees.

#### **2013-2014 BUDGET HIGHLIGHTS**

The Insurance Division will utilize electronic communication in place of U.S. mail service whenever possible; in an effort to go green and reduce costs for postage and office supplies.



BUDGET DETAIL EXPENSES

668-0412 Insurance: Unemployment						
ACCT. NO. ACCOUNT DESCRIPTION	ACTUAL 2010-11	ACTUAL 2011-12	FINAL BUDGET 2012-13	CITY MGR. RECOM. 2013-14	COUNCIL APPROVAL 2013-14	
512.30-30 Unemp Ins-Unemployment	159,572	267,919	411,640	137,757	137,757	
512.34-00 Contingency Reserve	0	0	155,220	5,025	5,025	
512.38-00 Support Services	3,883	17,207	8,402	1,522	1,522	
Supplies and Services	163,455	285,126	575,262	144,304	144,304	
514.91-01 Adm Exp-City Manager	493	1,934	884	1,322	1,322	
514.91-02 Adm Exp-City Attorney	44	4	95	417	417	
514.91-09 Adm Exp-Finance	1,517	7,257	3,482	3,193	3,193	
514.91-10 Adm Exp-Purchasing	217	837	439	440	440	
514.91-16 Adm Exp-City Council	245	941	345	304	304	
Administrative	2,516	10,973	5,245	5,676	5,676	
968.93-66 Trsf-Workers Comp (666)	0	0	0	367,975	367,975	
Other	0	0	0	367,975	367,975	
** Insurance: Unemployment	165,971	296,099	580,507	517,955	517,955	

**INSURANCE: UNEMPLOYMENT**

30-30 Unemployment insurance

***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, 2014, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

***2013-2014 BUDGET HIGHLIGHTS***

There are no anticipated significant changes in program direction, expenditures or revenues contingent upon fiscal stability. Group medical benefits for active and retired employee will meet Affordable Care Act requirements effective January 1, 2014.



## BUDGET DETAIL EXPENSES

669-0413	Employee Benefits			FINAL	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	RECOM.	APPROVAL
		2010-11	2011-12	2012-13	2013-14	2013-14
511.10-06	Social Security-OASDI	0	2,423	0	0	0
511.10-07	Social Security-Medicare	0	567	0	0	0
511.10-20	Earned Benefit	0	39,089	0	0	0
	Personnel Services	0	42,079	0	0	0
512.17-00	Professional Services	989,647	3,475	6,000	6,000	6,000
512.30-40	Emp Bnft-Group Health/Acc	5,788,516	5,912,170	6,318,961	6,467,482	6,467,482
512.30-41	Group Health Ins Retirees	1,323,664	1,408,082	1,498,031	1,500,980	1,500,980
512.30-42	Emp Bnft-Group Life	66,944	58,999	30,594	65,562	65,562
512.30-43	Emp Bnft-Sht & Lg Trm Dis	82,828	81,052	62,247	95,900	95,900
512.30-45	Emp Bft-Dentl/Vision Care	974,514	796,075	752,754	848,203	848,203
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	307,679	61,454	61,454
512.30-55	Vol-Cancer Insurance	5,836	0	0	0	0
512.30-56	Vol-Heat & Stroke Insur	2,850	0	0	0	0
512.30-57	Vol-Pet Insurance	2,004	0	0	0	0
512.30-58	Vol-Universal Life Ins	15,542	0	0	0	0
512.30-59	Vol-Short Term Disability	5,398	0	0	0	0
512.30-61	Flexible Spending-Medical	19,951	14,865	51,527	34,264	34,264
512.30-62	Flexible Spending-DepCare	22,267	7,383	21,851	9,500	9,500
512.30-63	Cobra Subsidy	327	0	0	0	0
512.38-00	Support Services	139,855	134,201	134,735	98,323	98,323
	Supplies and Services	9,440,143	8,416,302	9,184,379	9,187,668	9,187,668
514.91-01	Adm Exp-City Manager	26,799	17,313	14,967	24,137	24,137
514.91-02	Adm Exp-City Attorney	2,410	40	1,611	7,607	7,607
514.91-09	Adm Exp-Finance	82,382	64,960	58,946	58,292	58,292
514.91-10	Adm Exp-Purchasing	11,809	7,488	7,424	8,024	8,024
514.91-16	Adm Exp-City Council	13,328	8,419	5,833	5,551	5,551
	Administrative	136,728	98,220	88,781	103,611	103,611
908.93-01	Trsf-General Fund (001)	0	140,732	0	0	0
908.93-17	Trsf-Development Svc(017)	0	18,872	0	0	0
908.93-22	Trsf-Street Maint/Lt(022)	0	10,790	0	0	0
908.93-24	Trsf-Rec & Park Prog(024)	0	35,823	0	0	0
908.93-61	Trsf-Measure "C" Spe(061)	0	23,400	0	0	0
	Other	0	229,617	0	0	0
918.93-56	Trsf-CFD-Public Safe(156)	0	11,700	0	0	0
918.93-57	Trsf-CFD-Public Safe(157)	0	5,850	0	0	0
	Other	0	17,550	0	0	0
958.93-53	Trsf-Wastewater Sys (553)	0	38,543	0	0	0
	Other	0	38,543	0	0	0
968.93-66	Trsf-Workers Comp (666)	0	0	500,000	0	0
	Other	0	0	500,000	0	0
**	Employee Benefits	9,576,871	8,842,311	9,773,160	9,291,279	9,291,279

## **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 fully-insured dental and vision programs.
- 30-46 Amount held in contingency as reserve for retention.