

**CITY OF MERCED
2016-2017 CITY COUNCIL APPROVED BUDGET**

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PERSONNEL
FUND NO. 672
ACCOUNT NO. 0402

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
- Develop and maintain a program that affords staff development and retention.
- Fill all Police Officer vacancies in the Police Department.
- 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***

Distribution by January 1 of Annual Labor Law Posters, legislative reports and new state and federal laws to appropriate departments.

PERSONNEL

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| 2. Continue to implement an HRIS system including performance appraisal software and an applicant tracking system to streamline processes. | Have all departments using the new systems for all recruitments and evaluations. |
| 3. Continue revision of Personnel Rules and review of Administrative Policies. | Finalizing the rules and meeting and conferring with employee groups. |
| 4. Continue to work closely with the Police Department and prioritize Police Officer recruitments. | Filling remaining Police Officer vacancies and have a viable eligible list to fill future vacancies. |
| 5. Employee Recognition | Continue to provide annual employee recognition with increased employee participation, and to seek opportunities for additional employee appreciation. |

2016/2017 Budget Highlights

Recruitments are expected to continue at a high volume during the 2016-17 fiscal year, particularly in the Police, Fire and Public Works Departments. The use of Neogov is providing a streamlined recruitment process, greater exposure for City job opportunities, and cost savings in postage, advertisement and staff time. By implementing Neogov Performance Evaluation software the department anticipates greater efficiency, compliance, and cooperation throughout all City Departments. Employee retention is a priority and providing recognition and increased participation for employee recognition will be a focus. Personnel places a high priority on keeping abreast of the changes in the state and federal laws and applying them to the organization. Continuing to improve and maintain efficiency and organization will be the hallmark of the efforts in Personnel this fiscal year. The addition of software programs for recruitments and performance evaluations will assist with the process.

BUDGET DETAIL EXPENSES

672-0402 Personnel							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	FINAL BUDGET 2015-16	DEPT. HEAD REQUEST 2016-17	CITY MGR. RECOM. 2016-17	COUNCIL APPROVAL 2016-17
511.01-00	Regular Salaries	206,669	208,496	214,707	222,930	222,930	222,930
511.04-01	Regular Overtime	1,970	1,850	0	0	0	0
511.10-02	Unused Sick Leave	152	190	0	0	0	0
511.10-05	Retirement PERS Classic	44,555	48,850	53,081	58,539	58,539	58,539
511.10-06	Social Security-OASDI	12,715	12,608	12,908	13,312	13,312	13,312
511.10-07	Social Security-Medicare	3,080	3,068	3,140	3,249	3,249	3,249
511.10-12	Workers Compensation	715	793	492	439	428	428
511.10-20	Earned Benefit	559	0	0	0	0	0
511.10-24	Vehicle Allowance	5,702	5,790	5,796	5,443	5,443	5,443
511.10-32	Cash Back-Biweekly Allow	1,380	0	0	0	0	0
511.10-33	Core Allowance	30,134	46,435	49,294	44,928	44,928	44,928
511.10-35	Post Employment Benefits	15,741	15,620	8,989	4,477	4,477	4,477
Personnel Services		323,372	343,700	348,407	353,317	353,306	353,306
512.12-00	Telephone	268	285	321	333	333	333
512.13-00	Postage	861	536	551	551	551	551
512.14-00	Advertising	6,883	1,781	5,356	5,570	5,570	5,570
512.15-00	Office Supplies	1,610	5,916	1,488	3,000	3,300	3,300
512.17-00	Professional Services	95,625	80,755	200,269	182,755	232,755	232,755
512.18-00	Travel and Meetings	1,010	1,201	2,040	3,961	3,961	3,961
512.20-00	Training Expense	2,013	728	1,255	2,900	2,900	2,900
512.21-00	Rents/Leases	0	0	9,250	26,250	26,250	26,250
512.24-00	Memberships, Subscription	2,148	1,505	2,319	2,303	2,303	2,303
512.29-00	Other Materials Supplies	4,534	11,075	17,316	22,000	22,000	22,000
512.30-01	Dept Share of Insurance	3,865	3,619	4,576	5,480	5,389	5,389
512.34-00	Contingency Reserve	0	0	12,060	11,329	11,329	11,329
512.35-84	Retro Fee Expense	0	150	0	0	0	0
512.45-00	Facilities Maint Charge	34,715	24,986	26,046	29,648	29,521	29,521
Supplies and Services		153,532	132,537	282,847	296,080	346,162	346,162
514.91-01	Adm Exp-City Manager	4,520	2,662	3,258	3,043	4,901	4,901
514.91-02	Adm Exp-City Attorney	1,204	3,947	708	815	967	967
514.91-03	Adm Exp-City Clerk	0	7,276	2,713	3,087	3,249	3,249
514.91-09	Adm Exp-Finance	9,223	12,146	11,623	12,986	13,974	13,974
514.91-10	Adm Exp-Purchasing	1,270	1,550	1,381	1,743	1,863	1,863
514.91-16	Adm Exp-City Council	878	1,194	1,304	1,459	1,561	1,561
Administrative		17,095	28,775	20,987	23,133	26,515	26,515
617.65-00	Capital Imp. Projects	0	0	0	3	3	3
Capital Outlay		0	0	0	3	3	3
**	Personnel	493,999	505,012	652,241	672,533	725,986	725,986

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**

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, 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

A1: An analysis and review of the custom applications made for SunGard software suite over the last 25 years by recently retired in-house staff. This project will identify which processes can be moved back to the vendor base programs and continue to work with the City business needs.

The analysis will take the first half of the fiscal year to generate an action plan. The last half of the year will be used to follow the plan and move as many applications back to base as feasible.

A2: Upgrade the Microsoft Office Suite on all City computers to the newest version as part of our Microsoft Enterprise agreement contract.

To have this new software suite available to all staff by the end of fiscal year 2017.

A3: Upgrade the City's Public safety computer systems which includes include a new crime analytics software package.

Support the Police Department in servicing the community by upgrading the public safety computer system by the end of Q3 of FY16/17.

A4: Upgrade the Geographic Information System to support the ability for staff to review sewer map data with technology in the field.

To have these new features available to all staff by the end of Fiscal year 2017.

A5 : New technology that will allow the Fire Department to be able to perform Fire inspection in the field with tablet computers.

To have these new features available to the Fire Department by the end of Q2 FY16/17.

Community / Transparency Project

C1: Install updated Audio/Video Technology in the council chambers to allow greater interaction and transparency between councilmembers, city staff, and the

To have technology in place and staff trained on by the end of Fiscal year 16/17.

citizenry of Merced during City Council meetings.

C2 : To provide the technology needed for the Waste Water Treatment Plant to be able to sell non-potable water in a kiosk fashion to tanker trucks paying with a credit card. To have technology in place and staff trained for business to use this new services by end of Q2 FY16/17

Technology Infrastructure Project

- T1: Enhancement of physical security at City properties including CCTV camera's and badge access control technology. This technology expands upon our existing systems to allow public safety staff the ability to view these cameras and access the buildings in the event of a life safety incident. The properties include the Airport, Public Works corporation yard, Wellsite #1, and Waste Water Treatment plant. To have these systems operational by end of Q2 FY16/17.
- T2: Upgrade the speed and reliability of the Internet connection the City used to provide services to the citizens and staff. As the City moves more services to the cloud our internet connection is critical to the city business need to operate on a daily basis. To have these systems operational by end of Q2 FY16/17.

2016-2017 BUDGET HIGHLIGHTS

An update to the technology in the City council chambers. Enhanced technology will allow staff and council to more effectively communicate, collaborate, and interact with the citizens of Merced. This upgrade will include better audio and video technology to view and listen to presentation in the council chambers, the live streaming service Granicus, and the Public Access Government channels on Comcast Cable TV, and ATT U-verse TV.

BUDGET DETAIL EXPENSES

672-0403	Information Tech - Admin			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2013-14	2014-15	2015-16	2016-17	2016-17	2016-17
511.01-00	Regular Salaries	738,781	653,975	753,060	769,880	769,880	769,880
511.03-00	Extra Help	12,568	12,470	13,114	13,025	13,409	13,409
511.04-01	Regular Overtime	12,139	8,725	8,755	8,755	8,755	8,755
511.10-02	Unused Sick Leave	2,089	0	0	0	0	0
511.10-05	Retirement PERS Classic	146,530	129,031	128,170	124,873	124,873	124,873
511.10-06	Social Security-OASDI	47,295	45,549	49,080	49,540	49,540	49,540
511.10-07	Social Security-Medicare	11,439	10,915	11,668	11,775	11,780	11,780
511.10-08	State Unemployment	0	0	0	1,272	1,272	1,272
511.10-10	Retirement-PERS New Membr	10,860	22,283	54,281	72,625	72,625	72,625
511.10-12	Workers Compensation	15,994	13,964	8,344	7,730	7,670	7,670
511.10-17	Stand By Pay	31,500	31,849	32,218	32,218	32,218	32,218
511.10-20	Earned Benefit	7,340	62,408	4,529	4,529	4,529	4,529
511.10-24	Vehicle Allowance	8,145	6	8,280	0	0	0
511.10-27	PTS Plan FICA Alternative	163	164	171	169	174	174
511.10-33	Core Allowance	117,477	116,038	125,555	160,297	160,297	160,297
511.10-35	Post Employment Benefits	14,683	12,210	17,881	13,419	13,419	13,419
Personnel Services		1,177,003	1,119,587	1,215,106	1,270,107	1,270,441	1,270,441
512.12-00	Telephone	31,155	27,786	30,141	28,281	28,281	28,281
512.13-00	Postage	778	352	400	500	500	500
512.15-00	Office Supplies	4,936	4,191	5,000	4,784	4,400	4,400
512.17-00	Professional Services	105,650	92,186	77,802	77,802	77,802	77,802
512.18-00	Travel and Meetings	5,297	5,933	9,298	9,534	9,534	9,534
512.20-00	Training Expense	15,652	14,189	15,187	15,258	15,258	15,258
512.21-00	Rents/Leases	25,001	85,748	181,124	194,490	194,490	194,490
512.22-00	Office Equipment O & M	296,222	256,618	250,654	252,939	252,939	252,939
512.23-00	Vehicle Operations/Maint	2,781	1,388	1,082	1,158	1,158	1,158
512.24-00	Memberships, Subscription	11,435	62,550	8,620	7,669	9,145	9,145
512.29-00	Other Materials Supplies	6,014	6,848	10,395	10,810	10,810	10,810
512.30-01	Dept Share of Insurance	10,702	12,668	14,850	17,497	17,167	17,167
512.35-84	Retro Fee Expense	0	50	0	0	0	0
512.45-00	Facilities Maint Charge	43,437	40,457	42,277	48,340	48,124	48,124
512.46-00	Computer Replacement Chrg	0	105,000	0	0	0	0
Supplies and Services		559,060	715,964	646,830	669,062	669,608	669,608
513.43-00	Machinery/Equipment	4,800	19,621	0	11,806	11,806	11,806
Property		4,800	19,621	0	11,806	11,806	11,806
514.91-01	Adm Exp-City Manager	3,373	2,149	4,513	3,613	5,960	5,960
514.91-02	Adm Exp-City Attorney	1,057	1,170	980	968	1,176	1,176
514.91-03	Adm Exp-City Clerk	0	4,871	2,825	2,788	3,053	3,053
514.91-09	Adm Exp-Finance	8,099	9,805	16,099	15,418	16,992	16,992
514.91-10	Adm Exp-Purchasing	1,115	1,252	1,913	2,069	2,265	2,265
514.91-16	Adm Exp-City Council	771	964	1,806	1,733	1,898	1,898
Administrative		14,415	20,211	28,136	26,589	31,344	31,344
613.64-00	Depreciation Expense	32,419	21,233	0	0	0	0
Property		32,419	21,233	0	0	0	0
**	Information Tech - Admin	1,787,697	1,896,616	1,890,072	1,977,564	1,983,199	1,983,199

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), SunGard, 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, 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
- 23-00 Maintenance and operation of department vehicles
- 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

PROGRAM

This program has not been funded for several fiscal years. 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 programs include PC, large printers, scanner, servers, storage systems, network infrastructure, CCTV, and more.

PC Maintenance & Repair

EXPENSES	Actual 2013-14	Actual 2014-15	Final Budget 2015-16	Dept. Head Request 2016-17	City Mgr. Recom. 2016-17	Council Approval 2016-17
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	130,799	130,490	132,648	133,247	133,247	133,247
Debt Service	0	0	0	0	0	0
Acquisitions	197,262	483,642	460,766	533,043	533,043	533,043
Capital Improvements	103,625	117,099	0	0	0	0
* Undefined *	15,085	99	1,915	3,081	3,081	3,081
TOTAL	446,771	731,330	595,329	669,371	669,371	669,371

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FINANCING SOURCES	Actual 2013-14	Actual 2014-15	Final Budget 2015-16	Estimated 2016-17
Computer Replacement Chrg	207,702	315,375	209,544	226,227
Investment Earnings	7,410	6,000	7,160	4,910
Other Revenues	231,659	409,955	378,625	438,234
TOTAL	446,771	731,330	595,329	669,371

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BUDGET DETAIL EXPENSES

673-0403 PC Maintenance & Repair							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	FINAL BUDGET 2015-16	DEPT. HEAD REQUEST 2016-17	CITY MGR. RECOM. 2016-17	COUNCIL APPROVAL 2016-17
512.22-00	Office Equipment O & M	13,154	12,845	15,000	15,600	15,600	15,600
512.24-00	Memberships, Subscription	117,645	117,645	117,648	117,647	117,647	117,647
	Supplies and Services	130,799	130,490	132,648	133,247	133,247	133,247
513.43-00	Machinery/Equipment	197,262	483,642	460,766	533,043	533,043	533,043
	Property	197,262	483,642	460,766	533,043	533,043	533,043
613.64-00	Depreciation Expense	103,625	117,099	0	0	0	0
	Property	103,625	117,099	0	0	0	0
908.93-01	Trsf-General Fund (001)	15,085	99	1,915	0	0	0
908.93-70	Trsf-Housing Admin (070)	0	0	0	3,081	3,081	3,081
	Other	15,085	99	1,915	3,081	3,081	3,081
**	PC Maintenance & Repair	446,771	731,330	595,329	669,371	669,371	669,371

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

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 2013-14	ACTUAL 2014-15	FINAL BUDGET 2015-16	DEPT. HEAD REQUEST 2016-17	CITY MGR. RECOM. 2016-17	COUNCIL APPROVAL 2016-17
512.17-00	Professional Services	15,546	10,000	22,000	32,000	0	0
	Supplies and Services	15,546	10,000	22,000	32,000	0	0
513.43-00	Machinery/Equipment	21,813	0	0	0	32,000	32,000
	Property	21,813	0	0	0	32,000	32,000
617.65-00	Capital Imp. Projects	142,605	62,260	267,177	345,401	345,401	345,401
	Capital Outlay	142,605	62,260	267,177	345,401	345,401	345,401
**	PEG Access	179,964	72,260	289,177	377,401	377,401	377,401

RISK MANAGEMENT AND SAFETY

RISK MANAGEMENT AND SAFETY

FUND NOS. 666, 667, 668 & 672

ACCOUNT NOS. 0409, 0410, 0411, & 0412

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) with a self-insurance retention of \$100,000. 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

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| 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 Safety Review Committee. | Conduct quarterly 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 with the use of the Corporate Wellness Strategic Plan. |

BUDGET DETAIL EXPENSES

672-0409 Risk Management Admin.							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	FINAL BUDGET 2015-16	DEPT. HEAD REQUEST 2016-17	CITY MGR. RECOM. 2016-17	COUNCIL APPROVAL 2016-17
511.01-00	Regular Salaries	138,409	138,423	143,712	143,004	143,004	143,004
511.04-01	Regular Overtime	0	86	0	0	0	0
511.10-02	Unused Sick Leave	859	1,078	0	0	0	0
511.10-05	Retirement PERS Classic	29,796	32,387	35,499	26,368	26,368	26,368
511.10-06	Social Security-OASDI	8,414	8,371	8,682	8,661	8,661	8,661
511.10-07	Social Security-Medicare	2,013	2,009	2,082	2,084	2,084	2,084
511.10-10	Retirement-PERS New Membr	0	0	0	10,523	10,523	10,523
511.10-12	Workers Compensation	443	494	301	263	256	256
511.10-20	Earned Benefit	49	0	0	0	0	0
511.10-24	Vehicle Allowance	2,444	2,481	2,484	2,333	2,333	2,333
511.10-33	Core Allowance	26,384	27,588	27,296	35,589	35,589	35,589
511.10-35	Post Employment Benefits	5,129	5,052	5,051	7,047	7,047	7,047
Personnel Services		213,940	217,969	225,107	235,872	235,865	235,865
512.12-00	Telephone	282	218	321	333	333	333
512.13-00	Postage	520	776	749	778	778	778
512.15-00	Office Supplies	144	120	214	222	222	222
512.17-00	Professional Services	3,736	5,346	5,619	5,843	5,843	5,843
512.18-00	Travel and Meetings	128	590	735	764	764	764
512.20-00	Training Expense	900	487	499	518	518	518
512.24-00	Memberships, Subscription	3,621	3,644	3,775	3,960	3,960	3,960
512.30-01	Dept Share of Insurance	3,106	3,041	3,804	4,637	4,571	4,571
512.35-84	Retro Fee Expense	100	0	0	0	0	0
512.45-00	Facilities Maint Charge	34,715	32,591	33,973	38,672	38,506	38,506
Supplies and Services		47,252	46,813	49,689	55,727	55,495	55,495
514.91-01	Adm Exp-City Manager	1,201	983	1,310	1,194	1,966	1,966
514.91-02	Adm Exp-City Attorney	379	820	284	320	388	388
514.91-03	Adm Exp-City Clerk	0	2,303	819	921	1,007	1,007
514.91-09	Adm Exp-Finance	2,901	4,484	4,672	5,095	5,606	5,606
514.91-10	Adm Exp-Purchasing	399	572	555	684	747	747
514.91-16	Adm Exp-City Council	276	441	524	573	626	626
Administrative		5,156	9,603	8,164	8,787	10,340	10,340
**	Risk Management Admin.	266,348	274,385	282,960	300,386	301,700	301,700

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

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.

Insurance: Workers Comp

E X P E N S E S	Actual 2013-14	Actual 2014-15	Final Budget 2015-16	Dept. Head Request 2016-17	City Mgr. Recom. 2016-17	Council Approval 2016-17
Personnel Expenses	0	0	40,000	41,600	41,600	41,600
Supplies and Services	2,391,845	2,521,332	2,415,642	2,268,874	2,268,871	2,268,871
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0
TOTAL	2,391,845	2,521,332	2,455,642	2,310,474	2,310,471	2,310,471

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F I N A N C I N G S O U R C E S	Actual 2013-14	Actual 2014-15	Final Budget 2015-16	Estimated 2016-17
Worker's Compensation Rev	1,679,139	2,187,221	1,360,369	1,226,342
Investment Earnings	14,054	16,139	13,730	14,530
Unclassified	42,504	900,726	40,000	41,600
PERS Refund	16,620	0	11,966	25,000
Trsf-General Fund (001)	940,000	0	0	0
Trsf-Unemployment Fn(668)	277,975	0	0	0
Other Revenues	578,447-	582,754-	1,029,577	1,002,999
TOTAL	2,391,845	2,521,332	2,455,642	2,310,471

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BUDGET DETAIL EXPENSES

666-0410	Insurance: Workers Comp			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2013-14	2014-15	2015-16	2016-17	2016-17	2016-17
512.17-00	Professional Services	113,892	133,276	117,104	124,800	124,800	124,800
512.18-00	Travel and Meetings	1,520	760	0	0	0	0
512.30-10	Wrk Cmp-Medical	718,722	714,031	770,220	770,220	770,220	770,220
512.30-11	Wrk Cmp-Permanent Disblty	789,423	921,975	288,750	277,980	277,980	277,980
512.30-12	Legal	297,417	252,682	285,000	165,000	165,000	165,000
512.30-13	Wrk Cmp-Umbrella Coverage	303,006	316,319	363,964	454,082	454,082	454,082
512.34-00	Contingency Reserve	0	0	397,488	268,016	267,028	267,028
512.35-00	Special Dept. Expense	1,460	0	11,966	25,000	25,000	25,000
512.38-00	Support Services	24,904	22,247	23,487	24,405	24,194	24,194
	Supplies and Services	2,250,344	2,361,290	2,257,979	2,109,503	2,108,304	2,108,304
514.91-01	Adm Exp-City Manager	10,009	4,076	4,909	3,929	5,900	5,900
514.91-02	Adm Exp-City Attorney	2,867	1,820	1,066	1,052	1,164	1,164
514.91-03	Adm Exp-City Clerk	0	8,697	4,742	3,642	3,633	3,633
514.91-09	Adm Exp-Finance	21,973	18,600	17,512	16,765	16,821	16,821
514.91-10	Adm Exp-Purchasing	3,025	2,374	2,081	2,250	2,242	2,242
514.91-16	Adm Exp-City Council	2,092	1,828	1,964	1,884	1,879	1,879
	Administrative	39,966	37,395	32,274	29,522	31,639	31,639
515.92-01	Interdept DSC-General Fnd	101,535	122,647	125,389	129,849	128,928	128,928
	Interdepartmental	101,535	122,647	125,389	129,849	128,928	128,928
521.10-13	WC ContinuingDeathBenefit	0	0	40,000	41,600	41,600	41,600
	Personnel Services	0	0	40,000	41,600	41,600	41,600
**	Insurance: Workers Comp	2,391,845	2,521,332	2,455,642	2,310,474	2,310,471	2,310,471

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

PERFORMANCE MEASUREMENTS/INDICATORS

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|---|---|
| 1. Review work product of the third party claims administrator for efficiency and reliable claims administration. | Meet and review claims on a quarterly basis with the third party administrator to monitor effectiveness, and reduction in litigation. |
| 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. | 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. |
| 3. Review effectiveness and cost-reduction efforts for employment practices claims. | 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. |
| 4. Review effectiveness and cost savings for property insurance and boiler and machinery coverage. | Monitor current and new City acquisitions annually in March to insure proper coverage. |

BUDGET DETAIL EXPENSES

667-0411 Insurance: Liability							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	FINAL BUDGET 2015-16	DEPT. HEAD REQUEST 2016-17	CITY MGR. RECOM. 2016-17	COUNCIL APPROVAL 2016-17
512.30-12	Legal	12,558	41,250	649,453	674,453	674,453	674,453
512.30-20	Liab-General Liability	1,116,843	1,056,336	1,333,098	1,391,306	1,391,306	1,391,306
512.30-23	Liab-Reserve for Self Ins	1,336,857	0	200,526	190,469	200,186	200,186
512.30-24	Subrogation Claims Expens	6,949	20,309	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	2,513,969	1,158,657	2,273,839	2,346,990	2,356,707	2,356,707
514.91-01	Adm Exp-City Manager	5,290	2,283	3,378	2,963	4,448	4,448
514.91-02	Adm Exp-City Attorney	1,667	1,294	734	794	878	878
514.91-03	Adm Exp-City Clerk	0	4,192	2,113	2,286	2,278	2,278
514.91-09	Adm Exp-Finance	12,776	10,416	12,051	12,642	12,682	12,682
514.91-10	Adm Exp-Purchasing	1,759	1,330	1,432	1,696	1,691	1,691
514.91-16	Adm Exp-City Council	1,217	1,024	1,352	1,421	1,417	1,417
	Administrative	22,709	20,539	21,060	21,802	23,394	23,394
515.92-01	Interdept DSC-General Fnd	145,645	215,505	179,845	257,686	255,974	255,974
515.92-17	Interdept DSC-Develop Svc	30,093	30,072	37,503	39,119	38,862	38,862
	Interdepartmental	175,738	245,577	217,348	296,805	294,836	294,836
958.93-57	Trsf-Water System Fu(557)	38,727	0	0	0	0	0
	Other	38,727	0	0	0	0	0
**	Insurance: Liability	2,751,143	1,424,773	2,512,247	2,665,597	2,674,937	2,674,937

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

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. |

2016-2017 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.

BUDGET DETAIL EXPENSES

668-0412 Insurance: Unemployment							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2013-14	ACTUAL 2014-15	FINAL BUDGET 2015-16	DEPT. HEAD REQUEST 2016-17	CITY MGR. RECOM. 2016-17	COUNCIL APPROVAL 2016-17
512.30-30	Unemp Ins-Unemployment	68,705	80,118	160,631	166,112	166,112	166,112
512.34-00	Contingency Reserve	0	0	26,589	1,209	1,124	1,124
512.38-00	Support Services	1,522	2,095	1,775	1,833	1,812	1,812
	Supplies and Services	70,227	82,213	188,995	169,154	169,048	169,048
514.91-01	Adm Exp-City Manager	1,322	279	625	519	746	746
514.91-02	Adm Exp-City Attorney	417	139	136	139	147	147
514.91-03	Adm Exp-City Clerk	0	485	391	400	382	382
514.91-09	Adm Exp-Finance	3,193	1,274	2,228	2,214	2,127	2,127
514.91-10	Adm Exp-Purchasing	440	163	265	297	284	284
514.91-16	Adm Exp-City Council	304	125	250	249	238	238
	Administrative	5,676	2,465	3,895	3,818	3,924	3,924
908.93-01	Trsf-General Fund (001)	0	0	0	79,159	79,159	79,159
908.93-17	Trsf-Development Svc(017)	0	0	0	20,562	20,562	20,562
908.93-61	Trsf-Measure "C" Spe(061)	0	0	0	26,816	26,816	26,816
	Other	0	0	0	126,537	126,537	126,537
958.93-53	Trsf-Wastewater Sys (553)	0	0	0	18,634	18,634	18,634
958.93-61	Trsf-Airport Fund (561)	0	0	0	4,064	4,064	4,064
	Other	0	0	0	22,698	22,698	22,698
968.93-66	Trsf-Workers Comp (666)	277,975	0	0	0	0	0
968.93-70	Trsf-Fleet-Mgmt (670)	0	0	0	1,805	1,805	1,805
968.93-71	Trsf-Facilities Main(671)	0	0	0	1,160	1,160	1,160
	Other	277,975	0	0	2,965	2,965	2,965
**	Insurance: Unemployment	353,878	84,678	192,890	325,172	325,172	325,172

FUND NO. 668
ACCOUNT NO. 0412

INSURANCE: UNEMPLOYMENT

30-30 Unemployment insurance

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

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, 2017, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

2016-2017 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.

Employee Benefits

E X P E N S E S	Actual 2013-14	Actual 2014-15	Final Budget 2015-16	Dept.Head Request 2016-17	City Mgr. Recom. 2016-17	Council Approval 2016-17
Personnel Expenses	0	300,115	285,452	454,385	454,385	454,385
Supplies and Services	8,499,197	7,946,552	9,648,772	9,972,827	10,210,704	10,221,246
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0
* Undefined *	0	0	0	159,311	159,311	159,311
TOTAL	8,499,197	8,246,667	9,934,224	10,586,523	10,824,400	10,834,942
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F I N A N C I N G S O U R C E S	Actual 2013-14	Actual 2014-15	Final Budget 2015-16	Estimated 2016-17		
Group Health/Accident Fee	5,260,590	5,428,526	6,448,505	7,005,999		
Group Life Insurance Fees	56,986	80,284	32,255	70,072		
Disability Insurance Fees	83,356	160,212	105,261	90,168		
Vision Care Fees	52,606	245,507	56,499	59,879		
Dental Care Fees	684,655	654,117	572,549	605,530		
Post Employment Fees	1,490,980	1,458,582	1,475,858	1,298,039		
Retiree Drug Subsidy(RDS)	9,247	12,168	10,000	10,000		
CORE Plan-Pre-Tax-EEShare	754,324	786,335	808,600	856,297		
CORE-Life/LTD/Dom Partner	46,184	49,362	52,733	47,039		
Flexible Spending Medical	30,337	30,124	34,932	49,452		
Flexible Spending DepCare	14,749	17,688	16,300	11,774		
Investment Earnings	1,705	3,231	890	5,720		
Other Revenues	13,478	679,469-	319,842	724,973		
TOTAL	8,499,197	8,246,667	9,934,224	10,834,942		
XX						

BUDGET DETAIL EXPENSES

669-0413	Employee Benefits			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2013-14	2014-15	2015-16	2016-17	2016-17	2016-17
511.10-05	Retirement PERS Classic	0	286,018	0	0	0	0
511.10-06	Social Security-OASDI	0	705	16,440	26,170	26,170	26,170
511.10-07	Social Security-Medicare	0	163	3,845	6,120	6,120	6,120
511.10-13	Cont Death Benefits	0	1,456	0	0	0	0
511.10-20	Earned Benefit	0	11,773	265,167	422,095	422,095	422,095
Personnel Services		0	300,115	285,452	454,385	454,385	454,385
512.17-00	Professional Services	19,175	9,390	35,000	40,000	40,000	40,000
512.30-40	Emp Bnft-Group Health/Acc	6,034,332	5,683,143	7,044,968	7,424,195	7,631,869	7,642,411
512.30-41	Group Health Ins Retirees	1,407,861	1,296,982	1,485,858	1,308,039	1,308,039	1,308,039
512.30-42	Emp Bnft-Group Life	63,653	62,043	32,255	65,000	70,072	70,072
512.30-43	Emp Bnft-Sht & Lg Trm Dis	80,181	79,135	105,261	85,000	90,168	90,168
512.30-45	Emp Bft-Dentl/Vision Care	673,698	585,374	629,048	645,442	665,409	665,409
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	54,391	115,138	107,684	107,684
512.30-61	Flexible Spending-Medical	8,562	20,949	34,932	49,452	49,452	49,452
512.30-62	Flexible Spending-DepCare	9,801	7,195	16,300	11,774	11,774	11,774
512.38-00	Support Services	98,323	91,070	99,987	113,597	112,689	112,689
Supplies and Services		8,395,586	7,835,281	9,538,000	9,857,637	10,087,156	10,097,698
514.91-01	Adm Exp-City Manager	24,137	12,549	17,769	15,654	23,492	23,492
514.91-02	Adm Exp-City Attorney	7,607	6,100	3,860	4,193	4,635	4,635
514.91-03	Adm Exp-City Clerk	0	22,424	11,114	12,077	12,032	12,032
514.91-09	Adm Exp-Finance	58,292	57,261	63,386	66,796	66,978	66,978
514.91-10	Adm Exp-Purchasing	8,024	7,309	7,533	8,963	8,929	8,929
514.91-16	Adm Exp-City Council	5,551	5,628	7,110	7,507	7,482	7,482
Administrative		103,611	111,271	110,772	115,190	123,548	123,548
968.93-68	Trsf-Unemployment Fu(668)	0	0	0	159,311	159,311	159,311
Other		0	0	0	159,311	159,311	159,311
**	Employee Benefits	8,499,197	8,246,667	9,934,224	10,586,523	10,824,400	10,834,942

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.