

**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
- 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 positions vacancies created in the approved budget

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. Classification Study | Complete classification study and begin implementation of recommendations with labor groups and the Personnel Board by the end of fiscal year. |
| 3. Labor Negotiations | Initiate negotiations with the three expiring labor groups beginning in October. |
| 4. Continue to implement an HRIS system including performance appraisal software and an applicant tracking system to streamline processes. | Complete implementation of performance evaluation system. |
| 5. Employee Recognition | Continue to provide annual employee recognition with increased employee participation, and to seek opportunities for additional employee appreciation. |
| 6. Work closely with departments to fill the positions vacancies created in the newly approved budget. | Meet with the City Manager no later than August 1 st to establish a recruitment priority list.

Fill 80% of the vacancies created in the newly approved budget by the end of the fiscal year. |

2017/2018 Budget Highlights

Recruitments are expected to continue at a high volume during the 2017-18 fiscal year. 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. Employee retention is a priority and providing recognition and increased participation for employee recognition will be a focus.

Personnel

EXPENSES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	343,700	359,445	353,306	367,108	365,636	365,636
Supplies and Services	161,312	171,875	372,677	404,973	411,539	411,536
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	20,820	3	143	143	143
TOTAL	505,012	552,140	725,986	772,224	777,318	777,315

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FINANCING SOURCES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Cost Recovery	0	60	300	300
PERS-EE Share 2.5% @ 55	18,244	16,943	17,473	18,098
Support Servcs-Charges	503,264	580,633	691,308	734,602
Sale of Equipment	0	22	0	0
Interdept DSR-General Fnd	77	99	99	49
Interdept DSR-Streets	230	346	247	247
Interdept DSR-Wastewater	613	691	1,037	839
Interdept DSR-Water Sys	960	1,086	1,037	987
Interdept DSR-Refuse	1,497	2,025	1,777	1,827
Interdept DSR-Fleet	192	444	247	197
Other Revenues	20,065-	50,209-	12,461	20,169
TOTAL	505,012	552,140	725,986	777,315

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PERSONNEL	Number of Positions			
Classification	Funded In Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval
Dir. of Support Services	.70	.70	.70	.70
Personnel Technician I/II/III	1.00	1.00	1.00	1.00
Personnel Coordinator	1.00	1.00	1.00	1.00
Insurance Coordinator	.15	.15	.15	.15
TOTAL	2.85	2.85	2.85	2.85

BUDGET DETAIL EXPENSES

672-0402 Personnel							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
511.01-00	Regular Salaries	208,496	216,506	222,930	230,745	230,745	230,745
511.04-01	Regular Overtime	1,850	6,743	0	0	0	0
511.10-02	Unused Sick Leave	190	321	0	0	0	0
511.10-05	Retirement PERS Classic	48,850	55,653	58,539	17,922	17,922	17,922
511.10-06	Social Security-OASDI	12,608	13,493	13,312	14,025	14,025	14,025
511.10-07	Social Security-Medicare	3,068	3,264	3,249	3,360	3,360	3,360
511.10-12	Workers Compensation	793	492	428	584	546	546
511.10-24	Vehicle Allowance	5,790	5,690	5,443	5,393	5,393	5,393
511.10-33	Core Allowance	46,435	48,294	44,928	46,571	46,571	46,571
511.10-35	Post Employment Benefits	15,620	8,989	4,477	4,786	4,786	4,786
511.10-73	Retirement UAL Misc	0	0	0	25,624	24,190	24,190
511.10-75	Ret-EE Share PERS Classic	0	0	0	18,098	18,098	18,098
Personnel Services		343,700	359,445	353,306	367,108	365,636	365,636
512.12-00	Telephone	285	481	333	342	342	342
512.13-00	Postage	536	681	551	567	567	567
512.14-00	Advertising	1,781	945	5,570	5,737	5,737	5,737
512.15-00	Office Supplies	5,916	5,595	3,300	19,300	19,300	19,300
512.17-00	Professional Services	80,755	87,721	232,755	261,061	261,061	261,061
512.18-00	Travel and Meetings	1,201	1,937	3,961	2,808	2,808	2,808
512.20-00	Training Expense	728	2,285	2,900	2,400	2,400	2,400
512.21-00	Rents/Leases	0	0	26,250	27,037	27,037	27,037
512.24-00	Memberships, Subscription	1,505	1,165	2,303	1,154	1,154	1,154
512.29-00	Other Materials Supplies	11,075	19,456	22,000	22,660	22,660	22,660
512.30-01	Dept Share of Insurance	3,619	4,576	5,389	4,987	4,767	4,767
512.34-00	Contingency Reserve	0	0	11,329	3,261	8,446	8,443
512.35-84	Retro Fee Expense	150	0	0	0	0	0
512.45-00	Facilities Maint Charge	24,986	26,046	29,521	28,341	28,641	28,641
Supplies and Services		132,537	150,888	346,162	379,655	384,920	384,917
514.91-01	Adm Exp-City Manager	2,662	3,258	4,901	4,711	5,312	5,312
514.91-02	Adm Exp-City Attorney	3,947	708	967	1,417	1,412	1,412
514.91-03	Adm Exp-City Clerk	7,276	2,713	3,249	2,555	2,596	2,596
514.91-09	Adm Exp-Finance	12,146	11,623	13,974	13,517	14,125	14,125
514.91-10	Adm Exp-Purchasing	1,550	1,381	1,863	1,705	1,718	1,718
514.91-16	Adm Exp-City Council	1,194	1,304	1,561	1,413	1,456	1,456
Administrative		28,775	20,987	26,515	25,318	26,619	26,619
617.65-00	Capital Imp. Projects	0	20,820	3	143	143	143
Capital Outlay		0	20,820	3	143	143	143
**	Personnel	505,012	552,140	725,986	772,224	777,318	777,315

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, 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: Enhanced the custom made Online Travel Authorization software system to meet the reporting needs of the Finance Department. This will save staff hours by automating reporting.

This project is expected to be complete by the end of Q2 in FY17/18.

A2: Update aging custom software to account for operational changes. These software packages include the fund summary report, maintenance district reports, and land file interface with County.

This project is expected to be complete by the end on Q3 in FY17/18.

A3 Start phase one of new Enterprise Resource Planning (ERP) software based upon RFP award from project D1, listed below. The Cities current ERP system is 28 years old. The current ERP system is used for GMBA, Account receivable, purchasing/inventory, fixed assets, Purchase card, cash receipts, payroll, personnel, Work order / Facilities, Fleet management, Code enforcement, Building permits, business licenses, land/parcel management. The first phase of the project is budgeted in FY17/18. Additional phases on the project will be included into future budget years. Full cost expectations for the software, services, and other fee's is expected to be \$1.6 million to \$3.2 million. The expected project duration is 5 years.

This phase project is expected to start in Q4 of FY17/18 and expend into FY18/19 and beyond.

A4 Update I.T. Asset Management system to capture additional data to meet reporting requirements for funding on future grants.

This project is expected to start and complete in Q3 of FY17/18.

Community / Transparency Project

C1” Bring City Hall Online”: Convert many forms, applications, and permit on the City website to be submitted online without having the citizen mail, or come in person to City Hall.

This project is expected to be complete by the end of FY17/18.

C2 : Coordinate and entice the expansion of Internet Services Providers into the community. This includes small cell micro wireless services, Wide area IoT (Internet of Things) wireless services, and fiber optic providers to facilitate business growth in the community.

This project will continue throughout the fiscal year and beyond as a long term strategy for the City.

Decisions Projects

D1: Select a vendor for a new Enterprise Resource Planning (ERP) system. This will include identifying business and technical requirements of new system, crafting RFP requirements, negotiate of contractual terms, project management, and award of multi-year contract.

This project is expected to be complete by the end of Q3 in FY17/18.

Technology Infrastructure Project

T1: Upgrade the Public Safety Departments Computer Aided Dispatch and records management systems.

This project is expected is start in Q4 of FY17/18 and carry into FY18/19.

T2: Police patrol computer replacement with RAN grant funding.

This project is expected to be complete in Q1 of FY17/18, but is dependent upon the distribution of funding from RAN Board.

T3: Public Safety two-way- Radio Upgrade. Interconnect and remove outdated equipment to the City Network infrastructure to provide a more resilient two-way-radio system for Police/Fire Departments.

This project is expected be complete in Q1 of FY17/18, but is dependent upon personnel resources constrains of outside radio vendor and availability of specialized equipment being on back order.

T4: Upgrade All City computers to Windows 10. Provide online training to City employees on the new feature and functionality of windows10. This project will span two fiscal years to meet a regulatory deadline in 2020 and not expend additional dollars for outside resources.

This project is expected to start in Q2 of FY17/18 and extend though FY18/19.

T5: Perform an I.T. Security Audit. Regulatory bills (AB241, AB2828, etc.) for data breaches make it imperative to detect, correct, and fund in future fiscal years operational Information Technology security deficiencies.

The Audit is expected to start and be complete in Q3 of FY17/18, with no cost remediation items be corrected in Q4, and funding item being request though the normal budget cycle for FY18/19.

2017-2018 BUDGET HIGHLIGHTS

In FY16/17 we will start the multiyear process of replacing our Enterprise Resource Planning (ERP) software. This software has outlive is useful life and is impacting the daily operational of City staff. The software was purchased 28 years ago and no longer meets department's requirements. The City can no longer find staff that have the knowledge to support the aging computer system. People that are knowledge in these system are reaching retirement age at an increasing rate. The project is expected to cost between \$1.6 million and \$3.2 million and take 5 years to complete.

Information Tech - Admin

EXPENSES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	1,119,587	1,042,907	1,270,441	1,275,642	1,282,501	1,282,501
Supplies and Services	736,175	637,294	700,952	792,172	1,167,258	1,167,258
Debt Service	0	0	0	0	0	0
Acquisitions	19,621	42,777	11,806	11,806	11,806	11,806
Capital Improvements	21,233	12,357	0	18,500	10,639	10,639
TOTAL	1,896,616	1,735,335	1,983,199	2,098,120	2,472,204	2,472,204

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FINANCING SOURCES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
PERS-EE Share 2.5% @ 55	48,600	39,284	37,279	39,761
PERS-EE Share 2% @ 62	7,157	7,989	18,398	16,075
Support Servcs-Charges	1,637,606	1,569,327	1,717,623	1,817,284
Investment Earnings	2,634	2,701	3,000	6,120
Telephone Commission	867	533	100	0
Sale of Equipment	278	3,348	300	300
Interdept DSR-Pub Wrks Ad	0	0	3,170	3,452
Interdept DSR-Wastewater	43,732	45,485	55,483	60,404
Interdept DSR-Water Sys	62,474	64,978	76,091	82,840
Interdept DSR-Refuse	18,742	19,493	20,608	22,436
Interdept DSR-Fleet	0	0	0	3,452
Interdept DSR-Facilities	0	0	3,170	0
Trsf-General Fund (001)	146,946	18,320	0	350,000
Trsf-CFD-Sandcastle (166)	138	0	0	0
Trsf-CFD-Big Valley (169)	4	0	0	0
Other Revenues	72,562-	36,123-	47,977	70,080
TOTAL	1,896,616	1,735,335	1,983,199	2,472,204

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PERSONNEL	Number of Positions			
Classification	Funded In Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval
Dir. of Information Technology	1.00	1.00	1.00	1.00
Software Analyst I/II/III	3.00	3.00	3.00	3.00
Systems Tech I/II/III OR Systems Engineer I/II	5.00	5.00	5.00	5.00
Information Technology Mgr or Systems Engineer III	1.00	1.00	1.00	1.00
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 2014-15	ACTUAL 2015-16	BUDGET 2016-17	REQUEST 2017-18	RECOM. 2017-18	APPROVAL 2017-18
511.01-00	Regular Salaries	653,975	629,294	769,880	754,934	763,712	763,712
511.03-00	Extra Help	12,470	12,642	13,409	13,746	13,746	13,746
511.04-01	Regular Overtime	8,725	6,882	8,755	11,655	11,655	11,655
511.10-05	Retirement PERS Classic	129,031	129,007	124,873	38,659	39,341	39,341
511.10-06	Social Security-OASDI	45,549	40,361	49,540	48,701	49,246	49,246
511.10-07	Social Security-Medicare	10,915	9,624	11,780	11,589	11,716	11,716
511.10-08	State Unemployment	0	0	1,272	0	0	0
511.10-10	Retirement-PERS New Membr	22,283	30,862	72,625	19,976	19,976	19,976
511.10-12	Workers Compensation	13,964	8,344	7,670	6,714	6,509	6,509
511.10-17	Stand By Pay	31,849	31,498	32,218	32,218	32,218	32,218
511.10-20	Earned Benefit	62,408	1,300	4,529	6,258	6,258	6,258
511.10-24	Vehicle Allowance	6	0	0	0	0	0
511.10-27	PTS Plan FICA Alternative	164	166	174	179	179	179
511.10-33	Core Allowance	116,038	125,046	160,297	173,020	173,020	173,020
511.10-35	Post Employment Benefits	12,210	17,881	13,419	19,026	19,026	19,026
511.10-73	Retirement UAL Misc	0	0	0	83,834	80,063	80,063
511.10-75	Ret-EE Share PERS Classic	0	0	0	39,058	39,761	39,761
511.10-77	Ret-EE Share PERS NewMemb	0	0	0	16,075	16,075	16,075
Personnel Services		1,119,587	1,042,907	1,270,441	1,275,642	1,282,501	1,282,501
512.12-00	Telephone	27,786	21,619	28,281	28,281	28,281	28,281
512.13-00	Postage	352	334	500	400	400	400
512.14-00	Advertising	0	0	0	300	300	300
512.15-00	Office Supplies	4,191	4,761	4,400	4,400	4,400	4,400
512.17-00	Professional Services	92,186	75,081	77,802	139,802	289,802	289,802
512.18-00	Travel and Meetings	5,933	6,868	9,534	9,534	9,534	9,534
512.20-00	Training Expense	14,189	15,080	15,258	15,258	15,258	15,258
512.21-00	Rents/Leases	85,748	175,132	194,490	198,940	398,940	398,940
512.22-00	Office Equipment O & M	256,618	232,847	252,939	265,115	288,115	288,115
512.23-00	Vehicle Operations/Maint	1,388	1,082	1,158	3,040	3,040	3,040
512.24-00	Memberships, Subscription	62,550	8,783	9,145	7,864	7,864	7,864
512.29-00	Other Materials Supplies	6,848	10,344	10,810	10,810	10,810	10,810
512.30-01	Dept Share of Insurance	12,668	14,850	17,167	16,233	15,460	15,460
512.35-84	Retro Fee Expense	50	100	0	100	100	100
512.45-00	Facilities Maint Charge	40,457	42,277	48,124	54,187	54,760	54,760
512.46-00	Computer Replacement Chrg	105,000	0	0	0	0	0
Supplies and Services		715,964	609,158	669,608	754,264	1,127,064	1,127,064
513.43-00	Machinery/Equipment	19,621	42,777	11,806	11,806	11,806	11,806
Property		19,621	42,777	11,806	11,806	11,806	11,806
514.91-01	Adm Exp-City Manager	2,149	4,513	5,960	7,174	8,150	8,150
514.91-02	Adm Exp-City Attorney	1,170	980	1,176	2,158	2,167	2,167
514.91-03	Adm Exp-City Clerk	4,871	2,825	3,053	3,244	3,333	3,333
514.91-09	Adm Exp-Finance	9,805	16,099	16,992	20,584	21,673	21,673
514.91-10	Adm Exp-Purchasing	1,252	1,913	2,265	2,596	2,636	2,636
514.91-16	Adm Exp-City Council	964	1,806	1,898	2,152	2,235	2,235
Administrative		20,211	28,136	31,344	37,908	40,194	40,194
613.64-00	Depreciation Expense	21,233	12,357	0	0	0	0
Property		21,233	12,357	0	0	0	0
617.65-00	Capital Imp. Projects	0	0	0	18,500	10,639	10,639
Capital Outlay		0	0	0	18,500	10,639	10,639
**	Information Tech - Admin	1,896,616	1,735,335	1,983,199	2,098,120	2,472,204	2,472,204

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, but is proposed to be funded at a 25% level to be phased in over the next four 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, Telephones, CCTV, and more.

PC Maintenance & Repair

E X P E N S E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	130,490	131,622	133,247	133,246	133,246	133,246
Debt Service	0	0	0	0	0	0
Acquisitions	483,642	57,897	533,043	527,169	725,099	725,099
Capital Improvements	117,099	158,790	0	0	0	0
* Undefined *	99	25,652	3,081	197,791	0	0
TOTAL	731,330	373,961	669,371	858,206	858,345	858,345

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F I N A N C I N G S O U R C E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Computer Replacement Chrg	315,375	274,417	226,227	165,449
Investment Earnings	6,000	4,738	4,910	8,270
Unclassified	0	14,198	0	0
Other Revenues	409,955	80,608	438,234	684,626
TOTAL	731,330	373,961	669,371	858,345

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BUDGET DETAIL EXPENSES

673-0403 PC Maintenance & Repair							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
512.22-00	Office Equipment O & M	12,845	13,977	15,600	15,600	15,600	15,600
512.24-00	Memberships, Subscription	117,645	117,645	117,647	117,646	117,646	117,646
	Supplies and Services	130,490	131,622	133,247	133,246	133,246	133,246
513.43-00	Machinery/Equipment	483,642	57,897	533,043	527,169	725,099	725,099
	Property	483,642	57,897	533,043	527,169	725,099	725,099
613.64-00	Depreciation Expense	117,099	158,790	0	0	0	0
	Property	117,099	158,790	0	0	0	0
908.93-01	Trsf-General Fund (001)	99	0	0	0	0	0
908.93-70	Trsf-Housing Admin (070)	0	0	3,081	0	0	0
	Other	99	0	3,081	0	0	0
958.93-57	Trsf-Water System Fu(557)	0	0	0	197,791	0	0
	Other	0	0	0	197,791	0	0
968.93-72	Trsf-Support Service(672)	0	25,652	0	0	0	0
	Other	0	25,652	0	0	0	0
**	PC Maintenance & Repair	731,330	373,961	669,371	858,206	858,345	858,345

**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.

PEG Access

E X P E N S E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	10,000	13,500	0	0	0	0
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	32,000	32,000	32,000	32,000
Capital Improvements	62,260	18,375	345,401	434,100	434,100	434,100
TOTAL	72,260	31,875	377,401	466,100	466,100	466,100

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F I N A N C I N G S O U R C E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
PEG Access	109,729	113,058	110,600	114,000
Investment Earnings	1,454	1,710	1,600	3,110
Other Revenues	38,923-	82,893-	265,201	348,990
TOTAL	72,260	31,875	377,401	466,100

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BUDGET DETAIL EXPENSES

051-0416 PEG Access							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
512.17-00	Professional Services	10,000	13,500	0	0	0	0
	Supplies and Services	10,000	13,500	0	0	0	0
513.43-00	Machinery/Equipment	0	0	32,000	32,000	32,000	32,000
	Property	0	0	32,000	32,000	32,000	32,000
617.65-00	Capital Imp. Projects	62,260	18,375	345,401	434,100	434,100	434,100
	Capital Outlay	62,260	18,375	345,401	434,100	434,100	434,100
**	PEG Access	72,260	31,875	377,401	466,100	466,100	466,100

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 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 safety 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 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. |

E X P E N S E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	217,969	218,299	235,865	240,429	239,493	239,493
Supplies and Services	56,416	52,895	65,835	67,792	68,615	68,615
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0
TOTAL	274,385	271,194	301,700	308,221	308,108	308,108

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F I N A N C I N G S O U R C E S	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
PERS-EE Share 2.5% @ 55	12,077	10,099	7,882	8,089
PERS-EE Share 2% @ 62	0	175	2,666	2,745
Support Servcs-Charges	244,880	249,574	281,903	286,310
Other Revenues	17,428	11,346	9,249	10,964
TOTAL	274,385	271,194	301,700	308,108

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P E R S O N N E L	Number of Positions			
Classification	Funded In Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval
Director of Support Services	.30	.30	.30	.30
Insurance Coordinator	.85	.85	.85	.85
Personnel Technician I/II	1.00	1.00	1.00	1.00
TOTAL	2.15	2.15	2.15	2.15

BUDGET DETAIL EXPENSES

672-0409	Risk Management Admin.			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2014-15	2015-16	2016-17	2017-18	2017-18	2017-18
511.01-00	Regular Salaries	138,423	131,923	143,004	146,861	146,861	146,861
511.03-00	Extra Help	0	5,149	0	0	0	0
511.04-01	Regular Overtime	86	20	0	0	0	0
511.10-02	Unused Sick Leave	1,078	1,165	0	0	0	0
511.10-05	Retirement PERS Classic	32,387	33,202	26,368	7,995	7,995	7,995
511.10-06	Social Security-OASDI	8,371	8,081	8,661	8,727	8,727	8,727
511.10-07	Social Security-Medicare	2,009	2,011	2,084	2,075	2,075	2,075
511.10-10	Retirement-PERS New Membr	0	681	10,523	3,411	3,411	3,411
511.10-12	Workers Compensation	494	301	256	340	317	317
511.10-20	Earned Benefit	0	1,191	0	0	0	0
511.10-24	Vehicle Allowance	2,481	2,438	2,333	2,311	2,311	2,311
511.10-27	PTS Plan FICA Alternative	0	67	0	0	0	0
511.10-33	Core Allowance	27,588	27,019	35,589	36,842	36,842	36,842
511.10-35	Post Employment Benefits	5,052	5,051	7,047	4,724	4,724	4,724
511.10-73	Retirement UAL Misc	0	0	0	16,309	15,396	15,396
511.10-75	Ret-EE Share PERS Classic	0	0	0	8,089	8,089	8,089
511.10-77	Ret-EE Share PERS NewMemb	0	0	0	2,745	2,745	2,745
Personnel Services		217,969	218,299	235,865	240,429	239,493	239,493
512.12-00	Telephone	218	317	333	342	342	342
512.13-00	Postage	776	489	778	801	801	801
512.15-00	Office Supplies	120	198	222	228	228	228
512.17-00	Professional Services	5,346	1,802	5,843	6,018	6,018	6,018
512.18-00	Travel and Meetings	590	494	764	786	786	786
512.20-00	Training Expense	487	192	518	533	533	533
512.24-00	Memberships, Subscription	3,644	3,796	3,960	4,078	4,078	4,078
512.30-01	Dept Share of Insurance	3,041	3,804	4,571	4,211	4,045	4,045
512.35-84	Retro Fee Expense	0	50	0	0	0	0
512.45-00	Facilities Maint Charge	32,591	33,973	38,506	36,967	37,358	37,358
Supplies and Services		46,813	44,731	55,495	53,964	54,189	54,189
514.91-01	Adm Exp-City Manager	983	1,310	1,966	2,617	2,925	2,925
514.91-02	Adm Exp-City Attorney	820	284	388	787	778	778
514.91-03	Adm Exp-City Clerk	2,303	819	1,007	1,183	1,196	1,196
514.91-09	Adm Exp-Finance	4,484	4,672	5,606	7,509	7,779	7,779
514.91-10	Adm Exp-Purchasing	572	555	747	947	946	946
514.91-16	Adm Exp-City Council	441	524	626	785	802	802
Administrative		9,603	8,164	10,340	13,828	14,426	14,426
**	Risk Management Admin.	274,385	271,194	301,700	308,221	308,108	308,108

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
- 20-00 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

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

ACCOUNT NO. 0410

EXPENSES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	0	37,850	41,600	41,600	41,600	41,600
Supplies and Services	2,521,332	1,648,273	2,268,871	2,194,978	2,194,954	2,194,954
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0
TOTAL	2,521,332	1,686,123	2,310,471	2,236,578	2,236,554	2,236,554

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FINANCING SOURCES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Worker's Compensation Rev	2,187,221	1,360,369	1,226,342	1,535,286
Investment Earnings	16,139	12,867	14,530	9,950
Unclassified	900,726	56,780	41,600	41,600
PERS Refund	0	600	25,000	25,000
Trsf-Emp Benefit Fun(669)	0	0	0	250,000
Other Revenues	582,754-	255,507	1,002,999	374,718
TOTAL	2,521,332	1,686,123	2,310,471	2,236,554

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BUDGET DETAIL EXPENSES

666-0410 Insurance: Workers Comp							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
512.17-00	Professional Services	133,276	123,779	124,800	120,796	120,796	120,796
512.18-00	Travel and Meetings	760	0	0	0	0	0
512.30-10	Wrk Cmp-Medical	714,031	582,745	770,220	770,220	770,220	770,220
512.30-11	Wrk Cmp-Permanent Disblty	921,975	248,173	277,980	312,375	312,375	312,375
512.30-12	Legal	252,682	95,996	165,000	125,000	125,000	125,000
512.30-13	Wrk Cmp-Umbrella Coverage	316,319	416,430	454,082	452,031	477,021	477,021
512.34-00	Contingency Reserve	0	0	267,028	213,911	188,597	188,597
512.35-00	Special Dept. Expense	0	0	25,000	25,000	25,000	25,000
512.38-00	Support Services	22,247	23,487	24,194	15,848	15,480	15,480
Supplies and Services		2,361,290	1,490,610	2,108,304	2,035,181	2,034,489	2,034,489
514.91-01	Adm Exp-City Manager	4,076	4,909	5,900	6,297	6,883	6,883
514.91-02	Adm Exp-City Attorney	1,820	1,066	1,164	1,895	1,830	1,830
514.91-03	Adm Exp-City Clerk	8,697	4,742	3,633	3,271	3,238	3,238
514.91-09	Adm Exp-Finance	18,600	17,512	16,821	18,068	18,303	18,303
514.91-10	Adm Exp-Purchasing	2,374	2,081	2,242	2,279	2,226	2,226
514.91-16	Adm Exp-City Council	1,828	1,964	1,879	1,889	1,887	1,887
Administrative		37,395	32,274	31,639	33,699	34,367	34,367
515.92-01	Interdept DSC-General Fnd	122,647	125,389	128,928	126,098	126,098	126,098
Interdepartmental		122,647	125,389	128,928	126,098	126,098	126,098
521.10-13	WC ContinuingDeathBenefit	0	37,850	41,600	41,600	41,600	41,600
Personnel Services		0	37,850	41,600	41,600	41,600	41,600
**	Insurance: Workers Comp	2,521,332	1,686,123	2,310,471	2,236,578	2,236,554	2,236,554

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 \$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.

Insurance: Liability

EXPENSES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept.Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	1,424,773	1,635,570	2,674,937	2,980,521	2,952,331	2,952,331
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	131,876	0	12,036	12,036	12,036
TOTAL	1,424,773	1,767,446	2,674,937	2,992,557	2,964,367	2,964,367

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FINANCING SOURCES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Other Revenues	1,424,773	1,767,446	2,674,937	2,964,367
TOTAL	1,424,773	1,767,446	2,674,937	2,964,367

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BUDGET DETAIL EXPENSES

667-0411 Insurance: Liability							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
512.30-12	Legal	41,250	0	674,453	674,453	674,453	674,453
512.30-20	Liab-General Liability	1,056,336	1,322,225	1,391,306	1,682,591	1,682,591	1,682,591
512.30-23	Liab-Reserve for Self Ins	0	0	200,186	290,931	261,898	261,898
512.30-24	Subrogation Claims Expens	20,309	34,175	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	1,158,657	1,397,162	2,356,707	2,738,737	2,709,704	2,709,704
514.91-01	Adm Exp-City Manager	2,283	3,378	4,448	5,200	5,743	5,743
514.91-02	Adm Exp-City Attorney	1,294	734	878	1,564	1,527	1,527
514.91-03	Adm Exp-City Clerk	4,192	2,113	2,278	2,351	2,347	2,347
514.91-09	Adm Exp-Finance	10,416	12,051	12,682	14,919	15,270	15,270
514.91-10	Adm Exp-Purchasing	1,330	1,432	1,691	1,882	1,857	1,857
514.91-16	Adm Exp-City Council	1,024	1,352	1,417	1,560	1,575	1,575
	Administrative	20,539	21,060	23,394	27,476	28,319	28,319
515.92-01	Interdept DSC-General Fnd	215,505	179,845	255,974	176,403	176,403	176,403
515.92-17	Interdept DSC-Develop Svc	30,072	37,503	38,862	37,905	37,905	37,905
	Interdepartmental	245,577	217,348	294,836	214,308	214,308	214,308
613.64-00	Depreciation Expense	0	1,576	0	0	0	0
	Property	0	1,576	0	0	0	0
617.65-00	Capital Imp. Projects	0	130,300	0	12,036	12,036	12,036
	Capital Outlay	0	130,300	0	12,036	12,036	12,036
**	Insurance: Liability	1,424,773	1,767,446	2,674,937	2,992,557	2,964,367	2,964,367

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. |

2017-2018 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 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
512.30-30	Unemp Ins-Unemployment	80,118	38,078	166,112	157,648	157,648	157,648
512.34-00	Contingency Reserve	0	0	1,124	113,410	111,498	111,498
512.38-00	Support Services	2,095	1,775	1,812	1,155	1,914	1,914
	Supplies and Services	82,213	39,853	169,048	272,213	271,060	271,060
514.91-01	Adm Exp-City Manager	279	625	746	807	1,099	1,099
514.91-02	Adm Exp-City Attorney	139	136	147	243	292	292
514.91-03	Adm Exp-City Clerk	485	391	382	365	449	449
514.91-09	Adm Exp-Finance	1,274	2,228	2,127	2,315	2,921	2,921
514.91-10	Adm Exp-Purchasing	163	265	284	292	355	355
514.91-16	Adm Exp-City Council	125	250	238	242	301	301
	Administrative	2,465	3,895	3,924	4,264	5,417	5,417
908.93-01	Trsf-General Fund (001)	0	0	79,159	0	0	0
908.93-17	Trsf-Development Svc(017)	0	0	20,562	0	0	0
908.93-61	Trsf-Measure "C" Spe(061)	0	0	26,816	0	0	0
	Other	0	0	126,537	0	0	0
958.93-53	Trsf-Wastewater Sys (553)	0	0	18,634	0	0	0
958.93-61	Trsf-Airport Fund (561)	0	0	4,064	0	0	0
	Other	0	0	22,698	0	0	0
968.93-70	Trsf-Fleet-Mgmt (670)	0	0	1,805	0	0	0
968.93-71	Trsf-Facilities Main(671)	0	0	1,160	0	0	0
	Other	0	0	2,965	0	0	0
**	Insurance: Unemployment	84,678	43,748	325,172	276,477	276,477	276,477

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, 2018, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

EMPLOYEE BENEFITS

2017-2018 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

EXPENSES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Dept. Head Request 2017-18	City Mgr. Recom. 2017-18	Council Approval 2017-18
Personnel Expenses	300,115	146,100	454,385	263,995	263,995	263,995
Supplies and Services	7,946,552	8,802,865	10,221,246	10,249,291	10,774,592	10,774,592
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	159,311	382,632	382,632	382,632
TOTAL	8,246,667	8,948,965	10,834,942	10,895,918	11,421,219	11,421,219

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FINANCING SOURCES	Actual 2014-15	Actual 2015-16	Final Budget 2016-17	Estimated 2017-18
Group Health/Accident Fee	5,428,526	6,370,341	7,005,999	7,535,142
Group Life Insurance Fees	80,284	23,258	70,072	72,604
Disability Insurance Fees	160,212	54,688	90,168	95,077
Vision Care Fees	245,507	41,488	59,879	64,266
Dental Care Fees	654,117	500,367	605,530	650,178
Post Employment Fees	1,458,582	1,475,858	1,298,039	1,349,617
Retiree Drug Subsidy(RDS)	12,168	9,843	10,000	0
CORE Plan-Pre-Tax-EEShare	786,335	835,767	856,297	937,390
CORE-Life/LTD/Dom Partner	49,362	49,827	47,039	45,288
Flexible Spending Medical	30,124	38,678	49,452	49,073
Flexible Spending DepCare	17,688	13,501	11,774	14,850
Investment Earnings	3,231	6,255	5,720	1,920
Unclassified	0	393,194	0	0
Other Revenues	679,469-	864,100-	724,973	605,814
TOTAL	8,246,667	8,948,965	10,834,942	11,421,219

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BUDGET DETAIL EXPENSES

669-0413	Employee Benefits						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2014-15	ACTUAL 2015-16	FINAL BUDGET 2016-17	DEPT. HEAD REQUEST 2017-18	CITY MGR. RECOM. 2017-18	COUNCIL APPROVAL 2017-18
511.10-05	Retirement PERS Classic	286,018	0	0	0	0	0
511.10-06	Social Security-OASDI	705	8,302	26,170	15,205	15,205	15,205
511.10-07	Social Security-Medicare	163	1,962	6,120	3,556	3,556	3,556
511.10-20	Earned Benefit	11,773	135,836	422,095	245,234	245,234	245,234
Personnel Services		298,659	146,100	454,385	263,995	263,995	263,995
512.17-00	Professional Services	9,390	18,159	40,000	23,000	23,000	23,000
512.30-40	Emp Bnft-Group Health/Acc	5,683,143	6,454,113	7,642,411	7,495,594	7,993,981	7,993,981
512.30-41	Group Health Ins Retirees	1,296,982	1,331,259	1,308,039	1,349,617	1,349,617	1,349,617
512.30-42	Emp Bnft-Group Life	62,043	64,598	70,072	70,700	72,604	72,604
512.30-43	Emp Bnft-Sht & Lg Trm Dis	79,135	80,457	90,168	90,632	95,077	95,077
512.30-45	Emp Bft-Dentl/Vision Care	585,374	618,115	665,409	669,900	714,444	714,444
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	107,684	265,515	232,100	232,100
512.30-61	Flexible Spending-Medical	20,949	22,673	49,452	49,073	49,073	49,073
512.30-62	Flexible Spending-DepCare	7,195	2,732	11,774	14,850	14,850	14,850
512.38-00	Support Services	91,070	99,987	112,689	81,644	83,998	83,998
Supplies and Services		7,835,281	8,692,093	10,097,698	10,110,525	10,628,744	10,628,744
514.91-01	Adm Exp-City Manager	12,549	17,769	23,492	26,262	29,576	29,576
514.91-02	Adm Exp-City Attorney	6,100	3,860	4,635	7,901	7,863	7,863
514.91-03	Adm Exp-City Clerk	22,424	11,114	12,032	11,873	12,090	12,090
514.91-09	Adm Exp-Finance	57,261	63,386	66,978	75,348	78,645	78,645
514.91-10	Adm Exp-Purchasing	7,309	7,533	8,929	9,504	9,565	9,565
514.91-16	Adm Exp-City Council	5,628	7,110	7,482	7,878	8,109	8,109
Administrative		111,271	110,772	123,548	138,766	145,848	145,848
521.10-13	WC ContinuingDeathBenefit	1,456	0	0	0	0	0
Personnel Services		1,456	0	0	0	0	0
968.93-66	Trsf-Workers Comp (666)	0	0	0	250,000	250,000	250,000
968.93-68	Trsf-Unemployment Fu(668)	0	0	159,311	132,632	132,632	132,632
Other		0	0	159,311	382,632	382,632	382,632
**	Employee Benefits	8,246,667	8,948,965	10,834,942	10,895,918	11,421,219	11,421,219

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.