

**CITY OF MERCED  
2018-2019 CITY COUNCIL APPROVED BUDGET**

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

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***DESCRIPTION***

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

***MISSION***

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

***GOALS***

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

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| 2. Classification Study  | Completion of Classification Study and begin implementation of recommendations and revisions to job specification.   |
| 3. Compensation Study  | Select a vendor and begin the process of a total compensation study.   |
| 4. Employee Recognition  | Continue to provide annual employee recognition with increased employee participation, and to seek opportunities for additional employee appreciation.   |
| 5. Work closely with departments to fill the positions vacancies created in the newly approved budget. | <p>Meet with the City Manager no later than August 1<sup>st</sup> to establish a recruitment priority list.</p> <p>Fill 80% of the vacancies created in the newly approved budget by the end of the fiscal year.</p> |

***2018/2019 Budget Highlights***

Recruitments are expected to continue at a high volume during the 2018-19 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. Completing the classification study and beginning the compensation study will be an opportunity to properly evaluate the City's positions, compensation, and benefits in comparison to other organizations.



BUDGET DETAIL EXPENSES

672-0402 Personnel							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
511.01-00	Regular Salaries	216,506	224,017	230,745	290,321	289,615	289,615
511.04-01	Regular Overtime	6,743	4,633	0	0	0	0
511.10-02	Unused Sick Leave	321	477	0	0	0	0
511.10-05	Retirement PERS Classic	55,653	40,336	17,922	19,644	19,596	19,596
511.10-06	Social Security-OASDI	13,493	13,700	14,025	17,617	17,588	17,588
511.10-07	Social Security-Medicare	3,264	3,341	3,360	4,232	4,222	4,222
511.10-10	Retirement-PERS New Membr	0	0	0	3,596	3,587	3,587
511.10-12	Workers Compensation	492	428	546	551	643	643
511.10-24	Vehicle Allowance	5,690	5,459	5,393	5,494	5,494	5,494
511.10-33	Core Allowance	48,294	44,802	46,571	61,834	61,069	61,069
511.10-35	Post Employment Benefits	8,989	4,477	4,786	5,572	5,572	5,572
511.10-73	Retirement UAL Misc	0	0	24,190	35,439	35,198	35,198
511.10-75	Ret-EE Share PERS Classic	0	17,565	18,098	19,270	19,222	19,222
511.10-77	Ret-EE Share PERS NewMembr	0	0	0	2,808	2,801	2,801
Personnel Services		359,445	359,235	365,636	466,378	464,607	464,607
512.12-00	Telephone	481	829	342	1,255	1,255	1,255
512.13-00	Postage	681	618	567	1,000	1,000	1,000
512.14-00	Advertising	945	199	5,737	5,851	5,851	5,851
512.15-00	Office Supplies	5,595	7,097	19,300	13,300	13,300	13,300
512.17-00	Professional Services	87,721	81,308	261,061	421,061	391,061	391,061
512.18-00	Travel and Meetings	1,937	981	2,808	3,310	3,310	3,310
512.20-00	Training Expense	2,285	1,316	2,400	2,800	2,800	2,800
512.21-00	Rents/Leases	0	27,450	27,037	10,037	10,037	10,037
512.24-00	Memberships, Subscription	1,165	1,498	1,154	2,104	2,104	2,104
512.29-00	Other Materials Supplies	19,456	12,771	22,660	45,000	25,000	25,000
512.30-01	Dept Share of Insurance	4,576	5,389	4,767	6,040	5,852	5,852
512.34-00	Contingency Reserve	0	0	8,443	4,122	10,000	10,000
512.35-84	Retro Fee Expense	0	100	0	0	0	0
512.45-00	Facilities Maint Charge	26,046	29,521	28,641	29,276	28,284	28,284
Supplies and Services		150,888	169,077	384,917	545,156	499,854	499,854
514.91-01	Adm Exp-City Manager	3,258	4,901	5,312	5,088	6,233	6,233
514.91-02	Adm Exp-City Attorney	708	967	1,412	1,343	1,320	1,320
514.91-03	Adm Exp-City Clerk	2,713	3,249	2,596	3,479	2,979	2,979
514.91-09	Adm Exp-Finance	11,523	13,974	14,125	16,629	15,564	15,564
514.91-10	Adm Exp-Purchasing	1,381	1,863	1,718	1,680	1,666	1,666
514.91-16	Adm Exp-City Council	1,304	1,561	1,456	1,451	1,504	1,504
Administrative		20,987	26,515	26,619	29,670	29,266	29,266
613.64-00	Depreciation Expense	0	116	0	0	0	0
Property		0	116	0	0	0	0
617.65-00	Capital Imp. Projects	20,820	0	143	180	180	180
Capital Outlay		20,820	0	143	180	180	180
**	Personnel	552,140	554,943	777,315	1,041,384	993,907	993,907

## **SUPPORT SERVICES – PERSONNEL**

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

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

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***DESCRIPTION***

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

***MISSION***

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

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

***GOALS***

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

## INFORMATION TECHNOLOGY

### OBJECTIVES

### PERFORMANCE MEASUREMENTS/INDICATORS

#### Application Projects

**A1** Phase one of new Enterprise Resource Planning (ERP) software. The Cities current ERP system is 29 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 FY18/19. 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 \$2 million to \$4 million. The expected project duration is 5 years.

This phase project is expected to start in Q1 of FY18/19 and expand into FY19/20 and beyond.

**A2** Fire Data Analytics. Empower the Fire Department to self-service their own data analytics needs for reporting out of their Fire Records Management System.

This project is expected to be complete by the Information Technology Department by the end of Q1 FY18/19. The Fire Department will then pick up the project to create analytical intelligence reports, which will add additional time to the project.

**A3** Computer interface between Police Records management system and County DA for digital transmittal of records.

This project has an unknown completion period at the time of this writing.

**A4:** Electronic filling of Form 700 for FPPC compliance.

This project is expected to be complete before the next Form 700 filing deadline.



**A5:** Assist the GIS Division in their goal for Mapping expansion tools.

### **Service Projects**

**S1:** Enter into new Enterprise Agreement Contract with Microsoft and start the process of moving services to Microsoft Office 365 online, this includes Email systems, instant messaging services, and document collaboration.

This project is expected to start in Q3 of FY18/19. The project will carry into FY19/20.

### **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 a continuation project from last year as more forms are accessible online. This project will continue throughout the year.

**C2:** Cell phone text messaging archiving solution for Public Records compliance.

This project is expected to be complete by the Q1 of FY18/19.

**C3:** Update to City Website. Another company acquired our current website vendor. With this we will be get new technology at no cost through the acquisition.

This project has an unknown completion date do to the acquisition

### **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 FY18/19 and carry into FY19/20.

**T2:** Upgrade All City computers to

This project is a continuation of project

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.

from last year as more forms are accessible online. This project will continue throughout the year

T3: Replacement and expansion of the City data backup systems to meet the growing digital demands of staff.

This project is expected to be complete by Q1 of FY18/19.

T4: Replace the Public Records storage system. The current public records storage system has a high operational cost. The replacement system ROI will be less than 1yr.

This project is expected to be complete by the end of Q2 FY18/19.

### ***2018-2019 BUDGET HIGHLIGHTS***

In FY18/19 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 29 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 \$2 million and \$4 million and take 5 years to complete.



BUDGET DETAIL EXPENSES

672-0403	Information Tech - Admin						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
511.01-00	Regular Salaries	629,294	619,761	763,712	822,017	811,607	811,607
511.03-00	Extra Help	12,642	22,470	13,746	14,124	14,090	14,090
511.04-01	Regular Overtime	6,882	7,452	11,655	20,567	20,016	20,016
511.10-05	Retirement PERS Classic	129,007	86,085	39,341	41,763	41,661	41,661
511.10-06	Social Security-OASDI	40,361	40,033	49,246	53,443	52,758	52,758
511.10-07	Social Security-Medicare	9,624	9,688	11,716	12,703	12,542	12,542
511.10-08	State Unemployment	0	1,272	0	0	0	0
511.10-10	Retirement-PERS New Membr	30,862	25,522	19,976	24,040	23,308	23,308
511.10-12	Workers Compensation	8,344	7,670	6,509	5,714	5,714	5,714
511.10-17	Stand By Pay	31,498	33,484	32,218	33,104	33,023	33,023
511.10-20	Earned Benefit	1,300	4,105	6,258	6,884	6,867	6,867
511.10-27	PTS Plan FICA Alternative	166	296	179	184	183	183
511.10-33	Core Allowance	125,046	128,517	173,020	163,347	175,973	175,973
511.10-35	Post Employment Benefits	17,881	13,419	19,026	16,006	16,006	16,006
511.10-73	Retirement UAL Misc	0	0	80,063	100,341	98,639	98,639
511.10-75	Ret-EE Share PERS Classic	0	37,424	39,761	40,975	40,874	40,874
511.10-77	Ret-EE Share PERS NewMemb	0	8,870	16,075	18,770	18,198	18,198
Personnel Services		1,042,907	1,046,068	1,282,501	1,373,982	1,371,459	1,371,459
512.12-00	Telephone	21,619	22,767	28,281	28,281	28,281	28,281
512.13-00	Postage	334	222	400	400	400	400
512.14-00	Advertising	0	17	300	300	300	300
512.15-00	Office Supplies	4,761	3,840	4,400	4,400	4,400	4,400
512.17-00	Professional Services	75,081	123,960	289,802	155,602	138,592	138,592
512.18-00	Travel and Meetings	6,868	4,979	9,534	8,134	8,134	8,134
512.20-00	Training Expense	15,080	12,606	15,258	14,659	14,659	14,659
512.21-00	Rents/Leases	175,132	189,461	398,940	219,962	219,962	219,962
512.22-00	Office Equipment O & M	232,847	230,524	288,115	302,809	302,809	302,809
512.23-00	Vehicle Operations/Maint	1,082	1,158	3,040	3,099	2,928	2,928
512.24-00	Memberships, Subscription	8,783	7,252	7,864	6,022	6,022	6,022
512.29-00	Other Materials Supplies	10,344	8,788	10,810	10,810	10,810	10,810
512.30-01	Dept Share of Insurance	14,850	17,167	15,460	15,204	14,724	14,724
512.35-84	Retro Fee Expense	100	100	100	100	100	100
512.45-00	Facilities Maint Charge	42,277	48,124	54,760	56,036	54,188	54,188
Supplies and Services		609,158	670,965	1,127,064	825,818	806,309	806,309
513.43-00	Machinery/Equipment	42,777	68,881	11,806	179,296	179,296	179,296
Property		42,777	68,881	11,806	179,296	179,296	179,296
514.91-01	Adm Exp-City Manager	4,513	5,960	8,150	8,389	10,345	10,345
514.91-02	Adm Exp-City Attorney	980	1,176	2,167	2,214	2,190	2,190
514.91-03	Adm Exp-City Clerk	2,825	3,053	3,333	4,600	3,801	3,801
514.91-09	Adm Exp-Finance	16,099	16,992	21,673	27,418	25,833	25,833
514.91-10	Adm Exp-Purchasing	1,913	2,265	2,636	2,769	2,765	2,765
514.91-16	Adm Exp-City Council	1,806	1,898	2,235	2,393	2,497	2,497
Administrative		28,136	31,344	40,194	47,783	47,431	47,431
613.64-00	Depreciation Expense	12,357	27,431	0	0	0	0
Property		12,357	27,431	0	0	0	0
617.65-00	Capital Imp. Projects	0	12,720	10,639	182,643	750,366	750,366
Capital Outlay		0	12,720	10,639	182,643	750,366	750,366
**	Information Tech - Admin	1,735,335	1,857,409	2,472,204	2,609,522	3,154,861	3,154,861

## **INFORMATION TECHNOLOGY**

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

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

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***PROGRAM***

This program was funded at a 20% level last fiscal year. This year it is proposed to be funded at 40%. 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, servers, storage systems, network infrastructure, Telephones, CCTV, and more.



BUDGET DETAIL EXPENSES

673-0403 PC Maintenance & Repair							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
512.22-00	Office Equipment O & M	13,977	15,359	15,600	15,600	15,600	15,600
512.24-00	Memberships, Subscription	117,645	117,645	117,646	162,099	162,099	162,099
	Supplies and Services	131,622	133,004	133,246	177,699	177,699	177,699
513.43-00	Machinery/Equipment	57,897	54,035	725,099	647,002	641,099	641,099
	Property	57,897	54,035	725,099	647,002	641,099	641,099
613.64-00	Depreciation Expense	158,790	137,244	0	0	0	0
	Property	158,790	137,244	0	0	0	0
908.93-70	Trsf-Housing Admin (070)	0	3,081	0	0	0	0
	Other	0	3,081	0	0	0	0
968.93-72	Trsf-Support Service(672)	25,652	0	0	0	0	0
	Other	25,652	0	0	0	0	0
**	PC Maintenance & Repair	373,961	327,364	858,345	824,701	818,798	818,798



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

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***PROGRAM***

Used to account for funds received for Public, Education and Governmental (PEG) access paid as part of the state franchise agreements with local cable providers.



BUDGET DETAIL EXPENSES

051-0416 PEG Access							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
512.17-00	Professional Services	13,500	0	0	0	0	0
	Supplies and Services	13,500	0	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	18,375	7,747	434,100	372,387	372,387	372,387
	Capital Outlay	18,375	7,747	434,100	372,387	372,387	372,387
**	PEG Access	31,875	7,747	466,100	404,387	404,387	404,387

**RISK MANAGEMENT AND SAFETY**  
**FUND NOS. 666, 667, 668 & 672**  
**ACCOUNT NOS. 0409, 0410, 0411, & 0412**

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***DESCRIPTION***

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

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

The Liability Insurance Division provides a mechanism through which the City purchases general liability, property and fire, boiler and machinery, fidelity, Public Official bonds and airport liability. Expenses are allocated to departmental operating accounts and transferred into the liability insurance fund from which the expenses are paid. The general liability insurance is funded through the Central San Joaquin Valley Risk Management Authority (CSJVRMA). This is a 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.

## **INSURANCE ADMINISTRATION**

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

### ***MISSION***

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

### ***GOALS***

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

### ***OBJECTIVES***

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

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



BUDGET DETAIL EXPENSES

672-0409 Risk Management Admin.							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
511.01-00	Regular Salaries	131,923	140,982	146,861	153,038	152,666	152,666
511.03-00	Extra Help	5,149	0	0	0	0	0
511.04-01	Regular Overtime	20	30	0	0	0	0
511.10-02	Unused Sick Leave	1,165	840	0	0	0	0
511.10-05	Retirement PERS Classic	33,202	18,153	7,995	8,460	8,440	8,440
511.10-06	Social Security-OASDI	8,081	8,402	8,727	9,054	9,037	9,037
511.10-07	Social Security-Medicare	2,011	2,023	2,075	2,165	2,160	2,160
511.10-10	Retirement-PERS New Membr	681	7,217	3,411	3,790	3,781	3,781
511.10-12	Workers Compensation	301	256	317	415	322	322
511.10-20	Earned Benefit	1,191	0	0	0	0	0
511.10-24	Vehicle Allowance	2,438	2,340	2,311	2,354	2,354	2,354
511.10-27	PTS Plan FICA Alternative	67	0	0	0	0	0
511.10-33	Core Allowance	27,019	35,502	36,842	37,937	37,471	37,471
511.10-35	Post Employment Benefits	5,051	7,047	4,724	4,862	4,862	4,862
511.10-73	Retirement UAL Misc	0	0	15,396	18,681	18,554	18,554
511.10-75	Ret-EE Share PERS Classic	0	7,920	8,089	8,309	8,289	8,289
511.10-77	Ret-EE Share PERS NewMemb	0	2,509	2,745	2,959	2,952	2,952
Personnel Services		218,299	233,221	239,493	252,024	250,888	250,888
512.12-00	Telephone	317	208	342	348	348	348
512.13-00	Postage	489	447	801	817	817	817
512.15-00	Office Supplies	198	98	228	232	232	232
512.17-00	Professional Services	1,802	8,228	6,018	6,138	6,138	6,138
512.18-00	Travel and Meetings	494	50	786	801	801	801
512.20-00	Training Expense	192	50	533	543	543	543
512.24-00	Memberships, Subscription	3,796	3,790	4,078	4,342	4,342	4,342
512.30-01	Dept Share of Insurance	3,804	4,571	4,045	4,054	3,938	3,938
512.35-84	Retro Fee Expense	50	0	0	0	0	0
512.45-00	Facilities Maint Charge	33,973	38,506	37,358	38,186	36,892	36,892
Supplies and Services		44,731	55,948	54,189	55,461	54,051	54,051
514.91-01	Adm Exp-City Manager	1,310	1,966	2,925	2,236	2,786	2,786
514.91-02	Adm Exp-City Attorney	284	388	778	590	590	590
514.91-03	Adm Exp-City Clerk	819	1,007	1,196	1,226	1,023	1,023
514.91-09	Adm Exp-Finance	4,672	5,606	7,779	7,307	6,956	6,956
514.91-10	Adm Exp-Purchasing	555	747	946	738	745	745
514.91-16	Adm Exp-City Council	524	626	802	638	672	672
Administrative		8,164	10,340	14,426	12,735	12,772	12,772
**	Risk Management Admin.	271,194	299,509	308,108	320,220	317,711	317,711

## **RISK MANAGEMENT ADMINISTRATION**

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



## **WORKERS' COMPENSATION**

### ***MISSION***

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

### ***GOALS***

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

### ***OBJECTIVES***

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

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

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

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

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



BUDGET DETAIL EXPENSES

666-0410	Insurance: Workers Comp						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
512.17-00	Professional Services	123,779	117,225	120,796	123,828	123,828	123,828
512.30-10	Wrk Cmp-Medical	582,745	557,763	770,220	682,089	682,089	682,089
512.30-11	Wrk Cmp-Permanent Disblty	248,173	298,015	312,375	376,376	376,376	376,376
512.30-12	Legal	95,996	188,600	125,000	175,000	200,000	200,000
512.30-13	Wrk Cmp-Umbrella Coverage	416,430	356,695	477,021	482,093	482,093	482,093
512.34-00	Contingency Reserve	0	0	188,597	257,717	133,824	133,824
512.35-00	Special Dept. Expense	0	9,135	25,000	25,000	25,000	25,000
512.38-00	Support Services	23,487	24,194	15,480	9,803	9,803	9,803
Supplies and Services		1,490,610	1,551,627	2,034,489	2,131,906	2,033,013	2,033,013
514.91-01	Adm Exp-City Manager	4,909	5,900	6,883	6,606	8,139	8,139
514.91-02	Adm Exp-City Attorney	1,066	1,164	1,830	1,743	1,723	1,723
514.91-03	Adm Exp-City Clerk	4,742	3,633	3,238	3,923	3,291	3,291
514.91-09	Adm Exp-Finance	17,512	16,821	18,303	21,590	20,324	20,324
514.91-10	Adm Exp-Purchasing	2,081	2,242	2,226	2,181	2,176	2,176
514.91-16	Adm Exp-City Council	1,964	1,879	1,887	1,884	1,964	1,964
Administrative		32,274	31,639	34,367	37,927	37,617	37,617
515.92-01	Interdept DSC-General Fnd	125,389	128,928	126,098	134,336	133,807	133,807
Interdepartmental		125,389	128,928	126,098	134,336	133,807	133,807
521.10-13	WC ContinuingDeathBenefit	37,850	20,384	41,600	37,856	37,856	37,856
Personnel Services		37,850	20,384	41,600	37,856	37,856	37,856
**	Insurance: Workers Comp	1,686,123	1,732,578	2,236,554	2,342,025	2,242,293	2,242,293

## **INSURANCE: WORKERS' COMPENSATION**

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

## **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***

- |   |   |
|---|---|
| 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 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
512.30-12	Legal	0	76,014	674,453	674,453	574,453	574,453
512.30-20	Liab-General Liability	1,322,225	1,348,497	1,682,591	1,617,194	1,453,415	1,453,415
512.30-23	Liab-Reserve for Self Ins	0	0	261,898	207,585	177,548	177,548
512.30-24	Subrogation Claims Expens	34,175	36,345	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	1,397,162	1,501,618	2,709,704	2,589,994	2,296,178	2,296,178
514.91-01	Adm Exp-City Manager	3,378	4,448	5,743	5,096	5,749	5,749
514.91-02	Adm Exp-City Attorney	734	878	1,527	1,345	1,217	1,217
514.91-03	Adm Exp-City Clerk	2,113	2,278	2,347	2,794	2,112	2,112
514.91-09	Adm Exp-Finance	12,051	12,682	15,270	16,656	14,356	14,356
514.91-10	Adm Exp-Purchasing	1,432	1,691	1,857	1,682	1,537	1,537
514.91-16	Adm Exp-City Council	1,352	1,417	1,575	1,453	1,388	1,388
	Administrative	21,060	23,394	28,319	29,026	26,359	26,359
515.92-01	Interdept DSC-General Fnd	179,845	255,974	176,403	187,046	186,315	186,315
515.92-17	Interdept DSC-Develop Svc	37,503	38,862	37,905	39,298	39,148	39,148
	Interdepartmental	217,348	294,836	214,308	226,344	225,463	225,463
613.64-00	Depreciation Expense	1,576	10,850	0	0	0	0
	Property	1,576	10,850	0	0	0	0
617.65-00	Capital Imp. Projects	130,300	35,265	12,036	5,536	5,536	5,536
	Capital Outlay	130,300	35,265	12,036	5,536	5,536	5,536
**	Insurance: Liability	1,767,446	1,865,963	2,964,367	2,850,900	2,553,536	2,553,536

## **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



## **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. |

### ***2018-2019 BUDGET HIGHLIGHTS***

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

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



BUDGET DETAIL EXPENSES

668-0412 Insurance: Unemployment							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
512.30-30	Unemp Ins-Unemployment	38,078	46,722	157,648	129,690	129,690	129,690
512.34-00	Contingency Reserve	0	0	111,498	116,181	116,646	116,646
512.38-00	Support Services	1,775	1,812	1,914	1,060	1,052	1,052
	Supplies and Services	39,853	48,534	271,060	246,931	247,388	247,388
514.91-01	Adm Exp-City Manager	625	746	1,099	1,067	1,226	1,226
514.91-02	Adm Exp-City Attorney	136	147	292	282	260	260
514.91-03	Adm Exp-City Clerk	391	382	449	585	450	450
514.91-09	Adm Exp-Finance	2,228	2,127	2,921	3,489	3,062	3,062
514.91-10	Adm Exp-Purchasing	265	284	355	352	328	328
514.91-16	Adm Exp-City Council	250	238	301	304	296	296
	Administrative	3,895	3,924	5,417	6,079	5,622	5,622
908.93-01	Trsf-General Fund (001)	0	79,159	0	0	0	0
908.93-17	Trsf-Development Svc(017)	0	20,562	0	0	0	0
908.93-61	Trsf-Measure "C" Spe(061)	0	26,816	0	0	0	0
	Other	0	126,537	0	0	0	0
958.93-53	Trsf-Wastewater Sys (553)	0	18,634	0	0	0	0
958.93-61	Trsf-Airport Fund (561)	0	4,064	0	0	0	0
	Other	0	22,698	0	0	0	0
968.93-70	Trsf-Fleet-Mgmt (670)	0	1,805	0	0	0	0
968.93-71	Trsf-Facilities Main(671)	0	1,160	0	0	0	0
	Other	0	2,965	0	0	0	0
**	Insurance: Unemployment	43,748	204,658	276,477	253,010	253,010	253,010

FUND NO. 668  
ACCOUNT NO. 0412

**INSURANCE: UNEMPLOYMENT**

30-30 Unemployment insurance

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

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***DESCRIPTION***

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

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

***MISSION***

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

***GOAL***

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

***OBJECTIVES***

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

- |   |  |
|---|--|
| 1. Continue to provide city-wide cafeteria and Section 125 tax deferred plan for employee benefits. | Re-evaluate on an ongoing basis the employee benefit cafeteria plan and Section 125 tax deferred plan and make changes/enhancements when indicated.                    |
| 2. Establish and maintain an adequate reserve fund.   | At the end of the fiscal year, June 30, 2019, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

### ***2018-2019 BUDGET HIGHLIGHTS***

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



BUDGET DETAIL EXPENSES

669-0413	Employee Benefits						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2015-16	ACTUAL 2016-17	FINAL BUDGET 2017-18	DEPT. HEAD REQUEST 2018-19	CITY MGR. RECOM. 2018-19	COUNCIL APPROVAL 2018-19
511.10-06	Social Security-OASDI	8,302	645	15,205	15,672	14,399	14,399
511.10-07	Social Security-Medicare	1,962	1,644	3,556	3,665	3,367	3,367
511.10-20	Earned Benefit	135,836	81,402	245,234	252,774	251,319	251,319
Personnel Services		146,100	83,691	263,995	272,111	269,085	269,085
512.17-00	Professional Services	18,159	11,803	23,000	41,500	41,500	41,500
512.30-40	Emp Bnft-Group Health/Acc	6,454,113	6,788,775	7,993,981	8,356,811	8,311,725	8,311,725
512.30-41	Group Health Ins Retirees	1,331,259	1,302,531	1,349,617	1,461,297	1,461,297	1,461,297
512.30-42	Emp Bnft-Group Life	64,598	63,666	72,604	73,219	73,363	73,363
512.30-43	Emp Bnft-Sht & Lg Trm Dis	80,457	83,830	95,077	95,178	95,515	95,515
512.30-45	Emp Bft-Dentl/Vision Care	618,115	631,566	714,444	699,347	691,281	691,281
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	232,100	249,281	248,337	248,337
512.30-61	Flexible Spending-Medical	22,673	25,635	49,073	60,599	60,284	60,284
512.30-62	Flexible Spending-DepCare	2,732	5,697	14,850	24,413	24,413	24,413
512.38-00	Support Services	99,987	112,689	83,998	62,017	61,204	61,204
Supplies and Services		8,692,093	9,026,192	10,628,744	11,123,662	11,068,919	11,068,919
514.91-01	Adm Exp-City Manager	17,769	23,492	29,576	28,722	34,948	34,948
514.91-02	Adm Exp-City Attorney	3,860	4,635	7,863	7,581	7,399	7,399
514.91-03	Adm Exp-City Clerk	11,114	12,032	12,090	15,749	12,839	12,839
514.91-09	Adm Exp-Finance	63,386	66,978	78,645	93,877	87,267	87,267
514.91-10	Adm Exp-Purchasing	7,533	8,929	9,565	9,482	9,342	9,342
514.91-16	Adm Exp-City Council	7,110	7,482	8,109	8,192	8,435	8,435
Administrative		110,772	123,548	145,848	163,603	160,230	160,230
968.93-66	Trsf-Workers Comp (666)	0	0	250,000	250,000	250,000	250,000
968.93-68	Trsf-Unemployment Fu(668)	0	159,311	132,632	0	0	0
Other		0	159,311	382,632	250,000	250,000	250,000
**	Employee Benefits	8,948,965	9,392,742	11,421,219	11,809,376	11,748,234	11,748,234



## **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.