

**CITY OF MERCED  
2019-2020 CITY COUNCIL APPROVED BUDGET**

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

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***DESCRIPTION***

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

***MISSION***

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

***GOALS***

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

***OBJECTIVES***

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

***PERFORMANCE  
MEASUREMENTS/INDICATORS***

Distribution 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  | Wrap up Classification Study and continue to implement recommendations and revisions to job specifications.                                      |
| 3. Compensation Study  | Select a vendor and begin the process of a total compensation study.   |
| 4. Employee Recognition  | Continue to provide employee recognition with the annual Employee Service Awards and to seek opportunities for additional employee appreciation. |
| 5. Work closely with departments to fill the position vacancies created through turnover | Continue to fill vacancies as they open up. Meet with departments to plan for any upcoming retirements.  |

### ***2019/2020 Budget Highlights***

Recruitments are expected to continue at a high volume during the 2019-20 fiscal year. The use of Neogov is continuing to provide benefits in terms of saving staff time, decreased postage costs, etc. The Personnel Department plans on completing the classification study and beginning the compensation study during this fiscal year. Once both the Classification and Compensation studies are complete, the City will be in a better position 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 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
511.01-00	Regular Salaries	224,017	221,937	289,615	275,781	275,781	275,781
511.04-01	Regular Overtime	4,633	419	0	0	0	0
511.10-02	Unused Sick Leave	477	167	0	0	0	0
511.10-05	Retirement PERS Classic	40,336	17,253	19,596	15,045	15,045	15,045
511.10-06	Social Security-OASDI	13,700	13,565	17,588	17,142	17,136	17,136
511.10-07	Social Security-Medicare	3,341	3,249	4,222	4,091	4,090	4,090
511.10-10	Retirement-PERS New Membr	0	0	3,587	8,072	8,072	8,072
511.10-12	Workers Compensation	428	546	643	956	801	801
511.10-20	Earned Benefit	0	0	0	6,353	6,353	6,353
511.10-24	Vehicle Allowance	5,459	5,452	5,494	5,846	5,846	5,846
511.10-33	Core Allowance	44,802	41,706	61,069	63,210	62,264	62,264
511.10-35	Post Employment Benefits	4,477	4,963	5,572	12,086	12,086	12,086
511.10-73	Retirement UAL Misc	0	23,331	35,198	38,618	37,437	37,437
511.10-75	Ret-EE Share PERS Classic	17,565	0	19,222	0	0	0
511.10-77	Ret-EE Share PERS NewMemb	0	0	2,801	0	0	0
Personnel Services		359,235	332,588	464,607	447,200	444,911	444,911
512.12-00	Telephone	829	1,162	1,255	1,255	1,255	1,255
512.13-00	Postage	618	819	1,000	1,000	1,000	1,000
512.14-00	Advertising	199	1,914	5,851	5,851	5,851	5,851
512.15-00	Office Supplies	7,097	7,246	13,300	8,300	8,300	8,300
512.17-00	Professional Services	81,308	168,267	391,061	316,061	316,061	316,061
512.18-00	Travel and Meetings	981	1,145	3,310	3,310	3,310	3,310
512.20-00	Training Expense	1,316	1,363	2,800	2,800	2,800	2,800
512.21-00	Rents/Leases	27,450	11,352	10,037	10,037	10,037	10,037
512.24-00	Memberships, Subscription	1,498	1,358	2,104	2,408	2,408	2,408
512.29-00	Other Materials Supplies	12,771	32,341	25,000	25,000	25,000	25,000
512.30-01	Dept Share of Insurance	5,389	4,767	5,852	5,847	5,177	5,177
512.34-00	Contingency Reserve	0	0	10,000	0	8,063	8,063
512.35-84	Retro Fee Expense	100	0	0	0	0	0
512.45-00	Facilities Maint Charge	29,521	28,641	28,284	35,785	29,156	29,156
Supplies and Services		169,077	260,375	499,854	417,654	418,418	418,418
514.91-01	Adm Exp-City Manager	4,901	5,312	6,233	5,977	6,500	6,500
514.91-02	Adm Exp-City Attorney	967	1,412	1,320	1,259	2,004	2,004
514.91-03	Adm Exp-City Clerk	3,249	2,596	2,979	3,780	4,013	4,013
514.91-09	Adm Exp-Finance	13,974	14,125	15,564	17,440	16,724	16,724
514.91-10	Adm Exp-Purchasing	1,863	1,718	1,666	1,842	1,791	1,791
514.91-16	Adm Exp-City Council	1,561	1,456	1,504	1,483	1,570	1,570
Administrative		26,515	26,619	29,266	31,781	32,602	32,602
613.64-00	Depreciation Expense	116	1,388	0	0	0	0
Property		116	1,388	0	0	0	0
617.65-00	Capital Imp. Projects	0	0	180	4,458	0	0
Capital Outlay		0	0	180	4,458	0	0
**	Personnel	554,943	620,970	993,907	901,093	895,931	895,931

## **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 and FY19/20. Additional phases on the project will be included into future budget years.

This phase project is expected to start in Q2/Q3 of FY19/20 and take several years to complete.

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

This project is anticipated to be complete by Q4 of FY19/20.

**A3** Computer interface between Police Records Management System County DA, Axon taser BWC, and Online Crime Reporting Applications.

These project completion dates are vendor driven due to the custom nature of the software development. We anticipated them to be complete by Q3 of FY19/20.

#### Service Projects

**S1:** Email System upgrade

This project is anticipated to be complete the end of Q1 of FY19/20.

**S2:** Office 365. Upgrade the Microsoft Office suite of applications. This upgrade will transition our office line to be in the cloud based production offering.

This project is anticipated to be complete the end of Q3 of FY19/20.



**Technology Infrastructure Project**

T1: 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 a continuation of project from last year as more forms are accessible online. This project will continue throughout the year.

T2: Replacement of Storage Area Network equipment.

This project is anticipated to be completed by the end of Q2 of FY19/20.

***2019-2020 BUDGET HIGHLIGHTS***

In FY19/20 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.



Information Tech - Admin

PERSONNEL

Number of Positions

Classification	Funded In Budget 2018-19	Dept. Head Request 2019-20	City Mgr. Recom. 2019-20	Council Approval
Dir. of Information Technology	1.00	1.00	1.00	1.00
Information Technology Manager	1.00	1.00	1.00	1.00
Software Analyst I/II/III	3.00	3.00	3.00	3.00
Systems Engineer I/II or Systems Technician I/II/III	5.00	5.00	5.00	5.00
TOTAL	10.00	10.00	10.00	10.00

BUDGET DETAIL EXPENSES

672-0403	Information Tech - Admin			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2016-17	ACTUAL 2017-18	BUDGET 2018-19	REQUEST 2019-20	RECOM. 2019-20	APPROVAL 2019-20
511.01-00	Regular Salaries	619,761	669,919	811,607	844,901	852,363	852,363
511.03-00	Extra Help	22,470	13,003	14,090	14,090	14,090	14,090
511.04-01	Regular Overtime	7,452	7,490	20,016	20,016	20,016	20,016
511.10-05	Retirement PERS Classic	86,085	39,810	41,661	44,713	45,339	45,339
511.10-06	Social Security-OASDI	40,033	43,503	52,758	54,937	55,387	55,387
511.10-07	Social Security-Medicare	9,688	10,363	12,542	13,052	13,158	13,158
511.10-08	State Unemployment	1,272	0	0	872	872	872
511.10-10	Retirement-PERS New Membr	25,522	12,722	23,308	26,106	26,106	26,106
511.10-12	Workers Compensation	7,670	6,509	5,714	7,069	5,944	5,944
511.10-17	Stand By Pay	33,484	33,370	33,023	35,102	35,102	35,102
511.10-20	Earned Benefit	4,105	11,595	6,867	7,522	7,522	7,522
511.10-27	PTS Plan FICA Alternative	296	169	183	183	183	183
511.10-33	Core Allowance	128,517	139,629	175,973	159,540	157,132	157,132
511.10-35	Post Employment Benefits	13,419	19,731	16,006	15,438	15,438	15,438
511.10-73	Retirement UAL Misc	0	77,220	98,639	118,313	115,706	115,706
511.10-75	Ret-EE Share PERS Classic	37,424	0	40,874	0	0	0
511.10-77	Ret-EE Share PERS NewMemb	8,870	0	18,198	0	0	0
Personnel Services		1,046,068	1,085,033	1,371,459	1,361,854	1,364,358	1,364,358
512.11-00	Utilities	0	0	0	25,893	25,893	25,893
512.12-00	Telephone	22,767	26,786	28,281	25,693	25,693	25,693
512.13-00	Postage	222	421	400	400	400	400
512.14-00	Advertising	17	146	300	300	300	300
512.15-00	Office Supplies	3,840	4,167	4,400	4,400	4,400	4,400
512.17-00	Professional Services	123,960	241,425	138,592	137,592	137,592	137,592
512.18-00	Travel and Meetings	4,979	2,893	8,134	7,634	7,634	7,634
512.20-00	Training Expense	12,606	14,232	14,659	14,659	14,659	14,659
512.21-00	Rents/Leases	189,461	211,759	219,962	0	0	0
512.22-00	Office Equipment O & M	230,524	276,014	302,809	294,204	294,204	294,204
512.23-00	Vehicle Operations/Maint	1,158	3,040	2,928	2,779	2,618	2,618
512.24-00	Memberships, Subscription	7,252	8,056	6,022	195,578	195,578	195,578
512.29-00	Other Materials Supplies	8,788	10,993	10,810	11,060	11,060	11,060
512.30-01	Dept Share of Insurance	17,167	15,460	14,724	14,579	12,855	12,855
512.35-84	Retro Fee Expense	100	150	100	100	100	100
512.45-00	Facilities Maint Charge	48,124	54,760	54,188	68,447	55,932	55,932
Supplies and Services		670,965	870,302	806,309	803,318	788,918	788,918
513.43-00	Machinery/Equipment	68,881	36,295	179,296	769,156	424,156	424,156
Property		68,881	36,295	179,296	769,156	424,156	424,156
514.91-01	Adm Exp-City Manager	5,960	8,150	10,345	9,082	9,913	9,913
514.91-02	Adm Exp-City Attorney	1,176	2,167	2,190	1,912	3,055	3,055
514.91-03	Adm Exp-City Clerk	3,053	3,333	3,801	3,703	3,682	3,682
514.91-09	Adm Exp-Finance	16,992	21,673	25,833	26,500	25,503	25,503
514.91-10	Adm Exp-Purchasing	2,265	2,636	2,765	2,799	2,731	2,731
514.91-16	Adm Exp-City Council	1,898	2,235	2,497	2,253	2,394	2,394
Administrative		31,344	40,194	47,431	46,249	47,278	47,278
613.64-00	Depreciation Expense	27,431	53,781	0	0	0	0
Property		27,431	53,781	0	0	0	0
617.65-00	Capital Imp. Projects	12,720	4,834	750,366	2,132,102	2,132,102	2,132,102
Capital Outlay		12,720	4,834	750,366	2,132,102	2,132,102	2,132,102
**	Information Tech - Admin	1,857,409	2,090,439	3,154,861	5,112,679	4,756,812	4,756,812

## INFORMATION TECHNOLOGY

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

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

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***PROGRAM***

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

PC Maintenance & Repair

E X P E N S E S	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Dept. Head Request 2019-20	City Mgr. Recom. 2019-20	Council Approval 2019-20
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	133,004	131,159	177,699	177,700	177,700	177,700
Debt Service	0	0	0	0	0	0
Acquisitions	54,035	43,061	641,099	661,817	661,817	661,817
Capital Improvements	137,244	138,346	0	0	0	0
* Undefined *	3,081	0	0	27	27	27
<b>TOTAL</b>	<b>327,364</b>	<b>312,566</b>	<b>818,798</b>	<b>839,544</b>	<b>839,544</b>	<b>839,544</b>

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F I N A N C I N G S O U R C E S	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Estimated 2019-20
Computer Replacement Chrg	226,227	165,449	211,084	236,246
Investment Earnings	5,819	10,699	11,930	15,880
Unclassified	0	9	0	0
Other Revenues	95,318	136,409	595,784	587,418
<b>TOTAL</b>	<b>327,364</b>	<b>312,566</b>	<b>818,798</b>	<b>839,544</b>

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BUDGET DETAIL EXPENSES

673-0403 PC Maintenance & Repair							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
512.22-00	Office Equipment O & M	15,359	13,513	15,600	15,600	15,600	15,600
512.24-00	Memberships, Subscription	117,645	117,646	162,099	162,100	162,100	162,100
	Supplies and Services	133,004	131,159	177,699	177,700	177,700	177,700
513.43-00	Machinery/Equipment	54,035	43,061	641,099	661,817	661,817	661,817
	Property	54,035	43,061	641,099	661,817	661,817	661,817
613.64-00	Depreciation Expense	137,244	138,346	0	0	0	0
	Property	137,244	138,346	0	0	0	0
908.93-70	Trsf-Housing Admin (070)	3,081	0	0	27	27	27
	Other	3,081	0	0	27	27	27
**	PC Maintenance & Repair	327,364	312,566	818,798	839,544	839,544	839,544



**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.

PEG Access

E X P E N S E S	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Dept.Head Request 2019-20	City Mgr. Recom. 2019-20	Council Approval 2019-20
Personnel Expenses	0	0	0	0	0	0
Supplies and Services	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Acquisitions	0	17,500	32,000	32,053	32,053	32,053
Capital Improvements	7,747	167,468	372,387	307,915	420,128	420,128
<b>TOTAL</b>	<b>7,747</b>	<b>184,968</b>	<b>404,387</b>	<b>339,968</b>	<b>452,181</b>	<b>452,181</b>

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F I N A N C I N G S O U R C E S	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Estimated 2019-20
PEG Access	112,514	109,410	112,000	112,000
Investment Earnings	2,398	4,334	4,900	6,870
Other Revenues	107,165-	71,224	287,487	333,311
<b>TOTAL</b>	<b>7,747</b>	<b>184,968</b>	<b>404,387</b>	<b>452,181</b>

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BUDGET DETAIL EXPENSES

051-0416 PEG Access							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
513.43-00	Machinery/Equipment	0	17,500	32,000	32,053	32,053	32,053
	Property	0	17,500	32,000	32,053	32,053	32,053
617.65-00	Capital Imp. Projects	7,747	167,468	372,387	307,915	420,128	420,128
	Capital Outlay	7,747	167,468	372,387	307,915	420,128	420,128
**	PEG Access	7,747	184,968	404,387	339,968	452,181	452,181

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

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***DESCRIPTION***

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

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

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

## **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. |

Risk Management Admin.

EXPENSES	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Dept. Head Request 2019-20	City Mgr. Recom. 2019-20	Council Approval 2019-20
Personnel Expenses	233,221	228,798	250,888	255,476	254,153	254,153
Supplies and Services	66,288	66,477	66,823	74,992	65,638	65,638
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0
<b>TOTAL</b>	<b>299,509</b>	<b>295,275</b>	<b>317,711</b>	<b>330,468</b>	<b>319,791</b>	<b>319,791</b>

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FINANCING SOURCES	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Estimated 2019-20
PERS-EE Share 2.5% @ 55	7,920	0	8,289	0
PERS-EE Share 2% @ 62	2,509	0	2,952	0
Support Servcs-Charges	278,970	284,529	290,468	307,381
Other Revenues	10,110	10,746	16,002	12,410
<b>TOTAL</b>	<b>299,509</b>	<b>295,275</b>	<b>317,711</b>	<b>319,791</b>

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PERSONNEL	Number of Positions			
	Funded In Budget 2018-19	Dept. Head Request 2019-20	City Mgr. Recom. 2019-20	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
<b>TOTAL</b>	<b>2.15</b>	<b>2.15</b>	<b>2.15</b>	<b>2.15</b>

BUDGET DETAIL EXPENSES

672-0409	Risk Management Admin.						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
511.01-00	Regular Salaries	140,982	146,889	152,666	158,708	158,708	158,708
511.04-01	Regular Overtime	30	276	0	0	0	0
511.10-02	Unused Sick Leave	840	945	0	0	0	0
511.10-05	Retirement PERS Classic	18,153	8,006	8,440	9,058	9,058	9,058
511.10-06	Social Security-OASDI	8,402	8,787	9,037	9,550	9,550	9,550
511.10-07	Social Security-Medicare	2,023	2,088	2,160	2,269	2,269	2,269
511.10-10	Retirement-PERS New Membr	7,217	3,416	3,781	4,245	4,245	4,245
511.10-12	Workers Compensation	256	317	322	478	401	401
511.10-20	Earned Benefit	0	0	0	2,742	2,742	2,742
511.10-24	Vehicle Allowance	2,340	2,336	2,354	2,506	2,506	2,506
511.10-33	Core Allowance	35,502	35,990	37,471	38,840	38,274	38,274
511.10-35	Post Employment Benefits	7,047	4,899	4,862	4,856	4,856	4,856
511.10-73	Retirement UAL Misc	0	14,849	18,554	22,224	21,544	21,544
511.10-75	Ret-EE Share PERS Classic	7,920	0	8,289	0	0	0
511.10-77	Ret-EE Share PERS NewMemb	2,509	0	2,952	0	0	0
Personnel Services		233,221	228,798	250,888	255,476	254,153	254,153
512.12-00	Telephone	208	16	348	348	348	348
512.13-00	Postage	447	602	817	817	817	817
512.15-00	Office Supplies	98	188	232	232	232	232
512.17-00	Professional Services	8,228	5,399	6,138	0	0	0
512.18-00	Travel and Meetings	50	393	801	801	801	801
512.20-00	Training Expense	50	0	543	543	543	543
512.24-00	Memberships, Subscription	3,790	4,050	4,342	4,336	4,336	4,336
512.29-00	Other Materials Supplies	0	0	0	6,138	6,138	6,138
512.30-01	Dept Share of Insurance	4,571	4,045	3,938	4,113	3,643	3,643
512.45-00	Facilities Maint Charge	38,506	37,358	36,892	46,676	38,030	38,030
Supplies and Services		55,948	52,051	54,051	64,004	54,888	54,888
514.91-01	Adm Exp-City Manager	1,966	2,925	2,786	2,158	2,254	2,254
514.91-02	Adm Exp-City Attorney	388	778	590	454	695	695
514.91-03	Adm Exp-City Clerk	1,007	1,196	1,023	879	836	836
514.91-09	Adm Exp-Finance	5,606	7,779	6,956	6,297	5,800	5,800
514.91-10	Adm Exp-Purchasing	747	946	745	665	621	621
514.91-16	Adm Exp-City Council	626	802	672	535	544	544
Administrative		10,340	14,426	12,772	10,988	10,750	10,750
**	Risk Management Admin.	299,509	295,275	317,711	330,468	319,791	319,791

## **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**

### **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.<br><br>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 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
512.17-00	Professional Services	117,225	152,535	123,828	152,667	152,667	152,667
512.30-10	Wrk Cmp-Medical	557,763	769,999	682,089	677,448	569,790	569,790
512.30-11	Wrk Cmp-Permanent Disblty	298,015	430,619	376,376	376,376	326,376	326,376
512.30-12	Legal	188,600	213,822	200,000	368,575	368,575	368,575
512.30-13	Wrk Cmp-Umbrella Coverage	356,695	420,306	482,093	600,968	550,968	550,968
512.34-00	Contingency Reserve	0	0	133,824	253,332	214,877	214,877
512.35-00	Special Dept. Expense	9,135	18,727	25,000	25,000	25,000	25,000
512.38-00	Support Services	24,194	15,480	9,803	3,292	3,162	3,162
Supplies and Services		1,551,627	2,021,488	2,033,013	2,457,658	2,211,415	2,211,415
514.91-01	Adm Exp-City Manager	5,900	6,883	8,139	9,066	8,048	8,048
514.91-02	Adm Exp-City Attorney	1,164	1,830	1,723	1,909	2,480	2,480
514.91-03	Adm Exp-City Clerk	3,633	3,238	3,291	4,191	3,578	3,578
514.91-09	Adm Exp-Finance	16,821	18,303	20,324	26,453	20,705	20,705
514.91-10	Adm Exp-Purchasing	2,242	2,226	2,176	2,794	2,217	2,217
514.91-16	Adm Exp-City Council	1,879	1,887	1,964	2,249	1,944	1,944
Administrative		31,639	34,367	37,617	46,662	38,972	38,972
515.92-01	Interdept DSC-General Fnd	128,928	126,098	133,807	134,478	130,732	130,732
Interdepartmental		128,928	126,098	133,807	134,478	130,732	130,732
521.10-13	WC ContinuingDeathBenefit	20,384	37,856	37,856	10,192	10,192	10,192
Personnel Services		20,384	37,856	37,856	10,192	10,192	10,192
**	Insurance: Workers Comp	1,732,578	2,219,809	2,242,293	2,648,990	2,391,311	2,391,311

## **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 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
512.30-12	Legal	76,014	62,373	574,453	574,453	574,453	574,453
512.30-20	Liab-General Liability	1,348,497	1,501,731	1,453,415	1,621,313	1,680,923	1,680,923
512.30-23	Liab-Reserve for Self Ins	0	0	177,548	203,994	153,473	153,473
512.30-24	Subrogation Claims Expens	36,345	2,662	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	1,501,618	1,607,528	2,296,178	2,490,522	2,499,611	2,499,611
514.91-01	Adm Exp-City Manager	4,448	5,743	5,749	5,482	6,065	6,065
514.91-02	Adm Exp-City Attorney	878	1,527	1,217	1,154	1,869	1,869
514.91-03	Adm Exp-City Clerk	2,278	2,347	2,112	2,233	2,250	2,250
514.91-09	Adm Exp-Finance	12,682	15,270	14,356	15,996	15,605	15,605
514.91-10	Adm Exp-Purchasing	1,691	1,857	1,537	1,689	1,671	1,671
514.91-16	Adm Exp-City Council	1,417	1,575	1,388	1,360	1,465	1,465
	Administrative	23,394	28,319	26,359	27,914	28,925	28,925
515.92-01	Interdept DSC-General Fnd	255,974	176,403	186,315	207,362	198,039	198,039
515.92-17	Interdept DSC-Develop Svc	38,862	37,905	39,148	40,316	3,734	3,734
	Interdepartmental	294,836	214,308	225,463	247,678	201,773	201,773
613.64-00	Depreciation Expense	10,850	10,938	0	0	0	0
	Property	10,850	10,938	0	0	0	0
617.65-00	Capital Imp. Projects	35,265	6,500	5,536	778	0	0
	Capital Outlay	35,265	6,500	5,536	778	0	0
**	Insurance: Liability	1,865,963	1,867,593	2,553,536	2,766,892	2,730,309	2,730,309

## **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. |

### *2019-2020 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 2016-17	ACTUAL 2017-18	FINAL BUDGET 2018-19	DEPT. HEAD REQUEST 2019-20	CITY MGR. RECOM. 2019-20	COUNCIL APPROVAL 2019-20
512.30-30	Unemp Ins-Unemployment	46,722	28,984	129,690	172,276	172,276	172,276
512.34-00	Contingency Reserve	0	0	116,646	79,060	78,051	78,051
512.38-00	Support Services	1,812	1,914	1,052	223	339	339
	Supplies and Services	48,534	30,898	247,388	251,559	250,666	250,666
514.91-01	Adm Exp-City Manager	746	1,099	1,226	936	1,186	1,186
514.91-02	Adm Exp-City Attorney	147	292	260	197	366	366
514.91-03	Adm Exp-City Clerk	382	449	450	381	440	440
514.91-09	Adm Exp-Finance	2,127	2,921	3,062	2,730	3,052	3,052
514.91-10	Adm Exp-Purchasing	284	355	328	288	327	327
514.91-16	Adm Exp-City Council	238	301	296	232	286	286
	Administrative	3,924	5,417	5,622	4,764	5,657	5,657
908.93-01	Trsf-General Fund (001)	79,159	0	0	0	0	0
908.93-17	Trsf-Development Svc(017)	20,562	0	0	0	0	0
908.93-61	Trsf-Measure "C" Spe(061)	26,816	0	0	0	0	0
	Other	126,537	0	0	0	0	0
958.93-53	Trsf-Wastewater Sys (553)	18,634	0	0	0	0	0
958.93-61	Trsf-Airport Fund (561)	4,064	0	0	0	0	0
	Other	22,698	0	0	0	0	0
968.93-70	Trsf-Fleet-Mgmt (670)	1,805	0	0	0	0	0
968.93-71	Trsf-Facilities Main(671)	1,160	0	0	0	0	0
	Other	2,965	0	0	0	0	0
**	Insurance: Unemployment	204,658	36,315	253,010	256,323	256,323	256,323

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, 2020, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

***2019-2020 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 2016-17	Actual 2017-18	Final Budget 2018-19	Dept. Head Request 2019-20	City Mgr. Recom. 2019-20	Council Approval 2019-20
Personnel Expenses	83,691	130,751	269,085	286,548	286,548	286,548
Supplies and Services	9,149,740	9,450,184	11,229,149	11,334,416	11,123,643	11,120,745
Debt Service	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0
* Undefined *	159,311	382,632	250,000	0	150,000	150,000
<b>TOTAL</b>	<b>9,392,742</b>	<b>9,963,567</b>	<b>11,748,234</b>	<b>11,620,964</b>	<b>11,560,191</b>	<b>11,557,293</b>

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FINANCING SOURCES	Actual 2016-17	Actual 2017-18	Final Budget 2018-19	Estimated 2019-20
Group Health/Accident Fee	6,749,364	6,897,642	7,764,118	7,527,951
Group Life Insurance Fees	23,205	23,506	73,363	73,496
Disability Insurance Fees	54,144	54,821	95,515	95,824
Vision Care Fees	41,884	42,395	62,593	63,927
Dental Care Fees	505,821	499,466	628,688	631,935
Group Health/Retirees	2,146	48,615	0	0
Post Employment Fees	1,298,039	1,349,617	1,461,297	1,445,778
Retiree Drug Subsidy(RDS)	1,964	0	0	0
CORE Plan-Pre-Tax-EEShare	905,614	982,631	1,022,948	1,168,163
CORE-Life/LTD/Dom Partner	46,137	49,627	54,574	58,418
Flexible Spending Medical	43,364	53,770	60,284	70,540
Flexible Spending DepCare	12,101	18,375	24,413	11,551
Investment Earnings	4,020	4,823	7,750	8,190
Other Revenues	295,061-	61,721-	492,691	401,520
<b>TOTAL</b>	<b>9,392,742</b>	<b>9,963,567</b>	<b>11,748,234</b>	<b>11,557,293</b>

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BUDGET DETAIL EXPENSES

669-0413	Employee Benefits			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2016-17	ACTUAL 2017-18	BUDGET 2018-19	REQUEST 2019-20	RECOM. 2019-20	APPROVAL 2019-20
511.10-06	Social Security-OASDI	645	7,047	14,399	16,504	16,504	16,504
511.10-07	Social Security-Medicare	1,644	1,672	3,367	3,860	3,860	3,860
511.10-20	Earned Benefit	81,402	122,032	251,319	266,184	266,184	266,184
Personnel Services		83,691	130,751	269,085	286,548	286,548	286,548
512.17-00	Professional Services	11,803	9,210	41,500	23,000	23,000	23,000
512.30-40	Emp Bnft-Group Health/Acc	6,788,775	6,988,817	8,311,725	8,432,315	8,294,783	8,291,885
512.30-41	Group Health Ins Retirees	1,302,531	1,399,362	1,461,297	1,445,778	1,445,778	1,445,778
512.30-42	Emp Bnft-Group Life	63,666	66,686	73,363	73,496	73,568	73,568
512.30-43	Emp Bnft-Sht & Lg Trm Dis	83,830	82,668	95,515	95,824	95,992	95,992
512.30-45	Emp Bft-Dentl/Vision Care	631,566	630,226	691,281	701,126	698,568	698,568
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	248,337	285,440	213,754	213,754
512.30-61	Flexible Spending-Medical	25,635	36,638	60,284	70,540	70,540	70,540
512.30-62	Flexible Spending-DepCare	5,697	6,731	24,413	11,551	11,551	11,551
512.38-00	Support Services	112,689	83,998	61,204	32,930	30,600	30,600
Supplies and Services		9,026,192	9,304,336	11,068,919	11,172,000	10,958,134	10,955,236
514.91-01	Adm Exp-City Manager	23,492	29,576	34,948	31,896	34,705	34,705
514.91-02	Adm Exp-City Attorney	4,635	7,863	7,399	6,716	10,697	10,697
514.91-03	Adm Exp-City Clerk	12,032	12,090	12,839	12,992	12,875	12,875
514.91-09	Adm Exp-Finance	66,978	78,645	87,267	93,070	89,289	89,289
514.91-10	Adm Exp-Purchasing	8,929	9,565	9,342	9,830	9,561	9,561
514.91-16	Adm Exp-City Council	7,482	8,109	8,435	7,912	8,382	8,382
Administrative		123,548	145,848	160,230	162,416	165,509	165,509
968.93-66	Trsf-Workers Comp (666)	0	250,000	250,000	0	150,000	150,000
968.93-68	Trsf-Unemployment Fu(668)	159,311	132,632	0	0	0	0
Other		159,311	382,632	250,000	0	150,000	150,000
**	Employee Benefits	9,392,742	9,963,567	11,748,234	11,620,964	11,560,191	11,557,293



## **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.