

**CITY OF MERCED
2014-2015 ADOPTED BUDGET**

TAB 8

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PERSONNEL
FUND NO. 672
ACCOUNT NO. 0402

DESCRIPTION

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

MISSION

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

GOALS

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

OBJECTIVES

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

***PERFORMANCE
MEASUREMENTS/INDICATORS***

Continued distribution of Annual Labor Law Posters, legislative reports and new state and federal laws to appropriate departments.

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| 2. Implement an HRIS system including performance appraisal software and an applicant tracking system to streamline processes. | Have all departments using the new systems for all recruitments and evaluations. |
| 3. Continue revision of Personnel Rules and review of Administrative Polices. | Continue the process of finalizing the rules and of meeting and conferring with employee groups, |
| 4. Begin a Classification Review. | Select a vendor to provide a complete Classification Review. |
| 5. Ongoing Labor Negotiations | During 2014-15 all five labor contracts and the unrepresented compensation plan will be open. |

2014/2015 Budget Highlights

Recruitments are expected to continue at a high volume during the 2014-15 fiscal year. Personnel intends to continue to conduct recruitments with increased efficiency as an applicant tracking software is implemented. Continuing labor negotiations will require a large amount of the department's resources dedicated to the endeavor. Personnel places a high priority on keeping abreast of the changes in the state and federal laws and applying them to the organization. Efficiency and organization will be the hallmark of the efforts in Personnel this fiscal year.

BUDGET DETAIL EXPENSES

672-0402 Personnel							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	FINAL BUDGET 2013-14	DEPT. HEAD REQUEST 2014-15	CITY MGR. RECOM. 2014-15	COUNCIL APPROVAL 2014-15
511.01-00	Regular Salaries	187,463	191,229	202,978	210,510	210,510	210,510
511.03-00	Extra Help	3,784	2,480	2,247	2,538	0	0
511.04-01	Regular Overtime	21	475	0	0	2,538	2,538
511.10-02	Unused Sick Leave	102	254	0	0	0	0
511.10-05	Retirement PERS Classic	37,651	39,834	44,383	49,230	49,230	49,230
511.10-06	Social Security-OASDI	11,076	11,472	12,209	12,747	12,904	12,904
511.10-07	Social Security-Medicare	2,799	2,862	3,019	3,133	3,133	3,133
511.10-12	Workers Compensation	602	574	715	793	793	793
511.10-20	Earned Benefit	675	726	0	0	0	0
511.10-24	Vehicle Allowance	4,569	4,869	5,695	5,645	5,645	5,645
511.10-27	PTS Plan FICA Alternative	49	34	29	33	0	0
511.10-32	Cash Back-Biweekly Allow	0	726	1,398	1,416	1,416	1,416
511.10-33	Core Allowance	43,864	36,524	31,826	47,070	47,070	47,070
511.10-35	Post Employment Benefits	7,749	15,162	15,741	15,620	15,620	15,620
Personnel Services		300,404	307,221	320,240	348,735	348,859	348,859
512.12-00	Telephone	288	294	300	309	309	309
512.13-00	Postage	519	878	515	530	530	530
512.14-00	Advertising	2,293	2,667	5,000	5,150	5,150	5,150
512.15-00	Office Supplies	1,839	1,477	1,545	1,591	1,545	1,545
512.17-00	Professional Services	77,642	60,400	159,567	224,567	192,567	192,567
512.18-00	Travel and Meetings	921	878	1,250	2,892	2,000	2,000
512.20-00	Training Expense	1,030	923	2,030	1,230	1,230	1,230
512.24-00	Memberships, Subscription	8,260	1,326	2,836	2,230	2,230	2,230
512.29-00	Other Materials Supplies	1,336	2,125	5,000	16,650	16,650	16,650
512.30-01	Dept Share of Insurance	7,229	4,854	3,865	4,207	3,619	3,619
512.34-00	Contingency Reserve	0	0	26,979	11,657	34,635	29,301
512.45-00	Facilities Maint Charge	34,434	32,978	34,715	27,535	24,986	24,986
Supplies and Services		135,791	108,800	243,602	298,548	285,451	280,117
514.91-01	Adm Exp-City Manager	2,214	2,186	4,520	1,775	2,662	2,662
514.91-02	Adm Exp-City Attorney	5	235	1,204	1,030	799	799
514.91-03	Adm Exp-City Clerk	0	0	0	5,499	4,609	7,276
514.91-09	Adm Exp-Finance	8,308	8,610	9,223	13,150	12,146	12,146
514.91-10	Adm Exp-Purchasing	958	1,084	1,270	1,619	1,550	1,550
514.91-16	Adm Exp-City Council	1,077	852	878	1,506	1,194	1,194
Administrative		12,562	12,967	17,095	24,579	22,960	25,627
515.92-01	Interdept DSC-General Fnd	0	0	0	25,000	0	0
Interdepartmental		0	0	0	25,000	0	0
**	Personnel	448,757	428,988	580,937	696,862	657,270	654,603

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

- ◇ Chair and support the Information Technology Executive Committee (ITEC).
- ◇ Carry out the Information Technology Strategic Plan adopted by the ITEC.
- ◇ Plan for projects in an enterprise manner.
- ◇ Focus on services to the community with technology improvements including online services and field operations improvements.
- ◇ Maintain the city's network and business systems at a satisfactory level for our customers supporting their ability to serve the community effectively.
- ◇ Maintain strong vendor relationships to ensure the City's business systems are stable, secure, compliant, supported and cost effective.
- ◇ Bring government services to the community through the use of internet and advance phone services.

INFORMATION TECHNOLOGY

OBJECTIVES

PERFORMANCE MEASUREMENTS/INDICATORS

Application Projects

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| A1. Replace the City's Business License and Work Order systems with the Enterprise vendor Innoprise. | Replace the City's SunGard business system with Innoprise by the 4th quarter of fiscal year 2014/15. |
| A2. Upgrade the City's Public Safety Electronic Citation system for security compliance and compatibility with existing City systems. | Transition the City's Electronic Citation system to a vendor to be determined by the 2 nd quarter of 2014/15. |
| A3. Upgrade the City's Public Safety System. | Support the Police Department in servicing the community by upgrading the Computer Aided Dispatch system for public safety by the end of the 4th quarter of 2014/15. |

Community Transparency Projects

- | | |
|--|--|
| C1. Replacement of the City's Agenda Management and Web streaming systems to improve staff efficiency and ease of use for staff and the community when viewing agendas, minutes and web streaming of Council meetings. | Replace the City's Agenda Management and Web Streaming solutions by the 3rd quarter 2014/15. |
| C2. Provide access for the Community to public records online via the City's website. | Provide secure access to the City's public records online by the 3 rd quarter of 2014/15. |

Technology Infrastructure Projects

T1. Replace the City's enterprise data storage system which has exceeded its life expectancy is near its limits and expected to reach its maximum capacity in the 3rd quarter of 2014/15 to provide room for growth and improve reliability for storing the City's business systems, records and archive documents

Replace the City's Storage System by the 2nd quarter of 2014/15.

2013-2014 BUDGET HIGHLIGHTS

Complete the enterprise projects transitioning the Work Order and Business License systems to Innoprise, upgrading the City's public safety system to enhance services to the community including Fire routing to incidents and improving transparency by providing access to public records online.

BUDGET DETAIL EXPENSES

672-0403	Information Tech - Admin			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2011-12	2012-13	2013-14	2014-15	2014-15	2014-15
511.01-00	Regular Salaries	677,738	707,287	782,978	791,314	842,249	842,249
511.03-00	Extra Help	12,294	12,100	12,489	12,676	12,676	12,676
511.04-01	Regular Overtime	6,162	8,433	8,500	9,643	8,755	8,755
511.10-02	Unused Sick Leave	2,089	2,089	2,090	0	0	0
511.10-05	Retirement PERS Classic	136,216	147,029	155,835	153,557	153,557	153,557
511.10-06	Social Security-OASDI	43,133	45,170	50,385	50,944	54,047	54,047
511.10-07	Social Security-Medicare	10,592	11,009	12,093	12,210	12,936	12,936
511.10-10	Retirement-PERS New Membr	0	0	14,283	29,480	40,588	40,588
511.10-12	Workers Compensation	6,227	3,655	15,994	13,964	13,964	13,964
511.10-17	Stand By Pay	30,729	30,555	28,698	32,218	32,218	32,218
511.10-20	Earned Benefit	8,601	7,451	6,268	4,597	4,597	4,597
511.10-24	Vehicle Allowance	7,615	8,114	8,136	8,064	8,064	8,064
511.10-27	PTS Plan FICA Alternative	160	157	162	165	165	165
511.10-33	Core Allowance	108,157	112,707	138,310	132,579	150,979	150,979
511.10-35	Post Employment Benefits	15,497	16,352	14,683	12,210	12,210	12,210
Personnel Services		1,065,210	1,112,108	1,250,904	1,263,621	1,347,005	1,347,005
512.12-00	Telephone	34,539	33,728	39,350	32,905	32,905	32,905
512.13-00	Postage	341	8	400	400	400	400
512.15-00	Office Supplies	5,205	5,164	5,329	5,400	5,400	5,400
512.17-00	Professional Services	58,992	100,348	117,368	130,661	51,394	51,394
512.18-00	Travel and Meetings	8,559	5,986	11,724	12,748	11,412	11,412
512.20-00	Training Expense	11,243	9,944	16,107	21,707	17,800	17,800
512.21-00	Rents/Leases	33,185	25,023	28,700	20,652	20,652	20,652
512.22-00	Office Equipment O & M	308,447	249,513	318,090	334,321	334,321	334,321
512.23-00	Vehicle Operations/Maint	2,638	2,781	2,781	1,520	1,388	1,388
512.24-00	Memberships, Subscription	67,481	9,928	10,725	8,646	8,646	8,646
512.29-00	Other Materials Supplies	6,732	5,621	7,395	7,395	7,395	7,395
512.30-01	Dept Share of Insurance	21,323	13,994	10,702	13,578	12,668	12,668
512.35-84	Retro Fee Expense	0	50	0	0	0	0
512.45-00	Facilities Maint Charge	43,023	41,186	43,437	44,757	40,457	40,457
Supplies and Services		601,708	503,274	612,108	634,690	544,838	544,838
513.43-00	Machinery/Equipment	0	0	4,800	6,800	0	0
Property		0	0	4,800	6,800	0	0
514.91-01	Adm Exp-City Manager	2,323	2,365	3,373	1,418	2,149	2,149
514.91-02	Adm Exp-City Attorney	5	255	1,057	822	645	645
514.91-03	Adm Exp-City Clerk	0	0	0	3,770	3,093	4,871
514.91-09	Adm Exp-Finance	8,718	9,314	8,099	10,499	9,805	9,805
514.91-10	Adm Exp-Purchasing	1,005	1,173	1,115	1,292	1,252	1,252
514.91-16	Adm Exp-City Council	1,130	922	771	1,202	964	964
Administrative		13,181	14,029	14,415	19,003	17,908	19,686
515.92-01	Interdept DSC-General Fnd	6,324	0	0	0	0	0
Interdepartmental		6,324	0	0	0	0	0
613.64-00	Depreciation Expense	185,376	80,806	0	0	0	0
Property		185,376	80,806	0	0	0	0
617.65-00	Capital Imp. Projects	22,618	0	0	0	0	0
Capital Outlay		22,618	0	0	0	0	0
**	Information Tech - Admin	1,894,417	1,710,217	1,882,227	1,924,114	1,909,751	1,911,529

INFORMATION TECHNOLOGY

- 17-00 Professional assistance with implementation of networking, Internet access, website design, and systems integration/database support
- 18-00 Municipal Information Systems Association of California (MISAC), Innoprise Software Inc., and New World Systems conferences, and training
- 20-00 Travel associated with conferences and training in line 18
- 21-00 Computer room alarm monitoring, high speed internet connection, and offsite data storage
- 22-00 Maintenance and support of printers, 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, toner, and other computer related supplies

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

PROGRAM

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

BUDGET DETAIL EXPENSES

673-0403 ACCT. NO.	PC Maintenance & Repair ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	FINAL BUDGET 2013-14	DEPT. HEAD REQUEST 2014-15	CITY MGR. RECOM. 2014-15	COUNCIL APPROVAL 2014-15
512.22-00	Office Equipment O & M	14,872	12,147	15,000	15,000	15,000	15,000
512.24-00	Memberships, Subscription	116,691	116,691	116,691	117,648	117,648	117,648
	Supplies and Services	131,563	128,838	131,691	132,648	132,648	132,648
513.43-00	Machinery/Equipment	81,537	138,508	934,071	806,571	806,612	806,612
	Property	81,537	138,508	934,071	806,571	806,612	806,612
613.64-00	Depreciation Expense	206,103	138,845	0	0	0	0
	Property	206,103	138,845	0	0	0	0
908.93-01	Trsf-General Fund (001)	0	0	0	1,915	1,915	1,915
	Other	0	0	0	1,915	1,915	1,915
**	PC Maintenance & Repair	419,203	406,191	1,065,762	941,134	941,175	941,175

PEG ACCESS FEE
FUND NO. 051
ACCOUNT NO. 0416

PROGRAM

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

BUDGET DETAIL EXPENSES

051-0416 PEG Access							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	FINAL BUDGET 2013-14	DEPT. HEAD REQUEST 2014-15	CITY MGR. RECOM. 2014-15	COUNCIL APPROVAL 2014-15
512.17-00	Professional Services	26,199	16,554	18,500	18,500	18,500	18,500
	Supplies and Services	26,199	16,554	18,500	18,500	18,500	18,500
617.65-00	Capital Imp. Projects	27,382	70,000	232,255	232,095	232,095	232,095
	Capital Outlay	27,382	70,000	232,255	232,095	232,095	232,095
**	PEG Access	53,581	86,554	250,755	250,595	250,595	250,595

RISK MANAGEMENT AND SAFETY

RISK MANAGEMENT AND SAFETY

FUND NOS. 666, 667, 668 & 672

ACCOUNT NOS. 0409, 0410, 0411, & 0412

DESCRIPTION

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

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

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

RISK MANAGEMENT AND SAFETY

INSURANCE ADMINISTRATION

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

MISSION

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

GOALS

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

OBJECTIVES

PERFORMANCE MEASUREMENTS/INDICATORS

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|---|---|
| 1. Review insurance coverage obtained in all areas of City needs. | Meet with Broker of Record for all lines of coverage to insure premium are cost effective in the insurance marketplace. |
| 2. Provide health education to all City employees. | Conduct a Health Fair in conjunction with annual open enrollment of employee benefits. |
| 3. Citywide Safety Review Committee. | Conduct no less than two Committee meetings a year 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 help of a contracted corporate wellness program coordinator. |

BUDGET DETAIL EXPENSES

672-0409	Risk Management Admin.						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	FINAL BUDGET 2013-14	DEPT. HEAD REQUEST 2014-15	CITY MGR. RECOM. 2014-15	COUNCIL APPROVAL 2014-15
511.01-00	Regular Salaries	119,000	120,598	134,335	138,792	138,792	138,792
511.10-02	Unused Sick Leave	579	1,437	0	0	0	0
511.10-05	Retirement PERS Classic	23,855	25,082	29,340	32,424	32,424	32,424
511.10-06	Social Security-OASDI	7,159	7,350	8,084	8,347	8,347	8,347
511.10-07	Social Security-Medicare	1,725	1,766	1,947	2,002	2,002	2,002
511.10-12	Workers Compensation	359	343	443	494	494	494
511.10-24	Vehicle Allowance	1,523	1,623	2,441	2,419	2,419	2,419
511.10-33	Core Allowance	29,162	27,149	27,187	25,981	25,981	25,981
511.10-35	Post Employment Benefits	5,540	4,992	5,129	5,052	5,052	5,052
Personnel Services		188,902	190,340	208,906	215,511	215,511	215,511
512.12-00	Telephone	275	278	300	309	309	309
512.13-00	Postage	536	497	700	721	721	721
512.15-00	Office Supplies	258	29	200	206	206	206
512.17-00	Professional Services	4,195	2,791	5,246	5,403	5,403	5,403
512.18-00	Travel and Meetings	194	837	700	721	721	721
512.20-00	Training Expense	0	440	475	489	489	489
512.24-00	Memberships, Subscription	7,000	932	3,643	3,775	3,775	3,775
512.30-01	Dept Share of Insurance	5,682	3,856	3,106	3,508	3,041	3,041
512.45-00	Facilities Maint Charge	34,434	32,978	34,715	35,916	32,591	32,591
Supplies and Services		52,574	42,638	49,085	51,048	47,256	47,256
514.91-01	Adm Exp-City Manager	780	738	1,201	627	983	983
514.91-02	Adm Exp-City Attorney	2	79	379	363	295	295
514.91-03	Adm Exp-City Clerk	0	0	0	1,666	1,414	2,303
514.91-09	Adm Exp-Finance	2,928	2,905	2,901	4,640	4,484	4,484
514.91-10	Adm Exp-Purchasing	338	366	399	571	572	572
514.91-16	Adm Exp-City Council	379	287	276	531	441	441
Administrative		4,427	4,375	5,156	8,398	8,189	9,078
**	Risk Management Admin.	245,903	237,353	263,147	274,957	270,956	271,845

RISK MANAGEMENT ADMINISTRATION

- 17-00 Safety posters, hearing and vision tests, Hepatitis B vaccinating, lumbar corsets, wrist braces, and other ergonomic supplies/equipment
- 18-00 Quarterly claims reviews with Worker's Compensation Administration, Worker's Compensation training sessions, CSJVRMA Annual Retreat, and Annual Conference of Public Agency Risk Managers (PRIMA/PARMA), and miscellaneous meetings
- 20-0 Registration fees for PRIMA/PARMA Annual Conference, CSJVRMA, and various Worker's Compensation and computer training sessions
- 24-00 Public Risk Insurance Managers Association (PRIMA); Public Agencies Management Association (PARMA); Council of Self-Insured Public Agencies; Occupational Safety and Health Magazine; General Industry Safety Order; ADA Monthly & Annual Updates; Worker's Compensation Law Bulletin.

RISK MANAGEMENT AND SAFETY

WORKER'S COMPENSATION

MISSION

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

GOALS

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

OBJECTIVES

PERFORMANCE MEASUREMENTS/INDICATORS

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| 1. In-house administration of claims and employee training. | Reduction in the number of active files by effective claims administration and supervision/manager training. Currently, 90% of claims are processed within 24 hours of notice. Conduct 1 training workshop with employees regarding workers' compensation forms and internal routing procedures. |
| 2. Review the work product of the third party claims administrator. | Meet quarterly with the third party administrator to monitor litigated and non-litigated claims and insure there are no violations of regulations. |
| 3. Annual review of the Injury and Illness Prevention Program to reflect the City's commitment to maintaining a safe and healthful workplace, and complying with all applicable federal, state, and local laws and regulations. | Examples of indicators would be prevention of accidents, reduction of personal injury and occupational illness, and compliance with all safety and health standards through orientation and training to all employees. |

BUDGET DETAIL EXPENSES

666-0410	Insurance: Workers Comp						
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	FINAL BUDGET 2013-14	DEPT. HEAD REQUEST 2014-15	CITY MGR. RECOM. 2014-15	COUNCIL APPROVAL 2014-15
512.17-00	Professional Services	118,421	115,231	90,480	90,480	90,480	90,480
512.30-10	Wrk Cmp-Medical	1,108,498	966,552	800,455	800,455	800,455	800,455
512.30-11	Wrk Cmp-Permanent Disblty	467,003	599,198	250,000	262,500	262,500	262,500
512.30-12	Legal	114,783	183,324	131,150	321,300	321,300	321,300
512.30-13	Wrk Cmp-Umbrella Coverage	225,136	257,913	278,333	337,475	337,475	337,475
512.34-00	Contingency Reserve	0	0	1,670,531	359,556	379,846	378,068
512.35-00	Special Dept. Expense	0	34,437	11,966	11,966	11,966	11,966
512.38-00	Support Services	23,420	30,789	24,904	22,063	22,247	22,247
Supplies and Services		2,057,261	2,187,444	3,257,819	2,205,795	2,226,269	2,224,491
514.91-01	Adm Exp-City Manager	3,254	3,462	10,009	2,589	4,076	4,076
514.91-02	Adm Exp-City Attorney	7	373	2,867	1,502	1,223	1,223
514.91-03	Adm Exp-City Clerk	0	0	0	7,938	6,919	8,697
514.91-09	Adm Exp-Finance	12,211	13,635	21,973	19,179	18,600	18,600
514.91-10	Adm Exp-Purchasing	1,408	1,717	3,025	2,361	2,374	2,374
514.91-16	Adm Exp-City Council	1,583	1,349	2,092	2,196	1,828	1,828
Administrative		18,463	20,536	39,966	35,765	35,020	36,798
515.92-01	Interdept DSC-General Fnd	78,894	72,501	101,535	122,647	122,647	122,647
Interdepartmental		78,894	72,501	101,535	122,647	122,647	122,647
**	Insurance: Workers Comp	2,154,618	2,280,481	3,399,320	2,364,207	2,383,936	2,383,936

INSURANCE: WORKER'S COMPENSATION

- 17-00 Administrative contract with Tristar Risk Management and for review of medical bills.
- 30-10 Medical payments to physicians, surgeons, chiropractors, psychologists, etc., for treatment resulting from a work injury as defined by Labor Code Section 4600.
- 30-11 Permanent disability payments for work injuries that result in a medically documented permanent limitation as defined in Labor Code Sections 4658-4663.
- 30-12 Miscellaneous case costs (records costs, subpoenas, investigation, etc.).
- 30-13 Excess Worker's Compensation policy to cover losses in excess of \$250,000 self-insured retention (LAWCX), California user funding assessment and California insurance fraud investigation assessment, injury benefits trust fund, and uninsured employer benefits fund.
- 34-00 Contingency for unanticipated claims and reserve for claims both reported and unreported.
- 35-00 Vocational rehabilitation funds necessary to provide benefits to workers who are medically unable to return to work at their pre-injury jobs. Vocational service may include, but is not limited to, evaluation, counseling, job analysis, job modification assistance, retraining, and job placement assistance as defined Labor Code Sections 4635 – 4647; and advance payments to CalPERS for public safety disability retirements.

RISK MANAGEMENT AND SAFETY

LIABILITY

MISSION

The mission of the Liability Insurance Division is to provide adequate insurance coverage and establish risk management practices to reduce liability exposure where possible.

GOALS

- ◇ Improve risk management practices to reduce liability exposure when possible.
- ◇ Ensure that the services of the third party claims administrator meet the City's needs and the needs and requirements of the liability excess insurance carrier.

OBJECTIVES

PERFORMANCE MEASUREMENTS/INDICATORS

- | | |
|---|---|
| 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. | Reduction in liability claims and cost savings through training provided by continued membership and coverage through the Central San Joaquin Valley Risk Management Authority. Quarterly review with staff assigned to Insurance department 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 | Once a year monitor current and new City acquisitions to insure proper coverage and conduct a Request for |

RISK MANAGEMENT AND SAFETY

boiler and machinery coverage.

Proposal to insure premium is most cost effective in the insurance marketplace.

BUDGET DETAIL EXPENSES

667-0411 Insurance: Liability							
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL 2011-12	ACTUAL 2012-13	FINAL BUDGET 2013-14	DEPT. HEAD REQUEST 2014-15	CITY MGR. RECOM. 2014-15	COUNCIL APPROVAL 2014-15
511.01-00	Regular Salaries	0	140,000	0	0	0	0
511.10-06	Social Security-OASDI	0	6,826	0	0	0	0
511.10-07	Social Security-Medicare	0	2,030	0	0	0	0
Personnel Services		0	148,856	0	0	0	0
512.30-12	Legal	851,948	38,594	165,000	272,500	724,453	724,453
512.30-20	Liab-General Liability	1,113,111	1,039,558	1,113,687	1,238,160	1,129,697	1,129,697
512.30-23	Liab-Reserve for Self Ins	630,643	67,279	217,106	205,494	202,599	201,692
512.30-24	Subrogation Claims Expens	13,440	19,881	50,000	50,000	50,000	50,000
512.30-25	Liab-General Claims	1,500,000	85,000	0	0	0	0
512.38-00	Support Services	40,762	40,762	40,762	40,762	40,762	40,762
Supplies and Services		2,888,618	1,156,516	1,586,555	1,806,916	2,147,511	2,146,604
514.91-01	Adm Exp-City Manager	7,170	4,372	5,290	1,426	2,283	2,283
514.91-02	Adm Exp-City Attorney	16	471	1,667	827	685	685
514.91-03	Adm Exp-City Clerk	0	0	0	3,792	3,285	4,192
514.91-09	Adm Exp-Finance	26,902	17,220	12,776	10,564	10,416	10,416
514.91-10	Adm Exp-Purchasing	3,101	2,169	1,759	1,300	1,330	1,330
514.91-16	Adm Exp-City Council	3,486	1,704	1,217	1,210	1,024	1,024
Administrative		40,675	25,936	22,709	19,119	19,023	19,930
515.92-01	Interdept DSC-General Fnd	281,544	258,582	145,645	215,505	215,505	215,505
515.92-17	Interdept DSC-Develop Ser	31,723	34,477	30,093	25,921	30,072	30,072
Interdepartmental		313,267	293,059	175,738	241,426	245,577	245,577
**	Insurance: Liability	3,242,560	1,624,367	1,785,002	2,067,461	2,412,111	2,412,111

INSURANCE: LIABILITY

30-12 Case-driven costs incurred by City Attorney for litigation related to PCE issues and general liability; Personnel Board outside legal costs

30-20 Insurance Premiums:

- Pooled Excess Liability (CSJVRMA and ERMA)
- Property and Boiler and Machinery
- Fidelity
- Airport Liability

30-23 Reserves for payment of present and future out-of-court and court-mandated settlements and general liability claims

30-24 Subrogation Claim Expense

RISK MANAGEMENT AND SAFETY

UNEMPLOYMENT INSURANCE

MISSION

The mission of the Unemployment Insurance Division is to provide benefits to employees who have left the City services and qualify for unemployment compensation.

GOALS

- ◇ Maintain adequate financial reserves to protect the City against any unknown and unpredictable monetary demands on this fund in any given fiscal year.
- ◇ Ensure that former employees are qualified to receive benefits.

OBJECTIVES

PERFORMANCE MEASUREMENTS/INDICATORS

- | | |
|---|---|
| 1. Monitor all unemployment claim pay-outs to ensure the accuracy of charges being made against the City's self-funded account by the State of California EDD office. | Payments only made to approved claims. |
| 2. Investigate and challenge unauthorized filings. | No payments to unauthorized past-employees. |

2014-2015 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			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2011-12	2012-13	2013-14	2014-15	2014-15	2014-15
512.30-30	Unemp Ins-Unemployment	267,919	85,146	137,757	182,024	182,024	182,024
512.34-00	Contingency Reserve	0	0	5,025	32,433	36,197	36,114
512.38-00	Support Services	17,207	8,402	1,522	4,052	2,095	2,095
	Supplies and Services	285,126	93,548	144,304	218,509	220,316	220,233
514.91-01	Adm Exp-City Manager	1,934	884	1,322	308	279	279
514.91-02	Adm Exp-City Attorney	4	95	417	179	84	84
514.91-03	Adm Exp-City Clerk	0	0	0	820	402	485
514.91-09	Adm Exp-Finance	7,257	3,482	3,193	2,284	1,274	1,274
514.91-10	Adm Exp-Purchasing	837	439	440	281	163	163
514.91-16	Adm Exp-City Council	941	345	304	262	125	125
	Administrative	10,973	5,245	5,676	4,134	2,327	2,410
968.93-66	Trsf-Workers Comp (666)	0	0	367,975	0	0	0
	Other	0	0	367,975	0	0	0
**	Insurance: Unemployment	296,099	98,793	517,955	222,643	222,643	222,643

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, 2015, an adequate reserve fund will be available for year-to-year stability within the self-insured employee benefits program. |

2014-2015 BUDGET HIGHLIGHTS

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

BUDGET DETAIL EXPENSES

669-0413	Employee Benefits			FINAL	DEPT. HEAD	CITY MGR.	COUNCIL
ACCT. NO.	ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	BUDGET	REQUEST	RECOM.	APPROVAL
		2011-12	2012-13	2013-14	2014-15	2014-15	2014-15
511.10-06	Social Security-OASDI	2,423	343	0	0	736	736
511.10-07	Social Security-Medicare	567	222	0	0	172	172
511.10-20	Earned Benefit	39,089	15,382	0	0	11,867	11,867
	Personnel Services	42,079	15,947	0	0	12,775	12,775
512.17-00	Professional Services	3,475	3,353	6,000	18,000	18,000	18,000
512.30-40	Emp Bnft-Group Health/Acc	5,912,170	6,031,459	6,467,482	6,614,680	6,614,680	6,614,680
512.30-41	Group Health Ins Retirees	1,408,082	1,410,462	1,500,980	1,468,582	1,468,582	1,468,582
512.30-42	Emp Bnft-Group Life	58,999	59,206	65,562	31,596	31,596	31,596
512.30-43	Emp Bnft-Sht & Lg Trm Dis	81,052	84,267	95,900	63,191	63,191	63,191
512.30-45	Emp Bft-Dentl/Vision Care	796,075	745,434	848,203	707,630	707,630	707,630
512.30-47	Emp Bnft-Rsrvd For Retent	0	0	61,454	81,521	71,772	67,405
512.30-61	Flexible Spending-Medical	14,865	10,555	34,264	29,398	29,398	29,398
512.30-62	Flexible Spending-DepCare	7,383	3,392	9,500	20,000	20,000	20,000
512.38-00	Support Services	134,201	134,735	98,323	90,255	91,070	91,070
	Supplies and Services	8,416,302	8,482,863	9,187,668	9,124,853	9,115,919	9,111,552
514.91-01	Adm Exp-City Manager	17,313	14,967	24,137	7,982	12,549	12,549
514.91-02	Adm Exp-City Attorney	40	1,611	7,607	4,630	3,766	3,766
514.91-03	Adm Exp-City Clerk	0	0	0	21,222	18,057	22,424
514.91-09	Adm Exp-Finance	64,960	58,946	58,292	59,126	57,261	57,261
514.91-10	Adm Exp-Purchasing	7,488	7,424	8,024	7,278	7,309	7,309
514.91-16	Adm Exp-City Council	8,419	5,833	5,551	6,769	5,628	5,628
	Administrative	98,220	88,781	103,611	107,007	104,570	108,937
908.93-01	Trsf-General Fund (001)	140,732	0	0	0	0	0
908.93-17	Trsf-Development Svc(017)	18,872	0	0	0	0	0
908.93-22	Trsf-Street Maint/Lt(022)	10,790	0	0	0	0	0
908.93-24	Trsf-Rec & Park Prog(024)	35,823	0	0	0	0	0
908.93-61	Trsf-Measure "C" Spe(061)	23,400	0	0	0	0	0
	Other	229,617	0	0	0	0	0
918.93-56	Trsf-CFD-Public Safe(156)	11,700	0	0	0	0	0
918.93-57	Trsf-CFD-Public Safe(157)	5,850	0	0	0	0	0
	Other	17,550	0	0	0	0	0
958.93-53	Trsf-Wastewater Sys (553)	38,543	0	0	0	0	0
	Other	38,543	0	0	0	0	0
968.93-66	Trsf-Workers Comp (666)	0	500,000	0	0	0	0
	Other	0	500,000	0	0	0	0
**	Employee Benefits	8,842,311	9,087,591	9,291,279	9,231,860	9,233,264	9,233,264

EMPLOYEE BENEFITS

- 30-40 Group health premiums to Anthem Blue Cross of California.
- 30-42 Group life insurance premiums.
- 30-43 Long-term disability premiums.
- 30-45 Claims payment for fully-insured dental and vision programs.
- 30-46 Amount held in contingency as reserve for retention.