

**COUNTY OF MADERA
BUDGET UNIT DETAIL
BUDGET FOR THE FISCAL YEAR 2020-21**

Department: **LEGAL/INSURANCE
(00230)**
Function: **General**
Activity: **Other General**
Fund: **General**

	BOARD APPROVED 2019-20	CAO BASELINE 2020-21	DEPARTMENT REQUEST 2020-21	CAO RECOMMENDED 2020-21
<u>ESTIMATED REVENUES:</u>				
CHARGES FOR CURRENT SERVICES				
662723 Services to Other Agencies	217,000	240,000	353,400	353,400
662800 Interfund Revenue	435,000	445,000	405,000	405,000
TOTAL CHARGES FOR CURRENT SERVICES	652,000	685,000	758,400	758,400
MISCELLANEOUS REVENUE				
670000 Intrafund Revenue	1,315,000	1,515,000	1,515,000	1,515,000
673000 Miscellaneous	500	500	500	500
673903 Misc Reimbursement & Refunds	150,000	165,000	165,000	165,000
673910 Misc Reimb-Ins Reimb	2,000	2,000	2,000	2,000
TOTAL MISCELLANEOUS REVENUE	1,467,500	1,682,500	1,682,500	1,682,500
<u>TOTAL ESTIMATED REVENUES</u>	<u>2,119,500</u>	<u>2,367,500</u>	<u>2,440,900</u>	<u>2,440,900</u>
<u>EXPENDITURES:</u>				
SALARIES & EMPLOYEE BENEFITS				
710102 Permanent Salaries	245,019	257,264	262,160	262,160
710200 Retirement	84,771	98,850	98,850	98,850
710300 Health Insurance	27,579	21,446	21,446	21,446
710400 Workers' Compensation Insurance	1,577	1,380	1,380	1,380
TOTAL SALARIES & EMPLOYEE BENEFITS	358,946	378,940	383,836	383,836
SERVICES & SUPPLIES				
720600 Insurance	45	51	51	51
720601 Insurance Premiums	272,000	335,000	335,000	335,000
720602 Unemployment Insurance	250,000	240,000	240,000	240,000
720605 Employer Share Retiree Health Insurance	4,160,000	4,340,000	4,100,000	4,100,000
720606 Insurance Administrative Fees	65,000	60,000	60,000	60,000
720800 Maintenance - Equipment	250	250	250	250
721203 Other Miscellaneous	500	500	500	500

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SERVICES & SUPPLIES (continued)				
721300 Office Expense	500	500	500	500
721600 Rents & Leases - Equipment	200	200	200	200
722000 Transportation & Travel	2,000	2,000	2,000	2,000
TOTAL SERVICES & SUPPLIES	4,750,495	4,978,501	4,738,501	4,738,501
<u>TOTAL EXPENDITURES</u>	<u>5,109,441</u>	<u>5,357,441</u>	<u>5,122,337</u>	<u>5,122,337</u>
<u>NET COUNTY COST (EXP - REV)</u>	<u>2,989,941</u>	<u>2,989,941</u>	<u>2,681,437</u>	<u>2,681,437</u>

LEGAL/INSURANCE

COMMENTS

This division, under the administrative control of the Administrative Management Office, is responsible for administering the County's Risk Management and Insurance Programs, coordinating the County's routine and contracted legal services, and administering the County's self-insured workers' compensation and general liability programs. In addition, this division is responsible for coordinating the County's Safety Program required by CAL-OSHA, and acquiring necessary levels of insurance for property, crime, and boiler coverage.

ESTIMATED REVENUES

- 662700** **Charges for Current Services** (\$758,400) is recommended increased \$106,400 based on subvented departments share of retiree health costs.
- 670000** **Miscellaneous Revenue** (\$1,682,500) is recommended increased \$215,000 based on subvented departments share of retiree health costs.

SALARIES & EMPLOYEE BENEFITS

- 710102** **Permanent Salaries** (\$262,160) are recommended increased \$17,141 based on cost of recommended staff.
- 710200** **Retirement** (\$98,850) reflects the County's anticipated contribution to Social Security and the Public Employees' Retirement System.
- 710300** **Health Insurance** (\$21,446) is based on the employer's share of health insurance premiums.
- 710400** **Workers' Compensation** (\$1,380) reflects the Department's contribution to the County's Self-Insurance Internal Service Fund.

SERVICES & SUPPLIES

- 720600** **Insurance** (\$51) reflects the Department's contribution to the County's Self-Insured Liability Program.
- 720601** **Insurance Premiums** (\$335,000) is recommended increased \$63,000 for the premium costs of the following policies: Property Insurance, which includes Terrorism and Sabotage, Boiler and Machinery Insurance (\$320,000); Pollution (\$3,000); Crime Bond (\$13,000); and Cyber Liability (\$6,000).

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SERVICES & SUPPLIES (continued)

- 720602** **Unemployment Insurance** (\$240,000) is recommended decreased \$10,000 based on current year (2019-20) experience. This budget reimburses the State for unemployment benefits paid to eligible recipients previously employed by the County.
- 720605** **Employer-Share Retiree Health Insurance** (\$4,100,000) is recommended decreased \$60,000 for the County's share of retirees' health insurance premiums as required by the Public Employees' Retirement System (PERS) Health Benefits Program. As of April 1, 2020, there were 672 retirees participating in the PERS Health Benefits Program.
- 720606** **Insurance Administrative Fees** (\$60,000) is recommended decreased \$5,000 based on current actual costs.
- 720800** **Maintenance - Equipment** (\$250) is recommended unchanged for maintenance of the microcomputer.
- 721300** **Office Expense** (\$500) is recommended unchanged based on anticipated activity of the County Safety Program and accident investigations.
- 721600** **Rents & Leases - Equipment** (\$200) is recommended unchanged for the rental of Central Garage vehicles.
- 722000** **Transportation & Travel** (\$2,000) is recommended unchanged.

ESTIMATED REVENUES

The primary sources of revenue for the Insurance Budget are the recovery of costs from sub-vented departments related to premiums for Property and Pollution coverage, and the County's contribution towards the retirees' health insurance premiums.

RECOMMENDED 2020-21 FUNDING CONTRIBUTIONS TO THE SELF-FUNDED WORKERS' COMPENSATION AND LIABILITY PROGRAMS

Workers' Compensation

The annual actuarial review has concluded that the Fund will be adequately reserved based on the projected values of the current cases. It is recommended that the County implement a funding plan which maintains program assets at a 70% confidence level. Under such a plan, the County would fund the full value of each prospective year's claims costs with an allowance for any projected fund surplus or deficit. Such a plan will smooth out the potential under or over funding cycle of the program's assets.

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Workers' Compensation (continued)

Based on the actuary's estimated 2019-20 claim values, an additional \$3,500,000 is recommended to be added to the fund. To fund the estimated 2020-21 claims values, it is recommended that \$3,133,278 be contributed from the General Fund, \$364,130 from the Road Fund, and \$2,592 from Central Garage.

Liability

The annual actuarial review has concluded that the Fund is adequately funded based on the projected values of the current cases.

Based on the actuary's estimated 2019-20 claim values, an additional \$2,500,000 is recommended to be added to the fund. To fund the estimated 2020-21 claims values, it is recommended that \$1,884,344 be contributed from the General Fund, \$329,518 from the Road Fund, \$285,723 from Special Districts, and \$415 from Central Garage.

NOTE: The Estimated Fund Expenses for the Workers' Compensation and Liability programs for 2020-21 are shown on the following page. The following is detail regarding the estimated and actuarial recommended fund balances, including requested fund expenditures supporting Workers' Compensation and Liability:

	<u>Workers' Compensation</u>	<u>Liability</u>
<u>RECOMMENDED ACTUARIAL FUNDING</u>		
Estimated Fund Balance as of 6/30/20	\$8,383,403	\$965,508
Actuarial's Recommended Fund Balance as of 6/30/19	\$8,545,000	\$861,000
Estimated Fund Excess (or Deficit)	(\$161,597)	\$104,508
Recommended Fund Contribution for 2020-21	\$3,500,000	\$2,500,000
Less: Road Department Contribution	(364,130)	(329,518)
Less: Central Garage Contribution	(2,592)	(415)
Less: Districts Contribution	(0)	(285,723)
RECOMMENDED GENERAL FUND CONTRIBUTION	\$ 3,133,278	\$ 1,884,344
Combined Total Recommended General Fund Contribution	\$ 5,017,622	

LEGAL/INSURANCE

ESTIMATED FUND EXPENSES FOR 2020-21

Judgment & Damages	2,700,000	900,000
Professional and Legal Services	0	600,000
Excess Insurance Authority Premiums	900,000	2,250,000
Annual Actuary Studies	2,250	2,250
Adjustment Services	380,000	60,000
State Self-Insurance Assessment Premium	110,000	0
Hearing Tests	2,000	0

Total Recommended Fund Expenses for 2020-21

\$ 4,094,250

\$ 3,812,250

COUNTY OF MADERA
 BUDGET UNIT POSITION SUMMARY
 BUDGET FOR THE FISCAL YEAR 2020-21

Department: LEGAL/INSURANCE
 (00230)
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<u>JCN</u>	<u>CLASSIFICATION</u>	<u>2019-20</u> <u>Authorized Positions</u> <u>As of April 2020</u>		<u>2020-21</u> <u>Proposed</u> <u>Positions</u>		<u>Y-O-Y</u> <u>Changes</u> <u>in Positions</u>		<u>Notes</u>
		<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>	
3192	Deputy CAO - Legal/Risk Services	1.0	-	1.0	-	-	-	
3208	Risk Management Analyst	1.0	-	1.0	-	-	-	
TOTAL		<u>2.0</u>	<u>-</u>	<u>2.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	

NOTES: