

**COUNTY OF MADERA  
BUDGET UNIT DETAIL  
BUDGET FOR THE FISCAL YEAR 2021-22**

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

	<u>ACTUAL 2019-20</u>	<u>BOARD APPROVED 2020-21</u>	<u>DEPARTMENT REQUEST 2021-22</u>	<u>CAO RECOMMENDED 2021-22</u>
<b><u>ESTIMATED REVENUES:</u></b>				
CHARGES FOR CURRENT SERVICES				
662723 Services to Other Agencies	307,875	353,400	400,000	400,000
662800 Interfund Revenue	341,754	405,000	395,000	395,000
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>649,628</b>	<b>758,400</b>	<b>795,000</b>	<b>795,000</b>
MISCELLANEOUS REVENUE				
670000 Intrafund Revenue	1,200,062	1,515,000	1,475,000	1,475,000
673000 Miscellaneous	111	500	500	500
673903 Misc Reimbursement & Refunds	176,105	165,000	175,000	175,000
673910 Misc Reimb-Ins Reimb	0	2,000	2,000	2,000
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>1,376,279</b>	<b>1,682,500</b>	<b>1,652,500</b>	<b>1,652,500</b>
<b><u>TOTAL ESTIMATED REVENUES</u></b>	<b><u>2,025,907</u></b>	<b><u>2,440,900</u></b>	<b><u>2,447,500</u></b>	<b><u>2,447,500</u></b>
<b><u>EXPENDITURES:</u></b>				
SALARIES & EMPLOYEE BENEFITS				
710102 Permanent Salaries	256,160	262,160	259,000	259,000
710200 Retirement	86,415	98,850	95,000	95,000
710300 Health Insurance	15,069	21,446	18,187	18,187
710400 Workers' Compensation Insurance	1,577	1,380	1,222	1,222
<b>TOTAL SALARIES &amp; EMPLOYEE BENEFITS</b>	<b>359,221</b>	<b>383,836</b>	<b>373,409</b>	<b>373,409</b>
SERVICES & SUPPLIES				
720600 Insurance	45	51	73	73
720601 Insurance Premiums	257,857	335,000	520,000	520,000
720602 Unemployment Insurance	245,087	240,000	240,000	240,000
720605 Employer Share Retiree Health Insurance	3,857,576	4,100,000	4,250,000	4,250,000
720606 Insurance Administrative Fees	51,143	60,000	56,000	56,000
720800 Maintenance - Equipment	50	250	250	250
721203 Other Miscellaneous	427	500	500	500

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	<b>ACTUAL <u>2019-20</u></b>	<b>BOARD APPROVED <u>2020-21</u></b>	<b>DEPARTMENT REQUEST <u>2021-22</u></b>	<b>CAO RECOMMENDED <u>2021-22</u></b>
SERVICES & SUPPLIES (continued)				
721300 Office Expense	1,074	500	500	500
721600 Rents & Leases - Equipment	0	200	0	0
721601 Rents & Leases - Co Vehicles	0	0	200	200
721900 Special Departmental Expense	73,884	0	0	0
722000 Transportation & Travel	4,662	2,000	2,000	2,000
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>4,491,807</b>	<b>4,738,501</b>	<b>5,069,523</b>	<b>5,069,523</b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>4,851,028</u></b>	<b><u>5,122,337</u></b>	<b><u>5,442,932</u></b>	<b><u>5,442,932</u></b>
<b><u>NET COUNTY COST (EXP - REV)</u></b>	<b><u>2,825,121</u></b>	<b><u>2,681,437</u></b>	<b><u>2,995,432</u></b>	<b><u>2,995,432</u></b>

## 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** (\$795,000) is recommended increased \$36,600 based on subvented departments share of retiree health costs.
- 670000**      **Miscellaneous Revenue** (\$1,652,500) is recommended decreased \$20,000 based on subvented departments share of retiree health costs.

### SALARIES & EMPLOYEE BENEFITS

- 710102**      **Permanent Salaries** (\$259,000) are recommended decreased \$3,160 based on cost of recommended staff.
- 710200**      **Retirement** (\$95,000) reflects the County's anticipated contribution to Social Security and the Public Employees' Retirement System.
- 710300**      **Health Insurance** (\$18,187) is based on the employer's share of health insurance premiums.
- 710400**      **Workers' Compensation** (\$1,222) reflects the Department's contribution to the County's Self-Insurance Internal Service Fund.

### SERVICES & SUPPLIES

- 720600**      **Insurance** (\$73) reflects the Department's contribution to the County's Self-Insured Liability Program.
- 720601**      **Insurance Premiums** (\$520,000) is recommended increased \$185,000 for the premium costs of the following policies: Property Insurance, which includes Terrorism and Sabotage, Boiler and Machinery Insurance (\$461,600); Pollution (\$3,600); Crime Bond (\$16,800); and Cyber Liability (\$38,000).

## LEGAL/INSURANCE

### SERVICES & SUPPLIES (continued)

- 720602**      **Unemployment Insurance** (\$240,000) is recommended unchanged based on current year (2020-21) experience. This budget reimburses the State for unemployment benefits paid to eligible recipients previously employed by the County.
- 720605**      **Employer-Share Retiree Health Insurance** (\$4,250,000) is recommended increased \$150,000 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, 2021, there were 684 retirees participating in the PERS Health Benefits Program.
- 720606**      **Insurance Administrative Fees** (\$56,000) is recommended decreased \$4,000 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.
- 721601**      **Rents & Leases – Co Vehicles** (\$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 2021-22 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

## LEGAL/INSURANCE

### Workers' Compensation (continued)

a plan will smooth out the potential under or over funding cycle of the program's assets. Based on the actuary's estimated 2020-21 claim values, an additional \$ 3,100,000 is recommended to be added to the fund. To fund the estimated 2021-22 claims values, it is recommended that \$2,775,190 be contributed from the General Fund, \$22,515 from the Road Fund, and \$2,295 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 2020-21 claim values, an additional \$3,588,000 is recommended to be added to the fund. To fund the estimated 2021-22 claims values, it is recommended that \$2,701,412 be contributed from the General Fund, \$394,329 from the Road Fund, \$491,663 from Special Districts, and \$596 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:

	<b><u>Workers'</u></b> <b><u>Compensation</u></b>	<b><u>Liability</u></b>
<b><u>RECOMMENDED ACTUARIAL FUNDING</u></b>		
Estimated Fund Balance as of 6/30/21	\$9,095,650	\$158,676
Actuarial's Recommended Fund Balance as of 6/30/20	\$8,415,000	\$871,000
Estimated Fund Excess (or Deficit)	\$680,650	\$(712,324)
Recommended Fund Contribution for 2021-22	\$3,100,000	\$3,588,000
Less: Road Department Contribution	(322,515)	(394,329)
Less: Central Garage Contribution	(2,295)	(596)
Less: Districts Contribution	(0)	(491,663)
<b>RECOMMENDED GENERAL FUND CONTRIBUTION</b>	<b>\$ 2,775,190</b>	<b>\$ 2,701,412</b>
<b>Combined Total Recommended General Fund Contribution</b>	<b>\$ 5,476,602</b>	

**LEGAL/INSURANCE**

**ESTIMATED FUND EXPENSES FOR 2021-22**

Judgment & Damages	\$2,500,000	\$900,000
Professional and Legal Services	\$0	\$600,000
Excess Insurance Authority Premiums	\$1,150,000	\$2,600,000
Annual Actuary Studies	\$2,250	\$2,250
Adjustment Services	\$412,000	\$60,000
State Self-Insurance Assessment Premium	\$140,000	\$0
Hearing Tests	\$2,000	\$0

**Total Recommended Fund Expenses for 2021-22**

**\$ 4,206,250**

**\$ 4,162,250**

**COUNTY OF MADERA  
BUDGET UNIT POSITION SUMMARY  
BUDGET FOR THE FISCAL YEAR 2021-22**

Department: **LEGAL/INSURANCE  
(00230)**  
Function: **General**  
Activity: **Other General**  
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<u>JCN</u>	<u>CLASSIFICATION</u>	<u>2020-21 Authorized Positions As of April 2020</u>		<u>2021-22 Proposed Positions</u>		<u>Y-O-Y Changes 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	-	-	-	
	<b>TOTAL</b>	<b>2.0</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**NOTES:**