

COUNTY OF MADERA
 BUDGET UNIT DETAIL
 BUDGET FOR THE FISCAL YEAR 2022-23

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

| | <u>ACTUAL</u> 2020-21 | <u>BOARD</u> <u>APPROVED</u> 2021-22 | <u>DEPARTMENT</u> <u>REQUEST</u> 2022-23 | <u>CAO</u> <u>RECOMMENDED</u> 2022-23 |
|---|--------------------------|--|--|---|
| <u>ESTIMATED REVENUES:</u> | | | | |
| CHARGES FOR CURRENT SERVICES | | | | |
| 662723 Services to Other Agencies | 336,995 | 400,000 | 400,000 | 400,000 |
| 662800 Interfund Revenue | 340,147 | 395,000 | 405,000 | 405,000 |
| TOTAL CHARGES FOR CURRENT SERVICES | 677,142 | 795,000 | 805,000 | 805,000 |
| MISCELLANEOUS REVENUE | | | | |
| 670000 Intrafund Revenue | 1,272,502 | 1,475,000 | 1,670,000 | 1,670,000 |
| 673000 Miscellaneous | 167 | 500 | 500 | 500 |
| 673903 Misc Reimbursement & Refunds | 170,649 | 175,000 | 225,000 | 225,000 |
| 673910 Misc Reimb-Ins Reimb | 0 | 2,000 | 2,000 | 2,000 |
| TOTAL MISCELLANEOUS REVENUE | 1,443,318 | 1,652,500 | 1,897,500 | 1,897,500 |
| OPERATING TRANSFERS OUT | | | | |
| 680200 Operating Transfers Out | 41,857 | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES | 41,857 | 0 | 0 | 0 |
| <u>TOTAL ESTIMATED REVENUES</u> | <u>2,162,317</u> | <u>2,447,500</u> | <u>2,702,500</u> | <u>2,702,500</u> |

EXPENDITURES:

| | | | | |
|---|----------------|----------------|----------------|----------------|
| SALARIES & EMPLOYEE BENEFITS | | | | |
| 710102 Permanent Salaries | 250,427 | 259,000 | 252,000 | 252,000 |
| 710200 Retirement | 92,064 | 95,000 | 102,321 | 102,321 |
| 710300 Health Insurance | 15,939 | 18,187 | 19,429 | 19,429 |
| 710400 Workers' Compensation Insurance | 1,380 | 1,222 | 1,576 | 1,576 |
| TOTAL SALARIES & EMPLOYEE BENEFITS | 359,810 | 373,409 | 375,326 | 375,326 |
| SERVICES & SUPPLIES | | | | |
| 720300 Communication Services | 11 | 0 | 0 | 0 |

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| | <u>ACTUAL 2020-21</u> | <u>BOARD APPROVED 2021-22</u> | <u>DEPARTMENT REQUEST 2022-23</u> | <u>CAO RECOMMENDED 2022-23</u> |
|--|---------------------------|---------------------------------------|---|--|
| SERVICES & SUPPLIES (continued) | | | | |
| 720600 Insurance | 0 | 73 | 96 | 96 |
| 720601 Insurance Premiums | 342,116 | 520,000 | 665,000 | 665,000 |
| 720602 Unemployment Insurance | 140,998 | 240,000 | 240,000 | 240,000 |
| 720605 Employer Share Retiree Health Insurance | 4,036,702 | 4,250,000 | 4,525,000 | 4,525,000 |
| 720606 Insurance Administrative Fees | 48,000 | 56,000 | 60,000 | 60,000 |
| 720800 Maintenance - Equipment | 0 | 250 | 250 | 250 |
| 721100 Memberships | 1,235 | 0 | 0 | 0 |
| 721203 Other Miscellaneous | 0 | 500 | 500 | 500 |
| 721300 Office Expense | 1,479 | 500 | 500 | 500 |
| 721601 Rents & Leases - Co Vehicles | 0 | 200 | 200 | 200 |
| 721900 Special Departmental Expense | 49,527 | 0 | 0 | 0 |
| 722000 Transportation & Travel | 335 | 2,000 | 2,000 | 2,000 |
| TOTAL SERVICES & SUPPLIES | 4,620,403 | 5,069,523 | 5,493,546 | 5,493,546 |
| <u>TOTAL EXPENDITURES</u> | <u>4,980,213</u> | <u>5,442,932</u> | <u>5,868,872</u> | <u>5,868,872</u> |
| <u>NET COUNTY COST (EXP - REV)</u> | <u>2,817,896</u> | <u>2,995,432</u> | <u>3,166,372</u> | <u>3,166,372</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 cyber liability coverage.

ESTIMATED REVENUES

- 662700** **Charges for Current Services** (\$805,000) is recommended increased \$10,000 based on subvented departments share of retiree health costs.
- 670000** **Miscellaneous Revenue** (\$1,897,5000) is recommended decreased \$245,000 based on subvented departments share of retiree health costs.

SALARIES & EMPLOYEE BENEFITS

- 710102** **Permanent Salaries** (\$252,000) are recommended decreased \$7,321 based on cost of recommended staff.
- 710200** **Retirement** (\$102,321) reflects the County's anticipated contribution to Social Security and the Public Employees' Retirement System.
- 710300** **Health Insurance** (\$19,429) is based on the employer's share of health insurance premiums.
- 710400** **Workers' Compensation** (\$1,576) reflects the Department's contribution to the County's Self-Insurance Internal Service Fund.

SERVICES & SUPPLIES

- 720600** **Insurance** (\$96) reflects the Department's contribution to the County's Self-Insured Liability Program.
- 720601** **Insurance Premiums** (\$665,000) is recommended increased \$145,000 for the premium costs of the following policies: Property Insurance, which includes Terrorism and Sabotage, Boiler and Machinery Insurance (\$576,000); Pollution (\$20,600); Crime Bond (\$19,800); and Cyber Liability (\$48,600).

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SERVICES & SUPPLIES (continued)

- 720602** **Unemployment Insurance** (\$240,000) is recommended unchanged based on current year (2021-22) experience. This budget reimburses the State for unemployment benefits paid to eligible recipients previously employed by the County.
- 720605** **Employer-Share Retiree Health Insurance** (\$4,525,000) is recommended increased \$275,000 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, 2022, there were 728 retirees participating in the PERS Health Benefits Program.
- 720606** **Insurance Administrative Fees** (\$60,000) 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 2022-23 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 80% 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

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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 2022-23 claim values, an additional \$4,000,000 is recommended to be added to the fund. To fund the estimated 2022-23 claims values, it is recommended that \$3,580,996 be contributed from the General Fund, \$416,044 from the Road Fund, and \$2,960 from Fleet Services.

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 2022-23 claim values, an additional \$4,700,000 is recommended to be added to the fund. To fund the estimated 2022-23 claims values, it is recommended that \$3,623,775 be contributed from the General Fund, \$527,152 from the Road Fund, \$548,292 from Special Districts, and \$781 from Fleet Services.

NOTE: The Estimated Fund Expenses for the Workers' Compensation and Liability programs for 2022-23 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'</u> <u>Compensation</u> | <u>Liability</u> |
|---|--|-------------------------|
| <u>RECOMMENDED ACTUARIAL FUNDING</u> | | |
| Estimated Fund Balance as of 6/30/22 | \$8,902,260 | \$112,953 |
| Actuarial's Recommended Fund Balance as of 6/30/22 | \$8,593,000 | \$1,408,000 |
| Estimated Fund Excess (or Deficit) | \$309,260 | \$(1,295,047) |
| | | |
| Recommended Fund Contribution for 2022-23 | \$4,000,000 | \$4,700,000 |
| | | |
| Less: Road Department Contribution | (416,044) | (527,152) |
| Less: Central Garage Contribution | (2,960) | (781) |
| Less: Districts Contribution | (0) | (548,292) |
| | | |
| RECOMMENDED GENERAL FUND CONTRIBUTION | \$3,580,996 | \$3,623,775 |
| Combined Total Recommended General Fund Contribution | <u>\$ 7,204,771</u> | |

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ESTIMATED FUND EXPENSES FOR 2022-23

| | | |
|---|-------------|-------------|
| Judgment & Damages | \$2,500,000 | \$1,300,000 |
| Professional and Legal Services | \$0 | \$900,000 |
| Excess Insurance Authority Premiums | \$1,450,000 | \$3,600,000 |
| Annual Actuary Studies | \$2,250 | \$2,250 |
| Adjustment Services | \$540,000 | \$75,000 |
| State Self-Insurance Assessment Premium | \$120,000 | \$0 |
| Hearing Tests | \$2,000 | \$0 |

Total Recommended Fund Expenses for 2022-23

\$ 4,614,250

\$5,877,250

**COUNTY OF MADERA
 BUDGET UNIT POSITION SUMMARY
 BUDGET FOR THE FISCAL YEAR 2022-23**

Department: **LEGAL/INSURANCE
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| <u>JCN</u> | <u>CLASSIFICATION</u> | <u>2021-22</u> <u>Authorized Positions</u> <u>As of April 2020</u> | | <u>2022-23</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: