

COUNTY OF MADERA
 BUDGET UNIT DETAIL
 BUDGET FOR THE FISCAL YEAR 2023-24

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

	<u>ACTUAL</u> 2021-22	<u>BOARD</u> <u>APPROVED</u> 2022-23	<u>DEPARTMENT</u> <u>REQUEST</u> 2023-24	<u>CAO</u> <u>RECOMMENDED</u> 2023-24
<u>ESTIMATED REVENUES:</u>				
CHARGES FOR CURRENT SERVICES				
662723 Services to Other Agencies	256,765	400,000	400,000	400,000
662800 Interfund Revenue	358,511	405,000	425,000	425,000
TOTAL CHARGES FOR CURRENT SERVICES	615,275	805,000	825,000	825,000
MISCELLANEOUS REVENUE				
670000 Intrafund Revenue	1,426,275	1,670,000	1,700,000	1,700,000
673000 Miscellaneous	163	500	1,000	1,000
673903 Misc Reimbursement & Refunds	179,145	225,000	230,000	230,000
673910 Misc Reimb-Ins Reimb	0	2,000	2,000	2,000
TOTAL MISCELLANEOUS REVENUE	1,605,584	1,897,500	1,933,000	1,933,000
OPERATING TRANSFERS OUT				
680200 Operating Transfers Out	4,670	0	0	0
TOTAL OTHER FINANCING SOURCES	4,670	0	0	0
<u>TOTAL ESTIMATED REVENUES</u>	<u>2,225,528</u>	<u>2,702,500</u>	<u>2,758,000</u>	<u>2,758,000</u>

EXPENDITURES:

SALARIES & EMPLOYEE BENEFITS				
710102 Permanent Salaries	262,698	252,000	257,000	257,000
710200 Retirement	98,770	102,321	102,578	102,578
710300 Health Insurance	17,039	19,429	15,213	15,213
710400 Workers' Compensation Insurance	1,222	1,576	2,344	2,344
TOTAL SALARIES & EMPLOYEE BENEFITS	379,729	375,326	377,135	377,135
SERVICES & SUPPLIES				
720300 Communication Services	568	0	650	650

**COUNTY OF MADERA
BUDGET UNIT DETAIL
BUDGET FOR THE FISCAL YEAR 2023-24**

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

	ACTUAL <u>2021-22</u>	BOARD APPROVED <u>2022-23</u>	DEPARTMENT REQUEST <u>2023-24</u>	CAO RECOMMENDED <u>2023-24</u>
SERVICES & SUPPLIES (continued)				
720600 Insurance	73	96	97	97
720601 Insurance Premiums	491,833	665,000	818,000	818,000
720602 Unemployment Insurance	140,554	240,000	190,000	190,000
720605 Employer Share Retiree Health Insurance	3,887,848	4,525,000	5,000,000	5,000,000
720606 Insurance Administrative Fees	43,974	60,000	85,000	85,000
720800 Maintenance - Equipment	0	250	0	0
721203 Other Miscellaneous	0	500	500	500
721300 Office Expense	546	500	500	500
721601 Rents & Leases - Co Vehicles	0	200	200	200
721900 Special Departmental Expense	150	0	0	0
722000 Transportation & Travel	2,257	2,000	2,000	2,000
TOTAL SERVICES & SUPPLIES	4,567,804	5,493,546	6,096,947	6,096,947
<u>TOTAL EXPENDITURES</u>	<u>4,947,533</u>	<u>5,868,872</u>	<u>6,474,082</u>	<u>6,474,082</u>
<u>NET COUNTY COST (EXP - REV)</u>	<u>2,722,005</u>	<u>3,166,372</u>	<u>3,716,082</u>	<u>3,716,082</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 (\$825,000) is recommended increased \$20,000 based on subvented departments share of retiree health costs.
- 670000** Miscellaneous Revenue (\$1,933,000) is recommended increased \$35,500 based on subvented departments share of retiree health costs.

SALARIES & EMPLOYEE BENEFITS

- 710102** Permanent Salaries (\$257,000) are recommended increased \$5,000 based on cost of recommended staff.
- 710200** Retirement (\$102,578) reflects the County's anticipated contribution to Social Security and the Public Employees' Retirement System.
- 710300** Health Insurance (\$15,213) is based on the employer's share of health insurance premiums.
- 710400** Workers' Compensation (\$2,344) reflects the Department's contribution to the County's Self-Insurance Internal Service Fund.

SERVICES & SUPPLIES

- 720600** Insurance (\$97) reflects the Department's contribution to the County's Self-Insured Liability Program.
- 720601** Insurance Premiums (\$818,000) is recommended increased \$153,000 for the premium costs of the following policies: Property Insurance, which includes Terrorism and Sabotage, Boiler and Machinery Insurance (\$700,000); Pollution (\$34,000); Crime Bond (\$20,000); and Cyber Liability (\$64,000).

LEGAL/INSURANCE

SERVICES & SUPPLIES (continued)

- 720602** **Unemployment Insurance** (\$190,000) is recommended unchanged based on current year (2022-23) experience. This budget reimburses the State for unemployment benefits paid to eligible recipients previously employed by the County.
- 720605** **Employer-Share Retiree Health Insurance** (\$5,000,000) is recommended increased \$475,000 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, 2023, there were 725 retirees participating in the PERS Health Benefits Program.
- 720606** **Insurance Administrative Fees** (\$85,000) is recommended increased \$25,000 based on current actual costs.
- 720800** **Maintenance - Equipment** (\$0) is not recommended for Fiscal Year 2023-24.
- 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 2023-24 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

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 2023-24 claim values, an additional \$4,400,000 is recommended to be added to the fund. To fund the estimated 2023-24 claims values, it is recommended that \$4,012,462 be contributed from the General Fund, \$384,687 from the Road Fund, and \$2,851 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 2023-24 claim values, an additional \$4,650,000 is recommended to be added to the fund. To fund the estimated 2023-24 claims values, it is recommended that \$3,293,889 be contributed from the General Fund, \$802,501 from the Road Fund, \$552,821 from Special Districts, and \$789 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' Compensation</u>	<u>Liability</u>
<u>RECOMMENDED ACTUARIAL FUNDING</u>		
Estimated Fund Balance as of 6/30/23	\$8,759,640	\$1,331,280
Actuarial's Recommended Fund Balance as of 6/30/23	\$8,587,000	\$1,013,000
Estimated Fund Excess (or Deficit)	\$172,640	\$300,280
Recommended Fund Contribution for 2023-24	\$4,400,000	\$4,650,000
Less: Road Department Contribution	(384,687)	(802,501)
Less: Central Garage Contribution	(2,851)	(789)
Less: Districts Contribution	(0)	(552,821)
RECOMMENDED GENERAL FUND CONTRIBUTION	\$4,012,462	\$3,293,889
Combined Total Recommended General Fund Contribution	<u>\$7,306,351</u>	

LEGAL/INSURANCE

ESTIMATED FUND EXPENSES FOR 2023-24

Judgment & Damages	\$2,700,000	\$1,200,000
Professional and Legal Services	\$0	\$900,000
Excess Insurance Authority Premiums	\$1,700,000	\$4,200,000
Annual Actuary Studies	\$2,250	\$2,250
Adjustment Services	\$570,000	\$75,000
State Self-Insurance Assessment Premium	\$110,000	\$0
Hearing Tests	\$2,000	\$0

Total Recommended Fund Expenses for 2022-23

\$5,084,250

\$6,377,250

**COUNTY OF MADERA
 BUDGET UNIT POSITION SUMMARY
 BUDGET FOR THE FISCAL YEAR 2023-24**

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

<u>JCN</u>	<u>CLASSIFICATION</u>	<u>2022-23</u> <u>Authorized Positions</u> <u>As of April 2020</u>		<u>2023-24</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: