

COUNTY OF MADERA  
 BUDGET UNIT DETAIL  
 BUDGET FOR THE FISCAL YEAR 2018-19

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

	<u>ACTUAL</u> <u>2016-17</u>	<u>BOARD</u> <u>APPROVED</u> <u>2017-18</u>	<u>DEPARTMENT</u> <u>REQUEST</u> <u>2018-19</u>	<u>CAO</u> <u>RECOMMENDED</u> <u>2018-19</u>
<b><u>ESTIMATED REVENUES:</u></b>				
CHARGES FOR CURRENT SERVICES				
662723 Services to Other Agencies	169,463	30,000	30,000	30,000
662800 Interfund Revenue	296,824	310,000	340,000	340,000
<b>TOTAL CHARGES FOR CURRENT SERVICES</b>	<b>466,287</b>	<b>340,000</b>	<b>370,000</b>	<b>370,000</b>
MISCELLANEOUS REVENUE				
670000 Intrafund Revenue	853,302	980,000	1,065,000	1,065,000
673000 Miscellaneous	0	75,500	78,000	78,000
673903 Misc Reimbursement & Refunds	59,790	63,000	68,000	68,000
673910 Misc Reimb-Ins Reimb	2,050	1,500	2,000	2,000
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>915,142</b>	<b>1,120,000</b>	<b>1,213,000</b>	<b>1,213,000</b>
<b><u>TOTAL ESTIMATED REVENUES</u></b>	<b><u>1,381,429</u></b>	<b><u>1,460,000</u></b>	<b><u>1,583,000</u></b>	<b><u>1,583,000</u></b>
<b><u>EXPENDITURES:</u></b>				
SALARIES & EMPLOYEE BENEFITS				
710102 Permanent Salaries	145,029	145,009	152,280	152,280
710200 Retirement	44,637	47,464	50,205	50,205
710300 Health Insurance	12,200	13,141	14,971	14,971
710400 Workers' Compensation Insurance	1,520	1,815	1,686	1,686
<b>TOTAL SALARIES &amp; EMPLOYEE BENEFITS</b>	<b>203,386</b>	<b>207,429</b>	<b>219,142</b>	<b>219,142</b>
SERVICES & SUPPLIES				
720600 Insurance	19	31	43	43
720601 Insurance Premiums	197,364	216,000	245,000	245,000
720602 Unemployment Insurance	149,155	275,000	275,000	275,000

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	<b>ACTUAL 2016-17</b>	<b>BOARD APPROVED 2017-18</b>	<b>DEPARTMENT REQUEST 2018-19</b>	<b>CAO RECOMMENDED 2018-19</b>
SERVICES & SUPPLIES (continued)				
720605 Employer Share Retiree Health Insurance	2,987,459	3,360,000	3,750,000	3,750,000
720606 Insurance Administrative Fees	49,990	60,000	65,000	65,000
720800 Maintenance - Equipment	150	250	250	250
721203 Other Miscellaneous	3,163	0	0	0
721300 Office Expense	37	500	500	500
721400 Prof & Spec Svc	17,395	200	0	0
721600 Rents & Leases - Equipment	0	0	200	200
722000 Transportation & Travel	623	500	500	500
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>3,405,355</b>	<b>3,912,481</b>	<b>4,336,493</b>	<b>4,336,493</b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>3,608,741</u></b>	<b><u>4,119,910</u></b>	<b><u>4,555,635</u></b>	<b><u>4,555,635</u></b>
<b><u>NET COUNTY COST (EXP - REV)</u></b>	<b><u>2,227,312</u></b>	<b><u>2,659,910</u></b>	<b><u>2,972,635</u></b>	<b><u>2,972,635</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** (\$370,000) is recommended increased \$30,000 based on subvented departments share of retiree health costs.
- 670000**      **Miscellaneous Revenue** (\$1,213,000) is recommended increased \$93,000 based on subvented departments share of retiree health costs.

### SALARIES & EMPLOYEE BENEFITS

- 710102**      **Permanent Salaries** (\$152,280) are recommended increased \$7,271 based on cost of recommended staff.
- 710200**      **Retirement** reflects the County's anticipated contribution to Social Security and the Public Employees' Retirement System.
- 710300**      **Health Insurance** is based on the employer's share of health insurance premiums.
- 710400**      **Workers' Compensation** reflects the Department's contribution to the County's Self-Insurance Internal Service Fund.

### SERVICES & SUPPLIES

- 720600**      **Insurance** reflects the Department's contribution to the County's Self-Insured Liability Program.
- 720601**      **Insurance Premiums** (\$245,000) is recommended increased \$29,000 for the premium costs of the following policies: Property Insurance, which includes Terrorism and Sabotage, Boiler and Machinery Insurance (\$218,000); Pollution (\$11,000); Crime Bond (\$12,000); and Cyber Liability (\$4,000).

## LEGAL/INSURANCE

### SERVICES & SUPPLIES (continued)

- 720602**      **Unemployment Insurance** (\$275,000) is recommended unchanged based on current year (2017-18) experience. This budget reimburses the State for unemployment benefits paid to eligible recipients previously employed by the County.
- 720605**      **Employer-Share Retiree Health Insurance** (\$3,750,000) is recommended increased \$390,000 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, 2018, there were 553 retirees participating in the PERS Health Benefits Program.
- 720606**      **Insurance Administrative Fees** (\$65,000) is recommended increased \$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** (\$500) is recommended unchanged.

### 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 2018-19 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.

## LEGAL/INSURANCE

### Workers' Compensation (continued)

Based on the actuary's estimated 2017-18 claim values, an additional \$4,100,000 is recommended to be added to the fund. To fund the estimated 2018-19 claims values, it is recommended that \$3,656,275 be contributed from the General Fund, \$440,307 from the Road Fund, and \$3,418 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 2017-18 claim values, an additional \$2,100,000 is recommended to be added to the fund. To fund the estimated 2017-18 claims values, it is recommended that \$1,612,604 be contributed from the General Fund, \$247,051 from the Road Fund, \$239,996 from Special Districts, and \$349 from Central Garage.

NOTE: The Estimated Fund Expenses for the Workers' Compensation and Liability programs for 2018-19 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' Compensation</u></b>	<b><u>Liability</u></b>
<b><u>RECOMMENDED ACTUARIAL FUNDING</u></b>		
Estimated Fund Balance as of 6/30/18	\$6,254,722	\$294,763
Actuarial's Recommended Fund Balance as of 6/30/17	8,381,000	1,007,000
Estimated Fund Excess (or Deficit)	(2,126,278)	(712,237)
 Recommended Fund Contribution for 2018-19	 4,100,000	 2,100,000
Less: Road Department Contribution	(440,307)	(247,051)
Less: Central Garage Contribution	(3,418)	(349)
Less: Districts Contribution	(0)	(239,996)
 <b>RECOMMENDED GENERAL FUND CONTRIBUTION</b>	 <b>\$3,656,275</b>	 <b>\$ 1,612,604</b>
<b>Combined Total Recommended General Fund Contribution</b>	 <b><u>\$5,268,879</u></b>	

**LEGAL/INSURANCE**

**ESTIMATED FUND EXPENSES FOR 2018-19**

Judgment & Damages	2,600,000	600,000
Professional and Legal Services	0	900,000
Excess Insurance Authority Premiums	1,100,000	1,100,000
Annual Actuary Studies	2,250	2,250
Adjustment Services	340,000	57,500
State Self-Insurance Assessment Premium	85,000	0
Hearing Tests	1,800	0

**Total Recommended Fund Expenses for 2018-19**

**\$ 4,129,050**

**\$2,659,750**

**COUNTY OF MADERA  
 BUDGET UNIT POSITION SUMMARY  
 BUDGET FOR THE FISCAL YEAR 2018-19**

Department: **LEGAL/INSURANCE  
 (00230)**  
 Function: **General**  
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<u>JCN</u>	<u>CLASSIFICATION</u>	<u>2017-18 Authorized Positions</u>		<u>2018-19 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 County Administrative Officer-Legal/Risk Services	1.0	-	1.0	-	1.0	-	
<b>TOTAL</b>		<u>1.0</u>	<u>-</u>	<u>1.0</u>	<u>-</u>	<u>1.0</u>	<u>-</u>	

**NOTES:**