

CITY OF MONTEREY PARK

PROGRAM SUMMARY

SOURCE OF FUNDS:

General Fund \$10,000
 General Liability Fund \$722,000
 Water Fund \$50,000
 CERCLA Liability Fund \$90,000

DEPARTMENT: Non-Department

ACTIVITY: General Liability Program

ACTIVITY NO.: 5101

<u>SUMMARY OF COST</u>	<u>Actual</u> <u>2004-05</u>	<u>Adopted</u> <u>2005-06</u>	<u>Year-End</u> <u>Estimated</u> <u>2005-06</u>	<u>Proposed</u> <u>2006-07</u>	<u>Adopted</u> <u>2006-07</u>
PERSONNEL COST	\$0	\$0	\$0	\$0	\$0
SERVICES & SUPPLIES	747,468	886,840	850,000	872,000	872,000
CAPITAL OUTLAY	0	0	0	0	0
TOTAL COSTS	\$747,468	\$886,840	\$850,000	\$872,000	\$872,000
AUTHORIZED FULL-TIME EQUIVALENT POSITIONS	0	0	0	0	0

Program Description

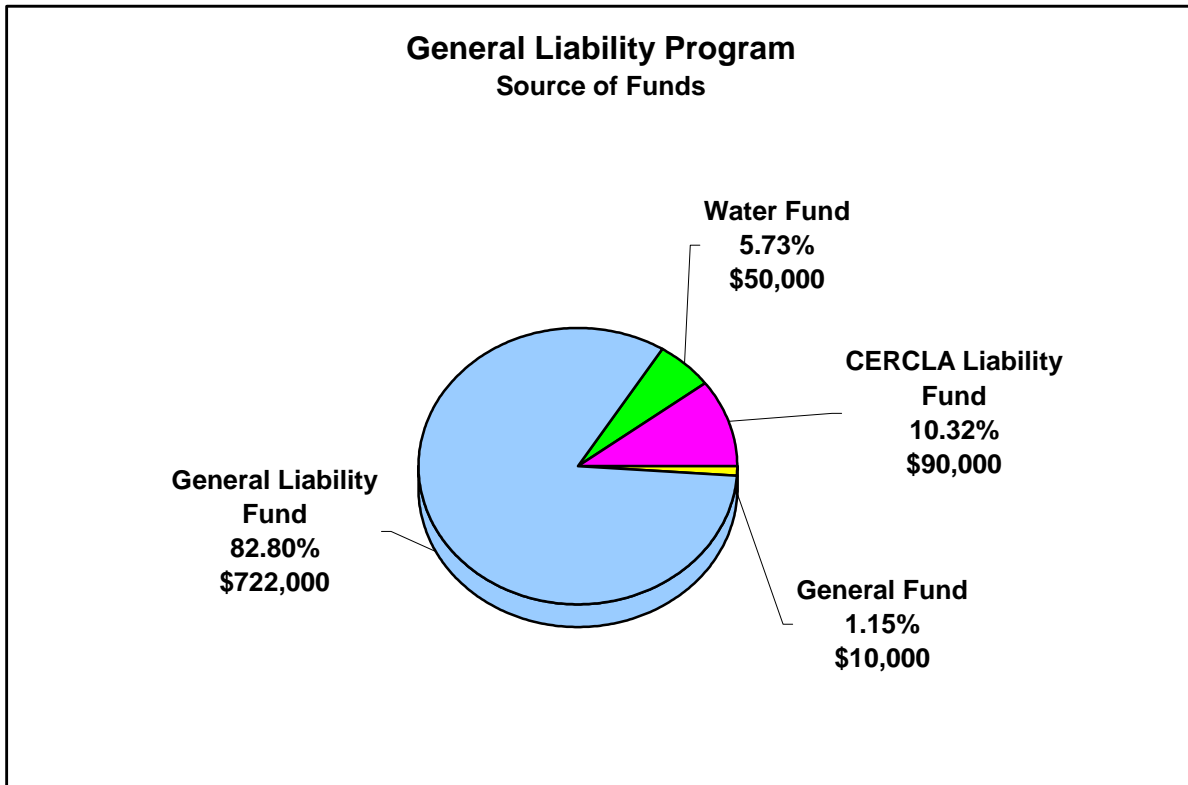
The General Liability Internal Service Fund was established for the management and funding of the City's general liability risk exposure. The City is self-insured for general liability claims. The City has acquired excess coverage from \$300,000 to \$20 million per occurrence through the Independent Cities Risk Management Authority (ICRMA).

Charges are made to all City funds to pay for operating expenses as well as to fund the outstanding liabilities of the General Liability Fund. Outstanding liabilities (including Incurred But Not Reported (IBNR) claims of the General Liability Fund, based on past experience and modified for current trends and information, are as follows:

2005-06	Estimated	834,268
2006-07	Projected	876,000

PRIMARY PROGRAM/EXPENDITURE EXPLANATIONS

1. Contracted Services category (#3100) contains \$95,000 for legal fees and costs associated with defending the City against general liability claims and lawsuits. Defense attorneys are selected based on their expertise from an approved attorney panel list provided by the ICRMA.
2. Insurance category (#3500) includes premium to ICRMA in the amount of \$460,000, third-party claims administration \$27,000, and \$140,000 for the payment of claims to resolve liability issues.
3. Miscellaneous Financial Services category (#4400) consists of contribution of the General Fund \$10,000, the Water Fund \$50,000 and the CERCLA Fund \$90,000 to the General Liability Fund in order to meet incurred liabilities and Incurred But Not Reported (IBNR) losses.



CITY OF MONTEREY PARK

PROGRAM DETAIL

DEPARTMENT: **Non-Department**

ACTIVITY: **General Liability Program**

ACTIVITY NO.: **5101**

Classification	Actual 2004/2005	Adopted 2005/2006	Year-End Estimated 2005/2006	Proposed 2006/2007	Adopted 2006/2007
SERVICES & SUPPLIES					
3100 Contracted Services	\$66,647	\$120,000	\$95,000	\$95,000	\$95,000
3500 Insurance	530,821	616,840	605,000	627,000	627,000
4400 Misc Financial Serv	150,000	150,000	150,000	150,000	150,000
TOTAL	\$747,468	\$886,840	\$850,000	\$872,000	\$872,000
GRAND TOTAL	\$747,468	\$886,840	\$850,000	\$872,000	\$872,000

SOURCE OF FUNDS:

General Fund \$1,856,000
 Retirement Fund \$1,239,269
 State Gas Tax Fund \$5,200
 Refuse Fund \$105,000
 Shop Fund \$500
 Separation Benefits Fund \$500,000
 General Liability Fund \$550
 Workers' Compensation Fund \$550
 Water Fund \$292,000
 Prop A Fund \$7,000
 Maintenance District Fund \$15,000

CITY OF MONTEREY PARK
PROGRAM SUMMARY

DEPARTMENT: Non-Department
ACTIVITY: Post-Employment Administration
ACTIVITY NO.: 5102

<u>SUMMARY OF COST</u>	<u>Actual 2004-05</u>	<u>Adopted 2005-06</u>	<u>Year-End Estimated 2005-06</u>	<u>Proposed 2006-07</u>	<u>Adopted 2006-07</u>
PERSONNEL COST	\$1,569,354	\$1,541,113	\$1,546,010	\$2,222,228	\$2,222,228
SERVICES & SUPPLIES	1,686,097	1,768,841	1,779,995	1,798,841	1,798,841
CAPITAL OUTLAY	0	0	0	0	0
TOTAL COSTS	\$3,255,451	\$3,309,954	\$3,326,005	\$4,021,069	\$4,021,069
AUTHORIZED FULL- TIME EQUIVALENT POSITIONS	0	0	0	0	0

Program Description

Separation Benefits

The Separation Benefits Internal Service Fund provides an ongoing method of financing the costs associated with employee separation from City service. Upon separation, an employee is entitled to compensation for accrued vacation, holiday, compensation time earned in-lieu of overtime; upon retirement, an employee is entitled to the aforesaid plus a percentage of his or her accrued sick leave depending on provisions of their particular bargaining unit.

Charges are made to City departments to pay for operating expenses as well as to fund outstanding liabilities of the Separation Benefits Fund. Liabilities and charges per employee for the Separation Benefits Fund are as follows:

		<u>Fund Liability</u>	<u>Department Charge Per Employee</u>
2005-06	Estimated	\$4,786,362	2,528
2006-07	Projected	\$5,002,000	3,031

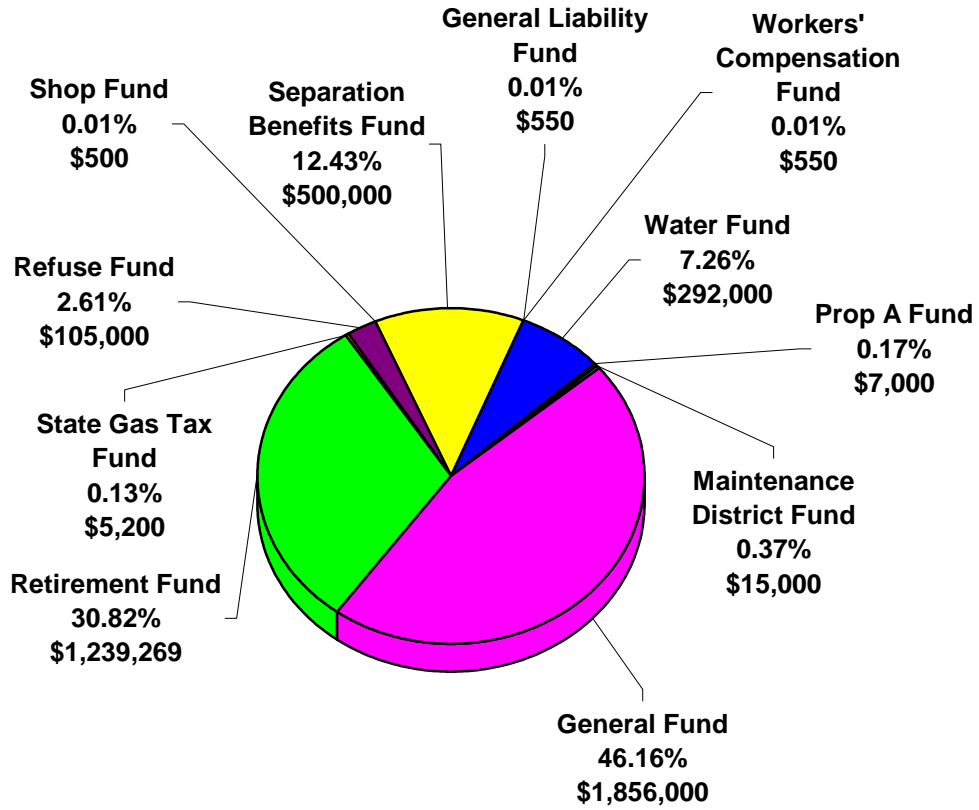
Post-Employment Benefits

The costs of retiree medical insurance premiums are presented in this activity, as are contributions to the Massachusetts Mutual Retirement Plan. Administrative and actuarial fees for retirement plan administration are also presented herein. Post-employment benefit medical costs are funded on a pay-as-you-go basis. The Massachusetts Mutual Retirement Plan predates the commencement of the City's participation in the California Public Employees' Retirement System (CalPERS) in 1976. The Plan provides partial retirement benefits for miscellaneous employees over age 55 at April 1, 1976. There are over 184 vested retirees eligible for City-paid medical benefits and 98 vested members in the Massachusetts Mutual Retirement Plan.

PRIMARY PROGRAM EXPENDITURE EXPLANATIONS

1. Salary Set-Aside category (#1160) represents set-aside amounts for labor negotiations for Fire, Fire Management, Police, and Police Management. The 2005-06 amounts were comprised of savings of \$50,000 on one-month recruitment freeze from vacant non-safety positions.
2. Separation Benefits category (#1165) includes sick leave and vacation pay-off per MOU's, and employee service separation.
3. Benefits category (#1233/1270) contains funding for payment of retirees' medical premiums, \$970,000 and Massachusetts Mutual retirement plan funding, \$201,428.
4. Contracted Services category (#3100) contains \$40,000 for actuarial services pertaining to retirement program administration.
5. Insurance category (#3500) displays Unemployment Reimbursement budget, \$36,000.
6. Debt Service category (#4200) is the annual debt service payment for the Pension Obligation Bonds. The Pension Obligation Bonds were issued in 2004 to refinance the unfunded liabilities of the PERS Public Safety Pension Plan. As a result of the Bonds, the pension costs in both the Police and Fire Departments have been reduced substantially. The debt service payment for the bonds is considered as part of safety pension costs.
7. Administrative Overhead (#4445) represents a \$700,000 General Fund transfer to the Pension Liability Fund for pension costs.

**Post-Employment Administration
Source of Funds**



CITY OF MONTEREY PARK

PROGRAM DETAIL

DEPARTMENT: **Non-Department**

ACTIVITY: **Post-Employment Administration**

ACTIVITY NO.: **5102**

Classification	Actual 2004/2005	Adopted 2005/2006	Year-End Estimated 2005/2006	Proposed 2006/2007	Adopted 2006/2007
SALARIES					
1160 Salary Set-Aside	\$0	(\$50,000)	(\$50,000)	\$510,000	\$510,000
1165 Separation Benefits	527,629	495,700	500,597	540,800	540,800
TOTAL	\$527,629	\$445,700	\$450,597	\$1,050,800	\$1,050,800
EMPLOYEE BENEFITS					
1233 Retirees Medical	\$861,725	\$905,000	\$905,000	\$970,000	\$970,000
1270 Mass Mutual Retirement	180,000	190,413	190,413	201,428	201,428
TOTAL	\$1,041,725	\$1,095,413	\$1,095,413	\$1,171,428	\$1,171,428
SERVICES & SUPPLIES					
3100 Contracted Services	\$11,519	\$20,000	\$20,000	\$40,000	\$40,000
3500 Insurance	31,291	26,000	37,154	36,000	36,000
4200 Debt Service	943,287	1,022,841	1,022,841	1,022,841	1,022,841
4400 Misc Financial Serv	700,000	700,000	700,000	700,000	700,000
TOTAL	\$1,686,097	\$1,768,841	\$1,779,995	\$1,798,841	\$1,798,841
GRAND TOTAL	\$3,255,451	\$3,309,954	\$3,326,005	\$4,021,069	\$4,021,069

CITY OF MONTEREY PARK

PROGRAM SUMMARY

DEPARTMENT: Workers' Compensation

SOURCE OF FUNDS:

ACTIVITY: Workers' Compensation

Workers' Compensation Fund \$1,182,993

ACTIVITY NO.: 8301

<u>SUMMARY OF COST</u>	<u>Actual</u> 2004-05	<u>Adopted</u> 2005-06	<u>Year-End</u> <u>Estimated</u> 2005-06	<u>Proposed</u> 2006-07	<u>Adopted</u> 2006-07
PERSONNEL COST	\$0	\$0	\$0	\$0	\$0
SERVICES & SUPPLIES	1,252,676	1,109,775	1,313,759	1,182,993	1,182,993
CAPITAL OUTLAY	0	0	0	0	0
TOTAL COSTS	\$1,252,676	\$1,109,775	\$1,313,759	\$1,182,993	\$1,182,993
AUTHORIZED FULL-TIME EQUIVALENT POSITIONS	0	0	0	0	0

Program Description

The Workers' Compensation Internal Service Fund was established for the management and funding of the City's workers' compensation risk exposure. Workers' compensation laws in the State of California, both those of constitutional and statutory origin, create a compulsory responsibility for all employers to compensate any and all of their workers for injuries or disabilities arising out of the scope and in the course of employment.

California workers' compensation law provides medical treatment, temporary disability benefits, permanent disability benefits, vocational rehabilitation benefits, medical benefits and death benefits for work related injuries. The law also provides for preventative measures in the form of safety laws and administrative rules.

The City is self-insured for workers' compensation claims under \$500,000. The City has purchased excess workers' compensation coverage through the Independent Cities Risk Management Authority Workers' Compensation Program of up to \$50 million per occurrence with a self-insured retention of \$500,000. Both the Human Resources/Risk Management and Management Services Departments manage the Worker's Compensation Fund.

Funding of the Workers' Compensation Fund, and Fund liabilities, comes from charges made to City departments for operating expenses as well as funding outstanding liabilities. Liabilities of the Workers' Compensation Fund based on past experience and modified for current trends and information are as follows:

2005-06	Estimated	\$3,824,168
2006-07	Projected	\$4,015,000

PRIMARY PROGRAM EXPENDITURE EXPLANATIONS

1. Administrative Services category (#2000) displays costs for third-party administration of workers' compensation claims, \$72,850.
2. Categories (#3100), (#3200), and (#3300) relate to permanent and temporary disability payments and medical costs.
3. Premium category (#3500) reflects excess workers' compensation insurance coverage through ICRMA for losses or claims, if necessary, exceeding the City's \$500,000 self-insured limits. The City's Excess Workers' Compensation Premium is adjusted by loss experience actuarial calculations.

CITY OF MONTEREY PARK

PROGRAM DETAIL

DEPARTMENT: **Workers' Compensation**

ACTIVITY: **Workers' Compensation**

ACTIVITY NO.: **8301**

Classification	Actual 2004/2005	Adopted 2005/2006	Year-End Estimated 2005/2006	Proposed 2006/2007	Adopted 2006/2007
SERVICES & SUPPLIES					
2000 Administrative Services	\$69,000	\$69,000	\$70,725	\$72,493	\$72,493
3100 Permanent Disability	186,192	200,000	266,610	230,000	230,000
3200 Temporary Disability	41,510	50,000	41,000	50,000	50,000
3300 Medical	502,083	364,075	498,000	390,000	390,000
3400 Legal Fees	119,796	92,700	92,700	95,500	95,500
3500 Insurance Premiums	312,069	326,000	336,724	337,000	337,000
3600 Rehabilitation	22,026	8,000	8,000	8,000	8,000
TOTAL	\$1,252,676	\$1,109,775	\$1,313,759	\$1,182,993	\$1,182,993
GRAND TOTAL	\$1,252,676	\$1,109,775	\$1,313,759	\$1,182,993	\$1,182,993