Internal Service — *Equipment Replacement*

CLASSIFICATION	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
EQUIPMENT REPLACEMENT					
SERVICE CHARGES	508,159	458,828	600,000	600,000	750,000
CAPITAL-FIXED ASSETS	(154,184)	262,780	3,237,400	3,237,400	4,267,100
TOTAL EXPENDITURES	**353,975**	**721,608**	**3,837,400**	**3,837,400**	**5,017,100**

ACTIVITY INFORMATION

The Equipment Replacement Fund is an Internal Service Fund established to provide ongoing funding to replace existing general fixed assets at the expiration of the useful life of each asset. An equipment replacement charge (object code 6207) is included in the user organization's operational budget in order to reflect the appropriate support costs.

ACCOUNT DETAIL		ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
SERVICE CHARGES						
6202	Depreciation Expense	508,159	458,828	600,000	600,000	750,000
	TOTAL SERVICE CHARGES	**508,159**	**458,828**	**600,000**	**600,000**	**750,000**
CAPITAL-FIXED ASSETS						
8104	Capital/Equipment	0	42,192	627,100	627,100	**784,000**
8105	Capital/Automotive	0	319,361	1,976,400	1,976,400	**2,651,600**
8106	Capital / Communications	0	127,083	191,300	191,300	**84,600**
8108	Capital / Computer Hardware	0	112,088	442,600	442,600	**746,900**
8110	Capitalized Assets	(154,184)	(337,944)	0	0	**0**
8120	Interdepartmental Purchases	0	0	0	0	0
	TOTAL CAPITAL-FIXED ASSETS	**(154,184)**	**262,780**	**3,237,400**	**3,237,400**	**4,267,100**
	EQUIPMENT REPLACEMENT	**353,975**	**721,608**	**3,837,400**	**3,837,400**	**5,017,100**

Internal Service — *Liability Insurance*

CLASSIFICATION	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
LIABILITY INSURANCE					
SALARIES	48,311	53,380	53,500	53,700	53,700
BENEFITS	7,709	10,902	13,600	13,600	13,200
SERVICE CHARGES	1,404,036	1,942,673	1,262,600	1,262,600	870,600
TOTAL EXPENDITURES	**1,460,056**	**2,006,955**	**1,329,700**	**1,329,900**	**937,500**

ACTIVITY INFORMATION

The City's Liability Insurance Fund is an Internal Service fund used to track revenues and expenditures associated with liability insurance.

The City of El Segundo is currently an active member of Independent Cities Risk Management Authority (ICRMA). This Joint Powers Association was created by various cities to provide liability insurance not available on the marketplace. Coverage provided is $400,000 Self Insured Retention (SIR) and $20,000,000 Stop Loss per claim.

Admin Sure (formerly Colen & Lee) are presently the Administrators of the City required liability plan. Revenues supporting this Fund are comprised of charges to the General Fund, the Water Fund, the Proposition "A" Transportation Fund, and the Golf Course Fund. City Attorney billings related to specific liability claims are charged to this fund as an expense.

Accomplishments During FY 2006/2007:

- Closely monitored the activities administered by Admin Sure (Colen & Lee) ensuring a better financial position for this fund, including a study of Risk Management practices.
- Continued streamlining process for processing of liability claim investigations.

Goals and Objectives for FY 2007/2008:

- To continue establishing and maintaining prudent level of reserves to cover anticipated claims expenses (average).
- Continued monitoring of activities administered by Third Party Liability Claims Administrator ensuring a better financial position for this fund.
- Provide continued Risk Management program training and development citywide.

ACCOUNT DETAIL		ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
SALARIES						
4101	Salaries Full-Time	48,311	53,380	53,500	53,700	53,700
	TOTAL SALARIES	**48,311**	**53,380**	**53,500**	**53,700**	**53,700**
TOTAL EMPLOYEE BENEFITS		**7,709**	**10,902**	**13,600**	**13,600**	**13,200**
SERVICE CHARGES						
6208	Dues & Subscriptions	109	573	400	400	400
6211	Insurance & Bonds	506,366	504,859	527,200	527,200	479,550
6213	Meetings & Travel	0	20	2,400	2,400	2,400
6214	Professional/Technical	3,444	23,095	28,350	28,350	28,350
6223	Training & Education	0	0	9,900	9,900	9,900
6246	Claims Expense	894,117	1,414,126	694,350	694,350	350,000
	TOTAL SERVICE CHARGES	**1,404,036**	**1,942,673**	**1,262,600**	**1,262,600**	**870,600**
	LIABILITY INSURANCE	**1,460,056**	**2,006,955**	**1,329,700**	**1,329,900**	**937,500**

Internal Service — *Workers' Compensation*

CLASSIFICATION	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
WORKERS' COMPENSATION					
ADMINISTRATION	2,067,238	731,464	1,342,400	1,342,400	1,734,900
EMPLOYEE SAFETY	16,092	19,080	32,300	32,300	32,300
TOTAL EXPENDITURES	**2,083,330**	**750,544**	**1,374,700**	**1,374,700**	**1,767,200**

ACTIVITY INFORMATION

The Workers' Compensation Fund is an Internal Service Fund used to account for revenues and expenditures associated with Workers' Compensation. El Segundo self-insures the first $350,000 of Workers' Compensation and purchases excess insurance to cover any losses over $350,000. The cost of the FY 2005/06 policy is estimated to be $1.34 per $100 of payroll. Southern California Risk Management Associates (SCRMA) presently administers the City's claims. There were 117 open cases, as of June 30, 2006, with an estimated reserve of $6,744,097, up $830,621 from the 2005 reserve of $5,913,476. Expenditures for FY 2004/05 include reimbursement to the General Fund for 10% of the salaries for the Director of Administrative Services, the Human Resources Manager, the Human Resources Specialist, and the Office Specialist II. The amount that has been budgeted for claims expenses is $1,367,400, which includes City Attorney's billings related to specific Workers' Compensation claims, court costs and other legal expenses, medical expenses and temporary disability payments.

Accomplishments During FY 2006/2007:

- Established and maintained prudent level of reserves to cover anticipated claims expenses (average).
- Provided safety training in the workplace environment for all job classifications and continued training and evaluations in ergonomics.

Goals and Objectives for FY 2007/2008:

- To continue establishing and maintaining prudent level of reserves to cover anticipated claims expenses (average).
- Provide continued safety training in the workplace environment for all job classifications and uninterrupted training and evaluations in ergonomics.
- Seek funding through the Independent Cities Risk Management Authority (ICRMA) grant program.
- Continue developing Employee Safety Manual for use by staff citywide.

Workers' Compensation Administration *Section 2321*

CLASSIFICATION	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
WORKERS' COMP RESERVE/INSURANCE					
SALARIES	40,494	46,995	49,200	49,200	47,900
EMPLOYEE BENEFITS	6,266	8,896	12,100	12,100	12,000
SERVICE CHARGES	2,020,478	675,573	1,281,100	1,281,100	1,675,000
TOTAL EXPENDITURES	**2,067,238**	**731,464**	**1,342,400**	**1,342,400**	**1,734,900**

ACTIVITY INFORMATION

See the Workers' Compensation Department Summary.

ACCOUNT DETAIL		ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
SALARIES						
4101	Salaries Full-Time	40,494	46,995	49,200	49,200	47,900
	TOTAL SALARIES	**40,494**	**46,995**	**49,200**	**49,200**	**47,900**
TOTAL EMPLOYEE BENEFITS		**6,266**	**8,896**	**12,100**	**12,100**	**12,000**
SERVICE CHARGES						
6208	Dues & Subscriptions	0	0	400	400	500
6211	Insurance & Bonds	445,091	429,568	358,700	358,700	309,250
6213	Meetings & Travel	0	0	1,300	1,300	1,300
6214	Professional/Technical	55,900	67,479	69,200	69,200	70,450
6223	Training & Education	0	0	1,500	1,500	1,500
6246	Claims Expense	1,519,487	178,526	850,000	850,000	1,292,000
	TOTAL SERVICE CHARGES	**2,020,478**	**675,573**	**1,281,100**	**1,281,100**	**1,675,000**
	WORK COMP ADMIN	**2,067,238**	**731,464**	**1,342,400**	**1,342,400**	**1,734,900**

Workers' Compensation Employee Safety — *Section 2331*

CLASSIFICATION	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
EMPLOYEE SAFETY PROGRAM					
SUPPLIES	4,211	3,708	7,000	7,000	7,000
SERVICE CHARGES	11,881	15,372	25,300	25,300	25,300
TOTAL EXPENDITURES	**16,092**	**19,080**	**32,300**	**32,300**	**32,300**

ACTIVITY INFORMATION

This represents the estimated cost of periodically replenishing the 22 first-aid cabinets located in various City buildings. It also reflects the costs of replenishing 75 first-aid and blood-borne pathogen kits in City trucks and cars. The City continually strives to develop and maintain a safe place of employment. Strategically located first-aid kits and cabinets enable treatment of minor scratches, cuts, burns, splinters, and so forth, which do not ordinarily require medical care. KDS Supply Company sanctions the content of each first-aid kit and cabinet as meeting OSHA standards. The City is fully indemnified against all claims, liability or damages resulting from an injury caused by the use of a Swift First Aid-trademarked product. Consulting services provided to the City Safety Committee, costs of the Annual OSHA-required inspection of City facilities, and a variety of ergonomic evaluation and furniture costs are also charged to the Employee Safety Program.

ACCOUNT DETAIL	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
SUPPLIES					
5204 Operating Supplies	**4,211**	**3,708**	**7,000**	**7,000**	**7,000**
SERVICE CHARGES					
6205 Other Printing & Binding	480	0	300	300	300
6214 Professional/Technical	11,401	15,372	25,000	25,000	25,000
TOTAL SERVICE CHARGES	**11,881**	**15,372**	**25,300**	**25,300**	**25,300**
EMPLOYEE SAFETY PROGRAM	**16,092**	**19,080**	**32,300**	**32,300**	**32,300**

Internal Service — *Non-Department*

CLASSIFICATION	ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
NON-DEPARTMENT					
EMPLOYEE BENEFITS	1,406,180	1,551,463	1,706,550	1,706,550	1,791,900
DEBT SERVICE	197,880	216,389	756,450	756,450	756,450
SUPPLIES	400	3,183	0	0	0
SERVICE CHARGES	823,035	735,177	1,709,100	1,994,950	1,077,050
COMMUNTY PROMOTION	1,423,315	794,126	705,100	705,100	632,600
TOTAL EXPENDITURES	**3,850,810**	**3,300,338**	**4,877,200**	**5,163,050**	**4,258,000**

ACTIVITY INFORMATION

This division is used to account for costs that are not specific to any particular department. Some of the types of items budgeted in this department are liability and property insurance; maintenance of the City's telephone system, print shop equipment, postage meter, etc. payoffs of accrued vacation and sick leave; the annual employee recognition banquet; community promotions; noise abatement; Sister City; and the El Segundo Unified School District Joint-Use Agreement payments. Additionally, all charges for retirees' participation in the PERS Medical Plan are included in this division.

ACCOUNT DETAIL		ACTUAL FY 2004/05	ACTUAL FY 2005/06	ADOPTED FY 2006/07	PROJECTED YEAR END FY 2006/07	ADOPTED FY 2007/08
TOTAL EMPLOYEE BENEFITS		**1,406,180**	**1,551,463**	**1,706,550**	**1,706,550**	**1,791,900**
DEBT SERVICE						
4907	Interest Expense			542,700	542,700	542,700
4902	Principal Maturity	197,880	216,389	213,750	213,750	213,750
	TOTAL DEBT SERVICE	**197,880**	**216,389**	**756,450**	**756,450**	**756,450**
SUPPLIES						
5204	Operating Supplies	400	950	0	0	0
5298	Copier Maintenance Supplies	0	2,233	0	0	0
	TOTAL SUPPLIES	**400**	**3,183**	**0**	**0**	**0**
SERVICE CHARGES						
6201	Advertising/Publishing		0	250,000	250,000	40,000
6207	Equipment Replacement Charges	50,800	32,800	532,800	532,800	40,800
6208	Dues & Subscriptions	27,248	19,374	31,200	31,200	34,850
6211	Insurance & Bonds	215,800	215,800	215,800	215,800	215,800
6213	Meetings & Travel			0	0	0
6214	Professional/Technical	8,851	29,811	35,000	35,000	30,000
6215	Repair & Maintenance	4,340	4,086	10,000	10,000	10,000
6222	Lease Payment Parking Garage		0	279,100	279,100	279,100
6223	Training & Education	0	0	5,000	5,000	5,000
6224	Vehicle Operating Charges	2,545	2,202	0	0	0
6233	Flexible Spending	0	0	0	0	0
6235	Accrued Vacation & Sick Leave Pay	432,399	332,001	250,000	535,850	300,000
6244	Other Unclassified Expense	61,872	62,728	60,100	60,100	79,900
6245	Employee Banquet	6,814	10,199	8,500	8,500	10,000
6247	Unemployment Compensation	0	13,772	24,000	24,000	24,000
6250	Volunteer Recognition	1,441	1,755	2,000	2,000	2,000
6254	Telephone	10,925	10,649	5,600	5,600	5,600
	TOTAL SERVICE CHARGES	**823,035**	**735,177**	**1,709,100**	**1,994,950**	**1,077,050**
COMMUNITY PROMOTION						
6401	Community Promotion	10,421	11,552	22,600	22,600	22,600
6402	LAX Master Plan Committee	0	892	0	0	0
6403	Sister City	0	1,851	2,500	2,500	10,000
6405	ESUSD Funding Agreement	250,000	250,000	250,000	250,000	250,000
6406	LAX Master Plan Intervention	996,196	369,835	250,000	250,000	200,000
6407	Washington Lobbiest Transportation & Infrastructure	166,698	159,996	180,000	180,000	150,000
	TOTAL COMMUNITY PROMOTION	**1,423,315**	**794,126**	**705,100**	**705,100**	**632,600**
	NON DEPARTMENT	**3,850,810**	**3,300,338**	**4,877,200**	**5,163,050**	**4,258,000**