

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 8/29/02  
**Department Name:** General Services  
**Department No.:** 063  
**Agenda Date:** 10/7/03  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors  
**FROM:** Ronald S Cortez  
General Services Director  
**STAFF CONTACT:** Yvonne Munoz  
Departmental Analyst., ext.3075  
**SUBJECT:** Management Specialist

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**Recommendation(s):**

That the Board of Supervisors adopts a resolution to:

Extend the Management Specialist Position, Salary Range 6370 (\$6023-\$7353 per-month) from September 29, 2003 to December 22, 2003.

**Alignment with Board Strategic Plan:**

The recommendation(s) are primarily aligned with Goal No.3. A Strong, Professionally Managed County Organization.

**Executive Summary and Discussion:**

On September 24, 2002, your Board authorized the General Services to conduct a review of the organizational and financial structure of the Risk Management Division. The Risk Management Division is composed of both Liability and Workers Compensation programs.

We have completed our review of the Liability Program and are working with Human Resources to establish the appropriate classifications for this program. In order to accommodate the classification review period, we are requesting a three-month extension of an existing Management Specialist position. Monies were placed in FY 03/04 budget to accommodate this request.

Due to the complexity of Workers Compensation issues, as well as pending changes to Workers Compensation legislation, we will need one more year to determine the organizational structure of the Workers Compensation Program. During the past year, in coordination with the Workers Compensation Evaluation Team, we have made a number of improvements that are beginning to show results. The following are a list of key indicators:

- Reduction in open claims from 803 at June 2002 to 679 at June 2003. Claims had peaked in April 2002 at 933.
- Open reserves as recorded in the WC software system (VOS system) were \$19.9 million at June 30, 2003. This is down from \$22 million at June 2002 and \$25.1 million at June 2001.
- The percentage of claims closed within 180 days of the claim being filed has improved from 39% in June 2001 to 68% in December 2002.
- Incurred losses on our largest 25 litigated claims had been increasing by more than \$2 million per year for the fiscal years 2001 and 2002. In FY 2003, the incurred losses for these claims decreased by more than \$1 million from FY2002.
- In December of each year, an actuarial study is performed and we are required to increase or decrease our year-end reserves accordingly. If an increase is required, it means our expense has gone up and we will ultimately need to fund greater losses. In recent years, we have had increases (bad news) as follows: FY 2001=\$1.6 million increase, FY 2002=\$6.95 million increase, FY 2003 = \$306 thousand. We have recently received a draft actuarial report using June 2003 data, which shows that the estimated ultimate losses are now projected to be \$1 million less than the December 2002 actuarial study (good news). This is the first time in several years that expected ultimate reserves are coming down.

In the next few months, General Services will bring forth a recommendation to delete a Contractor-on-Payroll position and add a temporary Project Manager position. In addition, General Services will bring forth a final organizational model for the Workers Compensation Program by September 2004.

**Mandates and Service Levels:** None

**Fiscal and Facilities Impacts:**

A Risk Management employee is filling the Management Specialist position in the Liability Program. Funding from this vacant position is being utilized to pay the position in addition to \$2,493 from the Workers Compensation Fund. The monies are included in the FY 2003/04 Budget. The allotment is included in Fund 1912, Department 063, Program 2121, Account 6100.

**Concurrence:**

Human Resources  
County Administrator