



Budget and Finance Commission

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November 24, 2020

Honorable Mayor Brand and Members of the City Council
City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277

SUBJECT: Budget and Finance Commission Request for Direction Regarding the Fire Department's Workers' Compensation Internal Service Fund Allocations

Dear Mayor Brand and City Council Members:

In response to the Mayor and City Council's August 20, 2019 referral that the Budget and Finance Commission take a "deep dive" into the Fire Department's worker's compensation internal service fund allocations as it relates to the fiscal impact of the County Fire Feasibility Study, the Commission discussed this topic with staff and the City's third-party workers' compensation administrator at its October 10, 2019 meeting.

The Commission was unable to determine at this meeting if staff's Comparison (over a ten-year period) of City's Adjusted Cost to County's Option B Proposal gave an accurate portrayal of future workers' compensation costs should the City move to County fire services. Therefore, we would appreciate the City Council's direction regarding further pursuing this matter. At its November 12, 2020 meeting, the Commission received a presentation from the actuary who prepared the City's annual liability and workers' compensation self-insurance programs. If agreeable with the City Council, a request could be made of that actuary for the preparation of a workers' compensation study for the Fire Department specifically. The cost of the study would be \$1,500. We believe it's in the City Council's best financial interest to approve this expenditure. Such a study would provide the Commission with the information necessary to determine the accuracy of staff's forecasted workers' compensation costs used in calculating the fiscal impact of the County Fire Feasibility Study and to then relay that determination to you.

Thank you in advance for providing direction in this matter.

Regards,

Jason Conroy
Chair, Redondo Beach Budget and Finance Commission

cc: M. Ruhland, J. Hoefgen, E. Manzano