



COUNTY OF HUMBOLDT

For the meeting of: 8/26/2025

File #: 25-971

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Supplemental Budget for the Purchased Insurance Premiums Budget Unit (3528-358) in the Amount of \$18,874 for Fiscal Year 2024-25 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached supplemental budget in the amount of \$18,874 for the Purchased Insurance Budget (3528-358) for Fiscal Year (FY) 2024-25 (4/5 Vote Required).

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Workforce & Operational Excellence

Strategic Plan Category: 3001 - Support a well-trained workforce

DISCUSSION:

The Risk Management- Purchased Insurance Premiums budget (3528-358) has incurred a higher premium expense than initial estimates included in the FY 2024-25 budget, and additional funding is needed to cover these expenditures. The Purchased Insurance Premiums budget unit provides funding to procure insurance coverage including property, medical malpractice, life, airport, crime bond and other miscellaneous policies. The budgeted premium costs are based on estimates provided by the county's insurance provider (not health insurance), PRISM (Public Risk Innovation, Solutions, and Management), and actual costs in FY 2024-25 exceeded projections.

The Purchased Insurance Fund (Fund No. 358) has sufficient fund balance to pay for these increased premiums. Staff request your Board approve the attached supplemental budget to pay for the unanticipated premium costs. The supplemental budget reflects these additional revenues utilized to cover overages in the Purchased Insurance budget for FY 2024-25.

The attached supplemental budget is necessary to appropriate funds to the Purchased Insurance internal service fund (ISF) for the revenues and expenditures that have already occurred in the prior fiscal year.

SOURCE OF FUNDING:

Purchased Insurance ISF Fund Balance 3528-358

FINANCIAL IMPACT:

Expenditures (Purchased Insurance 3528-358)	FY24-25	FY25-26	FY26-27 Projected*
Budgeted Expenses	<u>\$2,613,257</u>	<u>\$2,331,267</u>	<u>\$2,750,000</u>
Additional Appropriation Requested	<u>\$18,874</u>	<u>\$0</u>	
Total Expenditures	<u>\$2,632,131</u>	<u>\$2,331,267</u>	<u>\$2,750,000</u>

*Projected amounts are estimates and are subject to change.

Funding Sources (Purchased Insurance 3528-358)	FY24-25	FY25-26	FY26-27 Projected*
General Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
State/Federal Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fees/Other	<u>\$2,613,257</u>	<u>\$2,084,364</u>	<u>\$2,750,000</u>
Use of Fund Balance	<u>\$18,874</u>	<u>\$246,903</u>	<u>\$0</u>
Contingencies	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Funding Sources	<u>\$2,632,131</u>	<u>\$2,331,267</u>	<u>\$2,750,000</u>

*Projected amounts are estimates and are subject to change.

Narrative Explanation of Financial Impact:

The funds available in fund balance were not utilized in the Fiscal Year (FY) 2024-25 county budget. Due to the increased premium cost, it is necessary to utilize a portion of fund balance to fund the county's Fiscal Year 2024-25 insurance charges without increasing any charges to county departments or the General Fund. The attached supplemental budget will increase appropriations in Fund 3528, Budget Unit 358 - Purchased Insurance by \$18,874 to fund the additional claims. The fund balance of the Fund 3528 as of Aug. 11, 2025, is (\$1,583,226). This is because the allocation journals for fiscal year 2025-26 have not been submitted. Upon submission, fund balance is projected to be \$529,846.

STAFFING IMPACT:

There is no direct staffing impact to approving this supplemental budget.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could elect not to approve the request. This is not recommended because expenditures cannot exceed appropriations in a budget unit and there are necessary insurance premium payments.

ATTACHMENTS:

1. Supplemental Budget
2. GL Summary

PREVIOUS ACTION/REFERRAL:

Meeting of: 8/12/2025

File No.: 25-889