



COUNTY OF HUMBOLDT

For the meeting of: 8/12/2025

File #: 25-921

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Supplemental Budget for the Liability Insurance Budget Unit (3524-354) in the Amount of \$200,000 For Fiscal Year 2024-25 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached supplemental budget for the Liability Insurance Budget (3524-354) for Fiscal Year (FY) 2024-2025 (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- Liability Insurance budget (3524-354) has incurred a higher legal charge than initial estimates provided by outside legal representation in the previous fiscal year. The Liability Insurance Fund has sufficient fund balance to pay for these increased legal charges. Staff request your Board approve the attached supplemental budget to pay for the unanticipated legal costs. The supplemental budget reflects these additional revenues utilized to cover overages in the Liability Insurance budget for FY 2024-25.

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

SOURCE OF FUNDING:

Liability Insurance ISF Fund Balance 3524-354

FINANCIAL IMPACT:

<i>Expenditures (Liability Insurance 3524-354)</i>	FY24-25	FY25-26	FY26-27 Projected*
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Budgeted Expenses	<u>\$1,819,449</u>	<u>\$1,750,000</u>	<u>\$2,000,000</u>
Additional Appropriation Requested	<u>\$200,000</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditures	<u>\$2,019,449</u>	<u>\$1,750,000</u>	<u>\$2,000,000</u>

**Projected amounts are estimates and are subject to change.*

Funding Sources (Liability Fund, 3524-354)	FY24-25	FY25-26 Projected*	FY26-27 Projected*
Fees/Other	<u>\$1,819,449</u>	<u>\$1,750,000</u>	<u>\$2,000,000</u>
Use of Fund Balance	<u>\$200,000</u>	<u>\$0</u>	<u>\$0</u>
Total Funding Sources	<u>\$2,019,449</u>	<u>\$1,750,000</u>	<u>\$2,000,000</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The funds available were not utilized in the FY 2024-25 county budget. However, due to the increased legal costs it is necessary to utilize a portion of fund balance to pay for the county's FY 2024-25 legal fees without increasing any charges to county departments or the General fund. The attached supplemental budget will increase appropriations in Fund 3524, Budget Unit 354 - Liability Insurance by \$200,000 to fund the additional claims. The balance of Fund 3524 as of June 30, 2025, was \$3,287,785.

STAFFING IMPACT:

Narrative Explanation of 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 legal payments needed to be processed.

ATTACHMENTS:

1. Supplemental Budget
2. GL Summary

PREVIOUS ACTION/REFERRAL:

Meeting of: N/A

File No.: N/A