



COUNTY OF HUMBOLDT

For the meeting of: 7/28/2020

File #: 20-943

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

SUBJECT:

Supplemental Budget for Liability in Fiscal Year 2019-2020 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the following supplemental budget in Fund 3524, Liability:

Transfer In:

3524354-9101	Transfer In	\$470,000
--------------	-------------	-----------

Expense:

3524354-6100	Claim Payments	\$30,000
3524354-6200	Claim Administration	\$65,000
3524354-6210	Legal Expenses	\$375,000

SOURCE OF FUNDING:

Liability Fund Balance

DISCUSSION:

The Liability budget provides funding for payments related to claims for damages, internal investigations and settlement costs resulting from lawsuits against the county.

Due to unforeseen internal investigations, plus legal and settlement expenses incurred at the end of the 2019-20 fiscal year, the current budget does not have sufficient funds to pay the remainder of these expenses. These expenses are paid on a monthly basis, as incurred, and have been paid through May 2020 however, additional costs incurred through June in the 2019-2020 fiscal year will exceed the amount budgeted by an estimated \$470,000. Funding for the recommended supplemental budget is available through fund balance for unanticipated expenses associated with unpaid legal invoices and claim settlements.

FINANCIAL IMPACT:

The supplemental budget utilizes fund balance in the Liability Fund (3524), which has an anticipated year-end balance of \$1,160,537. The requested action increases both budgeted transfers in and budgeted expenditures by an equal amount of \$470,000, resulting in no net impact to the county's General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services .

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could deny the requested supplemental budget; however, this alternative is not recommended because it would result in appropriations being insufficient to pay expenses.

ATTACHMENTS:

None

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A