



AGENDA ITEM NO.
C32

COUNTY OF HUMBOLDT

For the meeting of: June 26, 2018

Date: June 12, 2018
To: Board of Supervisors
From: Lisa DeMatteo, Director of Human Resources *LD*
Subject: Supplemental Budget for Liability in Fiscal Year 2017-18 (4/5 vote required)

RECOMMENDATION(S):

That the Board of Supervisors approve the following supplemental budget in Fund 3524, Liability (4/5 vote required):

<u>Revenue:</u>		
3524-354-710050	Fund Balance Transfer	\$ 275,000
<u>Expense:</u>		
3524354-6100	Claim Payments	\$ 275,000

SOURCE OF FUNDING:

Liability Fund Balance

DISCUSSION:

The Liability budget provides funding for payments related to claims for damages and settlement costs resulting from lawsuits against the County. Due to settlement expenses incurred at the end of the 2017-18 fiscal year, the current budget does not have sufficient funds to pay the remainder of these expenses. Legal

Prepared by Kristin Kovacs

CAO Approval *[Signature]*

REVIEW: Auditor *[Signature]* County Counsel _____ Human Resources *LD* Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor *Bass* Seconded by Supervisor *Fennell*

Ayes *Bass, Fennell, Sundberg, Bohn*
Nays
Abstain
Absent *Wilson*

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *6/26/18*
By: *[Signature]*
Kathy Hayes, Clerk of the Board

and claim settlements are paid on a monthly basis, as incurred, and have been paid through May 2018 (\$312,788); however, new invoices that will be received through the end of June in the 2017-18 fiscal year will be over the amount budgeted (\$560,368) by an estimated \$275,000. The recommended supplemental budget will utilize the fund balance to cover the unanticipated expenses associated with unpaid settlements.

FINANCIAL IMPACT:

The supplemental budget utilizes excess revenue in Liability Fund (3524) which has a current balance of \$875,443. The requested action increases both budgeted revenues and budgeted expenditures by an equal amount of \$275,000, resulting in no net impact to the county's General Fund. We further expect some claim costs to be reimbursed by the Excess Insurance Authority for amounts that exceed the County's self-insured retention limit once the claims are closed and finalized.

This action supports your Board's Strategic Framework by providing core services in ways that safeguard the public trust by managing 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 not being sufficient to cover required expenses.

ATTACHMENTS: None