



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-17

For the meeting of: May 23, 2017

Date: May 16, 2017

To: Board of Supervisors

From: Dan Fulks, Director of Human Resources *DF*

Subject: Supplemental Budget for Purchased Insurance in Fiscal Year 2016-17 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors approve the following supplemental budget (4/5 Vote Required) in Fund 3528, Purchased Insurance Premiums:

Revenue:

3528358-710050	Fund Balance Transfer	\$ 27,000
----------------	-----------------------	-----------

Expense:

3528358-6411	Special Insurance Programs	\$ 27,000
--------------	----------------------------	-----------

SOURCE OF FUNDING:

Purchased Insurance Premiums Fund Balance

Prepared by Kacy Green

CAO Approval *[Signature]*

REVIEW:

Auditor *MSM* County Counsel *JSS* Human Resources *DF* 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 *Sundberg* Seconded by Supervisor *Fennell*

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

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

Dated: *May 23, 2017*

By: *[Signature]*
Kathy Hayes, Clerk of the Board

DISCUSSION:

The Purchased Insurance Premiums budget provides funding to procure property, medical malpractice, life insurance, airport, crime bond and other special miscellaneous insurance coverage. The Special Insurance Program allows members of the community to secure insurance for a single event through the county for use of county-owned facilities and parks. The premiums collected are then paid on a quarterly basis to the insurance broker. Due to staff oversight, it was revealed that some premiums for the Special Insurance Program went unpaid for a period of time. During an internal audit, Risk Management became aware of the non-payment of premiums and immediately paid the outstanding premiums causing the current budget to be overdrawn by \$21,643. Premiums have been paid through March 2017; however, an additional \$5,357 in expenses is expected for the fourth quarter of FY 2016-17. Procedures have been implemented to avoid this from happening in future years. The recommended supplemental budget will utilize fund balance to cover the unanticipated expense associated to the unpaid premiums.

FINANCIAL IMPACT:

The supplemental budget utilizes excess revenue in the Purchased Insurance Premiums Fund due to premium collections over previous years that were not appropriately paid to the insurance broker. The requested action increases both budgeted revenues and budgeted expenditures by an equal amount, resulting in no net impact to the County's General Fund.

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