



April 23, 2013 BOS Agenda, Item #37

1 message

Joe Ham <joe.ham@edcgov.us>

Sun, Apr 21, 2013 at 12:07 PM

To: The BOSONE <bosone@edcgov.us>, The BOSTWO <bostwo@edcgov.us>, The BOSFIVE <bosfive@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>, The BOSTHREE <bosthree@edcgov.us>, Theresa Daly <theresa.daly@edcgov.us>

Cc: Edward Knapp <ed.knapp@edcgov.us>, James Mitrisin <jim.mitrisin@edcgov.us>, Cindy Johnson <cynthia.johnson@edcgov.us>, Kimberly Kerr <kimberly.kerr@edcgov.us>, Karl Knobelauch <karl.knobelauch@edcgov.us>

Chairman Briggs,

I believe that this agenda item needs additional explanation. I am requesting that your Board direct the CAO to provide a written report that outlines the cause of this problem. The County should explain to the public how this "unintended subsidy" occurred. Because of this "unintended subsidy", the County is out over \$500,000. I hope your Board directs the CAO to write a report that describes the weaknesses in Risk Management's procedures that allowed this problem to occur and go undetected. Further, the report should describe the improvements that have been implemented in Risk Management's procedures that make it unlikely that this problem will reoccur. I would be happy to assist with this report if that is the pleasure of your Board.

This is the second significant "unintended subsidy" in this program in the last two or three years.

Joe Ham
Auditor-Controller
El Dorado County

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Thank you.



County of El Dorado
OFFICE OF AUDITOR-CONTROLLER

JOE HARN, CPA
Auditor-Controller

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PLACERVILLE, CALIFORNIA 95667-4193
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BOB TOSCANO
Assistant Auditor-Controller

June 14, 2011

RECEIVED
BOARD OF SUPERVISORS
EL DORADO COUNTY
4:18 pm, Jun 14, 2011

**Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, California 95667**

SUBJECT: June 14, 2011 Agenda Item #14, Retirees' Health Insurance

Dear Board Members:

Due to the poor performance of the County staff this agenda item formally increases the County's obligation to its retirees for Health Insurance benefits for the current fiscal year by over a half a million dollars. This expenditure should have and could have been avoided. In these tight budget times this half million-dollar expenditure is not affordable. We did not plan for this \$500,000 expenditure and it could have easily been avoided.

In November 2010, I brought this matter to the attention of the former CAO and the Human Resources Director in the hopes that this exact situation would be avoided.

Further, the interpretation of the Retiree Health Benefits Contribution Plan Document that these side letters perpetuates is the least advantageous and most expensive to the County. This interpretation will cost the County money for many years to come.

If you have any questions, feel free to call me.

Sincerely,

**Joe Harn
Auditor-Controller**

11-0477.J.1

13-045162 pf 3 #14
1.14.11



Cindy Johnson <cynthia.johnson@edcgov.us>

Unintended Subsidy Letter Dated June 14, 2011

1 message

Joe Harn <joe.harn@edcgov.us>

Mon, Apr 22, 2013 at 3:10 PM

To: The BOSONE <bosone@edcgov.us>, The BOSTWO <bostwo@edcgov.us>, The BOSFIVE <bosfive@edcgov.us>, The BOSFOUR <bosfour@edcgov.us>, The BOSTHREE <bosthree@edcgov.us>, Theresa Daly <theresa.daly@edcgov.us>**Cc:** Edward Knapp <ed.knapp@edcgov.us>, Cindy Johnson <cynthia.johnson@edcgov.us>, James Mitrison <jim.mitrison@edcgov.us>, Karl Knobelauch <karl.knobelauch@edcgov.us>, Kimberly Kerr <kimberly.kerr@edcgov.us>

Chairman Briggs,

Attached you will find a copy of the letter that I wrote the Board of Supervisor in 2011 regarding "unintended subsidies" to County retirees for Health Insurance.

Joe Harn
Auditor-Controller
El Dorado County

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Thank you.

 **BOS Retirees Health 06-14-11.pdf**
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