



## Legislation Details (With Text)

**File #:** 17-0780      **Version:** 1

**Type:** Agenda Item      **Status:** Approved

**File created:** 7/13/2017      **In control:** Board of Supervisors

**On agenda:** 7/25/2017      **Final action:** 7/25/2017

**Title:** Human Resources, Risk Management division recommending the Board approve and authorize the Chair to sign the attached budget transfer increasing use of fund balance and appropriations in the Retiree Health Prefunding budget by \$112,000 to fund Fiscal Year 2016/17 retiree health direct contributions. (4/5 vote required)

FUNDING: Retiree Health Account

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. A - Budget Transfer 7-25-17, 2. Executed Budget Transfer

Date	Ver.	Action By	Action	Result
7/25/2017	1	Board of Supervisors	Approved	Pass

Human Resources, Risk Management division recommending the Board approve and authorize the Chair to sign the attached budget transfer increasing use of fund balance and appropriations in the Retiree Health Prefunding budget by \$112,000 to fund Fiscal Year 2016/17 retiree health direct contributions. (4/5 vote required)

**FUNDING:** Retiree Health Account

**DEPARTMENT RECOMMENDATION**

Human Resources, Risk Management division recommending the Board approve and authorize the Chair to sign the attached budget transfer increasing use of fund balance and appropriations in the Retiree Health Prefunding budget by \$112,000 to fund FY 2016-17 retiree health direct contributions. (4/5 vote required)

**DISCUSSION / BACKGROUND**

Annually the County budgets and charges departments for retiree health direct contributions on a pay as you go basis. The amount determined to be budgeted and charged to departments is based on an actuarial report. These amounts are collected from departments and transferred into the Retiree Health Prefunding account. Expenses are incurred in this fund as a reimbursement to the Health fund for the contributions. In FY 2016-17, the County has seen an increase in retirees from what was estimated in the actuarial; therefore, the actual retiree health costs exceeded the amount budgeted. The fund included a budgeted amount of \$1,939,000 and actual costs are \$2,050,270. Currently the fund has over \$12M in fund balance related to amounts collected for future retiree health costs. This fund balance is available and can be used to fund the gap of approximately \$112,000 needed to make the final retiree health payment for FY 2016-17. These costs will be included in a future actuarial report and charged to departments for cost recovery in future years.

**ALTERNATIVES**

The Board could choose to allocate the shortfall across all departments which will require a significant amount of accounting and may result in departments exceeding budgeted appropriations and requests for General Fund contingency.

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

N/A

**CAO RECOMMENDATION**

It is recommended that the Board approve this item.

**FINANCIAL IMPACT**

The retiree health prefunding account will be decreased by \$112,000. This cost will be captured in the actuarial report and charged to departments in future years.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

N/A

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

Kerri Williams-Horn