



# County of El Dorado

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## Legislation Text

File #: 10-0157, Version: 1

Human Resources Department, Risk Management Division, requesting the Board approve Budget Transfer 2010049 increasing revenues and appropriations in the amount of \$735,000 for the Retiree Health Program. (4/5 vote required)

**FUNDING:** Risk Management Internal Service Fund, Retiree Health Sub-fund.

<b>BUDGET SUMMARY:</b>		
Total Estimated Cost		\$735,000.00
Funding		
Budgeted	\$	
New Funding	\$735,000.00	fund balance
Savings	\$	
Other	\$	
Total Funding Available	\$735,000.00	
Change To Net County Cost		\$0.00

Fiscal Impact/Change to Net County Cost: Appropriations to be increased by increasing the use of the Retiree Health Fund Balance in order to fund the Retiree Health Program through FY 09/10.

Background: The County's Post Retirement Medical Benefit Program pays a portion of retirees' health benefits premiums (this benefit has been discontinued for most new-hires). The program is funded through cost-applied charges to County departments.

During FY 09/10 as a tool for departments to reach budget reduction targets the Board authorized the use of an Early Retirement Incentive (ERI) Plan in the form of a Retiree Health Plan through ICMA-RC called Vantagecare. The funding for those employees qualifying for this Early Retirement Incentive Plan was through the Retiree Health sub fund, reducing the amount available for the County's contribution toward Retiree Health benefits. The total amount expended through the ERI is \$573,090, with a total of 17 participants. A spreadsheet is attached that details the ERI program participation.

The projected year end cost for the County's Retiree Health Program is estimated to be \$1,661,910, which is \$161,910 higher than budgeted. The budget transfer request also accounts for this adjustment.

Reason for Recommendation: A Budget Transfer from the Retiree Health Fund Balance is necessary to cover the additional projected year end costs for the County's contribution to the Retiree Health Program (\$161,910) and the ERI program (\$573,090), totaling \$735,000.

Action to be taken following Board approval: Auditor-Controller will post budget transfer.

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Concurrences: CAO