



## Legislation Text

---

**File #:** 19-1036, **Version:** 2

---

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 Fund by \$13,000 to fund the June Fiscal Year 2018-2019 retiree health direct contributions. (4/5 vote required)

**FUNDING:** Retiree Health fund.

### **DISCUSSION / BACKGROUND**

Annually the County 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 Fund. Expenses are incurred in this fund as a reimbursement to the Health fund for the contributions. These funds are also used for actuarial services related to the Retiree Health Program.

Beginning with FY 2017-18, a new GASB requirement was implemented (GASB 75) that increased the County's obligation for actuarial services. Due to the timing of this new requirement, funds were not budgeted to cover the additional costs of the actuarial. The fund included a budgeted amount of \$11,500 and the actual costs are \$24,500. This budget transfer is necessary to increase appropriations to the intrafund account in order to reimburse the health fund for the June FY 2018-19 retiree health costs. 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 \$13,000 needed to make the final retiree health payment for FY 2018-19. These costs will be included in a future actuarial report and charged to departments for cost recovery in future years.

### **ALTERNATIVES**

Not approving the budget transfer would result in the health fund not being fully reimbursed for the cost of retiree health.

### **PRIOR BOARD ACTION**

N/A

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

N/A

### **CAO RECOMMENDATION / COMMENTS**

It is recommended the Board approves this item.

### **FINANCIAL IMPACT**

The Retiree Health Fund account balance will be decreased by \$13,000. This will be accounted for in the future actuarial report and charged to departments in future years.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Forward the completed budget transfer to the Auditor's office for processing.

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

Kerri Williams-Horn, Chief Fiscal Officer