



# County of El Dorado

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## Legislation Text

File #: 09-1121, Version: 1

Human Resources Department recommending the Board authorize retroactive payment in the total amount of \$39,347.80 for invoices pertaining to the Retiree Medical actuarial study and valuation completed by AON Consulting in FY 2008/2009.

**FUNDING:** Risk Management Health Insurance Fund/Employer, Employee and Retiree Contributions.

BUDGET SUMMARY:		
Total Estimated Cost		\$39,347.80
Funding		
Budgeted	\$39,347.80	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$39,347.80	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost:

Background: As part of the negotiation process in FY 08/09, a request was submitted by the bargaining units to have a Retiree Medical actuarial study completed. Additionally, an actuarial valuation study to comply with GASB 45 was requested. AON Consulting, who the County contracts with to provide employee benefit consulting services, completed both studies at the request of the previous Human Resources Director.

Reason for Recommendation: AON submitted to Human Resources an outline of the work to be completed, the project step process, and the fees and estimated completion time for the Retiree Medical study. The Director of Human Resources agreed, in writing, to the terms. However, within this agreement, AON noted that if the hours estimated to complete a specific request would be significant, they would provide a quote estimating the expected fee range for the requested additional work prior to commencing work. Additional work was requested by the Director of Human Resources and verbally agreed upon, but no written quote for the additional charges was provided. The total additional amount verbally authorized for this study is \$10,934.

The current agreement with AON requires that the consultant will disclose to the County the utilization of additional staff other than the officers listed in Exhibit B, prior to commencing work on special projects. For both of the above mentioned projects, AON did not specifically notify the County in advance that officers other than those listed in the exhibit would be working on the projects. A

breakdown of all costs follows:

**Retiree Medical actuarial study**

Amount approved in writing for full data set	\$30,000
Additional services requested by HR and approved verbally	\$10,934
TOTAL PROJECT COST	\$40,934
Amount paid to date	- \$7,910
OUTSTANDING	<b>\$33,024</b>

**Retiree Health Benefits Study - GASB45**

Amount approved in writing	\$7,499.80
Amount paid to date	\$-1,176.00
OUTSTANDING	<b>\$6,323.80</b>

TOTAL OUTSTANDING	<b>\$39,347.80</b>
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The Department is requesting that the Board retroactively approve payment of the remaining balances on the invoices specific to the services provided by AON to complete both studies to include payment of additional time and expense charges that were verbally approved by previous Human Resources Director and waive the requirement for prior approval of all personnel providing services included in the current agreement.

Action to be taken following Board approval: The Human Resources Department will submit to the Auditor's office the outstanding invoices for payment.

Contact: Donna Mullens x6060

Concurrences: County Counsel, Chief Administrative Office