

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office-Risk Management Division BOARD AGENDA # *B-11

Urgent Routine

AGENDA DATE July 1, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Year End Budget Adjustments for the Chief Executive Office Risk Management Dental Self Insurance and Purchased Insurance Budgets Funded from Existing Revenue and Departmental Retained Earnings

STAFF RECOMMENDATIONS:

1. Authorize the Chief Executive Officer and the Auditor-Controller prior to year-end, to increase appropriations in the CEO-Risk Management Division Dental Self-Insurance budget in an amount not to exceed \$178,000.
2. Authorized the Chief Executive Officer and the Auditor-Controller prior to year-end, to increase revenue in the CEO-Risk Management Division Dental Self-Insurance by \$140,635 and authorize the use of \$37,365 of departmental retained earnings.
3. Authorize the Chief Executive Officer and the Auditor-Controller prior to year-end, to increase both appropriations and estimated revenue in the Chief Executive Office Risk Management Division Purchased Insurance budget in an amount not to exceed \$1,100,000.

FISCAL IMPACT:

At the end of Fiscal Year 2007-2008 it appears that two budgets within the CEO-Risk Management Division will need budget adjustments in order to end the year in a positive financial position. As of June 24, 2008, the CEO-Risk Management Dental Insurance budget is projected to end the year \$178,000 over budgeted appropriations due to higher claim costs than originally budgeted. Dental Insurance is an Internal Service Fund and will have sufficient revenue from charges for services and use of \$37,365 of the current \$1,230,169 in retained earnings to offset the corresponding expenditures, resulting in no

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BOARD ACTION AS FOLLOWS:

No. 2008-510

On motion of Supervisor Grover, Seconded by Supervisor DeMartini and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT: (Continued)

additional impact to the General Fund.

The CEO - Risk Management Purchased Insurance budget is also an Internal Service Fund and receives revenue from Departments for the full cost of purchased health insurance. Departments budgeted for health insurance cost appropriately based on the number of projected employees however, appropriations in the purchased insurance budget are \$1.1 million over the mid-year adjusted budget appropriations as the result of a higher number of employees participating in the County's Health Insurance plan than projected by the Risk Management Division. This fund will also increase in revenue by \$1.1 million to offset these additional appropriations resulting in no additional impact to the General Fund.

DISCUSSION:

Analysis was conducted to ensure the increased health insurance costs did not have a negative impact on General Fund departments at year-end. This analysis included a review of the Group Health account 53000 and an overall review at the object level of Salaries and Employee Benefits for all budgets within the General Fund, lastly departments were contacted to verify what if any impact the increased group health cost had on their respective budget units and it was concluded that the increase in group health will have no additional impact to the General Fund.

CEO-Risk Management Division Dental Self Insurance

The Risk Management Division Dental Self Insurance is requesting \$178,000 in additional appropriations to cover higher than originally anticipated claims costs. CEO-Risk Management Dental Self Insurance budget is an Internal Service Fund and has sufficient revenue in the current year from user charges to county departments and can use \$37,365 of a current \$1,230,169 in retained earnings to offset the corresponding expenses. These additional appropriations will cover the higher claims costs.

CEO-Risk Management Division Purchased Insurance

Risk Management is requesting \$1,100,000 in additional appropriations in the Purchased Insurance Budget to cover higher than anticipated Health Insurance costs as the result of a higher number of employees participating in the County's Health Insurance plan than originally projected by the Risk Management Division. The County Departmental budgets more accurately projected the number of employees to be covered this year so the revenue to cover these costs is budgeted in the departmental budgets. CEO-Risk Management Purchased Insurance budget is an Internal Service Fund and will have sufficient revenue from user charges to department customers to

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offset the corresponding expenses. These additional appropriations will cover the higher health insurance costs.

POLICY ISSUES:

All County budgets must end the year within appropriations. In considering this item the Board may consider whether the recommendations are consistent with the Board of Supervisor's priority of Efficient delivery of public service.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

**County of Stanislaus: Auditor-Controller
Legal Budget Journal**

Database
Set of Books

FMS11IDB.CO.STANISLAUS.CA.US.PROD
County of Stanislaus

Balance Type		Budget
Category	* List - Text	Budget - Upload
Source	* List - Text	
Currency	* List - Text	USD
Budget Name	List - Text	LEGAL BUDGET
Batch Name	Text	
Journal Name	Text	CEORM KA 6/25/08
Journal Description	Text	Year End Adj RM ISF
Journal Reference	Text	
Organization	List - Text	Stanislaus Budget Org

Upl	Fund	Org	Acc't	GL Proj	Loc	Misc	Other	Debit		Credit		Period	Line Description
								incr appropriations	decr appropriations	decr est revenue	incr est revenue		
4	7	5	7	6	6	5		(format > number > general)	List - Text	Text	MMM-YY	Text	
PB	5101	0018010	61100	0000000	000000	000000	00000	178000				JUN-08	Incr Approp
PB	5101	0018010	38710	0000000	000000	000000	00000			140635		JUN-08	Incr Revenue
PB	5091	0018010	61042	0000000	000000	000000	00000	800000				JUN-08	Incr Approp
PB	5091	0018010	61260	0000000	000000	000000	00000	300000				JUN-08	Incr Approp
PB	5091	0018010	39084	0000000	000000	000000	00000			800000		JUN-08	Incr Revenue
PB	5091	0018010	39130	0000000	000000	000000	00000			300000		JUN-08	Incr Revenue
Totals:								1278000		1240635			

Explanation: Increase Appropriations and Revenue for Year End Adjustments

Requesting Department	CEO	Data Entry	Auditors Office Only
		Keyed by	Prepared By
Signature	Signature		Approved By
<u>6/25/08</u>	<u>6/25/08</u>	Date	<u>6/25/08</u>
Date	Date	Date	Date