

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

DEPT: CEO-Risk Management Division

BOARD AGENDA # *B-9

Urgent

Routine

AGENDA DATE December 20, 2011

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Authorization of Accounting Adjustments to Properly Record Costs Associated with Employee Benefits

STAFF RECOMMENDATIONS:

1. Authorize the Auditor-Controller to establish a new Internal Service Fund to capture the cost of administering other employee benefits, and designate it as interest bearing.
2. Authorize the Auditor-Controller to convert the existing fund, Purchased Insurance, to an interest bearing fund.
3. Direct the Auditor-Controller to transfer appropriations and estimated revenue from the Purchased Insurance Fund to the newly-created, interest-bearing Other Employee Benefits Fund in the amount of \$63,000.

FISCAL IMPACT:

The interest-bearing designation will allow the funds to capture the interest based on the cash balances in the individual funds.

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BOARD ACTION AS FOLLOWS:

No. 2011-781

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, De Martini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

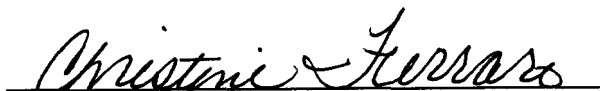
1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Authorization of Accounting Adjustments to Properly Record Costs Associated with Employee Benefits

FISCAL IMPACT: (Continued)

Existing appropriations and revenue of \$63,000 will be transferred from the Purchased Insurance Fund to the new fund, Other Employee Benefits. The budget will cover the costs and revenue for a six-month period from January 1, 2012 - June 30, 2012.

- \$23,000 - Basic Life Insurance
- \$25,000 - Management Long-Term Disability
- \$15,000 - Deferred Compensation Program
- \$63,000 - Total

Adjustments to the Purchased Insurance Fund will be included in the Fiscal Year 2011-2012 Mid-Year Financial Report once benefit enrollment is completed.

DISCUSSION:

Stanislaus County will be implementing its self-funded medical plan effective January 1, 2012. Currently, an existing fund, Purchased Insurance, is accounting for medical insurance and includes other employee benefits such as life insurance, long-term disability and deferred compensation. To separate the self-funded medical plan costs from the other employee benefits, a new fund will be set up within the Internal Service Funds. The new fund will capture the costs and revenue associated with basic life insurance, long-term disability, and the County's deferred compensation program with Hartford. Staff recommendation is being made to set this new fund as an interest-bearing fund.

The existing fund, Purchased Insurance, is currently non-interest bearing. Staff recommendation is being made to convert this fund to an interest-bearing fund.

POLICY ISSUE:

Approval of these recommendations will support the Board of Supervisors' priority of maintaining Efficient Delivery of Public Services.

STAFFING IMPACT:

These funds will continue to be managed by staff in the Chief Executive Office - Risk Management Division.

CONTACT PERSON:

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