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

DEPT: CEO-RISK MANAGEMENT DIVISION  BOARD AGENDA # *B-14

Urgent ☐  Routine ☒  AGENDA DATE December 17, 2013

CEO Concurs with Recommendation YES ☒ NO ☐ (Information Attached)  4/5 Vote Required YES ☒ NO ☐

SUBJECT:

Approval to Increase Appropriations and Estimated Revenue in the Chief Executive Office Risk Management - General Liability Self-Insurance Budget

STAFF RECOMMENDATIONS:

Increase appropriations and estimated revenue by $1,600,000 in the Chief Executive Office Risk Management - General Liability Self-Insurance Budget.

FISCAL IMPACT:

The Chief Executive Office - Risk Management Division is requesting an increase in appropriations and revenue of $1.6 million in order to fund defense and settlement costs related to several cases that are being litigated. The appropriations will be funded by operating transfers from County departments. The General Liability Self-Insurance Budget does not have sufficient appropriations to fully fund these costs at this time. In addition, the General Liability Self-Insurance fund is currently in a deficit retained earnings

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

**No.** 2013-644

**On motion of Supervisor** Monteith , **Seconded by Supervisor** O'Brien
**and approved by the following vote,**
**Ayes: Supervisors:** O'Brien, Withrow, Monteith, De Martini and Chairman Chiesa
**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)**

position of approximately $2 million. A five-year payback plan is currently in place to eliminate this deficit. The recommended increase in appropriations and subsequent funding will allow for the payment of the costs, but will not affect the fund's retained earnings.

**DISCUSSION:**

The CEO – Risk Management General Liability Self-Insurance budget was approved at the beginning of the fiscal year with $4 million in appropriations, and was anticipated to fund a base level of expenditures, including the defense and settlement of most cases during the year. As of the end of November 2013, 91% of the budget had either been spent or set aside to fund the future cost of various general liability claims pending against the County. An analysis of the budget and future costs has resulted in the conclusion that insufficient appropriations exist to fully fund defense and settlement costs anticipated to be paid by February 2014. The next opportunity to adjust the budget through a County financial report is in March 2014. Because of the timeliness of several issues, it is not possible to wait until March to adjust the budget.

**POLICY ISSUE:**

All increases in appropriations require a fourth-fifths approval by the Board of Supervisors. The Board may also consider whether the recommendation is consistent with the Board of Supervisor's priority of Efficient Delivery of Public Service.

**STAFFING IIMPACT:**

The General Liability Self-Insurance Budget is managed by staff in the Chief Executive Office – Risk Management Division. All General Liability cases are handled by staff in the Risk Management Division along with staff from County Counsel.

**CONTACT PERSON:**

Jody Hayes, Deputy Executive Officer. Telephone: (209) 525-5714.

| | | | |
|---|---|---|---|
| **Database** | | FMSDBPRD.CO.STANISLAUS.CA.US.PROD | DO NOT CHANGE |
| **Balance Type** | | Budget | DO NOT CHANGE |
| **Data Access Set** | | County of Stanislaus | DO NOT CHANGE |
| **Ledger** | * List - Text | County of Stanislaus | DO NOT CHANGE |
| **Budget** | List - Text | LEGAL BUDGET | DO NOT CHANGE |
| **Category** | * List - Text | Budget - Upload | DO NOT CHANGE |
| **Source** | * List - Text | RM MAP | |
| **Currency** | * List - Text | USD | DO NOT CHANGE |
| **Period** | List - Text | DEC-13 | ENTER AS MMM-YY (ALL CAPS FOR MMM) EX: NOV-11 |
| **Batch Name** | Text | | |
| **Journal Name** | Text | | |
| **Journal Description** | Text | Increase General Liability Budget | |
| **Journal Reference** | Text | BOS Agenda Item 12-17-13 | |
| **Organization** | List - Text | Stanislaus Budget Org | DO NOT CHANGE |
| **Chart Of Accounts** | | Accounting Flexfield | DO NOT CHANGE |

| **Upl** | **Fund** (4 char) * List - Text | **Org** (7 char) | **Account** (5 char) | **GL Project** (7 char) | **Location** (6 char) | **Misc.** (6 char) | **Other** (5 char) | **Debit** incr appropriations decr est revenue * Number | **Credit** decr appropriations incr est revenue * Number | **Line Description** Text |
|---|---|---|---|---|---|---|---|---|---|---|
| | 5051 | 0018051 | 61110 | 0000000 | 000000 | 000000 | 00000 | 1600000 | | Loss Expense-GL |
| | 5051 | 0018051 | 46600 | 0000000 | 000000 | 000000 | 00000 | | 1600000 | Oper Transfers In |
| Totals: | | | | | | | | 1600000 | 1600000 | |

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation: Increase appropriations and estimated revenue in the General Liability Self-Insurance budget per agenda item on 12-17-13.

| Requesting Department | CEO | Data Entry | Auditors Office Only | |
|---|---|---|---|---|
| Brenda Kiely | | | | |
| Prepared by | Supervisor's Approval | Keyed by | Prepared By | Approved By |
| 12/17/2013 | 12-13-2013 | | | 12/13/13 |
| Date | Date | Date | Date | Date |