



Legislation Text

File #: 18-0833, Version: 1

Item:

Budget Ordinance Amendment No. 18BCC000040 - Approve Amendment to the Benefits Plan Fund Budget of \$3,350,000

Date of BOCC Meeting: June 11, 2018

Request for Board Action:

In analyzing the Benefits Plan Fund and assessing where the County's costs for these benefits will be at fiscal year end, it is County staff's belief that expenditures will exceed the current amount budgeted for medical (health) costs. As such, the Board is requested to approve Budget Ordinance Amendment No. 18BCC000040 to increase the Benefits Plan Fund expenditure budget in the amount of \$3,350,000 for medical (health) self-insured costs and increase the budget amount of the Benefits Plan Fund funding sources of medical revenues (employee out-of-pocket contributions) in the amount of \$264,000 and General Fund transfers into the Benefits Plan Fund (County contributions) in the amount of \$255,000 and a one-time County contribution transfer of \$2,831,000. The General Fund will be amended as follows: Increase the transfer to health benefits \$3,086,000 and increase fund balance appropriated by \$3,086,000.

Please note that while County staff does estimate the need for additional budget for Fiscal Year 2017-2018 for the medical (health) costs, the requested budgetary increase is a conservative estimate. County staff does not anticipate the need for the entire amount; however, the Local Government Commission will not allow amendments to the budget after June 30th for the current fiscal year. Therefore, staff is requesting this amount to ensure that we do not exceed budget appropriations. This amendment is consistent with an amendment that was brought before the board in FY15-16 in the amount of \$3,000,000. Of this amount, \$2,560,000 was required.

Alignment with Strategic Plan: This request relates to the following elements of the Durham County Strategic Plan: the amendment aligns with Goal 5 (Accountable, Efficient, and Visionary Government).

Resource Persons: Kathy Everett-Perry, Chief Human Resources Officer; Claudia Hager, General Manager; Susan Tezai, Chief Financial Officer and Deidre Gonzales, Interim Benefits Manager.

County Manager's Recommendation: The County Manager recommends that the Board approve Budget Ordinance Amendment No. 18BCC000040 to increase the Benefits Plan Fund expenditure budget in the amount of \$3,350,000 for medical (health) self-insured costs and increase the budget amount for the Benefits Plan Fund funding sources of medical revenues (employee out-of-pocket contributions) in the amount of \$264,000 and General Fund transfers into the Benefits Plan Fund (County contributions) in the amount of \$255,000 and a one-time County contribution transfer of \$2,831,000. The General Fund will be amended as follows: Increase the transfer to health benefits \$3,086,000 and increase fund balance appropriated by \$3,086,000.

County Manager: _____