



Legislation Text

File #: 21-0087, Version: 1

Item:

Approve Budget Ordinance Amendment No. 21BCC000077 Appropriating \$300,000 Risk Management Fund Fund Balance and Transferring those Funds to the General Fund to Settle a Legacy Claim

Date of BOCC Meeting: March 8, 2021

Request for Board Action:

The Board is requested to approve Budget Amendment No. 21BCC000077 appropriating \$300,000 Risk Management Fund fund balance and transferring those funds to the General Fund to Settle a Legacy Claim. The funds will be used to settle the legacy claim; however, Durham County will be reimbursed this fiscal year, resulting in a budgetary net zero effect.

Between 1994-2002 the County had excess workers compensation coverage through Employers Reinsurance Corporation. That is the company who will provide the reimbursement for the claim related to this budget amendment. Between 2002 and 2016 we were uninsured. At the time, the Risk Manager and County Attorney agreed to rely heavily on governmental immunity and not purchase insurance. In 2016 the County began purchasing excess workers compensation again under the guidance of the Risk Manager at the time. At this time, we began our coverage with Safety National, who is still providing our workers compensation insurance.

As a part of our Risk Management strategy, we work diligently to eliminate the County's liability by aggressively settling and closing worker's compensation claims. Unfortunately, there are a few outstanding claims from the Employers Reinsurance Corporation time that are a larger expense due to the length the claim has been open. These legacy claims provide us an opportunity to close through settlement. We currently have the opportunity to settle a legacy claim and decrease the County's liability.

The current amount of funds in the Risk Management Expenditure Budget will not cover the potential cost of the settlement, and this amendment will allow that expense to be paid.

Alignment with Strategic Plan: Goal 5: Accountable, Efficient and Visionary Government.

Resource Persons: Janelle Owens, Safety & Risk Officer and Lowell L. Siler, County Attorney

County Manager's Recommendation: The Board is requested to approve Budget Amendment No. 21BCC000077 to appropriate Risk Management Fund Fund Balance to Settle a Legacy Claim.

County Manager: _____