



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

A-10

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.: 012
For Agenda Of: October 2, 2012
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Chandra L. Wallar, County Executive Officer
Director(s)
Contact Info: Tom Alvarez, Budget Director, 568-3432

SUBJECT: Transfer of Risk Management Programs

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

NA

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Authorize the budget transfer of the Risk Management programs from the General Services Department to the County Executive Office with a revised effective date of July 1, 2012 (previously August 20, 2012), and
- b) Remove Bob Nisbet, General Services Director from the Board of Directors of the California State Association of Counties – Excess Insurance Authority (CSAC-EIA) and appoint Tom Alvarez, Budget Director, as the County's representative, and
- c) Replace General Services Director with the Budget Director or designee, as authorized individual to reject, settle, compromise or approve claims processed by Risk Management.

Summary Text:

On August 21, 2012, the Board authorized the transfer of the Risk Management programs from the General Services Department to the County Executive Office to be effective August 20, 2012. This requested Board action will display the financial information of the Risk Management programs in the

CEO's office for the entire fiscal year, rather than a portion in General Services and the balance in the CEO's office.

The remaining requested actions will transfer duties previously held by the General Services Director to the CEO's office. The Board has previously authorized the General Services Director as the CSAC-EIA representative and the ability to settle claims in the amounts specified in the requested action.

Background:

On August 21, 2012 the Board authorized the transfer of the Risk Management programs from the General Services Department to the County Executive Office. The authorized date of the change in responsibility occurred on August 20, 2012. When mid-year movements of funds and programs are made it can result in budgets and financial results appearing in two departments and can be difficult to understand the full year's financial results. In this instance, the budget for the Risk Management programs is currently shown in General Services and the actual data would be recorded for approximately 1.5 months in General Services and 10.5 months in the CEO's office.

The requested action will move the Risk Management budget, revenues and expenditures for the entire year to the CEO's Office; thereby displaying the financial information for Risk Management programs for the full year in the CEO's office, effective July 1, 2012 rather than August 20, 2012. The benefit will be that the entire budget and actual results will be displayed in one department for the entire Fiscal Year. There will be no material change in the overall budget of the Risk Management programs as a result of this action.

On March 15, 2011, the Board appointed Bob Nisbet, General Services Director, to the Board of Directors of the California State Association of Counties – Excess Insurance Authority (CSAC-EIA) and Ray Aromatorio, Risk Manager as Alternate. Due to transfer of Risk Management to the CEO's Office, Bob Nisbet should be removed from the Board of Directors of CSAC-EIA and Tom Alvarez, Budget Director should be appointed. Mr. Aromatorio will continue to serve as Alternate.

As a result of the transfer of Risk Management to the CEO's Office, the Budget Director or his designee should be the authorized individual to reject, settle, compromise or approve claims processed by Risk Management. This change would align the proper authority with the corresponding responsibility of oversight of the Risk Management Programs.

Fiscal and Facilities Impacts:

Risk Management is comprised of three Funds:

- 1910 – Medical Malpractice, FY 2012/13 Expenditures \$538,000
- 1911 – Workers' Compensation, FY 2012/13 Expenditures \$17,522,000
- 1912 – General Liability, FY 2012/13 Expenditures \$6,411,000

It is anticipated that the overall expenditures of these Funds will remain the same but that costs paid from the Risk funds to reimburse General Services for management and administrative support will now shift to the CEO's department.

Special Instructions:

None

Attachments:

None

Authored by:

Tom Alvarez and Richard Morgantini

Budget Journal Entry

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 Document Description: Move Risk Management from GS to CEO Processed On: Created By: Jette Christiansson
 Post On: Processed By:

References

Audit Trail:

Budget Revision Request

Agenda Item: Agenda Date: 10/2/2012 Approval: BOS 4/5 Has Board Letter: Yes
 Title: Risk Mgmt move to the County Executive Office from General Services
 Budget Action: Transfer appropriations of \$24,471,198 (uses) and \$19,487,982 (sources), between General Services and the County Executive Office in the Medical Malpractice, Workers' Compensation and County Liability Insurance Funds due to Risk Management moving from General Services to the CEO.

Justification: The move of Risk Management from General Services to the County Executive Office was approved at the August 21, 2012 Board of Supervisors meeting. Staff was directed to return with a budget revision to move the budget.

This budget revision will move the entire Risk Management budget for the full fiscal year to the CEO's Office; thereby displaying the financial information for Risk Management programs for the full year in the CEO's office, effective July 1, 2012 rather than August 20, 2012. The benefit will be that the entire budget and actual results will be displayed in one department for the entire Fiscal Year. There will be no material change in the overall budget of the Risk Management programs as a result of this action.

Budget Revision Request Financial Summary

Fund	Department	Project	Object Level	Source Amount	Use Amount
1910 - Medical Malpractice Self Ins	012 - County Executive Office		20 - Use of Money and Property	7,000.00	0.00
1910 - Medical Malpractice Self Ins	012 - County Executive Office		45 - Miscellaneous Revenue	203,000.00	0.00
1910 - Medical Malpractice Self Ins	012 - County Executive Office		55 - Services and Supplies	0.00	378,296.00
1910 - Medical Malpractice Self Ins	012 - County Executive Office		60 - Other Charges	0.00	160,000.00
	Fund: 1910 - Medical Malpractice Self Ins, Department: 012 - County Executive Office Total:			210,000.00	538,296.00
1911 - Workers' Comp Self Insurance	012 - County Executive Office		20 - Use of Money and Property	75,000.00	0.00
1911 - Workers' Comp Self Insurance	012 - County Executive Office		45 - Miscellaneous Revenue	12,723,732.00	0.00

Budget Journal Entry

1911 - Workers' Comp Self Insurance	012 - County Executive Office	50 - Salaries and Employee Benefits	0.00	588,241.00
1911 - Workers' Comp Self Insurance	012 - County Executive Office	55 - Services and Supplies	0.00	16,890,139.00
1911 - Workers' Comp Self Insurance	012 - County Executive Office	60 - Other Charges	0.00	43,154.00
	Fund: 1911 - Workers' Comp Self Insurance, Department: 012 - County Executive Office Total:		12,798,732.00	17,521,534.00
1912 - County Liability-Self Insurance	012 - County Executive Office	20 - Use of Money and Property	40,000.00	0.00
1912 - County Liability-Self Insurance	012 - County Executive Office	30 - Charges for Services	15,000.00	0.00
1912 - County Liability-Self Insurance	012 - County Executive Office	45 - Miscellaneous Revenue	6,424,250.00	0.00
1912 - County Liability-Self Insurance	012 - County Executive Office	50 - Salaries and Employee Benefits	0.00	421,904.00
1912 - County Liability-Self Insurance	012 - County Executive Office	55 - Services and Supplies	0.00	5,083,302.00
1912 - County Liability-Self Insurance	012 - County Executive Office	60 - Other Charges	0.00	906,162.00
	Fund: 1912 - County Liability-Self Insurance, Department: 012 - County Executive Office Total:		6,479,250.00	6,411,368.00
1910 - Medical Malpractice Self Ins	063 - General Services	20 - Use of Money and Property	(7,000.00)	0.00
1910 - Medical Malpractice Self Ins	063 - General Services	45 - Miscellaneous Revenue	(203,000.00)	0.00
1910 - Medical Malpractice Self Ins	063 - General Services	55 - Services and Supplies	0.00	(378,296.00)
1910 - Medical Malpractice Self Ins	063 - General Services	60 - Other Charges	0.00	(160,000.00)
	Fund: 1910 - Medical Malpractice Self Ins, Department: 063 - General Services Total:		(210,000.00)	(538,296.00)
1911 - Workers' Comp Self Insurance	063 - General Services	20 - Use of Money and Property	(75,000.00)	0.00
1911 - Workers' Comp Self Insurance	063 - General Services	45 - Miscellaneous Revenue	(12,723,732.00)	0.00
1911 - Workers' Comp Self Insurance	063 - General Services	50 - Salaries and Employee Benefits	0.00	(588,241.00)
1911 - Workers' Comp Self Insurance	063 - General Services	55 - Services and Supplies	0.00	(16,890,139.00)
1911 - Workers' Comp Self Insurance	063 - General Services	60 - Other Charges	0.00	(43,154.00)
	Fund: 1911 - Workers' Comp Self Insurance, Department: 063 - General Services Total:		(12,798,732.00)	(17,521,534.00)
1912 - County Liability-Self Insurance	063 - General Services	20 - Use of Money and Property	(40,000.00)	0.00
1912 - County Liability-Self Insurance	063 - General Services	30 - Charges for Services	(15,000.00)	0.00
1912 - County Liability-Self Insurance	063 - General Services	45 - Miscellaneous Revenue	(6,424,250.00)	0.00
1912 - County Liability-Self Insurance	063 - General Services	50 - Salaries and Employee Benefits	0.00	(421,904.00)
1912 - County Liability-Self Insurance	063 - General Services	55 - Services and Supplies	0.00	(5,083,302.00)
1912 - County Liability-Self Insurance	063 - General Services	60 - Other Charges	0.00	(906,162.00)
	Fund: 1912 - County Liability-Self Insurance, Department: 063 - General Services Total:		(6,479,250.00)	(6,411,368.00)

Accounting

Fund	Dept	GL Acct	LI Acct	Debit Amount	Credit Amount	Prog	OUnit	Proj	Budget Period	Description
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Budget Journal Entry

1910	063	2430	3380				201209	Move Med Malpractice from GS to CEO
1910	063	2430	5765	7,000.00	2100		201209	Move Med Malpractice from GS to CEO
1910	063	2530	7090	203,000.00	2100		201209	Move Med Malpractice from GS to CEO
1910	063	2530	7839	378,296.00	2101		201209	Move Med Malpractice from GS to CEO
1910	063	2530	7839	160,000.00	2100		201209	Move Med Malpractice from GS to CEO
1910	012	2420	3380	7,000.00	2100		201209	Move Med Malpractice from GS to CEO
1910	012	2420	5765	203,000.00	2100		201209	Move Med Malpractice from GS to CEO
1910	012	2530	7090	378,296.00	2101		201209	Move Med Malpractice from GS to CEO
1910	012	2530	7839	160,000.00	2100		201209	Move Med Malpractice from GS to CEO
1911	063	2430	3380	75,000.00	2110		201209	Move Workers' Comp from GS to CEO
1911	063	2430	5766	12,723,732.00	2114		201209	Move Workers' Comp from GS to CEO
1911	063	2530	6100	588,241.00	2111		201209	Move Workers' Comp from GS to CEO
1911	063	2530	7090	16,890,139.00	2114		201209	Move Workers' Comp from GS to CEO
1911	063	2530	7801	43,154.00	2111		201209	Move Workers' Comp from GS to CEO
1911	012	2420	3380	75,000.00	2110		201209	Move Workers' Comp from GS to CEO
1911	012	2420	5766	12,723,732.00	2114		201209	Move Workers' Comp from GS to CEO
1911	012	2530	6100	588,241.00	2111		201209	Move Workers' Comp from GS to CEO
1911	012	2530	7090	16,890,139.00	2114		201209	Move Workers' Comp from GS to CEO
1911	012	2530	7801	43,154.00	2111		201209	Move Workers' Comp from GS to CEO
1912	063	2430	3380	40,000.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	063	2430	5739	15,000.00	2121		201209	Move Co Liability Self Ins from GS to CEO
1912	063	2430	5766	6,424,250.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	063	2530	6100	421,904.00	2121		201209	Move Co Liability Self Ins from GS to CEO
1912	063	2530	7088	5,083,302.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	063	2530	7837	906,162.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	012	2420	3380	40,000.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	012	2420	5739	15,000.00	2121		201209	Move Co Liability Self Ins from GS to CEO
1912	012	2420	5766	6,424,250.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	012	2530	6100	421,904.00	2121		201209	Move Co Liability Self Ins from GS to CEO
1912	012	2530	7088	5,083,302.00	2120		201209	Move Co Liability Self Ins from GS to CEO
1912	012	2530	7837	906,162.00	2120		201209	Move Co Liability Self Ins from GS to CEO
			Total	<u>43,959,180.00</u>				
				<u>43,959,180.00</u>				

Signatures

County of Santa Barbara, FIN

Budget Journal Entry

<u>Signed By</u>	<u>Signed On</u>	<u>Department/Agency</u>	<u>Approval Level</u>	<u>Valid</u>
Jette Christiansson	9/21/2012 9:32:01 AM	012 - County Executive Office	CEO Analyst	Y
Julie Hagen	9/21/2012 1:30:41 PM	061 - Auditor-Controller	Chief Deputy Controller	Y
Thomas Alvarez	9/21/2012 3:58:57 PM	012 - County Executive Office	Budget Director	Y

