

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners

FROM: Philip Morley, County Administrator
Anne Sears, Budget Consultant

DATE: March 24, 2014

RE: Combining County Fund 503-JC Unemployment Reserve and Fund 504 - Industrial Insurance Reserve into Fund 505-Employee Benefit Reserve

STATEMENT OF ISSUE:

The County has three funds for managing employer paid contributions for unemployment, labor and Industry administration, retirement and post-retirement costs and would like to streamline the accounting for these funds by combining them into one fund. Additionally, when departments face large payouts for sick and vacation accruals when employees retire or leave, this resolution allows payouts of \$1,000 or more to be reimbursed from Fund 505.

ANALYSIS:

By combining these funds, we will eliminate the need for interfund transfers between the funds and will consolidate employer paid benefits into one internal service fund. Also, by allowing reimbursement of large sick and vacation payouts by departments when staff depart, it helps reduce these larger one-time costs to all departments.

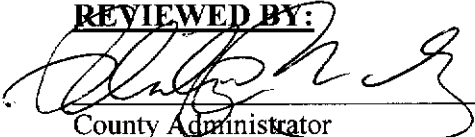
FISCAL IMPACT:

The estimated annual cost of reimbursing large retirement sick and vacation payouts is about \$50,000-\$75,000 per year. This can be funded from a revised Fund 505 (combined with Funds 503 and 504), within the current combined county contribution rate of 1.75% of gross wages. This is possible to accomplish without an increase to the county's existing 1.75% contribution rate because the amount paid out for LEOFF retirees has decreased by approximately this amount over the last several years. Reimbursing benefit payouts from Fund 505 will save money in the General Fund and other funds, and the departments within them.

RECOMMENDATION:

Approve the resolution combining funds 503 and 504 with fund 505, Employee Benefit Reserve Fund which authorizes the Auditor to transfer the fund balances of fund 503 and 504 into fund 505 and to pay out employee benefit costs from this fund as approved in the 2014 County Budget and detailed in this resolution.

REVIEWED BY:


County Administrator

3/18/14
Date

STATE OF WASHINGTON
County of Jefferson

In the Matter of combining County }
Fund 503 - JC Unemployment Reserve }
and Fund 504 - Industrial Insurance Reserve }
into Fund 505- Employee Benefit Reserve }

RESOLUTION NO. _____

WHEREAS, the County has three funds for managing employer paid contributions for unemployment, labor and Industry administration, retirement and post-retirement costs; and

WHEREAS, in order to streamline the accounting for these benefit costs, the County would like to combine the three funds into fund 505, titled Employee Benefit Reserve; this fund will receive the employer paid contributions for unemployment and retirement and pay out costs related to certain employee benefits;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners that it is in the best interest of Jefferson County that funds Fund 503, 504 be combined with Fund 505, the Employee Benefit Reserve Fund; and

BE IT FURTHER RESOLVED, that this resolution will repeal and replace all previous resolutions for these funds including budget resolution 124-89 for fund 503, resolution 32-92 for fund 504, resolutions 94-93, 15-95 and 118-97 for fund 505; and

BE IT FURTHER RESOLVED, that the employer contribution rate to the Employee Benefit Reserve, will continue to be set each year during the budget process; and

BE IT FINALLY RESOLVED, that the fund balances will be transferred from fund 503 and 504 into fund 505 as approved in the 2014 Budget; and the County Auditor is hereby authorized to disburse funds from Fund 505 for unemployment, labor and Industry administration, Employee Assistance Program (EAP) costs, retirement or post-employment costs including sick and vacation payouts totaling \$1,000 or more, post-retirement costs, and other uses as approved by the Board of County Commissioners.

APPROVED AND ADOPTED this 24th day of March, 2014.

SEAL:

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

ATTEST:

John Austin, Chair

Phil Johnson, Member

Carolyn Avery,
Deputy Clerk of the Board

David Sullivan, Member