

# ***RESOLUTION NO.: 107—2019-20***

TO THE HONORABLE, THE OUTAGAMIE COUNTY BOARD OF SUPERVISORS

LADIES AND GENTLEMEN:

***2/3 MAJORITY – 24 VOTES***

1           The Wisconsin Municipal Mutual Insurance Company (WMMIC) liability fund  
2           has incurred an increase in claims for the year 2019 from what was originally  
3           budgeted as well as the premium to WMMIC for 2019 was approximately  
4           \$36,000 above budget. An actuarial analysis for 2018 increased the expected  
5           claims to be much higher in the past. Therefore, any confidence level in Incurred  
6           But Not Reported (IBNR) claims decreased from 79% down to 50% from 2018 to  
7           2019. In order to account for these increased costs and claims, there is a request  
8           to increase the WMMIC Purchased Services Budget by \$100,000 in 2019. The  
9           funding will come from fund balance (unrestricted cash). There is currently  
10          approximately \$1 million in unrestricted cash to be able to fund this increase in  
11          claims and costs in addition to approximately \$1 million in restricted cash for the  
12          IBNR claims. The 2020 budgeted premiums in this fund were increased \$25,000  
13          to somewhat offset these increased costs and claims.

14  
15          This resolution approves increasing the Purchased Services line item in the  
16          WMMIC liability fund budget and fund the increased claims/costs with \$100,000  
17          from the Fund Balance Applied account.

18  
19          NOW THEREFORE, the undersigned members of the Finance Committee recommend  
20          adoption of the following resolution.

21                BE IT RESOLVED, that the Outagamie County Board of Supervisors does authorize and  
22          approve of increasing the WMMIC Purchased Services cost center and WMMIC Fund Balance  
23          Applied cost center each by \$100,000 as detailed in the attached fiscal note which by reference is  
24          made a part hereof, and

25                BE IT FINALLY RESOLVED, that the Outagamie County Outagamie County Clerk be  
26          directed to forward a copy of this resolution to the Outagamie County Finance Director and the  
27          Outagamie County Risk Administrator.

28                Dated this \_\_\_\_ day of November, 2019.

29  
30  
31

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

Respectfully Submitted,  
FINANCE COMMITTEE

\_\_\_\_\_  
Kevin Sturn

\_\_\_\_\_  
Nadine Miller

\_\_\_\_\_  
Mike Thomas

\_\_\_\_\_  
Chris Croatt

\_\_\_\_\_  
Pete Marcks

Duly and officially adopted by the County Board on: \_\_\_\_\_

Signed: \_\_\_\_\_  
Board Chairperson

\_\_\_\_\_  
County Clerk

Approved: \_\_\_\_\_

Vetoed: \_\_\_\_\_

Signed: \_\_\_\_\_  
County Executive

**OUTAGAMIE COUNTY FISCAL NOTE**

**[INTRODUCTION]** This form must be attached to any resolution or ordinance which contains a spending or revenue proposal. The form should be completed by an individual within the department initiating the resolution or ordinance with assistance from the Financial Services Department. Contact the Finance Director (1674), Controller (1675) or Staff Accountant (1681) for assistance. Once completed, forward a copy of the form to the Financial Services Department for their review. Financial Services will forward a reviewed copy of the fiscal note to Legislative Services.

1. **Subject:** Request for Budget Adjustment for WMMIC Fund Due to Increased Premiums and Increased Claim Costs

2. **Description:** This section must be completed for all fiscal notes. Briefly and concisely describe the request. State assumptions used and discuss any current year and long-term fiscal impacts. (A separate attachment can be used)

For the year 2019, the WMMIC liability fund has incurred increased claims from what was originally budgeted as well as our premium to the insurance company WMMIC for 2019 was approximately \$36,000 above budget. Our actuarial analysis for 2018 increased our expected claims to be much higher in the past. Therefore, our confidence level in our Incurred But Not Reported (IBNR) claims decreased from 79% down to 50% from 2018 to 2019. In order to account for these increased costs and claims, we are requesting to increase our Purchased Services Budget \$100,000 for the 2019 budget. The funding will come from our fund balance (unrestricted cash). We currently have approximately \$1 million in unrestricted cash to be able to fund this increase in claims and costs in addition to approximately \$1 million in restricted cash for these IBNR claims. (Note, the 2020 budgeted premiums in this fund were increased \$25,000 to somewhat offset these increased costs and claims.)

Therefore, we are requesting to increase the Purchased Services line item in the WMMIC liability fund budget and fund the increased claims/costs with \$100,000 from the Fund Balance Applied.

**Current Year Budget Impact (Check one or more of the following boxes)**

- Revenues  Expenses (Cost)
- 3. Is the specific cost or revenue included in the current year's budget?      yes ( ) no ( ) partially ( X )
- 4. If the proposal requests additional spending, can the additional cost be absorbed within the current year's line item?      yes ( ) no ( X ) n/a ( )
- 5. Is the proposal to accept additional revenues only?      yes ( ) no ( X )
- 6. Does this request modify/adjust the current year budget?  
If no, skip to question 8 below.      yes ( X ) no ( )


7. Detail current year budget changes. Please list cost center name, line item, account number and either the increase or decrease amount. (Please note that all budget adjustments must balance. For example, an increase in an expenditure account must be offset by a decrease in another expenditure account or the contingency fund or an increase in a revenue account or other funding sources such as fund balance applied.)

COST CENTER NAME	LINE ITEM (i.e. Salaries, Supplies, Etc.)	COST CENTER (i.e. 1004100.5100, 1004100.5400, etc.)	(DECREASE) AMOUNT
WMMIC	Purchased Services	6020100.5500	100,000
WMMIC	Fund Balance Applied	6020100.8955	100,000

**Annual and Long-Term Impact**

- 8. Is the above Increase/Decrease a nonrecurring one-time expense or revenue?      yes ( X ) no ( ) n/a ( ) contracts
- 9. What is the anticipated annual and/or long-term cost or revenue impact?      Annual Cost      0  
Annual Revenue      0

Fiscal Note Prepared by: Brian Massey

For Financial Services purposes only	
Reviewed By: 	if expenditures are recorded in the financial system at a level of detail lower than the level 6 as shown above, indicate the specific account numbers and amounts below: Detail Expenditures Account Number      Amount
Date: <u>10/17/19</u>	
Comments:	