



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING 3-YEAR INTERFUND LOANS FROM THE GENERAL FUND BALANCE TO THE COUNTY OF NEVADA'S SELF-INSURED DENTAL AND VISION FUNDS TO TEMPORARILY ASSIST WITH INCREASED COSTS

WHEREAS, the County has maintained self-insured dental (Fund 4498) and vision (Fund 4352) funds for employee dental and vision benefits since 1977; and,

WHEREAS, due to the excessive cost of healthcare and increased usage post COVID the County of Nevada dental and vision funds will be depleted to below recommended levels in the current plan year prior to the ability to raise rates to cover claims and administration; and,

WHEREAS, rate increases will occur starting in the 2024 plan year (starting January 1, 2024) to build these funds to recommended levels; and,

WHEREAS, the current fund balances for the dental and vision self-insured program requires a 3-year loan from the General Fund to maintain recommended balances; and,

WHEREAS, the amount needed by the dental fund 4498 is not anticipated to exceed \$70,000; and,

WHEREAS, the amount needed by the vision fund 4352 is not anticipated to exceed \$140,000; and,

WHEREAS, future increases in dental and vision rates will allow the dental and vision funds to reach recommended balances and repay the proposed loan within a period of 3 years or less.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Nevada that:

1. A loan from the General Fund (the "Loans") of up to \$70,000 to the dental fund 4498 and \$140,000 to the vision fund 4352 (the "Funds") to achieve recommended fund balances is hereby authorized.
2. The Payment Calculation Date will be December 31, 2024, and each anniversary of that date. The Payment Due Date shall be January 31, 2025, and each anniversary of that date.
3. The Loans may be immediately accessed by the Funds upon approval of this Resolution, with up to two draws per year up to the full amount of the Loans.
4. Beginning January 31, 2025, and Payment Due Date thereafter, the Funds shall make annual loan payments to the General Fund. Each annual payment shall include a payment toward principal in a minimum amount equal to the remaining principal balance, divided by the number of years remaining on the Loans, plus all accrued interest from the Loan draw date to the payment calculation date. The

Funds may pay the entire outstanding balance plus interest on any date prior to the final Loan due date.

5. The final payment, including all outstanding principal and interest, shall be made from the Funds to the General Fund no later than January 31, 2027.
6. The Loans shall bear interest at the Treasurer's pooled rate as of the date of any withdrawal of authorized funds.
7. There shall be no penalty to the Funds for payments in excess of the amount designated in item No. 4 of this Resolution or for early payment of any amount due to the General Fund hereunder.