



DEPARTMENT OF HUMAN RESOURCES  
Eric Rood Administrative Center  
950 Maidu Avenue  
Nevada City, CA 95959  
Ph: 530-265-7010 option 2 Fax: 530-265-9841  
human.resources@nevadacountyca.gov  
www.NevadaCountyCA.gov/471/Human-Resources

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**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

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**MEETING DATE:** June 27, 2023  
**TO:** Board of Supervisors  
**FROM:** Human Resources  
**SUBJECT:** Resolution Approving 3-Year Interfund Loans from the General Fund Balance to the County of Nevada's Self-Insured Dental and Vision Funds to Assist with Increased Costs

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**RECOMMENDATION:**

Adopt the attached Resolution.

**FUNDING:**

Loans will be from the General Fund for up to \$140,000 for the Vision Fund 4352 and \$70,000 for the Dental Fund 4498, for a period of not to exceed three years. The Loans will be available immediately upon execution of this resolution. Loan repayment will be made by the dental and vision funds ("Funds") in January of each year. The proposed Loans will allow a temporary infusion of cash to ensure that the funds have enough operating cash until rates can be raised starting in January, 2024.

**BACKGROUND:**

The County has maintained self-insured dental and vision funds for employee dental and vision benefits since 1977. Due to the excessive cost of healthcare and increased usage and claims post COVID, our dental and vision funds will be depleted to below recommended balances prior to our ability to raise rates to cover the claims and administration of dental and vision benefits. Rate increases will occur starting in the 2024 plan year (January 1, 2024), and each year thereafter until we have built back a 3-month reserve in each of these fund balances and have paid back the General Fund Loan.

To bring funds to recommended balances, the Vision Fund (4352) needs a \$140,000 loan and the Dental Fund (4498) needs a \$70,000 loan from the general fund. Loans shall accrue interest at the county Treasurer's pooled rate and will be paid back within 3 years.

Your consideration of this matter is appreciated.

**Item Initiated and Approved by:** Steve Rose, Human Resources Director

Submittal Date: June 8, 2023

Revision Date: