

**11-R-262  
RESOLUTION**

**Sponsored by**

**THE HONORABLE TONI PRECKWINKLE, PRESIDENT AND  
JOHN P. DALEY, COUNTY COMMISSIONERS**

**RESOLUTION AUTHORIZING THE COOK COUNTY COMPTROLLER  
TO SETTLE AND REVISE VARIOUS ACCOUNTS**

**WHEREAS**, Cook County maintains a Self Insurance Account that is used to self-insure the County of all risks, including medical malpractice, workers' compensation, general, automobile and other liabilities; and

**WHEREAS**, Cook County's appropriation for Fiscal Year 2007 and Fiscal Year 2008 indicated that proceeds from the issuance of long-term debt would be used to fund the Self Insurance Account, however the General Obligation Bonds were not issued in Fiscal Year 2007 or Fiscal Year 2008; and

**WHEREAS**, during Fiscal Year 2007 and Fiscal Year 2008, claims expenditures and related costs were being incurred and paid out of the Self Insurance Fund in the amounts appropriated; however, the anticipated bond issuance was not authorized, causing the County to carry a negative balance in the Self Insurance Fund; and

**WHEREAS**, in Fiscal Year 2009, the annual appropriation bill approved by the Board of Commissioners granted the authority to the Budget Director to establish appropriation within the General Fund for the purpose of the payment of comprehensive general liability, and malpractice insurance claims and related expenses; and

**WHEREAS**, the Board of Commissioners furthered authorized, effective Fiscal Year 2009 and thereafter, that each agency be responsible for the appropriation of projected claims and that an amount be appropriated in the 826 account for each department; and

**WHEREAS**, the Board of Commissioners authorized in Fiscal Year 2009 and thereafter for the Budget Director to determine based on actuarial analysis and recent claims history, the annual amount to be appropriated for each department under the 826 account to be deposited in the Self Insurance Fund; and

**WHEREAS**, the Board of Commissioners addressed the funding mechanism for self-insurance in Fiscal Year 2009 but did not address the negative balance in the Self Insurance Account and as a result of the decision not to issue bonds for the financing of the Self Insurance Account in Fiscal Year 2007 or Fiscal Year 2008, per accounting standards, Cook County has been carrying a negative balance in the Self Insurance Account since Fiscal Year 2007; and

**WHEREAS**, as of November 30, 2007, Cook County's Comprehensive Annual Financial Report showed the County carrying a negative balance in the Self Insurance Account in the amount of \$25,482,179; as of November 30, 2008, Cook County's Comprehensive Annual Financial Report showed the County carrying a negative balance in the Self Insurance Account in the amount of \$125,085,471; and a negative balance in the amount of \$124,913,417 remains in the Self Insurance Account as of November 30, 2010; and

**WHEREAS**, in accordance with Governmental Accounting Standards Board (“GASB”) 10 the negative fund balance in the Self Insurance Account should be applied or allocated to the appropriate funds or accounts and reported as an expenditure of those funds; and

**WHEREAS**, in accordance with Section 2-414 of the County’s Code, “(t)he Comptroller shall, subject to the approval of the County Board, revise, audit, and settle all accounts in which Cook County is concerned, either as debtor or creditor, or where provision for the settlement thereof is not otherwise provided for by law and the settlement of which is not especially committed to some other authority”; and

**WHEREAS**, in accordance with GASB 10 and Section 2-414 of the County’s Code, authority is hereby requested to settle the negative balance in the Self Insurance Account and revise the Self Insurance Account by allocating the negative balance as equitably determined to the Corporate, Public Safety and Health Accounts in the General Fund and Health Enterprise Fund for Fiscal Year 2010 or Fiscal Year 2011; and

**WHEREAS**, settlement of the negative balance and the revision of these various accounts is in the best interest of the County, will settle the negative balance, account for the appropriate sourcing of the negative balance and cure this repetitive audit finding.

**NOW, THEREFORE, BE IT RESOLVED**, by the President and the Cook County Board of Commissioners that pursuant to their Home Rule powers, the Comptroller is hereby authorized to settle the negative balance in the Self Insurance Account carried since Fiscal Year 2007 and revise the Self Insurance Account by allocating the negative balance as already equitably determined to the Corporate, Public Safety and Health Accounts in the General Fund and Health Enterprise Fund either Fiscal Year 2010 or Fiscal Year 2011 in an effort to settle the negative balance and cure this repetitive audit; and

**BE IT FURTHER RESOVLED**, that the Comptroller be authorized to settle the \$124,913,417 negative balance in the Self Insurance Account for either the 2010 or 2011 Fiscal Year and apply \$7,697,196 to the Corporate Account in the General Fund, \$31,949,300 to the Public Safety Account in the General Fund and \$85,266,921 to the Health Account in the Health Enterprise Fund thereby settling the negative balance, curing the repeated audit finding and revising the fund balance in the appropriate accounts.

Approved and adopted this 29th day of July 2011.

TONI PRECKWINKLE, President  
Cook County Board of Commissioners

Attest: DAVID ORR, County Clerk