



Staff Report

File #: 19-289

Version: 1

Date: 6/24/2019

Item #: 3.2c.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Robert Barron, Chief Financial Officer

SUBJECT:

Authorizing a transfer of appropriation authority in the Self Insurance Fund

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance

ISSUE:

Shall the City Council adopt Resolution No. 2019-21, transferring \$9,950,000 of appropriation authority from the Self Insurance Fund materials and services category to the Self Insurance Fund interfund transfers category for the purpose of establishing separate funds for the Self Insurance Benefits and Self Insurance Risk programs?

RECOMMENDATION:

Adopt Resolution No. 2019-21, transferring \$9,950,000 of appropriation authority from the Self Insurance Fund materials and services category to the Self Insurance Fund interfund transfers category for the purpose of establishing separate funds for the Self Insurance Benefits and Self Insurance Risk programs.

SUMMARY:

The City's budget needs to respond to unforeseen changes. State law allows the City Council to approve transfers of appropriations within a fund guided by the appropriation limits established by the adopted budget.

City Council is being asked to approve an action that will allow for the transfer of funds to complete the segregation of the risk programs from the health benefits programs.

FACTS AND FINDINGS:

The Self Insurance Fund (Fund 365) has the necessary reserve appropriation for the transfer, but requires additional budget authority in the interfund transfer category to facilitate this action.

The additional \$9,950,000 in budget authority can be accessed from the currently appropriated reserve in the materials and services category. A resolution is required to move the appropriation authority from the materials and services to the interfund transfer category. It can then be transferred to the new Self Insurance Risk Fund (Fund 366).

BACKGROUND:

On January 14, 2019, the City Council approved fund balance policies for the City's self-insured health benefits and risk (liability and worker's compensation) programs. Approving separate policies for the two program areas was a precursor to establishing a new fund, which was approved through Resolution 2019-1. In the FY 2020 budget, health benefits remain in the long-established Fund 365 / Self Insurance Benefits, while risk programs are segregated in the new Fund 366 / Self Insurance Risk. The actions provided in Resolution 2019-21 authorize the final step of transferring the reserve attributed to the risk programs to the new fund.

Josh Eggleston
Senior Fiscal Analyst

Attachments:

1. Resolution 2019-21