

AGENDA ITEM NO. 1 F
COUNCIL MEETING 6/03/2010
APPROVED BY

June 3, 2010


DEPARTMENT DIRECTOR

CITY MANAGER

FROM: TERRY A. BOND, Director
Personnel Services Department

BY: DANIEL G. TURNER, Risk Manager
Risk Management Division

SUBJECT: A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 82ND AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2009-149 APPROPRIATING \$57,300 TO FUND UNEMPLOYMENT INSURANCE PROGRAM COSTS.

RECOMMENDATIONS

It is recommended that the City Council approve the attached Appropriation allocating an additional \$57,300 to the Unemployment Insurance fund in order to cover the remaining payment for fiscal year 2009-2010.

EXECUTIVE SUMMARY

On March 4, 2010 Council approved additional funding of \$550,000 to cover anticipated Unemployment Insurance costs for fiscal year 2009-10. This additional amount brought the total annual appropriation in this account to \$1,533,900 with a remaining balance of \$534,670 in order to make the final payment for the period of January- March, 2010 of this fiscal year. The final billing statement for this fiscal year has been received from the State of California which amounts to \$591,877.56 leaving an unfunded deficit of \$57,206.89.

An additional Appropriation of \$57,300 is required to make this payment and avoid penalties.

BACKGROUND

As noted in the staff report dated March 4, 2010, Unemployment Insurance costs have escalated sharply in this fiscal year mirroring the continued turndown in the national economy, required layoffs to meet budgetary obligations, and the difficulty of finding new employment for those previously laid off. This past March, staff requested additional funding of \$550,000 which was thought to be sufficient to finance this program through the end of the fiscal year. However, an additional Appropriation of \$57,300 is required to make this payment and avoid penalties.

Staff anticipates continued challenges in meeting the financial obligations associated with the City's Unemployment Insurance program. The trends noted above will continue into the next fiscal year and are expected to be further increased when the additional layoffs occur. An increased allocation is identified in next year's budget. Staff will continue to monitor the program's expenditures.

FISCAL IMPACT

The recommended increase will have an impact to the General Fund of \$57,300. It is necessary in order to provide the Unemployment Insurance fund with monies necessary to meet its obligation for the final payment of this fiscal year.

PSD: kn: 5-17-10

Attachment: Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO ADOPTING THE 82nd AMENDMENT TO THE ANNUAL APPROPRIATION RESOLUTION NO. 2009-149 APPROPRIATING \$57,300 TO FUND UNEMPLOYMENT INSURANCE PROGRAM COSTS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT PART III of the Annual Appropriation Resolution No. 2009-149 be and is hereby amended as follows:

	<u>Increase/(Decrease)</u>
TO: PERSONNEL SERVICES DEPARTMENT	
Unemployment Self-Insurance	\$ 57,300

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

General Fund

Retained Earnings:	
Account: 25300 Unreserved/Undesignated	<u>\$ 57,300</u>
Fund: 10101	
Org Unit: 520501	
Total Retained Earnings	<u>\$ 57,300</u>
Revenues:	
Account: 44910 Transfer To Other Fund	<u>\$ (57,300)</u>
Fund: 10101	
Org Unit: 520501	
Total Revenues	<u>\$ (57,300)</u>

Increase/(Decrease)

Unemployment Self-Insurance

Revenues:

Account: 43910 Transfers From Other Fund	<u>\$ 57,300</u>
Fund: 51503	
Org Unit: 540901	

Total Revenues	<u>\$ 57,300</u>
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Appropriations:

Account: 53302 Prof Svcs/Consulting – Outside	<u>\$ 57,300</u>
Fund: 51503	
Org Unit: 540901	
CS: ER001	

Total Appropriations	<u>\$ 57,300</u>
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THAT the purpose is to appropriate \$57,300 to fund Unemployment Insurance Program costs.

CLERKS CERTIFICATION

STATE OF CALIFORNIA }
 COUNTY OF FRESNO } ss.
 CITY OF FRESNO }

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2010

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

Mayor Approval: _____, 2010
 Mayor Approval/No Return: _____, 2010
 Mayor Veto: _____, 2010
 Council Override Veto: _____, 2010

REBECCA E. KLISCH
 City Clerk