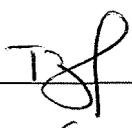
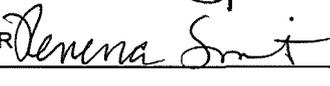


AGENDA ITEM NO. 26  
COUNCIL MEETING 06/6/2013  
APPROVED BY \_\_\_\_\_

June 6, 2013

FROM: TJ Miller, Assistant Director  
Personnel Services Department 

FOR  
DEPARTMENT DIRECTOR 

 CITY MANAGER 

BY: Roy Angel, Risk Manager  
Personnel Services Department

SUBJECT: A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO APPROVING THE REALLOCATION OF \$1,500,000 FROM THE PROPERTY/LIABILITY SELF-INSURANCE FUND CONTINGENCY TO FUND REFUNDS AND CLAIMS AND OUTSIDE LEGAL SERVICES

**RECOMMENDATION**

Staff recommends the City Council approve the attached Resolution which authorizes the reallocation of \$1,500,000 from the Property/Liability Self-Insurance Fund Contingency/Reserve account to the Refunds and Claims account at \$750,000 and to the Outside Legal Services account at \$750,000 to meet anticipated obligations through June 30, 2013.

**BACKGROUND**

The authorized FY 2013 appropriations in the Property/Liability Self-Insurance fund totals \$11,633,600 which includes employee service costs, operations and maintenance costs, interdepartmental charges, insurance claims and refunds and \$3,000,000 in the Contingency/Reserve. The Refunds and Claims and Outside Legal Services expense accounts are currently underfunded to pay projected costs through the end of the fiscal year. The Contingency/Reserve account is budgeted in the event claims, or claims expense, exceed historical levels or to respond to situational emergencies. This reallocation is required to timely pay approved attorney's fees and to pay liability refunds and claims. The FY 2014 budget assumes the use of these funds and has built charges to replenish the reserve to the \$3.0 million level. Funds not expended by June 30<sup>th</sup> will be carried over into the Property/Liability Self-Insurance Fund's beginning balance.

Due to extraordinary legal activity and settlements achieved throughout the year the existing appropriations for the insurance claims and refunds and the outside legal expense accounts are not sufficient to meet existing obligations through June 30, 2013. The attached Resolution authorizes the reallocation of \$750,000 from the Contingency/Reserve account for the Property/Liability Self-Insurance fund to the Refunds and Claims account and \$750,000 from the Contingency/Reserve account for the Property/Liability Self-Insurance fund to the Outside Legal Services account. These reallocations do not increase appropriations; they move existing appropriations from the Contingency/Reserve account into the Refunds and Claims and Outside Legal Services accounts.

**FISCAL IMPACT**

These reallocations do not increase appropriations; they move existing appropriations from the Contingency/Reserve account into the Refunds and Claims and Outside Legal Services accounts. Should unexpended funds remain in the Liability Refunds and Claims and/or Outside Legal Services accounts at the end of the fiscal year the balance will rollover into the Liability Self-Insurance fund for FY2014.

Attachment: Resolution

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO APPROVING THE REALLOCATION OF \$1,500,000 FROM THE PROPERTY/LIABILITY SELF-INSURANCE FUND CONTINGENCY TO FUND LIABILITY REFUNDS AND CLAIMS AND LIABILITY OUTSIDE LEGAL SERVICES

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

THAT \$1,500,000 with the appropriations set forth in PART III of the Annual Appropriation Resolution No. 2012-125 be and is hereby approved to be reallocated from contingency to Refunds and Claims and Outside Legal Services, within the Property/Liability Self-Insurance fund.

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

<u>Property/Liability Self-Insur</u>	<u>Increase/(Decrease)</u>
Appropriations:	
Account: <b>61001</b> Contingency/Reserve	\$ (1,500,000)
<b>53306</b> Outside Legal Services	750,000
<b>63101</b> Refunds and Claims	<u>750,000</u>
Fund: <b>51502</b>	
Org Unit: <b>540702</b>	
Total Appropriations	\$ <u>          0</u>

THAT the purpose is to reallocate \$1,500,000 from the Property/Liability Self-Insurance fund contingency to address anticipated needs for the balance of FY 2013 in the Outside Legal Services and Refunds and Claims accounts.

**CLERKS CERTIFICATION**

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

I, YVONNE SPENCE, 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 \_\_\_\_\_, 2013.

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

Mayor Approval: \_\_\_\_\_, 2013  
Mayor Approval/No Return: \_\_\_\_\_, 2013  
Mayor Veto: \_\_\_\_\_, 2013  
Council Override Veto: \_\_\_\_\_, 2013

\_\_\_\_\_  
YVONNE SPENCE, C.M.C  
City Clerk