



## Legislation Text

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**File #:** 19-165, **Version:** 1

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**SUBJECT:** Approval of Supplemental Budget Appropriation From the Unreserved, Unappropriated Fund Balance of the General Fund to Fund 666-Worker's Compensation in the Amount of \$120,000 Due to Increased Activity in Worker's Compensation Claims in Fiscal Year 2018-19

### REPORT IN BRIEF

Considers approving a supplemental budget appropriation from the Unreserved, Unappropriated Fund Balance of the General Fund to Fund 666-Worker's Compensation by \$120,000. This adjustment is necessary due to higher than projected worker's compensation claims activity than what was originally budgeted in fiscal year 2018-2019.

### RECOMMENDATION

**City Council** - Adopt a motion:

A. Approving a supplemental appropriation from the unreserved, unappropriated fund balance of the General Fund in the amount of \$120,000, transferring to Fund 666-Worker's Compensation Fund, and appropriating the same in Fund 666; and,

B. Authorizing the Finance Officer to make the necessary budget adjustments.

### AUTHORITY

Article XI - Fiscal Administration

### CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget

### DISCUSSION

The City of Merced's Workers' Compensation program is a self-funded plan. During the annual budget process, the Support Services department works with the City Attorney's office to estimate the needs of existing claims and pending settlements to recommend funding for this program. During this fiscal year, the City has experienced higher than anticipated workers' compensation claims activity than what was originally budgeted in fiscal year 2018-2019.

Support Services is requesting a supplemental appropriation of \$120,000 to cover the claims and payments needed for the administration of the City's self-insured worker's compensation plan. Prior to making this request, the department has depleted all prior year funding and contingency reserves in Fund 666 for payment of worker's compensation medical and permanent disability claims.

## **IMPACT ON CITY RESOURCES**

A Supplemental appropriation in the amount of \$120,000 is necessary to fund the City's self-insured worker's compensation plan during this fiscal year. The amount of \$120,000 is being requested as a supplemental appropriation from the unreserved, unappropriated fund balance of the General Fund.

## **ATTACHMENTS**

None.