



Legislation Details (With Text)

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**File created:** 8/3/2020 **In control:** City Council

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**Title:** Actions pertaining to FY 2021 Insurance Expenses:  
 1. \*\*\*RESOLUTION - Approving the reallocation of \$480,000 in the Property Self-Insurance Fund to provide additional funding for FY 2021 insurance expenses (Subject to Mayor's Veto); (5 affirmative votes required).  
 2. \*\*\*RESOLUTION - Approving the reallocation of \$295,000 in the Liability Self-Insurance Fund to provide additional funding for FY 2021 insurance expenses (Subject to Mayor's Veto); (5 affirmative votes required).

**Sponsors:** Personnel Services Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 21 2nd NonAAR\_PSD\_Liability Self-Ins Fund\_MW.pdf, 2. 21 3rd NonAAR\_PSD\_Property Self-Ins Fund\_MW.pdf

Date	Ver.	Action By	Action	Result
8/20/2020	2	City Council	continued	

**REPORT TO THE CITY COUNCIL**

**August 20, 2020**

**FROM:** JEFF CARDELL, Director  
Personnel Services Department

**BY:** MICHAEL PAYNE, Risk Manager  
Personnel Services Department

**SUBJECT**

Actions pertaining to FY 2021 Insurance Expenses:

1. \*\*\*RESOLUTION - Approving the reallocation of \$480,000 in the Property Self-Insurance Fund to provide additional funding for FY 2021 insurance expenses (Subject to Mayor's Veto); (5 affirmative votes required).
2. \*\*\*RESOLUTION - Approving the reallocation of \$295,000 in the Liability Self-Insurance Fund to provide additional funding for FY 2021 insurance expenses (Subject to Mayor's Veto); (5 affirmative votes required).

**RECOMMENDATION**

It is recommended that Council approve the attached Resolutions which authorize the reallocation of \$480,000 in the Property Self-Insurance Fund and \$295,000 in the Liability Self-Insurance Fund to pay the FY 2021 insurance premiums.

## **EXECUTIVE SUMMARY**

The continuing resolution appropriations in the property and liability funds utilized for insurance premium payments are insufficient to pay the current fiscal year premiums. Approval of this reallocation will redistribute existing appropriations to pay for current fiscal year insurance premiums.

## **BACKGROUND**

The continuing resolution budget that was adopted for this fiscal year did not include any additional appropriations to account for increased insurance premiums. In addition, the adopted budget includes a ten percent contingency reducing the appropriations available to pay the insurance premiums for this year. To compensate for these reductions and the increase in premiums it is necessary to reallocate existing appropriations by adopting the attached resolutions. Pursuant to Council Resolution 2020-159 (the Annual Appropriations Resolution), Section 2(c), Council approval is required for this reallocation.

## **ENVIRONMENTAL FINDINGS**

By the definition provided in the California Environmental Quality Act ("CEQA") Guidelines Section 15378, this item does not qualify as a "project" and is, therefore, exempt from CEQA requirements.

## **LOCAL PREFERENCE**

This item does not involve public contracting, therefore, local preference is not implicated.

## **FISCAL IMPACT**

This item does not increase expenditure authority or appropriations. It is a reallocation of existing appropriations to allow for payment of insurance premiums that are currently due.

### Attachments:

Resolution FY21 Reallocation Property Self-Insurance Fund

Resolution FY21 Reallocation Liability Self-Insurance Fund