



Legislation Text

File #: 11-322, **Version:** 1

Resolution Authorizing Transfers from General Fund Fund Balance to Self Insurance Fund and Economic Uncertainty Reserve

WHEREAS, the City Council Finance Committee reviewed the 2010-11 Budget Review and Budget Amendment at its meeting on September 9, 2011, and

WHEREAS, the City Council has established a philosophy for financial reserve funds. In 1989-90, the City Council adopted a series of financial values that were utilized to develop the budget. The Financial Goals Statement identifies and formalizes the financial principles by which the organization is guided, and

WHEREAS, the Major Emergencies and Economic Uncertainty designations reflect the General Fund reserves set aside for future unplanned contingencies. The amount of the Major Emergencies reserve has remained unchanged during the recent years of depressed economics. The reserve has remained at \$5,000,000 since 2007-08. The Economic Uncertainty reserve, at \$10,033,000 in 2007-08, has since been partially utilized for operations over the past several years, and

WHEREAS, the preliminary year-end close for the Self Insurance Fund reflected a fund balance deficit of (\$1,192,000). The deficit occurred as a result of significantly higher Fund expenditures in 2010-11. One unanticipated cost was that case reserves for liability and workers' compensation increased by \$2,361,400.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

Authorize transfers from the General Fund fund balance to the Economic Uncertainty reserve and to the Self Insurance Fund. The transfer of \$1,500,000 to the Self Insurance Fund was administratively approved by the City Manager to facilitate the preparation of the City's 2010-11 financial statements. This transfer is confirmed by City Council. A separate transfer to the Economic Uncertainty reserve of \$2,000,000 is also authorized.

