

RESOLUTION # 2017-03

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET TO ESTABLISH A NEW WORKER'S COMPENSATION INTERNAL SERVICE FUND; REALLOCATE APPROPRIATIONS OF \$800,000 FROM THE GRANTS FUND TO THE WORKER'S COMPENSATION INTERNAL SERVICE FUND; TRANSFER ACTUAL FUNDS IN THE AMOUNT OF \$800,000 FROM THE GENERAL FUND TO THE WORKER'S COMPENSATION INTERNAL SERVICE FUND; AND AUTHORIZE THE ADDITION OF 1.0 NEW FULL-TIME EQUIVALENT IN THE HUMAN RESOURCES DEPARTMENT TO SUPPORT THE CITY'S TRANSITION TO A SELF-INSURED AND SELF-ADMINISTERED WORKER'S COMPENSATION PROGRAM.

WHEREAS, the City will transition to a self-insured and self-administered worker's compensation program to fulfill statutory obligations related to workplace injuries;

WHEREAS, industry standards and compliance require the use of a claims management database to house and adjust worker's compensation claims and the procurement of an excess worker's compensation insurance premium requires the employment of a risk consultant to negotiate and purchase on behalf of the City program;

WHEREAS, the Human Resources Department is requesting authority to hire one Worker's Compensation Claims Adjuster to support the new worker's compensation program;

WHEREAS, an actual transfer of funds in the amount of \$800,000 from the General Fund to the Worker's Compensation Internal Service Fund is necessary to support the new worker's compensation program;

WHEREAS, the FY2017 budget was adopted by Council Resolution #2016-81 on June 21, 2016;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Surprise, Arizona, as follows.

Section 1. That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2016 through June 30, 2017.

Section 2. The Human Resources Department is hereby authorized to add 1.0 additional full-time equivalent to hire Worker's Compensation Claims Adjuster to support the new worker's compensation program.

APPROVED AND ADOPTED this ____ day of _____, 2017.

Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

Sherry Aguilar, City Clerk

Robert Wingo, City Attorney

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Exhibit A

The FY2017 Annual Budget is amended by reallocating appropriations among lawfully available appropriations to ensure the continued operations of the City of Surprise in the payment of necessary expenditures. These allocations do not represent an actual transfer of funds, but only a transfer of spending authority. Additionally, these reallocations do not increase or decrease the total budget.

1. **Personnel** – The transition to a self-insured and self-administered worker’s compensation program requires the addition of 1.0 new FTE.

| Department | Current FTE’s | Increase (Decrease) | Amended FTE’s |
|----------------------------|------------------|------------------------|------------------|
| Human Resources Department | 19.0 | 1.0 | 20.0 |

2. **Expenditures** – Appropriation in the amount of \$800,000 will be reallocated from Grants Fund contingency to the Worker’s Compensation Internal Service Fund for personnel, professional services, supplies, and contingency to support the transition to a self-insured and self-administered worker’s compensation program.

| Worker’s Compensation Internal Service Fund, Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|--------------------------|------------------------|--------------------------|
| Furniture, Fixtures, and Equipment <\$10,000 | \$0 | \$600 | \$600 |
| Computer Supplies | 0 | 2,100 | 2,100 |
| Professional Services- Software Licenses | 0 | 32,800 | 32,800 |
| Professional and Outside Services | 0 | 30,000 | 30,000 |
| Personnel | 0 | 39,800 | 39,800 |
| Contingency | 0 | 694,700 | 697,400 |
| Grants Fund, Contingency | 20,701,900 | (800,000) | 19,901,900 |
| | <u>\$20,701,900</u> | <u>\$0</u> | <u>\$20,701,900</u> |

3. **Transfers** – FY2016 General Fund savings in the amount of \$800,000 will be transferred from the General Fund to the Worker’s Compensation Internal Service Fund to support the transition to a self-insured and self-administered worker’s compensation program. This represents a reallocation of actual funds.

| Fund, Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|--------------------------|------------------------|--------------------------|
| General Fund, Transfers Out | \$12,957,200 | \$800,000 | \$13,757,200 |
| Worker’s Compensation Internal Service Fund, Transfers In | 0 | (800,000) | (800,000) |
| | <u>\$12,957,200</u> | <u>\$0</u> | <u>\$12,957,200</u> |