

Legislation Text

File #: #21-319, Version: 1

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DATE OF MEETING: 09/07/21

SUBJECT:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING A BUDGET APPROPRIATION OF \$330,000 FROM FY 21/22 GENERAL FUND DESIGNATED RESERVES / GENERAL LIABILITY COST INCREASE TO MULTI-DEPARTMENTAL PROPERTY/FIRE/CRIME INSURANCE (100-1430-44450) TO FUND THE CITY'S FISCAL YEAR 21/22 ANNUAL INSURANCE PREMIUM INCREASES

CITY MANAGER RECOMMENDATION

Adopt Resolution

COMPLIANCE STATEMENTS

Ensuring proper insurance coverage is necessary for the ongoing operations of the City.

CEQA Compliance Statement

This is not a project as defined by CEQA.

BACKGROUND

The City is insured through the Municipal Pooling Authority (MPA) which is a Joint Powers Authority established for the purpose of providing liability insurance to municipal agencies in Northern California.

On June, 2021, the City adopted its FY 21/22 General Fund Operating budget which included forthcoming expenses for insurance premium increases based on estimates provided by MPA. Unfortunately, the estimated expenses provided by MPA to the City prior to adoption of the budget were below the actual insurance premium costs later determined by MPA by final actuarial analysis for the upcoming FY 2021/22 period, effective July 1, 2021.

On July 28, 2021, the budget shortfall on insurance premiums was reviewed by the Budget, Fiscal & Legislative Standing Committee (Pabon-Alvarado; Ponce), and a recommended allocation of \$330,000 from General Fund Designated Reserves (GFDR) Allocation to cover the actual insurance premium costs for the City for FY 2021/22 was recommended for formal consideration by the City Council.

On August 2, 2021, City Council adopted Resolution 2021-104 approving the FY 21/22 General Fund Designated Reserves Allocation which included \$330,000 under General Liability Cost Increase.

The proposed Resolution appropriates \$330,000 from FY 2021/22 General Fund Designated Reserves / General Liability Cost Increase to Multi-Departmental Property/Fire/Crime Insurance (100-1430-44450) to fund the budget expense shortfall for all actual insurance premium cost increases for

the FY 2021/22 period.

FISCAL IMPACT

The proposed resolution appropriates \$330,000 from FY 21/22 General Fund Designated Reserves / General Liability Cost Increase to Multi-Departmental Property/Fire/Crime insurance (100-1430-44450) to fund the shortfall.