



MEMORANDUM

DATE: JANUARY 24, 2013

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*

FROM: DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*
DEBRA STAPLETON, DIRECTOR OF HUMAN RESOURCES *DS*

SUBJECT: RESOLUTION NO. 4659 AUTHORIZING A FUNDS TRANSFER FROM EXISTING WORKER'S COMPENSATION FUND 736 TO THE CITY OF CHANDLER WORKER'S COMPENSATION AND EMPLOYER LIABILITY TRUST

RECOMMENDATION

Staff recommends adoption of Resolution No. 4659 authorizing a funds transfer from the existing Worker's Compensation Fund 736 to the City of Chandler Worker's Compensation and Employer Liability Trust.

BACKGROUND

The City hires an actuary to complete a workers' compensation unpaid loss and allocated loss adjustment expense analysis in order to ensure the appropriate funding of the City's self-insured workers' compensation program. The existing Fund 736 Worker's Compensation Fund has been used to reserve the funds to support this program since the workers' compensation fund went self-insured in 2002.

In preparation of the establishment of the City of Chandler Worker's Compensation and Employer Liability Trust, the Human Resources Director and Management Services Director reviewed this analysis, with consult from Gallagher Benefit Services, Inc., and have agreed that the City has the appropriate funding required to sustain the program.

These funds, which amount to approximately \$7,400,000, will need to be transferred from the existing Fund 736 Worker's Compensation Fund to the City's newly established Worker's Compensation and Employer Liability Trust.

PROPOSED MOTION

Approve City of Chandler Resolution No. 4659 authorizing a funds transfer from the existing Worker's Compensation Fund 736 to the City of Chandler Worker's Compensation and Employer Liability Trust.

Attachment: Resolution No. 4659

RESOLUTION NO. 4659

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF CHANDLER, ARIZONA AUTHORIZING A FUNDS TRANSFER FROM
EXISTING WORKER'S COMPENSATION FUND 736 TO
THE CITY OF CHANDLER WORKER'S COMPENSATION AND EMPLOYER
LIABILITY TRUST**

WHEREAS, the City of Chandler, Arizona ("Chandler") is establishing a self-funded insurance program for worker's compensation and employer liability for its employees through its approval of Ordinance No. 4415, *An Ordinance Of The City Council Of The City Of Chandler, Arizona Amending Chapter 2, Code Of The City Of Chandler, By Adding Section 16; Creating The City Of Chandler Worker's Compensation And Employer Liability Trust Fund; And Creating The City Of Chandler Worker's Compensation And Employer Liability Trust Board To Administer The Fund*; and

WHEREAS, Section 2-16.1(c) of the Chandler City Code requires that the City adopt a Trust Agreement as defined therein that sets forth the specific terms of the Chandler Worker's Compensation and Employer Liability Trust; and

WHEREAS, the City has adopted the "Chandler Worker's Compensation and Employer Liability Trust" on this same day; and

WHEREAS, it is necessary for the City to provide funding to the Trust in order for the purposes of the Trust to be carried out;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Chandler, Arizona, as follows:

1. That all funds held in Fund 736 on the close of business as of January 31, 2013 in an approximate amount of \$7,400,000 as reflected in the official books and records of the City shall be transferred from said Fund 736 of the City to the Chandler Worker's Compensation and Employer Liability Trust.
2. That the City Manager and/or the Management Services Director are authorized to effectuate such transfer by renaming Fund 736 on the official books and records of the City to reflect the transfer of funds to the Chandler Worker's Compensation and Employer Liability Trust.
3. That the City Manager and/or the Management Services Director hereby are authorized and directed to perform all acts necessary to give effect to this Resolution.

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona
this ____th day of January, 2013.

ATTEST:

CITY CLERK

MAYOR

APPROVED AS TO FORM:

CITY ATTORNEY 

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. _____ was duly
passed and adopted by the City Council of the City of Chandler, Arizona at a regular
meeting held on the ____ day of _____, 2013, and that a quorum was present
thereat.

City Clerk