

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 4, FILE # 031378

FEBRUARY 4, 2004

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File # 031378 is a substitute resolution relating to expenditure of funds to be reimbursed by greater than anticipated revenue.

Background

1. This resolution authorizes the Department of Employee Relations to expend additional funds for worker's compensation expenses.
2. The Workers' Compensation Fund covers expenses incurred by the city as a result of employee job-related injuries. Payments are made from the fund to those injured. These payments are partially offset by the recovery of payments from third parties.

Discussion

1. This resolution authorizes the Department of Employee Relations to expend an additional \$1,275,000 for worker's compensation claims in 2003.
2. The Comptroller has certified greater than anticipated revenue related to a third party worker's compensation payment and only for the purposes stated in this resolution. The revenue referenced in this resolution has been obtained from various third party sources as a result of reimbursement for worker's compensation case in which the city has paid medical and disability-related expenses.
3. This resolution will appropriate \$1,275,000 from the Reimbursable Services Advance Fund to the Worker's Compensation Special Purpose Account for 2003 expenses.
4. Adoption of this resolution will preclude the need for the 2003 Worker's Compensation SPA to be supplemented by the Common Council Contingent Fund. The 2003 Workers' Compensation SPA will, most likely, require the entire amount of the revenue approved through this resolution.

Fiscal Impact

1. The total amount of this resolution is \$1,275,000 to be appropriated from the Reimbursable Services Advance Fund to the Worker's Compensation Special Purpose Account with funds recognized by the Comptroller.

2. The 2003 Worker's Compensation SPA was budgeted for \$7,000,000 and is budgeted for \$7,705,000 for 2004.

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LRB-Fiscal Review Section
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