



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance

**ACM/CFO:** David Gaines

**DATE:** August 2, 2022

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas, amending the fiscal year 2021-2022 budget and annual program of services of the City of Denton to allow for adjustments to the Risk Fund of Three Million Dollars (\$3,000,000) for the purpose of funding workers compensation claims and administration, and services associated with health programming; declaring a public purpose; directing the City Secretary attach a copy to the 2021-2022 Budget; requiring approval by at least five votes; and providing a severability clause; an open meetings clause and an effective date.

### **BACKGROUND**

City staff is proposing to amend the City's FY 2021-2022 Risk Retention Fund budget as follows:

Increase appropriations in the Risk Retention Fund by \$3,000,000 to fund risk management services and programs. The major items driving the additional expenses include:

- Pending damage claims to both City property and vehicles
- Recent increases incurred to the Property, Commercial, and Liability insurance policy premiums
- Increased Workers' Compensation claims
- Capital expenses such as a fire engine and risk software

The above expenses represent unknown costs, such as increased property claims filed and Workers' Compensation claims, and recent insurance policy premium increases, that were not included in the scope of the budget adopted for Fiscal Year 2021-2022. Forecasted spending trends suggest year-end expenses may exceed Risk's expenditure budget by \$3,000,000 to support costs mentioned above. Total expenditures are expected to total \$7,984,189. This amendment increases the expenditure budget for the Risk Retention Fund from \$6,178,534 to \$9,178,534.

### **RECOMMENDATION**

Staff recommends the adoption of the ordinance.

### **FISCAL INFORMATION**

This ordinance will amend the FY 2021-2022 Budget and Annual Program of Services to allow for an increase to the Risk Retention Fund by \$3,000,000.

### **EXHIBITS**

1. Agenda Information Sheet
2. Ordinance
3. Presentation

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