

<b>TITLE</b>	<b>DATE</b>	<b>ORIGINATING DEPT./DIV.</b>
<b>AN ORDINANCE ADOPTING THE 2022 RETAINED RISK FUND BUDGET, APPROPRIATING THE FUNDS AUTHORIZED THEREIN, AND OTHERWISE PROVIDING WITH RESPECT THERETO.</b>	October 1, 2021	Executive Office <b>SPONSOR OR COUNCIL MEMBER</b> CAO

**PURPOSE**

To adopt the 2022 Retained Risk Fund Budget, in accordance with State law and City Charter.

This Ordinance or Resolution will have direct impact on Council District: **All**

**BACKGROUND INFORMATION**

The 2022 budget for the Retained Risk Internal Service Fund is -\$29,092,900, a 20% increase from 2021. Current revenue to the fund is \$10,330,900, and current expenditures are \$10,389,500. General Fund contributions are currently budgeted at \$6,913,200 for 2022. The liability reserve and several re-insurance policies are the city's protection against large awards resulting from liability lawsuits. Because the costs associated with the Retained Risk Fund (spending on claims, lawsuits and legal representation) affect the General Fund balance, the city aggressively seeks to reduce these costs whenever possible. The goal is to maintain liability reserves as large as the city can afford, even though the city is covered by insurance against catastrophic claims. The actuary desires to see the city liability reserves increase by at least \$40,854,000.

**TIMETABLE**

Introduction: **October 12, 2021**

Final Passage: **By: December 15, 2021**

**SPECIAL PROCEDURAL REQUIREMENTS**

A public hearing must be held on this budget for adoption by Council

**FINANCES****SOURCE OF FUNDS****CONCLUSION**

Approval of this ordinance is recommended.

**FACT SHEET PREPARED BY:** Kasey Brown, Interim CFO

**ORDINANCE NO. \_\_\_\_ OF 2021**

**AN ORDINANCE ADOPTING THE 2022 RETAINED RISK FUND BUDGET, APPROPRIATING THE FUNDS AUTHORIZED THEREIN, AND OTHERWISE PROVIDING WITH RESPECT THERETO.**

BY:

WHEREAS, Article 7 of the Charter of the City of Shreveport requires the adoption of a comprehensive operating budget for the year 2022; and

WHEREAS, the City Council has created a Retained Risk Internal Service Fund whose purpose is to provide funding for property damage, workers' compensation and general liability claims made against the City of Shreveport.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Shreveport, in legal session convened, that:

1. Estimated Receipts - The estimated receipts of the Retained Risk Internal Service Fund for 2022 are hereby established as follows:

Estimated Fund Balance as of 1/1/2022	- \$39,423,800
Transfer from General Fund	6,913,200
Transfer from Water and Sewerage Fund	2,500,000
Transfer from Airports Fund	229,000
Interest Income	10,000
Insurance Subrogation	678,700
Miscellaneous Revenue	0
<b>TOTAL</b>	<b>- \$29,092,900</b>

2. Appropriations - The funds set forth in the following classes of expenditures are hereby appropriated out of the Retained Risk Internal Service Fund's receipts for the year 2022:

Personal Services	\$ 2,019,600
Materials and Supplies	11,800
Contractual Services	34,300
Other Charges	8,078,800
Liability Reserves	-39,482,400
Improvements and Equipment	45,000
<b>TOTAL</b>	<b>- \$29,092,900</b>

3. The Retained Risk Internal Service Fund budget presented to the City Council by the Mayor by October 1, 2021, as amended by subsequent action by this Council, be and the same is hereby adopted.
4. Administration - The Mayor is hereby authorized to execute all contracts, deeds, grant documents and other legal instruments necessary to expend or receive funds herein authorized, subject to the provisions of Section 26-174 of the Code of Ordinances relative to the settlement of claims against

the City.

5. Donation of City Funds - No funds herein appropriated shall be donated, loaned or pledged, and no expenditures for such purposes shall be authorized except in accordance with Section 26-53 of the Code of Ordinances, as it exists now or may hereafter be amended.

BE IT FURTHER ORDAINED that if any provision or item of this ordinance or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this ordinance which can be given effect without the invalid provisions, items or applications; and to this end, the provisions of this ordinance are hereby declared severable.

BE IT FURTHER ORDAINED that all ordinances or parts thereof in conflict herewith are hereby repealed.

BE IT FURTHER ORDAINED that this ordinance will be effective on January 1, 2022.

APPROVED AS TO LEGAL FORM:

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City Attorney's Office