



STAFF REPORT

DATE: December 4, 2018

REGULAR

ITEM #16 – Consent

MOTION

TO: Honorable Mayor and City Council
FROM: Sue Iverson – Finance Director
AGENDA ITEM: 2019 Fee Schedule
REVIEWED BY: Kristina Handt – City Administrator

BACKGROUND:

In 2016, the LMCIT had special underwriting conditions on the City's policy which raised the deductible from \$500 to \$200,000. As a result, on December 20, 2016, the City Council passed a resolution committing \$200,000 of the General Fund balance to be used against any deductible amount charged to the City as the duration of the special underwriting was uncertain.

ISSUES BEFORE THE CITY COUNCIL:

- 1) Should the Council remove the commitment on General Fund reserves and return it to the undesignated fund balance reserves?

DISCUSSION:

The LMCIT has removed all of the special underwriting conditions from the City's policy effective for 2019. The City Council has approved a \$1,000 deductible for 2019. The original action approved by the City Council was that the monies be replaced in the General Fund reserves with no restrictions if the special underwriting conditions were terminated.

FISCAL IMPACT:

The \$200,000 commitment would be removed from the General Fund reserves and move the amount to undesignated reserves.

OPTIONS:

- 1) Approve removing the \$200,000 commitment on General Fund reserves.
- 2) Amend and then approve removing the \$200,000 commitment on General Fund reserves.
- 3) Do not approve removing the \$200,000 commitment on General Fund reserves.

RECOMMENDATION:

If removed from consent agenda:

Motion to adopt Resolution 2018-134, a resolution removing the commitment on General Fund balance.

ATTACHMENTS:

- 1) Resolution 2018-134 Resolution Removing the Commitment on General Fund Balance.

**CITY OF LAKE ELMO
COUNTY OF
WASHINGTON STATE OF
MINNESOTA**

RESOLUTION NO. 2018-134

**RESOLUTION REMOVING THE COMMITMENT ON GENERAL FUND
BALANCE**

WHEREAS, the City Council of the City of Lake Elmo adopted Resolution 2016-112 placing a commitment of \$200,000 on General Fund reserves for insurance deductibles; and

WHEREAS, the special underwriting conditions placed on the City which resulted in the \$200,000 deductible has now been removed; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lake Elmo, that the commitment on the General Fund reserves for insurance deductibles be removed.

Dated: December 4, 2018.

Mike Pearson, Mayor

ATTEST:

Julie Johnson, City Clerk

(SEAL)