

Unemployment Fund

MISSION STATEMENT

It is the mission of the Unemployment Tax Fund to provide services for unemployment costs to former employees.

PRIMARY FUNCTIONS/FUND HIGHLIGHTS

The primary function of the Unemployment Tax Fund is to account for all unemployment expenditures.

The City operates a self-insured unemployment tax program with financing provided by premiums charged to departments based on a percentage of the first \$9,000 salary. The City will continue to strive to provide this program to former employees while maintaining responsible costs for the taxpayers through its self-insured program.

UNEMPLOYMENT COMPENSATION TAX FUND BUDGET SUMMARY

APPROPRIATION	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2012 <u>ESTIMATED</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	\$111,572	\$161,514	\$61,434	\$168,307	\$6,793
TOTAL	\$111,572	\$161,514	\$61,434	\$168,307	\$6,793

FUNDING SOURCE	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
GENERAL FUND TRANSFERS	\$55,920	\$51,989	\$169,720	\$135,297	(\$34,423)
OTHER FUND TRANSFERS	10,833	29,145	29,502	32,760	3,258
INTEREST INCOME	1,174	279	900	900	0
TOTAL	\$67,927	\$81,413	\$200,122	\$168,957	(\$31,165)

BUDGET HIGHLIGHTS

- The property tax rate for unemployment, collected in the general fund, is unlimited by statute. The 2013 estimated rate is 0.82 cents, 0.045 cents higher than the previous 0.78 cents.

UNEMPLOYMENT COMPENSATION FUND FIVE YEAR FINANCIAL FORECAST (IN \$000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$171	\$175	\$179	\$184	\$188
Expenses	<u>60</u>	<u>1</u>	<u>63</u>	<u>65</u>	<u>66</u>
Excess (Deficit)	<u>111</u>	<u>174</u>	<u>116</u>	<u>119</u>	<u>122</u>
Beginning Balance	(20)	<u>91</u>	<u>265</u>	<u>381</u>	<u>500</u>
Ending Balance	<u>\$91</u>	<u>\$265</u>	<u>\$381</u>	<u>\$500</u>	<u>\$622</u>
Property Tax Rates (in cents)	0.9	0.9	0.9	0.9	0.9

The 2014-2018 five-year forecast assumes that unemployment costs will increase 3% annually and that premiums will be adjusted as necessary during this period. The unemployment rate charged to operating departments has remained stable at 2.0% (180) of the first \$9,000 of salary per employee for 2013. For the 2014 – 2018 planning period, the rate will be 2.0% (\$180).