

Unemployment Fund

Mission Statement

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

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

Fund Highlights

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.

Budget Summary

UNEMPLOYMENT TAX FUND BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>BUDGET</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	INCREASE (DECREASE)
CONTRACTUAL	<u>\$111,572</u>	<u>\$161,514</u>	<u>\$104,483</u>	<u>\$169,720</u>	<u>\$8,206</u>
TOTAL	<u>\$111,572</u>	<u>\$161,514</u>	<u>\$104,483</u>	<u>\$169,720</u>	<u>\$8,206</u>
FUNDING SOURCE		2011 <u>AMOUNT</u>	2011 <u>PERCENTAGE</u>	2012 <u>AMOUNT</u>	2012 <u>PERCENTAGE</u>
PROPERTY TAXES					
UNEMPLOYMENT TAX		\$140,575	82.8	\$140,218	82.6
INTERFUND TRANSFERS		29,145	17.2	29,502	17.4
INTEREST INCOME		<u>0</u>	<u>0.0</u>	<u>0</u>	<u>0.0</u>
TOTAL		<u>\$169,720</u>	<u>100.0</u>	<u>\$169,720</u>	<u>100.0</u>

Budget Analysis

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 property tax rate for unemployment compensation is unlimited by statute. The 2012 estimated rate is 0.78 cents, changed from the prior year's 0.7 cent rate. Unemployment expenses should stabilize and decrease.

Five Year Financial Forecast

The 2013-2017 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 2012. For the 2013 – 2017 planning period, the rate will be 2.0% (\$180).

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UNEMPLOYMENT COMPENSATION FUND 2013-2017 FINANCIAL FORECAST (IN \$000'S)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues	\$170	\$171	\$175	\$179	\$184
Expenses	<u>120</u>	<u>60</u>	<u>62</u>	<u>63</u>	<u>65</u>
Excess (Deficit)	<u>50</u>	<u>111</u>	<u>113</u>	<u>116</u>	<u>119</u>
Beginning Balance	<u>(70)</u>	<u>(20)</u>	<u>91</u>	<u>204</u>	<u>320</u>
Ending Balance	<u>(\$20)</u>	<u>\$91</u>	<u>\$204</u>	<u>\$320</u>	<u>\$439</u>
Property Tax Rates (in cents)	0.8	0.9	0.9	0.9	0.9