

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 40 - 2023

MAY 3, 2023

AN ORDINANCE

Amending the 2023 General Fund budget to add revenue accounts to the Risk Management Bureau's budget and transfer funds from the unappropriated balance to fund this payment process change. The adjustment is needed to account for the change to paying all active employee elective health benefit plans upfront instead of relying on manually produced payroll deduction paper checks for payment.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council authorizes a supplemental appropriation of One Hundred Eighty-Five Thousand (\$185,000.00) Dollars from the General Fund to the following account:

Finance

Risk Management

081-02-8001-0003-37

\$ 185,000.00

SECTION TWO: That City Council authorizes the creation of the following expenditure accounts:

081-6201 - Active Employee Life Insurance Reimbursement

081-6202 - Active Employee Accident Insurance Reimbursement

081-6203 - Active Employee & Spouse Voluntary Critical Illness Insurance Reimbursement

081-6204 - Active Employee Voluntary Hospital Confinement Indemnity Insurance Reimbursement

081-6205 - Active Employee Voluntary Short-Term Disability Insurance Reimbursement

081-6206 - Active Employee Voluntary Long-Term Disability Insurance Reimbursement

081-6207 - Active POLICE AFLAC Insurance Reimbursement

081-6209 - Active Employee Dental Reimbursement

081-6211 - Active Employee Vision Reimbursement

081-6689 - Medical Benefit Performance Revenue

SECTION THREE: That this Ordinance will take effect ten (10) days after final passage.

SECTION FOUR: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

Legislative Template

- **What department or bureau is this bill originating from? Where did the initiative for the bill originate?**

Bureau of Risk & Safety

- **Summary and facts of the bill.**

The bill adds the necessary accounts to the Risk Management Bureau's revenue listing and adjusts the City's active employee health benefits fund to reflect the additional expenditures.

- **Purpose – Please include the following in your explanation:**

- a. **What does the bill do? What are the specific goals or tasks the bill seeks to accomplish?**

The adjustment is needed to account for the change to paying all active employee elective health benefit plans upfront instead of relying on manually produced payroll deduction paper checks for payment.

- b. **What are the benefits of doing this? What are the drawbacks?**

The benefit is the creation of a more transparent & streamlined method of paying for the active employee elected health benefit plans. Additionally, this change will put the Controller in the process for reviewing and approving the vendor payments.

- c. **How does this bill relate to the City's vision/mission/priorities?**

The bill adds simplicity and outward accountability that will better assist in the administration of the active employee health benefit plans.

- **Financial Impact – Please include the following in your explanation:**

- a. **Cost (initial and ongoing)**

\$185,000.00, initially; \$370,000, ongoing

No costs will be incurred by the City. The change is a procedural shift with the funds being collected from employee elective plan deductions and applied to the corresponding Risk revenue account.

- b. **Benefits (initial and ongoing)**

Creates a streamlined simple approach to paying the active employee elected health benefit plans.

- **Funding Sources – Please include the following in your explanation:**
 - a. **If transferring funds, please make sure to give specific account names and numbers. If appropriating funds from a grant, please list the agency awarding the grant.**

Funds will need to be transferred from the unappropriated balance to account 081-02-8001-0003-37 to fund this payment process change. The expenditures in account 37 will be balanced by the generated revenues from employee deductions.

<i>Account Number</i>	<i>Adjusted Estimate</i>
081-6201 - Active Employee Life Insurance Reimbursement *	\$61,800.00
081-6202 - Active Employee Accident Insurance Reimbursement *	\$9,000.00
081-6203 - Active Employee & Spouse Voluntary Critical Illness Insurance Reimbursement *	\$7,050.00
081-6204 - Active Employee Voluntary Hospital Confinement Indemnity Insurance Reimbursement *	\$6,600.00
081-6205 - Active Employee Voluntary Short-Term Disability Insurance Reimbursement *	\$26,400.00
081-6206 - Active Employee Voluntary Long-Term Disability Insurance Reimbursement *	\$21,000.00
081-6207 - Active POLICE AFLAC Insurance Reimbursement *	\$49,035.00
081-6209 - Active Employee Dental Reimbursement	\$58,500.00
081-6211 - Active Employee Vision Reimbursement	\$7,150.00
081-6689 - Medical Benefit Performance Revenue *	\$3,500.00

* Revenue Accounts that require adjustments to the 081-02-8001-0003-37 expenditure account.

- **Priority status – Are there any deadlines to be aware of?**

June 2023 implementation

- **Why should Council unanimously support this bill?**

The adjustments contained in the bill will allow the Risk Management Department to better administer the prompt payment of the active employee health benefit plans and allow better Controller oversight to the entire process.