

ORDINANCE NO. 15510

FILE OF CITY COUNCIL

BILL NO. 89 - 2018

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DECEMBER 19, 2018

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## AN ORDINANCE

Amending the 2018 Risk Fund Budget by transferring a total of \$3,002,557 in the Risk Fund to cover Employee Health Benefits: authorizing a supplemental appropriation from the unappropriated balance of the 2018 Risk Fund in the amount of Two Million Four Hundred Seventeen Thousand Seven Hundred Ninety Dollars (\$2,417,790) and transferring Five Hundred Eighty Four Thousand Seven Hundred Sixty Seven Dollars within the fund.

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

SECTION ONE: That City Council authorizes the transfer of funds within the Risk Fund in the following manner:

	<u>FROM</u>	
081-02-8001-0001-06	Premium Pay	\$ 457.57
081-02-8001-0001-11	Shift Differential	250.00
081-02-8001-0001-36	Ins. – Property and Casualty	8,605.10
081-02-8001-0001-81	Property Losses	613.00
081-02-8001-0001-85	Auto Losses	63,879.54
081-02-8001-0002-06	Premium Pay	500.00
081-02-8001-0002-12	FICA	365.52
081-02-8001-0002-32	Publications and Memberships	693.00
081-02-8001-0002-34	Training and Professional Development	6,805.00
081-02-8001-0002-36	Ins. – Property and Casualty	556.00
081-02-8001-0002-38	Ins. – Other Employee	1,606.00
081-02-8001-0002-46	Other Contract Services	7,157.00

<b>081-02-8001-0002-80</b>	<b>Self-Insured Losses</b>	<b><u>102,575.92</u></b>
	<b>Total</b>	<b>\$ 194,063.65</b>
	<b><u>TO</u></b>	
<b>081-02-8001-0003-37</b>	<b>Insurance – Dental, Life and Drug</b>	<b>\$ 194,063.65</b>

SECTION TWO: That City Council authorizes a supplemental appropriation from the unappropriated balance of the 2018 Risk Fund in the amount of Two Million Nine Hundred Four Thousand Twenty-One Dollars and Thirty-Five Cents (\$2,904,021.35) in the following manner:

**Employee Health Benefits**

**081-02-8001-0003-37                      Insurance – Dental, Life, Drug \$2,904,021.35**

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SECTION FOUR: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

**AMENDMENT TO CHANGE SECTION ONE AND TWO AS FOLLOW, PASSED 7 - 0**

**SECTION ONE:**

<u>FROM</u>		
081-02-8001-0001-06	Premium Pay	\$ 457.57
081-02-8001-0001-11	Shift Differential	250.00
081-02-8001-0001-36	Ins. – Property and Casualty	8,605.10
081-02-8001-0001-81	Property Losses	613.00
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081-02-8001-0002-80	Self-Insured Losses	<u>102,575.92</u>
Total		\$ 194,063.65
<u>TO</u>		
081-02-8001-0003-37	Insurance – Dental, Life and Drug	\$ 194,063.65

SECTION TWO: That City Council authorizes a supplemental appropriation from the unappropriated balance of the 2018 Risk Fund in the amount of Two Million Nine Hundred Four Thousand Twenty-One Dollars and Thirty-Five Cents (\$2,904,021.35) in the following manner:

**Employee Health Benefits**

081-02-8001-0003-37 Insurance – Dental, Life, Drug \$2,904,021.35

	Yea	Nay
Candida Affa, VP	X	
Julio A. Guridy	X	
Daryl Hendricks	X	
Cynthia Y. Mota	X	
Courtney Robinson	X	
Ed Zucal	X	
Roger MacLean, Pres.	X	
TOTAL	7	0

**I hereby certify that the foregoing Ordinance was passed by City Council on March 6, 2019 and signed by the Mayor on March 7, 2019.**

  
 CITY CLERK

**What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

Finance Department

- **Summary and Facts of the Bill**

This Bill allows for the re-appropriation of funds within the Risk Fund and also transfers funds from the unappropriated balance of the Risk Fund to to cover the cost of health insurance which exceeded the amount budgeted for 2018.

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

- **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
- **What are the Benefits of doing this/Down-side of doing this**
- **How does this Bill related to the City's Vision/Mission/Priorities**

The total cost for health care in 2018 exceeded the amount budgeted by \$3,002,557. Of that amount \$584,767 can be reappropriated from other accounts within the Risk Fund that did not spend the full amount allotted to them for the year. The remaining \$2,417,790 will be transferred from the unappropriated balance of the Risk Fund.

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

- **Cost (Initial and ongoing)**
- **Benefits (initial and ongoing)**

Health care costs for employees, their families and eligible retirees exceeded budgeted allocations significantly. The Administration intends this to be a one-time adjustment for such purposes

- **Funding Sources – Please include the following in your explanation:**

- **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

Reappropriation of funds within the Risk Fund and transfer from the unappropriated balance of the Risk Fund.

- **Priority status/Deadlines, if any**

Approval is needed as soon as possible to ensure timely payment of invoices.

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

Council's approval of this ordinance will allow the City to make timely payment for Health Care Benefits.