

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 38 - 2019

JUNE 5, 2019

AN ORDINANCE

Amending the 2019 Risk Fund Budget by transferring One Million Five Hundred Thousand (\$1,500,000) Dollars from the unappropriated balance of the Risk Fund for Employee Health Benefits.

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

SECTION ONE: That City Council authorizes a supplemental appropriation from the unappropriated balance of the 2019 Risk Fund in the amount of One Million Five Hundred Thousand (\$1,500,000) Dollars in the following manner:

Employee Health Benefits

081-02-8001-0003-37	Insurance – Dental, Life, Drug	\$1,500,000
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SECTION TWO: That this Ordinance will take effect ten (10) days after final passage.

SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

- 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 transfers funds from the unappropriated balance of the Risk Fund for health insurance in an effort to maintain the account in a positive status.

- 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

In early 2019 the City received checks from the Stop Loss insurance company in the amount of \$1.3 million. This revenue combined with funds remaining in the unappropriated balance will allow for the transfer into the Employee Health Insurance account. The first half of this year is seeing a slight continuation of higher than usual monthly insurance costs as was experienced at the end of 2018.

- Financial Impact – Please include the following in your explanation:
 - Cost (Initial and ongoing)
 - Benefits (initial and ongoing)

After this transfer is completed it is anticipated that the Employee Health Insurance account will be able to remain in a positive state for the remainder of 2019.

- 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.

Appropriation of the Stop Loss Insurance revenue that was received earlier this year and a transfer from the unappropriated balance of the Risk Fund.

- Priority status/Deadlines, if any
- Why should Council unanimously support this bill?

Council's approval of this ordinance will allow the City to maintain a positive balance in the Employee Health Insurance account.