

# CITY OF HIGH POINT

## AGENDA ITEM



### **Title: Budget Amendment for Insurance Reserve Fund**

**From:** Eric Olmedo, Budget Director

**Meeting Date:** June 19, 2017

**Public Hearing:** N/A

**Advertising Date:** N/A

**Advertised By:** N/A

**Attachments:** Budget ordinance

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### **PURPOSE:**

A budget amendment is needed to increase appropriations for the Insurance Reserve Fund due to unanticipated increased costs for health care and dental care claims.

### **BACKGROUND:**

The FY 2016-2017 Approved Budget for the Insurance Reserve Fund was \$15,387,430. Due to increased claims related to health care and dental care costs, the Insurance Reserve Fund is projected to be about 4% or \$620,000 over budget.

### **BUDGET IMPACT:**

Funding for the \$620,000 is proposed to be paid by each operating fund by charging \$430 per employee. The impact to each fund is below:

General Fund - \$404,200  
Water/Sewer Fund - \$59,340  
Electric Fund - \$54,180  
Stormwater Fund - \$10,320  
Solid Waste Fund - \$39,130  
Total - \$567,170

In addition, current year revenues are projected to exceed the budgeted amount by \$52,830, for a total of \$620,000. An analysis of the current year budget shows that there will be unspent personnel budgets in each fund, except the Electric Fund, to transfer to the Insurance Reserve Fund. The Electric Fund will have unspent operating expenditures that can be transferred for this purpose.

### **RECOMMENDATION / ACTION REQUESTED:**

The Budget Department recommends and asks the Council to approve the budget amendment.

"AN ORDINANCE AMENDING THE 2016-2017 BUDGET ORDINANCE  
OF THE CITY OF HIGH POINT, NORTH CAROLINA  
FOR THE INSURANCE RESERVE FUND

Be it ordained by the City Council of the City of High Point, North Carolina, as follows:

Section 1. The expenditures for the Insurance Reserve Fund are projected to exceed budget by \$620,000 due to increased health and dental care costs.

Section 2. The revenues for the Insurance Reserve Fund are projected to exceed budget by \$52,830, and transfers from other funds are available of \$567,170, for a total of \$620,000.

Section 3. In order to recognize and appropriate these funds, the FY 2016-2017 Budget Ordinance for the City of High Point should be amended as follows:

(A) That the Insurance Reserve Fund revenues be amended as follows:

Health/Dental Premium	\$ 52,830
General Fund Transfer In	\$404,200
Water Sewer Fund Transfer In	\$59,340
Electric Fund Transfer In	\$54,180
Stormwater Fund Transfer In	\$10,320
Solid Waste Transfer In	\$39,130

(B) That the Insurance Reserve Fund expenditure budget be amended as follows:

Health/Dental Care	\$ 620,000
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Section 4. That all ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 5. That this ordinance shall be effective from and after its passage."

Adopted June 19, 2017