

# CITY OF HIGH POINT

## AGENDA ITEM



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

**From:** Eric Olmedo, Budget Director

**Meeting Date:** June 18, 2018

**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 increased employee premiums paid and expenses for health care and dental care claims.

### **BACKGROUND:**

The FY 2017-2018 Approved Budget for the Insurance Reserve Fund was \$15,947,390. Health, Dental and Life Insurance premiums paid in to the fund will exceed the budgeted revenue by \$572,610 (3.6%).

Expenditures for Health, Dental and Life insurance claims will exceed the budgeted amount by \$1,240,610 (7.8%). This will require an additional \$668,000 to be transferred from the various operating funds to the Insurance Reserve Fund to cover the additional expense.

**BUDGET IMPACT:** The \$668,000 budget amount is equal to \$500 per employee. This amount is proposed to be funded by vacancy savings from each respective fund at the cost listed below:

General Fund - \$478,500  
Water/Sewer Fund - \$69,000  
Electric Fund - \$63,000  
Stormwater Fund - \$12,000  
Solid Waste Fund - \$45,500  
Total - \$668,000

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

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

**"AN ORDINANCE AMENDING THE 2017-2018 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 \$1,240,610 due to increased health and dental care costs.

Section 2. The revenues for the Insurance Reserve Fund are projected to exceed budget by \$572,610, and additional transfers from other funds are available of \$668,000, for a total of \$1,240,610.

Section 3. In order to recognize and appropriate these funds, the FY 2017-2018 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	\$1,240,610
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(B) That the Insurance Reserve Fund expenditure budget be amended as follows:

Health/Dental Care	\$ 1,240,610
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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 18, 2018