



City of Largo Agenda Item 21

Meeting Date
08/07/17

Presenter: Meridy Semones, OMB Manager

Department: AD – Administration

TITLE:

ORDINANCE NO. 2018-58 - FIRST READING - AMENDING THE FY 2018 HUMAN RESOURCES BUDGET BY APPROPRIATING REVENUES AND EXPENSES IN THE AMOUNT OF \$300,000 WITHIN THE RISK FUND

After preparing the FY 2019 Proposed Budget, which includes year-end FY 2018 estimates, projections indicate that the Human Resources (HR) Department will exceed its annual appropriation within the Risk Fund. The area where expenses are higher than budget are health insurance premiums.

Over the past several years, the City has seen an increase in the number of employees selecting health insurance, and therefore an overall increase in the number of lives covered on the plan. This development is a testament to the high quality plan provided to employees; however, the net increase each year has been difficult to project. With the additional premium costs comes an increase in revenue to the fund. An additional \$300,000 is currently projected in revenue from City and employee payroll contributions toward premium costs.

This budget amendment will appropriate the additional \$300,000 in revenue and expenses, resulting in no net effect on fund balance. Should projections change, unspent money will be returned to fund balance.

Budgeted Amount:	\$12,316,900.00	Budget Page No(s):	HR Adopted - 240	Available Amount:	\$3,715,060.36	Expenditure Amount:	\$12,616,900.00
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Additional Budgetary Information: The total expenditure amount represents total projected spent in Risk Fund while the available amount is the remaining balance of funds neither expended or encumbered.

Funding Source(s):	Risk Fund	Sufficient Funds Available:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Budget Amendment Required:	<input checked="" type="radio"/> Yes <input type="radio"/> No	Source:	Additional Revenue
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City Attorney Reviewed:	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A	Advisory Board Recommendation:	<input type="radio"/> For <input type="radio"/> Against <input checked="" type="radio"/> N/A	Consistent With:	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A	<input type="text" value="Not Applicable"/>
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Potential Motion/Direction Requested: I MOVE TO APPROVE/DISAPPROVE ORDINANCE NO. 2018-58 ON FIRST READING AND SCHEDULE A SECOND READING AND PUBLIC HEARING ON AUGUST 21, 2018.

Staff Contact:	Matthew DiFiore, Management Analyst II	x7601	mdifiore@largo.com
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Attachments: Ordinance No. 2018-58

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ORDINANCE NO. 2018-58

**AN ORDINANCE OF THE CITY OF LARGO, FLORIDA, AMENDING
THE FY 2018 BUDGET ADOPTED BY RESOLUTION NO. 2194 BY
APPROPRIATING REVENUES AND EXPENSES IN THE AMOUNT OF
\$300,000 WITHIN THE HUMAN RESOURCES DEPARTMENT RISK
FUND FOR HIGHER THAN ANTICIPATED HEALTH INSURANCE
EXPENSES; AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the City Commission adopted Resolution No. 2194 adopting an annual operating budget for the City of Largo for FY 2018; and

WHEREAS, the majority of the City's Risk Fund expenses are made up of health insurance costs and are budgeted in the Human Resources (HR) Department; and

WHEREAS, the City's health insurance expenditures are now projected to exceed the FY 2018 Budget; and

WHEREAS, based on an analysis of all expenses within the HR Risk Fund budget, it is projected that a \$300,000 budget amendment is necessary to prevent the department from exceeding its FY 2018 appropriation; and

WHEREAS, \$300,000 in health insurance revenue from city and employee payroll contributions will off-set the additional expenses; and

WHEREAS, such supplemental appropriation and allocation of funds is in compliance with generally accepted accounting principles and the Largo City Charter.

NOW, THEREFORE, THE CITY OF LARGO CITY COMMISSION HEREBY ORDAINS:

Section 1. That the FY 2018 Operating and Capital Improvements Budget is hereby amended by appropriating \$300,000 in revenues and expenses within Human Resources Department Risk Fund for health insurance expenses.

Section 2. That allocation of said funds shall be as follows:

a. Revenues		
61-398-200	Medical Premiums	\$300,000
b. Expenditures		
61-513-2341-45	Insurance	\$300,000

42 Section 3. That the provisions of this ordinance shall take effect immediately upon its final passage and
43 adoption.
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45 APPROVED ON FIRST READING _____
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47 PASSED AND ADOPTED ON
48 SECOND AND FINAL READING _____
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50 CITY OF LARGO, FLORIDA
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52 _____
53 Mayor
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55 REVIEWED AND APPROVED:
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57 ATTEST:
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59 _____
60 City Attorney
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_____ City Clerk