Ordinance No. 2018-58 - Second Reading - Amending the FY 2018 Human Resources Budget by Appropriating Revenues and Expenses in the Amount of $300,000 Within the Risk Fund

Changes from First Reading:
None.

Previous Action:
Approved 7-0 on August 7, 2018

Budgeted Amount: $12,316,900.00
Budget Page No(s.): 240
Available Amount: $3,715,060.36
Expenditure Amount: $12,616,900.00

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: Yes
Budget Amendment Required: No
Source: Additional Revenue

City Attorney Reviewed: Yes
Advisory Board Recommendation: For
Consistent With: Yes

Potential Motion/Direction Requested:
I move to adopt/deny Ordinance No. 2018-58 on second and final reading.

Staff Contact: Matthew DiFiore, Management Analyst II
Attachesments: First Reading Memo, Ordinance No. 2018-58
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.
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
Section 3. That the provisions of this ordinance shall take effect immediately upon its final passage and adoption.

APPROVED ON FIRST READING

PASSED AND ADOPTED ON SECOND AND FINAL READING

CITY OF LARGO, FLORIDA

Mayor

ATTEST:

City Attorney

City Clerk