



## Legislation Text

File #: 2228-2015, Version: 1

**BACKGROUND:** To maintain the insurance programs in accordance with the negotiated labor contracts, it is necessary to modify the existing contract and to make additional appropriation for the continuation of the prescription drug insurance program. Additional appropriation is needed due to higher than projected prescription drug claims.

In November, 2014, \$32,097,000 was appropriated in the Employee Benefits Fund, fund 502, to Catamaran; however, to date claim costs have exceeded \$30 million thereby necessitating additional appropriation to meet anticipated annual expenses. Total projected expense is \$47.9 million. Year to date, \$32 million has been appropriated for prescription drug claims, and therefore an additional \$15,900,000 is needed.

This ordinance reduces \$10.9 million from the following encumbering documents:

Encumbrance #	Vendor	Line of Coverage	Subfund	OCA	Amount to decrease
EA012922-002	UHC	medical	208	462004	\$ 6,000,000
EA012882-002	Delta Dental	dental	207	462012	\$ 1,000,000
DL021945	Consumer Life	life	203	462012	\$ 300,000
EA012870-002	Dearborn	disability	211	462042	\$ 500,000
DL021644-002	VSP	vision	204	462052	\$ 300,000
EA011406-002	UHC	drug	209	460005	\$ 800,000
EA012934-001	UHC	drug	209	460005	\$ 2,000,000
					\$ <b>10,900,000</b>

It is then necessary to transfer \$8,100,000 between subfunds in the Employee Benefits Fund. In addition, this ordinance increases fund 502, subfund 209, by \$7.8 million from the unencumbered cash in Fund 502.

Emergency action is requested to ensure the prescription drug insurance program for city employees is able to commence as soon as contractually possible, thereby maintaining continuity of service.

Contract compliance number: 75-2578509

**FISCAL IMPACT:** Funding is available in the unencumbered cash in the Employee Benefits Trust Fund due to a mid-year increase in the division insurance rates. This ordinance is an emergency measure.

To authorize the City Auditor to reduce current encumbrances by \$10,900,000.00 and appropriate \$7,800,000.00 from within the unappropriated balance of the Employee Benefits Fund; to authorize the City Auditor to transfer \$8,100,000.00 in appropriation between subfunds in the Employee Benefits Fund; to authorize the Director of Human Resources to modify the existing contract with Catamaran; to authorize the expenditure of \$15,900,000.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of the prescription drug insurance claims; to authorize the City Auditor to increase the appropriation in various operating funds; and to declare an emergency. (\$15,900,000.00)

**WHEREAS**, it is in the best interest of the City of Columbus to authorize the Director of Human Resources to modify the existing contract with Catamaran to provide prescription drug insurance coverage from February 1, 2015 through January 31, 2016, and

**WHEREAS**, it is necessary to reduce the current encumbrances by \$10,900,000 in Fund 502, and

**WHEREAS**, it is necessary to transfer \$8,100,000 between subfunds within the Employee Benefits Fund; and

**WHEREAS**, it is necessary to authorize the appropriation of \$7,800,000; or so much thereof as may be necessary to pay contract costs for prescription drug insurance coverage from the unappropriated balance of the Employee Benefits Fund; and

**WHEREAS**, it is necessary to authorize the expenditure of \$15,900,000; or so much thereof as may be necessary to pay contract costs for prescription drug insurance coverage; and

**WHEREAS**, it is necessary to appropriate dollars in the General Fund and various other funds to make sure this internal service fund, the Employee Benefits Fund, achieves a positive balance at year-end; and

**WHEREAS**, it is necessary to subsequently reduce appropriation in three divisions of the General Fund by a total of \$3,374,000; and

**WHEREAS**, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to authorize the Director of Human Resources to modify the existing contract for the aforementioned purpose for the preservation of the public health, peace, property, safety, and welfare; Now, Therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS**

**SECTION 1.** That from the unappropriated monies in the Employee Benefits Fund, fund 502, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$7,800,000 is appropriated as follows:

Division 46-02, Fund 502, Subfund 209, OCA 462005, OL1 03, OL3 3363, \$7,800,000

**SECTION 2.** That the following encumbrances in the Employee Benefits Fund, fund 502, should be decreased by \$10,900,000 as follows:

EA012922-002, subfund 208, OCA 462004, -\$6,000,000  
EA012882-002, subfund 207, OCA 462012, -\$1,000,000  
DL021945, subfund 203, OCA 462000, -\$300,000

EA012870-002, subfund 211, OCA 462042, -\$500,000  
DL021644-002, subfund 204, OCA 462052, -\$300,000  
EA011406-002, subfund 209, OCA 460005, -\$800,000  
EA012934-001, subfund 209, OCA 460005, -\$2,000,000

**SECTION 3.** That the City Auditor is hereby authorized and directed to transfer \$8,100,000 in appropriation between subfunds within the Employee Benefits Fund, fund 502, as follows:

**FROM:**

Division 46-02, Fund 502, Subfund 208, OCA 462004, OL1 03, OL3 3363, -\$6,000,000  
Division 46-02, Fund 502, Subfund 207, OCA 462012, OL1 03, OL3 3363, -\$1,000,000  
Division 46-02, Fund 502, Subfund 203, OCA 462000, OL1 03, OL3 3362, -\$300,000  
Division 46-02, Fund 502, Subfund 211, OCA 462042, OL1 03, OL3 3363, -\$500,000  
Division 46-02, Fund 502, Subfund 204, OCA 462052, OL1 03, OL3 3363, -\$300,000

**TO:**

Division 46-02, Fund 502, Subfund 209, OCA 462005, OL1 03, OL3 3363, +\$8,100,000

**SECTION 4.** That the Human Resources Director is hereby authorized to modify the existing contract with Catamaran from February 1, 2015 through January 31, 2016.

**SECTION 5.** That the expenditure of \$15,900,000 or so much thereof as may be necessary for coverage is hereby authorized to be expended as follows:

Division: 46-02, Fund 502, Subfund 209, OCA 462005, OL1 03, OL3 3363

**SECTION 6.** That from the unappropriated monies in the General Fund, fund 10, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$3,374,000 is appropriated as follows:

Division 30-03, Fund 10, OCA 300962, OL1 01, OL3 1150, \$1,312,000  
Division 30-04, Fund 10, OCA 301499, OL1 01, OL3 1150, \$1,312,000  
Division 59-02, Fund 10, OCA 591701, OL1 01, OL3 1150, \$750,000

**SECTION 7.** That from the unappropriated monies in the Development Services Fund, fund 240, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$85,000 is appropriated as follows:

Division 43-01, Fund 240, OCA 430382, OL1 01, OL3 1150, \$85,000

**SECTION 8.** That from the unappropriated monies in the Community Development Block Grant Fund, fund 248, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$26,000 is appropriated as follows:

Division 44-10, Fund 248, OCA 445242, OL1 01, OL3 1150, \$26,000

**SECTION 9.** That from the unappropriated monies in the Health Operating Fund, fund 250, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$120,000 is appropriated as follows:

Division 50-01, Fund 250, OCA 500934, OL1 01, OL3 1150, \$120,000

**SECTION 10.** That from the unappropriated monies in the Street Construction, Maintenance and Repair Fund, fund 265, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$215,000 is appropriated as follows:

Division 59-12, Fund 265, OCA 591204, OL1 01, OL3 1150, \$215,000

**SECTION 11.** That from the unappropriated monies in the Recreation and Parks Operating Fund, fund 285, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$200,000 is appropriated as follows:

Division 51-01, Fund 285, OCA 510297, OL1 01, OL3 1150, \$200,000

**SECTION 12.** That from the unappropriated monies in the Fleet Management Fund, fund 513, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$80,000 is appropriated as follows:

Division 45-05, Fund 513, OCA 451206, OL1 01, OL3 1150, \$80,000

**SECTION 13.** That from the unappropriated monies in the Information Services Fund, fund 514, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$100,000 is appropriated as follows:

Division 47-02, Fund 514, OCA 280735, OL1 01, OL3 1150, \$100,000

**SECTION 14.** That from the unappropriated monies in the Construction Inspection Fund, fund 518, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$50,000 is appropriated as follows:

Division 59-12, Fund 518, OCA 591454, OL1 01, OL3 1150, \$50,000

**SECTION 15.** That from the unappropriated monies in the Electricity Enterprise Fund, fund 550, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$60,000 is appropriated as follows:

Division 60-07, Fund 550, OCA 606723, OL1 01, OL3 1150, \$60,000

**SECTION 16.** That from the unappropriated monies in the Water System Revenue Fund, fund 600, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$350,000 is appropriated as follows:

Division 60-09, Fund 600, OCA 602193, OL1 01, OL3 1150, \$350,000

**SECTION 17.** That from the unappropriated monies in the Sewerage System Operating Fund, fund 650, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$320,000 is appropriated as follows:

Division 60-05, Fund 650, OCA 605089, OL1 01, OL3 1150, \$320,000

**SECTION 18.** That from the unappropriated monies in the Storm Sewer Maintenance Fund, fund 675, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2015, the sum of \$20,000 is appropriated as follows:

Division 60-15, Fund 675, OCA 675002, OL1 01, OL3 1150, \$20,000

**SECTION 19.** That the City Auditor is hereby authorized and directed to reduce appropriation authority by \$3,374,000 within the General Fund, fund 10, as follows:

Division 30-03, OL1 10, OL3 5501, OCA 900076, -\$1,312,000

Division 30-04, OL1 10, OL3 5501, OCA 903005, -\$1,312,000

Division 59-02, OL1 01, OL3 1101, OCA 591701, -\$750,000

**SECTION 20.** Monies may be transferred back to contributing funds if, as determined by the City Auditor and the Director of the Department of Finance and Management, excess fund balance remains in the Internal Service Fund at year-end. Funds are deemed appropriated and expenditures authorized to carry out the purpose of this Ordinance.

**SECTION 21.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 22.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage, if the Mayor neither approves nor vetoes the same.