



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 3066-2016, **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 medical claims program. Additional appropriation is needed due to higher than projected medical insurance claims.

In January, 2016, \$123,160,769 was appropriated in the Employee Benefits Fund, fund 5502, to United Healthcare for the 2016 contract year; however, actual claims experience has been higher than projected thereby necessitating additional appropriation to meet the additional medical claims expenses. An additional \$5,000,000 is needed at this time.

Contract compliance number:31-1142815

This ordinance reduces \$2,400,000 from various documents. It is then necessary to transfer \$2,400,000 between subfunds in the Employee Benefits Fund. In addition, this ordinance increases fund 5502, subfund 550206, by \$2,600,000 from the unencumbered cash in Fund 5502.

FISCAL IMPACT: An analysis of revenues and expenditures for the remainder of the contract period shows a cash balance in the employee benefits fund sufficient to support this increase in appropriation.

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

To authorize the City Auditor to reduce current encumbrances by \$2,400,000.00 and appropriate \$2,600,000.00 from within the unappropriated balance of the Employee Benefits Fund; to authorize the City Auditor to transfer \$2,400,000.00 in appropriation between subfunds in the Employee Benefits Fund; to authorize the Director of Human Resources to modify the existing contract with United Healthcare; to authorize the expenditure of \$5,000,000.00 from the Employee Benefits Fund, or so much thereof as may be necessary to pay the costs of medical insurance claims; and to declare an emergency. (\$5,000,000.00)

WHEREAS, it is in the best interest of the City of Columbus to modify the existing contract with United Healthcare to provide medical insurance coverage from February 1, 2016 through January 31, 2017, and

WHEREAS, it is necessary to reduce current encumbrances by \$2,400,000 in Fund 5502, and

WHEREAS, it is necessary to transfer \$2,400,000 between subfunds within the Employee Benefits Fund; and

WHEREAS, it is necessary to authorize the appropriation of \$2,600,000; or so much thereof as may be necessary to pay contract costs for medical insurance coverage from the unappropriated balance of the Employee Benefits Fund; and

WHEREAS, it is necessary to authorize the expenditure of \$5,000,000; or so much thereof as may be necessary to pay contract costs for medical insurance coverage; and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus in that it is immediately necessary to authorize the above actions 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 5502, 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, 2016, the sum of \$2,600,000 is appropriated as follows:

Division 46-02, Fund 5502, Subfund 550206, Program RM006, OC 3, Main Account 63915

SECTION 2. That the following encumbrances in the Employee Benefits Fund, fund 5502, should be decreased by \$2,400,000 as follows:

DL018937, subfund 550202, Program ZZ001, -\$396,770.33
DL020342, subfund 550202, Program ZZ001, -\$325,701.00
DL021642, subfund 550202, Program ZZ001, -\$306,680.81
PO003301, subfund 550205, Program RM006, -\$1,370,847.86

SECTION 3. That the City Auditor is hereby authorized and directed to transfer \$2,400,000 in appropriation between subfunds within the Employee Benefits Fund, fund 5502, as follows:

FROM:

Division 46-02, Fund 5502, Subfund 550202, Program ZZ001, OC 3, Main Account 63915, -\$1,029,152.14
Division 46-02, Fund 5502, Subfund 550205, Program RM006, OC 3, Main Account 63915, -\$1,370,847.86

TO:

Division 46-02, Fund 5502, Subfund 550206, Program RM006, OC 3, Main Account 63915, +\$2,400,000

SECTION 4. That the Human Resources Director is hereby authorized to modify the existing contract with United Healthcare from February 1, 2016 through January 31, 2017.

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

Division: 46-02, Fund 5502, Subfund 550206, Program RM006, OC 3, Main Account 63915, Amount \$5,000,000

SECTION 6. 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 7. 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 8. 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.