



Legislation Text

File #: 20-0072, **Version:** 1

Consider and take action on an ordinance amending the City of League City, Texas, Governmental, Proprietary, and Capital Funds Budget for Fiscal Year 2019 by amending Ordinance No. 2018-27, Ordinance No. 2019-12, Ordinance No. 2019-14, Ordinance No. 2019-19 and Ordinance No. 2019-23 to adjust the operating and capital budget for actual and projected expenditures (Director of Budget & Project Management)

Staff requests first and final reading.

The proposed ordinance requests a net increase of \$1,188,545 to the Employee Benefit Fund and \$5,100 increase to the Technology Fund.

General Fund

- **Personnel Related Items** - Budget reallocations to cover preliminary year-end overages:
 - o **\$4,540** is requested to be reallocated from Purchasing to City Manager to cover overages in Personnel Services.
 - o **\$3,376** is requested to be reallocated from Purchasing to City Attorney to cover overages in Personnel Services.
 - o **\$171,671** is requested to be reallocated from Streets & Traffic to Police to cover an overage in Separation Pay not budgeted for in FY19.
 - o **\$5,357** is requested to be reallocated from Neighborhood Services to Building to cover an overage in Separation Pay not budgeted for in FY19.
 - o **\$5,765** is requested to be reallocated from Parks Recreation to Parks Operations to cover an overage in Separation Pay not budgeted for in FY19.
- **Engineering: \$78,522** is requested to be reallocated from Streets & Traffic for Ardurra Group grant administration services related to the Hurricane Harvey CDBG-DR Program. This item was approved by City Council on April 23, 2019 agenda item 9A.
- **Solid Waste: \$50,990** is requested to be reallocated from Streets & Traffic to Solid Waste to cover an overage in Contractual Services.
- **Transfer to Tax Increment: \$106,516** is requested to be reallocated from 380 Incentive Payments in General Fund Non-Departmental to cover overages in Transfer to Tax Increment due to an increase in taxes collected over FY19 budgeted amount.

Internal Service Funds

Employee Benefit Fund: \$1,188,545 increase to cover preliminary year end actuals due to the following:

- Due to the change in providers, Cigna claims are posted to FY2019 as we transition to BCBS in FY2020
 - o run-out claims billed after September 30 for services during FY2019: \$530,000
 - o accrual for estimated remaining run-out claims: \$100,000

- upfront cost associated with switching healthcare providers: \$95,000
- higher number of claims and increased expense for high cost claimants in FY19 than anticipated: \$465,000

An increase to the budget is requested in the 4th Quarter Budget Amendment to cover the \$1.19 million from the Employee Benefit fund balance. The City will be working with the consultant to modify the methodology of premium setting as this is the 3rd year expenses have exceeded revenues. Staff will also monitor FY2020 claims versus budget to determine if a transfer from the General and Utility Funds are warranted.

Special Revenue Fund

Technology Fund: \$5,100 is requested to cover contract costs related to Tyler Technologies, Inc. and will be drawn from the fund balance.

Funding:

General Fund

The requested adjustment to the General Fund is an increase of \$426,738; decrease of \$426,738, resulting in a net adjustment of zero.

Internal Service Fund - Employee Benefit Fund

The requested adjustment to the Employee Benefit Fund is an increase of \$1,188,545; decrease of zero, resulting in a net adjustment of \$1,188,545. The total fund appropriation amended budget of \$7,437,091 increases by \$1,188,545 to \$8,625,636.

Special Revenue Fund - Technology Fund

The requested adjustment to the Technology Fund is an increase of \$5,100; decrease of zero, resulting in a net increase of \$5,100. The total fund appropriation amended budget of zero increases by \$5,100 to \$5,100.

In addition to the data sheet this packet includes:

- Budget Ordinance and Exhibit A, B & C - Exhibit A details how these adjustments affect the approved budgets by fund and department; Exhibit B details the Capital Budget; and Exhibit C details the citywide summary

FUNDING

{X} Funds are available from the Employee Benefit Fund and Technology Fund.

STRATEGIC PLANNING

{x} NOT APPLICABLE