



SHAKER HEIGHTS

Memorandum

To: Members of City Council

From: Robert H. Baker, Director of Finance

cc: Mayor David E. Weiss
Chief Administrative Officer Jeri E. Chaikin

Date: January 28, 2019

Re: Amendments to the 2019 Appropriation Ordinance No. 18-118

The January amendments to the 2019 Appropriation Ordinance, No. 18-118, consist of two items:

Department	Fund	Amount	Exp. Category	Description
Planning	101	35,186	<i>Other Expenditures</i>	Appropriating contributions of Shaker Schools and Shaker Library funds in Fund No. 101, the General Fund for the costs of the Coordinated Facilities Master Plan Phase 1 Visioning.
Human Resources	101	4,721	<i>Other Expenditures</i>	Appropriation of forfeited funds from the unused flexible spending account to the City to be used for the Employee Wellness.

These two items were approved by the Finance and Administration Committee on January 22, 2019 and the items are discussed in attached memos from the Planning and Human Resources Department. Council is requested to approve these budget amendments on the first reading as an emergency.



SHAKER HEIGHTS

Memorandum

TO: Members of Shaker Heights City Council

CC: Mayor David Weiss
Jeri E. Chaikin, Chief Administrative Officer
Sandra Middleton, Human Resources Manager

FROM: Monica Hayes, Sr. Human Resources Analyst

SUBJECT: **Change in FlexSave Funding and Establishing Fund**

DATE: January 22, 2019

The City provides full-time employees with the opportunity to participate in a flexible spending account (FSA), administered by Medical Mutual of Ohio (MMO), called FlexSave. There is a monthly service fee of \$5.40 paid by the City per participating employee. Employees commit to an amount each year for healthcare expenses that are not covered by health insurance, i.e. deductibles, co-payments, co-insurance, etc. The employee contributes to their FlexSave account via pre-tax payroll deductions, which lowers their taxable income. Each pay period, the Finance Department sends MMO the employee contributions for that paycheck. The employee must have incurred healthcare expenses within the current year equal to their committed amount in order to get reimbursed out of their FlexSave account. Any unused employee contributions are forfeited at the end of the submission period. These forfeited amounts have been used for various Wellness activities over the years. There was a \$25,108 surplus of forfeited contributions, accumulating since the inception of the program, which was kept with MMO in case an employee received reimbursement for their expenses and then terminated employment before all of their payroll contributions for the year had been collected, as is allowed by the rules that govern these types of accounts.

Effective January 1, 2019, MMO will no longer collect the employee contributions each pay period. These funds will remain with the City. Instead, MMO will submit a check register each week, containing the payments that were made to employees for their FlexSave reimbursements. The Finance Department will make an Automated Clearing House (ACH) transfer to MMO for the amount owed.

In order to comply with this change, it is requested that a separate account be created to hold the payroll contributions until they can be distributed. Any forfeited amounts would be available for Wellness activities, as in the past. MMO has returned the \$25,108 surplus, which can be used to start this account. The monthly service fees would be paid out of this new account as well.

MMO has also sent a \$4,721 check for the 2017 forfeitures. There will be another check forthcoming when the 2018 forfeitures have been calculated. For 2019, these checks be deposited into the Wellness fund, 10177000 484201, which is the revenue account for Human Resources.

This information was presented to the Finance and Administration Committee on January 22, 2019. There was a question raised regarding the maintenance of the fund. The Sr. Human Resources Analyst will keep track of the balance in the agency fund, as well as the reimbursements made to MMO. The Mayor pointed out that MMO was shifting responsibility to the City. This shift, however, would reduce work for Payroll because the bi-weekly payroll deductions would not be sent to MMO, allowing the City to hold on to these funds until reimbursed. The creation of the fund and the appropriation of the 2017 forfeitures were approved by the Committee.

It is requested that Council approve the establishment of agency fund No. 772 FlexSave fund to accommodate this change by MMO to fund the FlexSave FSA payments and service fees. It is also requested that the \$4,721 forfeiture money from 2017 be appropriated into the Human Resources Department Wellness account in the general fund for 2019 to be used for various employee Wellness activities.

The declaration of an emergency and a suspension of the rules are requested because these changes took effect January 1, 2019.

CITY OF SHAKER HEIGHTS, OHIO

ORDINANCE NO. 19-

By:

Amending Ordinance No. 18-118 making appropriations for the current expenses and other expenditures of the City of Shaker Heights, Ohio for the year ending December 31, 2019, to amend appropriations in Fund No. 101, the General Fund, by appropriating an additional \$35,186 in contributions from the Shaker Heights City Schools and the Shaker Library and \$4,721 refunded from the 2017 Flexible Spending Accounts, and declaring an emergency.

WHEREAS, in order to amend the 2019 budget, it is necessary to increase the appropriation for Fund No. 101, the General Fund, by \$35,186 for contributions by the Shaker Heights City Schools and the Shaker Library for their portion of the cost of the Coordinated Facilities Mater Plan Phase 1 Visioning Project being conducted jointly by the three governments; and

WHEREAS, in order to amend the 2019 budget, it is necessary to increase the appropriation for Fund No. 101, the General Fund, by \$4,721 which was forfeited from the 2017 Flexible Spending Accounts for use in the 2019 Wellness activities.

NOW, THEREFORE, be it ordained by the Council of the City of Shaker Heights, State of Ohio:

Section 1: That to provide for the current expenses and other expenditures of the City of Shaker Heights for the fiscal period ending December 31, 2019, the following appropriations are hereby authorized:

Section 2: That there be appropriated transferred and advanced from the following funds and as further detailed in the Schedule attached hereto as Exhibit "A" and incorporated herein:

General Fund Group - 0101					
Fund #	Fund Activity	Personal Service	Other	Transfers & Advances	Total
0101	General Fund:				
	Municipal Court:	\$ 2,295,996	\$ 102,463	\$ -	2,398,459
	Other City Activities:	25,382,196	11,211,481	10,200,694	46,794,371
0101	Total General Fund	\$ 27,678,192	\$ 11,313,944	\$ 10,200,694	\$ 49,192,830
103	Economic Development and Housing	\$ -	\$ 401,739	\$ -	401,739
105	Recreation Fund	\$ 2,403,469	\$ 1,048,859	\$ -	3,452,328

Special Revenue Fund Group - 0200					
Fund #	Fund Activity	Personal Service	Other	Transfers & Advances	Total
0201	Street (Maintenance & Repair)	\$ 896,567	\$ 562,151	\$ -	1,458,718
0202	State Highway Maintenance	8,623	46,670	-	55,293
0204	Sewer Maintenance	499,563	845,615	-	1,345,178
0205	Police Pension	1,194,698	150	-	1,194,848
0206	Fire Pension	1,151,502	150	-	1,151,652
0209	Indigent Driver Alcohol Treatment	-	45,358	-	45,358
0210	Court Computerization/Legal Research	39,023	36,021	-	75,044
0211	Clerk's Computerization	-	227,855	-	227,855
0213	Housing Grant Fund	-	-	-	-
0214	Fair Housing Grant	10,604	13,604	-	24,208
0216	Community Diversion	7,300	6,324	-	13,624
0218	Court Alternate Dispute Resolution	23,668	750	-	24,418
0220	Ohio Court Security Grant Project	-	9,608	-	9,608
0223	Nuisance Abatement	-	50,000	-	50,000
0224	Indigent Driver Interlock	-	15,758	-	15,758
0281	Street Lighting	-	812,872	-	812,872
0282	Tree Maintenance	392,753	513,591	-	906,344
291 (0701)	Law Enforcement Trust Local	28,930	100,000	-	128,930
292 (0702)	Law Enforcement Trust Federal	-	172,301	-	172,301
0200	Total Special Revenue Funds	\$ 4,253,231	\$ 3,458,778	\$ -	7,712,009

Debt Service Fund Group - 0300					
Fund #	Fund Activity	Personal Service	Other	Transfers & Advances	Total
0301	Debt Service	\$ -	\$ 2,627,120	\$ -	2,627,120
0302	Urban Renewal Bond Retirement	-	1,307,077	-	1,307,077
0300	Total Debt Service Funds	\$ -	\$ 3,934,197	\$ -	3,934,197

Internal Service Fund Group- 0600					
Fund #	Fund Activity	Personal Service	Other	Transfers & Advances	Total
0601	Central Stores Purchasing	\$ -	\$ 931,114	\$ -	931,114
0602	Central Printing Operation	-	46,000	-	46,000
0603	Central Garage Operation	978,289	400,737	-	1,379,026
0604	Central Services Operation	508,491	478,553	-	987,044
0605	Self-Insurance Reserve	64,506	5,971,307	-	6,035,813
0600	Total Internal Service Fund Group	\$ 1,551,286	\$ 7,827,711	\$ -	9,378,997
Grand Total All Funds		\$ 35,886,178	\$ 27,985,228	\$ 10,200,694	\$ 74,072,100

Itemized list of Transfers and Advances by Fund

Description	Amount
General Fund to Street Lighting Fund	\$ 265,000
General Fund to Recreation	1,500,000
General Fund to Police Pension Fund	972,056
General Fund to Fire Pension Fund	913,577
General Fund to General Capital	2,400,000
General Fund to Sewer Capital Improvements Fund	2,000,000
General Fund to Street Maintenance and Repair Fund	400,000
General Fund to Sewer Maintenance Fund	502,000
General Fund to General Obligation Debt Service Fund	1,248,061
General Fund to Urban Renewal Debt Service Fund	-
General Fund to Self Insurance Fund	-
Total Transfers	\$ 10,200,694
Total Advances	\$ -
Total Transfers and Advances	\$ 10,200,694

- Section 3: That all monies in the Trust & Agency Fund Accounts are hereby deemed appropriated for their intended purposes.
- Section 4: That the City Director of Finance be and is hereby authorized and directed to draw warrants against the appropriations set forth upon presentation of proper vouchers.
- Section 5: That all expenditures within the fiscal year ending December 31, 2019 shall be made in accordance with the code accounts set forth above, and shall be made within the appropriations herein provided (Appropriations" as used means the total amount appropriated for an individual fund).
- Section 7: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements.
- Section 8: This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare for the reason that it is necessary in the current operation of the City, and therefore shall take effect immediately upon its enactment and approval by the Mayor.

Enacted January , 2019

Approved this _____ day of _____, 2019.

DAVID E. WEISS, Mayor

Attest:

JERI E. CHAIKIN
Clerk of Council

EXHIBIT "A"
SCHEDULE OF BUDGETS BY DEPARTMENT FOR GENERAL FUND

Dept #	Department	Personal Service	Other	Transfers & Advances	Total
11	Police	8,855,681	1,835,556	972,056	11,663,293
12	Fire	6,247,788	674,811	913,577	7,836,176
50	Public Works	4,565,976	3,854,061	0	8,420,037
76	Municipal Court	2,295,996	102,463	0	2,398,459
30	Recreation	307,077	156,513		463,590
40/42	Building and Housing	1,451,413	145,730	372,880	1,970,023
75	City Council	142,848	15,083	0	157,931
70	Mayor	216,342	32,775	0	249,117
71	Chief Administrative Officer	234,002	13,979	*	247,981
73	Law	606,635	139,525	0	746,160
72	Finance	639,208	176,695	0	815,903
77	Human Resources	253,437	137,357	0	390,794
77	Civil Service	23,334	75,056	0	98,390
79	Information Technology	448,750	140,597	0	589,347
	CCSE	38,000	2,447,082	7,942,181	10,427,263
44	Communication and Marketing	347,076	471,745	0	818,821
41	Planning	531,531	202,621	0	734,152
48	Neighborhood Revitalization	155,494	122,863	0	278,357
49	Economic Development	317,604	569,432	0	887,036
GRAND TOTAL		27,678,192	11,313,944	10,200,694	49,192,830

SCHEDULE OF BUDGETS BY DEPARTMENT FOR THE ECONOMIC DEVELOPMENT AND HOUSING FUND

Dept #	Department	Personal Service	Other	Transfers & Advances	Total
41	Planning	-	104,000.00	-	104,000.00
49	Economic Development	-	297,739.00	-	297,739.00
GRAND TOTAL		\$ -	\$ 401,739.00	\$ -	\$ 401,739.00