



To: Gahanna City Council
Raymond Mularski, City Attorney

From: Joann Bury, Director of Finance
Laurie A. Jadwin, Mayor

Date: August 12, 2020

Re: Dept. of Finance Report to Council (August 17, 2020 Meeting)

UPDATES

ITEM #1

Q2 Report to Council

ACTION ITEMS

ACTION ITEM #1- REQUEST FOR SUPPLEMENTAL APPROPRIATIONS

The City maintains a separate Leave Pay-Out Reserve Fund (7500) for payment of leave balances for employees who are separating from the City. The fund is supported by transfers from the General Fund. The Leave Pay-Out Reserve fund ended 2018 with an unreserved balance of \$241,000. There is a planned transfer each year to replenish the fund. However, with recent revenue shortfalls, annual transfers either were not made from the General Fund or were reduced. In addition, we experienced an unanticipated increase in the number of employees who exited from the City in 2019, which had a significant impact on the Fund, resulting in a balance of approximately \$8,000 in the Leave Pay-Out Reserve Fund.

When looking ahead to 2020, we were aware that some employees would be separating from the City due to retirement and budgeted for them. However, some recent announced retirements and departures were not expected. Based on a projection of the remaining severance that would be due upon additional retirements, we are respectfully requesting an Ordinance for a supplemental appropriation from the unencumbered unappropriated balance of the General (1010) to the Leave Pay-Out Reserve Fund (7500) as follows:

General Fund Transfer Out - \$205,000 to adequately fund the Leave Pay-Out Reserve Fund to year end.

Leave Pay-Out Reserve Fund Salaries & Benefits - \$205,000 for anticipated leave pay-outs to year end.

Legislation Needed:	Ordinance
Emergency/Waiver:	None
Vendor Name & Address:	N/A

ACTION ITEM #2- REQUEST FOR SUPPLEMENTAL APPROPRIATIONS

The City is self-insured for workers compensation but must still pay annual assessments to the Ohio Bureau of Workers Compensation (BWC) for administrative costs and other activities. During 2020, the City's claims experience was higher than anticipated, due in large part to COVID-19, which also increased the amount of the assessment owed to the BWC. As a result, the current assessment due to the BWC exceeds the amount currently appropriated. In addition, there is a potential for the increased claims experience to continue to year-end.

We are respectfully requesting an Ordinance and Waiver of second reading for a supplemental appropriation in the amount of \$48,000 from the unencumbered unappropriated balance of the Workers Compensation Self Insurance Fund (9000) for contract services. Of the \$48,000, \$8,000 will be used for the final 2020 assessment and \$40,000 will be used for anticipated claims to year-end. The waiver is requested to avoid late payment of the final assessment to BWC.

Legislation Needed:	Ordinance
Emergency/Waiver:	Waiver
Vendor Name & Address:	N/A