



FINANCE DEPARTMENT

DATE: August 5, 2016
FROM: Sheila Hillman *SH*
ITEM: 2017 Budget Request: Base Budget Adjustments

REQUEST

Consider the Budget Committee recommendations for the base budget adjustments for the General Fund

Please place this item on the August 15, 2016 City Commission meeting.

BACKGROUND INFORMATION

For 2017 the base budgets for the General Fund departments were adjusted for the workers compensation premium. The premium includes a base salary increase from \$35,600 to \$37,200 and rate adjustments in all categories. This included decreases as well as increases. The projected 2017 total City premium for workers compensation is \$385,820, a decrease of \$19,018 from 2016. The projected premium assumes a 30% dividend credit, a 25% safety discount and a 10% experience surcharge for an overall decrease of 4.7%. The premium changes vary by category by department. The overall net decrease for the General Fund is \$22,311 with \$20,739 attributed to Fire and Police.

The base budgets have also been adjusted to reflect the City pension contributions based on the 2016 actuarial valuations for City, Police and Fire pension. The contribution rates of 10.4% for City and 14.53% for Police and Fire have not changed. The total adjustment for 2017 is \$323,477.

Blue Cross/Blue Shield, (BC/BS), has estimated 8.5% increase in the suggested funding level for the 2015 health insurance family premiums. Based on the current level of expenditures and cash balance, the Budget Committee recommends no premium increase for 2017. The Budget Committee is recommending the current monthly rates of \$990.76 for dependents and \$401.62 for single coverage be continued for 2017.

The Employee Insurance Fund also pays the fees associated with the Affordable Health Care Act (ACA). The estimated 2017 per member fees for the transition reinsurance program is \$27 and for the Patient-Centered Outcomes Research Institute (PCORI) is \$2.17. Both fees will continue to be paid from the fund.

Since the cash reserve in the fund is more than sufficient to cover the cost of the insurance and ACA assessments, the Budget Committee is recommending that we continue to pay the disability insurance costs from the cash reserve. When this insurance was approved in 2002, it was paid from this fund. When the cash balance started declining in 2006, those costs were then billed to the Departments. The 2017 annual costs are an estimated to be \$128,000. The reserve is reviewed each year during the budget process, so any payment changes are authorized annually by the Commission.

The General Fund base budgets total \$38,933,911 which includes \$31,702,418 for salaries and benefits and \$7,231,493 for operations. The department allocations for the 2017 budget are attached for your information.

RECOMMENDED CITY COMMISSION ACTION

Approve the 2017 base adjustment for General Fund Departments for workers compensation, City pension contributions and maintain the current monthly rates of \$990.76 for dependents and \$401.62 for single health insurance coverage.

Continue to fund disability insurance for employees from the Employee Insurance Fund

STAFF CONTACT INFORMATION

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**City of Bismarck
2017 Recommended Base Budget Allocation**

Revised
7/29/2016

General Fund	2017 Salaries*	2017 Benefits*	2017 Oper/Mnt	2017 Total Budget
Administration	361,186	53,770	40,690	455,646
Commission	78,076	6,232	55,644	139,952
Special Projects	-	-	126,000	126,000
Salary & Benefit Adjustments	-	-	38,134	38,134
Public Information	71,764	17,567	15,052	104,383
Building Maintenance	213,116	64,066	420,921	698,103
Cable TV Promotions	-	-	370,251	370,251
Attorney	413,459	89,668	23,813	526,940
Combined Communication Center	1,408,225	506,857	768,029	2,683,111
City Emergency Management	71,745	17,566	13,998	103,309
Engineering	1,804,533	447,209	191,950	2,443,692
Finance	2,250,782	546,830	719,701	3,517,313
Fire Department	5,206,892	1,987,795	571,894	7,766,581
Fire Truck Equipment & Reserve	1 -	-	41,000	41,000
Human Resources	370,624	88,596	23,540	482,760
Employee Training/Wellness	-	-	52,660	52,660
Municipal Court	333,935	78,656	104,280	516,871
Community Development	1,163,725	314,878	158,342	1,636,945
Metropolitan Planning Org	2 - 145,290	34,411	-	179,701
Police Department	7,905,521	2,733,406	1,386,550	12,025,477
Public Health	1,244,872	311,942	422,796	1,979,610
Environmental Health	241,307	59,689	12,031	313,027
Equipment Reserve	3 -	-	-	-
Non-Departmental	-	1,058,228	1,674,217	2,732,445
Total General Fund	23,285,052	8,417,366	7,231,493	38,933,911

1 - Reserve Funding

2 - Oper/Maint determined by grant funds

3 - Based on dept. requests

***Please note the salary and benefit amounts for health/life insurance, workers compensation, Social Security, Medicare, and pension reflect the amounts in the 2017 Department Base Budgets in .NET. It does not include part-time, overtime, or other fringe benefits.**

City of Bismarck							Revised
Adjustments to Base for 2017 Budget							7/29/2016
	2017 Budget	2017 Adjustments		2017	2017	2016 Base	2017 Total
Department	Realigned	Pension	Wrks. Comp.	Salaries	Benefits*	Oper/Mnt	Budget
General Fund							
Administration	455,641		5	361,186	53,770	40,690	455,646
Commission	140,005		(53)	78,076	6,232	55,644	139,952
Special Projects	126,000			-		126,000	126,000
Salary & Benefit Adjustments	38,134			-		38,134	38,134
Public Information	104,405		(22)	71,764	17,567	15,052	104,383
Building Maintenance	698,149		(46)	213,116	64,066	420,921	698,103
Building Construction	-			-		-	-
Cable TV Promotions	370,251			-		370,251	370,251
Contingencies	-			-		-	-
Attorney	527,023		(83)	413,459	89,668	23,813	526,940
Combined Communications	2,715,968	(32,432)	(425)	1,408,225	506,857	768,029	2,683,111
City EM	103,331		(22)	71,745	17,566	13,998	103,309
Engineering	2,443,964		(272)	1,804,533	447,209	191,950	2,443,692
Finance							
Assessing	791,147		(111)	578,305	154,487	58,244	791,036
Fiscal Services	1,094,640		(128)	761,487	188,958	144,067	1,094,512
Information Technology	1,146,750		(243)	736,871	160,910	248,726	1,146,507
GIS	277,939		(66)	174,119	42,475	61,279	277,873
Common Software	207,385			-		207,385	207,385
Total Finance	3,517,861		(548)	2,250,782	546,830	719,701	3,517,313
Fire Department							
Fire Administration	7,705,858	76,634	(15,911)	5,206,892	1,987,795	571,894	7,766,581
Fire Truck & Equipment	41,000			-		41,000	41,000
Human Resources	482,819		(59)	370,624	88,596	23,540	482,760
Employee Training/Wellness	52,660			-		52,660	52,660
Municipal Court	516,932		(61)	333,935	78,656	104,280	516,871
Community Development							
Planning	722,597		(37)	510,782	122,298	89,480	722,560
Building Inspections	914,624		(239)	652,943	192,580	68,862	914,385
Metropolitan Planning Org	179,433		268	145,290	34,411	-	179,701
Total Community Develop.	1,816,654		(8)	1,309,015	349,289	158,342	1,816,646
Police Department							
Police Administration	1,454,614	132,725	(56)	168,458	1,092,986	325,839	1,587,283
Police Field Services	7,379,157		(4,181)	5,784,726	1,162,793	427,457	7,374,976
Park Patrol	14,000					14,000	14,000
Animal Control Facility	219,050		55	129,823	36,898	52,384	219,105
Police Support Services	2,817,184		(646)	1,822,514	440,729	553,295	2,816,538
Match for Grant	13,575					13,575	13,575
Police Total	11,897,580	132,725	(4,828)	7,905,521	2,733,406	1,386,550	12,025,477
Public Health	1,979,500		110	1,244,872	311,942	422,796	1,979,610
Environmental Health	313,115		(88)	241,307	59,689	12,031	313,027
One-time Operations/Equipment							
Equipment Reserve	-						
Non-Departmental	2,585,895	146,550			1,058,228	1,674,217	2,732,445
Total General Fund	38,632,745	323,477	(22,311)	23,285,052	8,417,366	7,231,493	38,933,911

* Employee benefits include: hlth/life ins, Soc Sec/Medicare, WC and Pensions, if applicable