

MEMO

TO: Budget Committee and Commission

FROM: Randy Vineyard, Finance Director

DATE: January 31, 2017

Re: Medical Premium increase effective Jan. 1, 2017

Committee Members and Commissioners,

As you may recall, you recommended/adopted a budget that accounted for our increase in medical premiums, effective Jan. 1, 2017 in our General Fund "Transfers Out" account. This amount was to cover the increase in premiums for all County employees. Now that the increase has taken effect and we can estimate the impact to each Fund and Department, we are asking you to appropriate those funds as follows:

\$116,514 for General County Departments not changing overall budget so "transfer" Fund 101 to 101

\$4,969.50 for the Library Departments "transferring" to Fund 115, resulting in increase for 115

\$282,500 for the School Departments "transferring" to Fund 141-6, resulting in increase for 141-6

\$12,048 for the Highway Departments "transferring" to Fund 131, resulting in increase for 131

We want to make note that the Highway Department is receiving a transfer of funds from Fund 101's "Cable Franchise Fee" revenue line, and not the "Transfers Out" appropriation line. This is due to the fact that the Highway receives no property tax revenue. As a result, you will see a Decrease amendment, representing a \$12,048 decrease in General County's Cable Franchise Fee revenue line (transferring to Hwy.; resulting in increase for them) and a coinciding decrease in General County's Transfer Out appropriation line (since we didn't use the money appropriated here for the Hwy transfer).

For the upcoming budget year, FY17-18, we are building in a "blended" rate for medical premiums that takes into consideration the current calendar year's rate for Jul-Dec17, and assuming a 10% increase for Jan-Jun18. This will alleviate having to go through this transfer process next year.

Let me know if you have any questions.

**Blount County Government
Budget Amendment Request**

FY 16-17

Department: Schools

Account: 500207

Type of Amendment: (check one)

- Transfer** (no overall change to adopted budget)
- Decrease** (reducing adopted budget due to unforeseen effect on "revenue" or "expense")
- Increase** (raising adopted budget due to unforeseen effect on "revenue" or "expense")
- Adjustment** (correction to adopted budget due to "grant award" or "budgetary adjustment")

*****IF an Increase or Decrease, a memo explaining the need or purpose MUST accompany amendment form*****

	Account Number	Description	Amount
TO	141-498000	Transfers In	274,900.00
	143-498000	Transfers In	4,500.00
	146-498000	Transfers In	3,100.00
TOTAL			282,500.00

	Account Number	Description	Amount
FROM	101-99100-500590	Transfers Out	282,500.00
TOTAL			282,500.00

Explanation: Transfer to cover increase in employer medical premium for 2017 as adopted by the Commission on 8/1/16

Signature of Official/Department Head/Date

Signature of County Mayor/Date

*All requests requiring committee approval are due to Sr. Financial Analyst's Office by noon on the Tuesday before the Budget Committee Meeting.