

**TO: Village Council**  
**FROM: Scot F. Lahrmer, Village Manager**  
**DATE: December 7, 2012**  
**RE: Establishment of Two Additional Funds**

**ITEM:** Create two additional funds for the Village.

**ACTION REQUESTED:** By motion, adopt Ordinance 2012-14 creating two additional funds for fund accounting purposes.

**PURPOSE:** To create two new funds—the Police Levy Fund and the Employee Health Insurance Fund.

The passage of the Police Levy in March necessitates the establishment of a separate special revenue fund to ensure the funds received from the levy are specifically used only for the voted purpose. For this reason, the Police Levy Fund (#220) must be created. Revenue from the levy will be deposited directly into the Police Levy Fund and expenses will be reflected as well.

Since 2011, employees have contributed a portion of their health insurance premiums. As part of the General Fund, the employee contributions are posted as revenue for the Village. Having this within the General Fund makes it appear the Village is incurring the entire cost of health insurance, which it isn't. With the creation of a separate fund, the employee contributions will come into this fund and the employees' portion of the premiums will be paid out of this fund. The General Fund will reflect only the amount actually paid by the Village for health insurance. The state auditor's office suggested the establishment of this agency fund and this ordinance creates the Employee Health Insurance Fund (#620).

The adoption of the ordinance is recommended. If you have any questions, please let me know.

Passed:

By:

ORDINANCE NO. 2012-14

ORDINANCE TO CREATE SEPARATE FUND FOR POLICE LEVY AND EMPLOYEE CONTRIBUTIONS TO HEALTH INSURANCE PREMIUMS AND DECLARING AN EMERGENCY

WHEREAS, for budgetary and accounting purposes, it being necessary to establish a specific fund with respect to restricted revenues and expense as it relates to the Village's Police Levy,

WHEREAS, In agreement with a recommendation with the State Auditor's office, Council determines it is in the best interest of the Village to establish a separate agency fund for the Employee contributions to Health insurance to facilitate accounting for employee contributions and payment of their portion of health insurance expenses,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF AMBERLEY VILLAGE, OHIO, \_\_\_\_\_(\_\_\_\_) members elected thereto concurring:

SECTION 1: That there is hereby established the following Village funds:

#220 Police Levy Fund

#620 Employee Health Insurance Fund

SECTION 2: That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety, and it shall go into effect forthwith. The reason for such emergency is the necessity of immediately establishing and maintaining proper and accurate financial records of the Village.

Passed this \_\_\_\_ day of December, 2012.

\_\_\_\_\_  
Mayor J.K. Byar

Attest:

\_\_\_\_\_  
Nicole Browder, Clerk of Council

Ordinance Vote:

Moved: \_\_\_\_\_ Second: \_\_\_\_\_

I, Clerk of Council of Amberley Village, Ohio, certify that on the \_\_\_\_\_ day of December, 2012, the foregoing Ordinance was published pursuant to Article IX of the Home

Rule Charter by posting true copies of said Ordinance at all of the places of public notice as designated by Sec. 31.40(B), Code of Ordinances.

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Nicole Browder, Clerk of Council