

ORDINANCE NO. 206, 2025
OF THE COUNCIL OF THE CITY OF FORT COLLINS
MAKING A SUPPLEMENTAL APPROPRIATION FROM
BENEFITS FUND PRIOR YEAR RESERVES FOR
UNANTICIPATED EXPENDITURES

A. The City's Benefits Plan (the "Plan") is a self-funded health plan in which premiums collected from both the employer and employees are recorded as revenue in the Benefits Fund to pay for plan administration, medical/dental claims, and insurance premiums. Accordingly, the Benefits team makes efforts to project out and budget for all benefit plan expenditures based on market cost trends of medical, dental, and pharmaceutical expenses, insurance premiums, and the projected number of subscribers to the plan. Forecasting these variables is required to calculate the amount of revenue the City will need to collect from both the employer and employees to meet the budgeted plan expenditures.

B. Through the first and second fiscal quarters of 2025, actual claim expenses were less than those budgeted. However, in the third fiscal quarter of 2025, some claims began to incur higher than anticipated costs. These increased costs are anticipated to continue through the remainder of the 2025 fiscal year, ending December 31, 2025.

C. The Plan includes coverage under a stop loss policy, which will reimburse some expenses; however, stop loss coverage payments for claim expenses in the final quarter of the 2025 fiscal year may not be processed and received until the 2026 fiscal year.

D. This appropriation of reserves in the Benefits Fund to authorize unanticipated claims expenses will benefit the public health, safety, and welfare of the residents of Fort Collins and will serve the public purpose of supporting City employee health and wellness.

E. Article V, Section 8 of the City Charter permits the City Council, upon the recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year from such revenues and funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

F. The City Manager has recommended the appropriation described herein and determined that the funds to be appropriated are available and previously unappropriated from the Benefits Fund and that this appropriation will not cause the total amount appropriated in the Benefits Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in this Fund during this fiscal year.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that there is hereby appropriated from prior year reserves in the Benefits Fund the sum of ONE MILLION DOLLARS (\$1,000,000) to be expended in the Benefits Fund for unanticipated expenditures.

Introduced, considered favorably on first reading on December 2, 2025, and approved on second reading for final passage on December 16, 2025.

Mayor

ATTEST:

City Clerk

Effective Date: December 26, 2025
Approving Attorney: Dianne Criswell

Exhibit: None