

March 26, 1979
CALENDAR ITEM NO. 5

INTRODUCED BY CITY MANAGER JAMES L. SULLIVAN

AN ORDER CONCERNING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1978

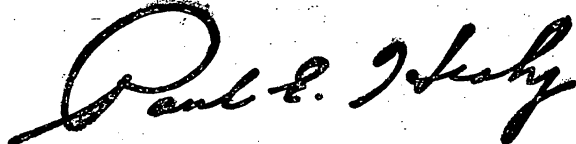
ORDERED: That, in addition to sums previously appropriated by the City Council for the fiscal period 1978-79, the following sum is hereby appropriated in the General Fund of the City of Cambridge:

FUNCTION	DEPARTMENT OR PROGRAM	SALARIES & WAGES	TRAINING & TRAVEL	OTHER ORDINARY MAINTENANCE	EXTRAORDINARY EXPENDITURES	APPROPRIATIONS
General Government	Employee Benefits			\$1,315,000		\$1,315,000

BE IT FURTHER ORDERED: That the above appropriations in the General Fund are to be financed by estimated revenues drawn from the following sources:

In City Council April 2, 1979
Adopted by a yeas and nays vote:
Yeas 7; Nays 1; Absent 1.
Attest: Paul E. Healy, City Clerk

A true copy,
ATTEST:



FINANCING PLAN	REVENUE
Free Cash	\$1,315,000

Ordinance #5 4/2/79

City of Cambridge

MASSACHUSETTS

4/2/1979

Agenda #8 Appropriation of \$1,315,000 to Employee Benefits.

In City Council

March 26

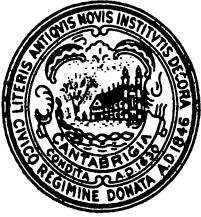
1979

COUNCILOR Vellucci

	YEA	NAY	ABSENT	PRESENT
Mr. Crane		✓		
Mr. Duehay	✓			
Mr. Frisoli			✓	
Ms. Graham	✓			
Ms. Preusser	✓			
Mr. Sullivan	✓			
Mr. Vellucci	✓			
Mr. Wylie	✓			
Mayor Danehy	✓			

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*LWR
RP
A*



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

March 26, 1979

To the Honorable, the City Council:

The attached appropriation of \$1,315,000 from free cash to Employee Benefits is to meet obligations for Blue Cross payments for the rest of 1978-79. As you will recall, the City switched its method of payment to Blue Cross from a premium method to actual payments of medical bills plus a small percentage for administrative costs.

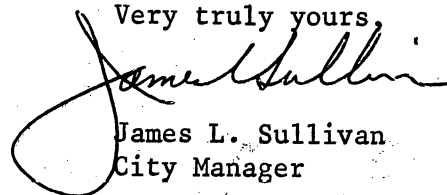
In 1976-77, under the old payment plan, the City's Blue Cross bills totaled \$3,522,409. In 1977-78, the first year of the new payment plan, Blue Cross bills to the City totaled \$2,841,000. Additionally the City received rebates totaling almost \$600,000 for prior year payments.

The original budget allotment for 1978-79 totaled \$1,950,000. That figure plus credit for the rebate (\$600,000) meant that the total dollar figure for the 1978-79 Blue Cross budget would be \$2,500,000. When the fact that the \$2,841,000 paid to Blue Cross in 1977-78 included a one time deposit of \$500,000 that did not have to be reappropriated is considered, the \$2,500,000 available for 1978-79 payments appeared more than adequate. However, during the first six months of the current fiscal year, the City received over \$1,100,000 in prior year claims, thus creating a strain on the current year budget.

While this additional appropriation brings the 1978-79 total to \$3,265,000, it is still considerably less than the estimated \$4,500,000 the City would have to appropriate if it were still under the old premium payment plan.

Passage of this order is strongly recommended.

Very truly yours,


James L. Sullivan
City Manager

JLS/b

Calendar #5 F-174

Appropriation of \$1,315,000 to Employee Benefits.

*4/2/1979
CVSR
RF
A*

In City Council,

March 26, 1979

*3/26/79
Charter Right
By
Lawrence Lane*

*4/2/1979
CVSR to Calendar #5*

*Decision came on order -
Order adopted on Roll
Call Vote 7-1-1*