

INTERNAL SERVICE FUND

Program Summary

The Internal Service Fund is the combination of the City's Health Benefits Fund and two Self-Insured Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Anthem Blue Cross/Blue Shield. This fund accounts for all medical claims for 99% of employees who are enrolled in Anthem Blue Cross/Blue Shield.

HEALTH BENEFITS

Revenues:	2007-2008 <u>Actual</u>	2008-2009 <u>Budget</u>	2009-2010 <u>Budget</u>
Investment Income	\$240,972	\$157,500	\$120,000
Contributions	4,439,963	4,710,000	5,790,000
Transfers In	18,558,078	19,778,115	21,835,000
Miscellaneous	96,862	50,000	255,000
Undesignated Fund Balance	0	800,000	500,000
	<u>\$23,335,875</u>	<u>\$25,495,615</u>	<u>\$28,500,000</u>
Expenditures:			
Claims	\$21,804,062	\$23,898,115	\$26,873,090
Administrative Fees	1,744,492	1,590,000	1,616,910
Professional Fees	9,748	6,500	10,000
Miscellaneous	512	1,000	0
	<u>\$23,558,814</u>	<u>\$25,495,615</u>	<u>\$28,500,000</u>

There are two self-insured workers' compensation funds differentiated as "Old" and "New". The "Old" fund encompasses claims that occurred in 1985 through 1988. It will remain operational until all claims are settled. The "New" workers' compensation has been closely followed by the Insurance Committee, a subcommittee of the Board of Finance. It has proven to decrease costs associated with workers' compensation and more importantly reduce the frequency of injuries through enhanced training and education.

**Program Summaries-
Internal Service Fund**

Internal Service Fund (continued)

OLD WORKERS' COMPENSATION-SELF INSURANCE

Revenues:	2007-2008 <u>Actual</u>	2008-2009 <u>Budget</u>	2009-2010 <u>Budget</u>
Miscellaneous	\$216	\$0	\$0
Investment Income	28,394	15,000	7,500
Fund Balance Undesignated	0	36,750	18,375
	<u>\$28,610</u>	<u>\$51,750</u>	<u>\$25,875</u>
Expenditures:			
Claims	\$215	\$48,750	\$24,375
State of Connecticut Fees	0	3,000	1,500
Administrative Fees	0	0	0
	<u>\$215</u>	<u>\$51,750</u>	<u>\$25,875</u>

NEW WORKERS' COMPENSATION-SELF INSURANCE

Revenues:	2007-2008 <u>Actual</u>	2008-2009 <u>Budget</u>	2009-2010 <u>Budget</u>
Contributions	\$92,356	\$75,000	\$75,000
Transfers in	1,840,000	2,050,000	2,293,000
Investment Income	32,040	24,000	10,000
	<u>\$1,964,396</u>	<u>\$2,149,000</u>	<u>\$2,378,000</u>
Expenditures:			
Claims	\$2,781,017	\$1,806,000	\$2,050,000
State of Connecticut Fees	139,190	150,000	130,000
Administrative Fees	183,724	193,000	198,000
	<u>\$3,103,931</u>	<u>\$2,149,000</u>	<u>\$2,378,000</u>

**Program Summaries-
Internal Service Fund**

Internal Service Fund (continued)

The totals of these three funds are combined to form the Internal Service Fund.

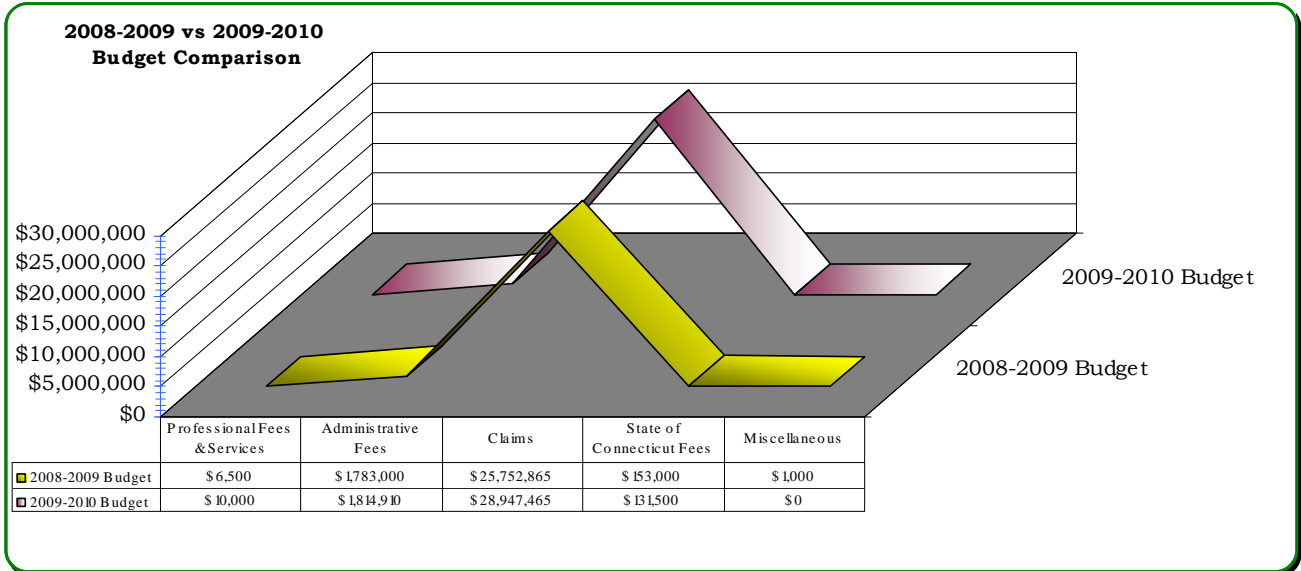
INTERNAL SERVICE FUND

	2007-2008 <u>Actual</u>	2008-2009 <u>Budget</u>	2009-2010 <u>Budget</u>
Revenues:			
Miscellaneous	\$97,078	\$50,000	\$255,000
Contributions	4,532,319	4,785,000	5,865,000
Transfers In	20,398,078	21,828,115	24,128,000
Fund Balance Undesignated	0	836,750	518,375
Interest Income	301,406	196,500	137,500
	<u>\$25,328,881</u>	<u>\$27,696,365</u>	<u>\$30,903,875</u>
Expenditures:			
Professional Fees & Services	\$9,748	\$6,500	\$10,000
Administrative Fees	1,928,216	1,783,000	1,814,910
Claims	24,585,294	25,752,865	28,947,465
State of Connecticut Fees	139,190	153,000	131,500
Miscellaneous	512	1,000	0
	<u>\$26,662,960</u>	<u>\$27,696,365</u>	<u>\$30,903,875</u>

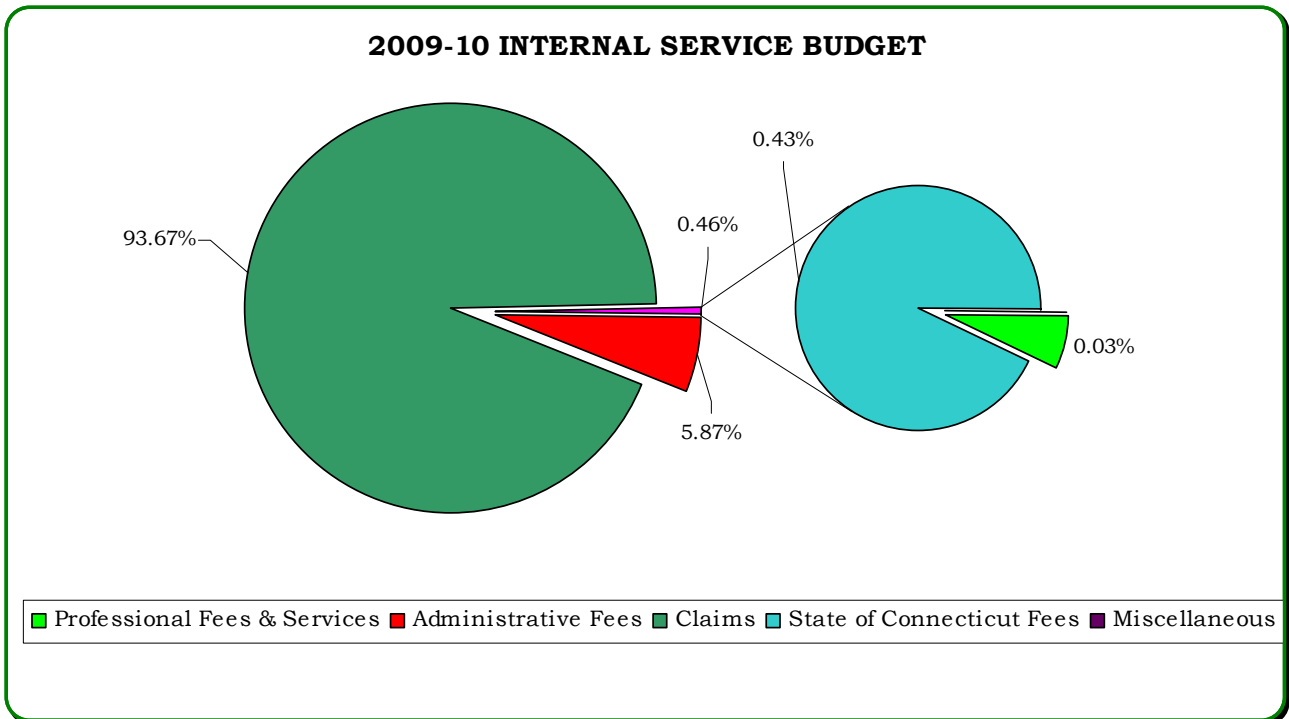
Shown on the next page is a graph of budgeted expenditures for the Internal Service Fund for 2008-2009 and 2009-2010. The claims account increased by \$3,194,600 in the 2009-2010 budget due to rising medical costs and increased utilization. The Insurance Committee is actively pursuing a Wellness Program for all City and BOE employees. Studies have shown that wellness programs have positively impacted health insurance claims as well as employee health. The fees assessed by the Second Injury Fund from the State of Connecticut are projected to decrease by \$21,500 due to a reduction in the assessment by the State.

**Program Summaries-
Internal Service Fund**

Internal Service Fund (continued)



Below is a graph of the estimated internal service expenditures for fiscal year 2009-2010.



Shown on the next page is the revenue estimate for Health Benefits, followed by the estimated expenditures, as well as the Workers' Compensation Self-Insurance revenue estimates and estimated expenditures.

**Program Summaries-
Internal Service Fund**

Internal Service Fund (continued)

Budget Highlights

1161018 HEALTH BENEFITS- SELF INSURANCE REVENUE

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2007-2008	ORIGINAL BUDGET 2008-2009	REVISED BUDGET 2008-2009	BUDGET REQUEST 2009-2010	JOINT BOARD 2009-2010
OTHER/MISCELLANEOUS REVENUE							
450210		MEDICARE D REIMBURSEMENTS	\$0	\$0	\$0	\$55,000	\$55,000
454001		MISCELLANEOUS- OTHER	96,862	50,000	50,000	200,000	200,000
TOTAL OTHER/MISCELLANEOUS REVE			\$96,862	\$50,000	\$50,000	\$255,000	\$255,000
CONTRIBUTIONS							
470008		WATER CONTRIBUTIONS	\$573,812	\$560,000	\$560,000	\$765,000	\$765,000
470017		BOARD OF EDUCATION RETIREES	1,411,597	1,690,000	1,690,000	1,860,000	1,860,000
470016		BOE EMPLOYEE CONTRIBUTIONS	1,257,086	1,280,000	1,280,000	1,800,000	1,800,000
470031		PENSION CONTRIBUTIONS	96,785	80,000	80,000	80,000	80,000
480010		OTHER AGENCIES	769,617	750,000	750,000	725,000	725,000
480011		RETIREES DEPENDENTS	26,677	20,000	20,000	20,000	20,000
470032		CITY EMPLOYEE CONTRIBUTIONS	218,544	275,000	275,000	500,000	500,000
470029		COBRA CONTRIBUTIONS	85,844	55,000	55,000	40,000	40,000
TOTAL CONTRIBUTIONS			\$4,439,963	\$4,710,000	\$4,710,000	\$5,790,000	\$5,790,000
OPERATING TRANSFERS IN							
490501		BOARD OF EDUCATION	\$10,908,645	\$11,712,115	\$11,715,115	\$12,742,500	\$12,742,500
490118		SEWER ASSESSMENTS	374,557	400,000	400,000	410,000	410,000
490001		GENERAL FUND	6,223,000	6,746,000	6,746,000	7,600,000	7,600,000
490104		BRISTOL DEVELOPMENT AUTHORITY	75,359	80,000	80,000	100,000	100,000
490106		SPECIAL GRANTS	27,511	30,000	30,000	47,500	47,500
490127		SCHOOL LUNCH	385,504	410,000	410,000	460,000	460,000
490108		SPECIAL EDUCATION GRANT FUNDS	563,504	400,000	400,000	475,000	475,000
TOTAL OPERATING TRANSFERS IN			\$18,558,078	\$19,778,115	\$19,781,115	\$21,835,000	\$21,835,000
INVESTMENT EARNINGS							
460000		INTEREST INCOME	\$240,972	\$157,500	\$157,500	\$120,000	\$120,000
TOTAL INVESTMENT EARNINGS			\$240,972	\$157,500	\$157,500	\$120,000	\$120,000
OTHER							
491003		BUDGETARY FUND BALANCE	\$0	\$800,000	\$800,000	\$500,000	\$500,000
TOTAL FUND BALANCE			\$0	\$800,000	\$800,000	\$500,000	\$500,000
TOTAL HEALTH BENEFITS			\$23,335,875	\$25,495,615	\$25,498,615	\$28,500,000	\$28,500,000

1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2007-2008	ORIGINAL BUDGET 2008-2009	REVISED BUDGET 2008-2009	BUDGET REQUEST 2009-2010	JOINT BOARD 2009-2010
CONTRACTUAL SERVICES							
531150		ADMINISTRATIVE FEES	\$1,744,492	\$1,590,000	\$1,590,000	\$1,616,910	\$1,616,910
531000		PROFESSIONAL FEES	9,748	6,500	6,500	10,000	10,000
TOTAL CONTRACTUAL SERVICES			\$1,754,240	\$1,596,500	\$1,596,500	\$1,626,910	\$1,626,910
OTHER/MISCELLANEOUS							
586300		MEDICAL CLAIMS	\$21,804,062	\$23,898,115	\$23,898,115	\$26,873,090	\$26,873,090
589100		MISCELLANEOUS	512	1,000	1,000	0	0
TOTAL OTHER/MISCELLANEOUS			\$21,804,574	\$23,899,115	\$23,899,115	\$26,873,090	\$26,873,090
TOTAL HEALTH BENEFITS			\$23,558,814	\$25,495,615	\$25,495,615	\$28,500,000	\$28,500,000

**Program Summaries-
Internal Service Fund**

Internal Service Fund (continued)

NEW WORKERS' COMPENSATION FUND

1191018 NEW WORKERS COMP- SELF INSURANCE REVENUE

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2007-2008	ORIGINAL BUDGET 2008-2009	REVISED BUDGET 2008-2009	BUDGET REQUEST 2009-2010	JOINT BOARD 2009-2010
OPERATING TRANSFERS IN							
490001		GENERAL FUND	\$1,415,000	\$1,600,000	\$1,600,000	\$1,848,000	\$1,848,000
490118		SEWER OPERATING & ASSESSMENT	30,000	25,000	25,000	20,000	20,000
490501		BOARD OF EDUCATION	395,000	425,000	425,000	425,000	425,000
TOTAL OPERATING TRANSFERS IN			\$1,840,000	\$2,050,000	\$2,050,000	\$2,293,000	\$2,293,000
MISCELLANEOUS/CONTRIBUTIONS							
470008		WATER DEPARTMENT CONTRIBUTION	\$92,356	\$75,000	\$75,000	\$75,000	\$75,000
TOTAL MISCELLANEOUS/CONTRIBUTIONS			\$92,356	\$75,000	\$75,000	\$75,000	\$75,000
INVESTMENT EARNINGS							
460000		INTEREST INCOME	\$32,040	\$24,000	\$24,000	\$10,000	\$10,000
TOTAL INVESTMENT EARNINGS			\$32,040	\$24,000	\$24,000	\$10,000	\$10,000
NEW WORKERS COMP SELF-TOTAL			\$1,964,396	\$2,149,000	\$2,149,000	\$2,378,000	\$2,378,000

1198105 NEW WORKERS COMP- SELF INSURANCE EXPENDITURES

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2007-2008	ORIGINAL BUDGET 2008-2009	REVISED BUDGET 2008-2009	BUDGET REQUEST 2009-2010	JOINT BOARD 2009-2010
CONTRACTUAL SERVICES							
531150		ADMINISTRATIVE FEES	\$183,724	\$193,000	\$193,000	\$198,000	\$198,000
TOTAL CONTRACTUAL SERVICES			\$183,724	\$193,000	\$193,000	\$198,000	\$198,000
OTHER/MISCELLANEOUS							
586220		INDEMNITY	\$1,165,304	\$672,000	\$672,000	\$770,000	\$770,000
586210		MEDICAL	1,419,530	928,000	928,000	1,060,000	1,060,000
586230		EXCESS INSURANCE	196,183	206,000	206,000	220,000	220,000
589155		STATE OF CONNECTICUT FEES	139,190	150,000	150,000	130,000	130,000
TOTAL OTHER/MISCELLANEOUS			\$2,920,207	\$1,956,000	\$1,956,000	\$2,180,000	\$2,180,000
NEW WORKERS COMP- TOTALS			\$3,103,931	\$2,149,000	\$2,149,000	\$2,378,000	\$2,378,000

OLD WORKERS' COMPENSATION FUND

1201018 OLD WORKERS COMP- SELF INSURANCE REVENUE

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2007-2008	ORIGINAL BUDGET 2008-2009	REVISED BUDGET 2008-2009	BUDGET REQUEST 2009-2010	JOINT BOARD 2009-2010
OTHER FINANCING SOURCES							
491003		FUND BALANCE- UNDESIGNATED	\$0	\$36,750	\$36,750	\$18,375	\$18,375
454001		MISCELLANEOUS/OTHER	216	0	0	0	0
TOTAL OTHER FINANCING SOURCES			\$216	\$36,750	\$36,750	\$18,375	\$18,375
INVESTMENT EARNINGS							
460000		INTEREST INCOME	\$28,394	\$15,000	\$15,000	\$7,500	\$7,500
TOTAL INVESTMENT EARNINGS			\$28,394	\$15,000	\$15,000	\$7,500	\$7,500
OLD WORKERS COMP SELF-TOTAL			\$28,610	\$51,750	\$51,750	\$25,875	\$25,875

1208105 OLD WORKERS COMP- SELF INSURANCE EXPENDITURES

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2007-2008	ORIGINAL BUDGET 2008-2009	REVISED BUDGET 2008-2009	BUDGET REQUEST 2009-2010	JOINT BOARD 2009-2010
OTHER/MISCELLANEOUS							
586220		INDEMNITY	\$0	\$35,000	\$35,000	\$17,500	\$17,500
586210		MEDICAL	0	10,000	10,000	5,000	5,000
586230		EXCESS INSURANCE	215	3,750	3,750	1,875	1,875
589155		STATE OF CONNECTICUT FEES	0	3,000	3,000	1,500	1,500
TOTAL OTHER/MISCELLANEOUS			\$215	\$51,750	\$51,750	\$25,875	\$25,875
OLD WORKERS COMP-TOTALS			\$215	\$51,750	\$51,750	\$25,875	\$25,875