

Internal Service Funds

Internal Service Funds are used to account for operations serving other Funds or departments within the City on a cost reimbursement basis. The fund is segregated to ensure that the full cost of the service is covered by the charges. Internal Service Funds are considered Proprietary Funds.

Self-Insurance Activities

The City is self-insured for both healthcare and workers compensation costs. The City contracts with third party administrators to facilitate both plans. Self-insurance carries some level of risk but it typically is less expensive than purchasing coverage through premiums. These activities still show premium expense for self-insured retention and aggregate to limit the amount of liability beyond certain levels. The level of liability for the City may change from year to year as insurance carriers try to shift risk to the insured. Each year a cost benefit analysis is done comparing the premium cost with the exposure for potential loss to determine if it is appropriate to take on more risk in order to pay a lower premium.

Health Insurance Activities

The revenues for this activity are derived from City contributions and employee and retiree contributions. The contributions are designated to provide health insurance coverage for employees and their dependents. Retirees may continue insurance at full cost. These activities are separated to ensure that the contributions are sufficient to support the activity.

Worker's Compensation Insurance Activities

The revenues for this activity are derived solely from City contributions. Rather than pay premiums to an insurance company for coverage, the City pays the "premiums" to itself to fund this activity. Premiums are charged to each department based on the amount of wages paid within the department multiplied by the applicable rate of the workers compensation employee class code.

City of Batavia 2016 Annual Budget

Fund #15 — Health Benefit Activities Summary

Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
Surplus and Reserves	\$2,124,536	\$2,008,993		\$1,435,084	\$1,422,921
02 Contributions	\$3,622,116	\$3,598,579	\$3,767,632	\$3,721,525	\$4,049,749
06 Other Revenues	\$28,506	\$507,913	\$29,000	\$706,000	\$105,500
Total Revenue	\$3,650,622	\$4,106,492	\$3,796,632	\$4,427,525	\$4,155,249
Health Benefit Plan	\$3,766,165	\$4,680,401	\$3,961,250	\$4,439,688	\$4,547,140
Total Expense	\$3,766,165	\$4,680,401	\$3,961,250	\$4,439,688	\$4,547,140
Surplus/(Deficit)	(\$115,543)	(\$573,909)	(\$164,618)	(\$12,163)	(\$391,891)
Surplus and Reserves	\$2,008,993	\$1,435,084		\$1,422,921	\$1,031,030

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Revenues

Fund #15 — Health Benefit Activities

Acct.	Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
4419	Employee Flex Plan Contrib.	\$130,129	\$142,442	\$130,000	\$150,000	\$155,000
4420	City Self Insurance Transfer	\$2,674,599	\$2,679,740	\$2,858,918	\$2,819,747	\$3,154,629
4425	Employee Ins. Contribution	\$565,027	\$567,228	\$605,820	\$605,429	\$657,000
4430	Non-Employee Ins Premiums	\$252,361	\$209,169	\$172,894	\$146,349	\$83,120
	02 Contributions	\$3,622,116	\$3,598,579	\$3,767,632	\$3,721,525	\$4,049,749
4397	Reimbursements	\$24,562	\$503,241	\$25,000	\$700,000	\$100,000
5000	Investment Income	\$3,944	\$4,672	\$4,000	\$6,000	\$5,500
	06 Other Revenues	\$28,506	\$507,913	\$29,000	\$706,000	\$105,500
	Total Revenue	\$3,650,622	\$4,106,492	\$3,796,632	\$4,427,525	\$4,155,249

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Expenditures

Fund #15 — Health Benefit Activities

Department # 40 — Health Benefit Plan

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
6128	Life Insurance Premiums	\$45,921	\$47,255	\$50,000	\$51,644	\$53,000
6130	Excess (SIR) Insurance Premiums	\$277,492	\$266,589	\$276,500	\$250,000	\$385,000
6131	Medical & Drug Claims	\$3,167,131	\$4,074,876	\$3,300,000	\$3,791,000	\$3,750,000
6132	Well Vision Care	\$27,564	\$27,497	\$30,250	\$31,859	\$32,500
6133	Flex Plan Section 125	\$130,645	\$139,318	\$130,000	\$150,000	\$155,000
6134	PPO Premiums	\$29,170	\$32,106	\$34,500	\$32,000	\$34,500
6135	Health Care Fees	\$475	\$0	\$35,000	\$35,000	\$35,000
6136	Wellness Initiatives	\$0	\$0	\$5,000	\$1,200	\$1,800
6355	Professional Services	\$87,767	\$92,760	\$100,000	\$96,985	\$100,340
	Health Benefit Plan	\$3,766,165	\$4,680,401	\$3,961,250	\$4,439,688	\$4,547,140

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Fund # 15 — Health Benefit Activities

Department #40 — Health Benefit Plan

Detail on Significant Items

Account

6355	Professional Services		
	Health Insurance Broker Services		\$42,340
	Third Party Administrative Fees		\$58,000
		Total	\$100,340

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Fund #20 — Worker's Compensation Activities Summary

Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
Surplus and Reserves	\$1,169,326	\$1,357,906		\$1,513,442	\$1,578,862
02 Contributions	\$662,400	\$529,920	\$529,920	\$529,920	\$428,875
06 Other Revenues	\$1,145	\$122,471	\$6,000	\$42,500	\$14,500
Total Revenue	\$663,545	\$652,391	\$535,920	\$572,420	\$443,375
Worker's Compensation Plan	\$474,965	\$496,855	\$621,650	\$507,000	\$618,000
Total Expense	\$474,965	\$496,855	\$621,650	\$507,000	\$618,000
Surplus/(Deficit)	\$188,580	\$155,536	(\$85,730)	\$65,420	(\$174,625)
Surplus and Reserves	\$1,357,906	\$1,513,442		\$1,578,862	\$1,404,237

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Revenues

Fund #20 — Worker's Compensation Activities

Acct.	Description	Actual 2013	Actual 2014	Approved Budget 2015	Estimated 2015	Proposed Budget 2016
4420	City Self Insurance Transfer	\$662,400	\$529,920	\$529,920	\$529,920	\$428,875
	02 Contributions	\$662,400	\$529,920	\$529,920	\$529,920	\$428,875
4397	Reimbursements	\$162	\$121,449	\$5,000	\$38,000	\$10,000
5000	Investment Income	\$983	\$1,022	\$1,000	\$4,500	\$4,500
	06 Other Revenues	\$1,145	\$122,471	\$6,000	\$42,500	\$14,500
	Total Revenue	\$663,545	\$652,391	\$535,920	\$572,420	\$443,375

City of Batavia 2016 Annual Budget

Expenditures

Fund #20 — Worker's Compensation Activities Department # 20 — Worker's Compensation Plan

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2013	2014	Budget	2015	Budget
6130	Excess (SIR) Insurance Premiums	\$69,720	\$60,280	\$80,000	\$70,000	\$80,000
6146	Claims Paid - Medical & Indemnity	\$289,817	\$469,518	\$500,000	\$400,000	\$500,000
6150	Adjustment to Claims Reserve	\$84,694	\$-62,812	\$0	\$0	\$0
6203	Medical Exams & Testing	\$18,734	\$17,869	\$28,400	\$25,000	\$25,000
6355	Professional Services	\$12,000	\$12,000	\$13,250	\$12,000	\$13,000
Worker's Compensation Plan		\$474,965	\$496,855	\$621,650	\$507,000	\$618,000

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Fund # 20 — Worker's Compensation Activities

Department #20 — Worker's Compensation Plan

Detail on Significant Items

Account

6355	Professional Services		
	Third Party Administrator		\$13,000
		Total	\$13,000