

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 2017 Annual Budget

Fund #15 — Health Benefit Activities Summary

Description	Actual 2014	Actual 2015	Approved Budget 2016	Estimated 2016	Proposed Budget 2017
Surplus and Reserves	\$2,008,993	\$1,435,084		\$1,334,430	\$192,728
02 Contributions	\$3,598,579	\$3,727,813	\$4,049,749	\$3,957,393	\$4,142,753
06 Other Revenues	\$507,913	\$899,670	\$105,500	\$1,209,000	\$0
Total Revenue	\$4,106,492	\$4,627,483	\$4,155,249	\$5,166,393	\$4,142,753
Health Benefit Plan	\$4,680,401	\$4,728,137	\$4,547,140	\$6,308,095	\$4,142,753
Total Expense	\$4,680,401	\$4,728,137	\$4,547,140	\$6,308,095	\$4,142,753
Surplus/(Deficit)	(\$573,909)	(\$100,654)	(\$391,891)	(\$1,141,702)	\$0
Surplus and Reserves	\$1,435,084	\$1,334,430		\$192,728	\$192,728

City of Batavia 2017 Annual Budget

Revenues

Fund #15 — Health Benefit Activities

Acct.	Description	Actual 2014	Actual 2015	Approved Budget 2016	Estimated 2016	Proposed Budget 2017
4419	Employee Flex Plan Contrib.	\$142,442	\$155,904	\$155,000	\$149,413	\$150,000
4420	City Self Insurance Transfer	\$2,679,740	\$2,818,060	\$3,154,629	\$3,078,165	\$3,250,213
4425	Employee Ins. Contribution	\$567,228	\$605,692	\$657,000	\$651,843	\$682,540
4430	Non-Employee Ins Premiums	\$209,169	\$148,157	\$83,120	\$77,972	\$60,000
	02 Contributions	\$3,598,579	\$3,727,813	\$4,049,749	\$3,957,393	\$4,142,753
4397	Reimbursements	\$503,241	\$891,401	\$100,000	\$1,200,000	\$0
5000	Investment Income	\$4,672	\$8,269	\$5,500	\$9,000	\$0
	06 Other Revenues	\$507,913	\$899,670	\$105,500	\$1,209,000	\$0
	Total Revenue	\$4,106,492	\$4,627,483	\$4,155,249	\$5,166,393	\$4,142,753

City of Batavia 2017 Annual Budget

Fund # 15 — Health Benefit Activities

Department #00 — Revenues

Detail on Significant Items

Account

4420	City Self Insurance Transfer		
	Payment of City Share to IPBC		\$3,250,213
		Total	\$3,250,213
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4425	Employee Ins. Contribution		
	Employee share of payment to IPBC		\$682,540
		Total	\$682,540

City of Batavia 2017 Annual Budget

Expenditures

Fund #15 — Health Benefit Activities

Department #40 — Health Benefit Plan

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2014	2015	Budget	2016	Budget
				2016		2017
6128	Life Insurance Premiums	\$47,255	\$45,657	\$53,000	\$47,750	\$48,000
6130	Excess (SIR) Insurance Premiums	\$266,589	\$243,723	\$385,000	\$0	\$0
6131	Medical & Drug Claims	\$4,074,876	\$4,229,558	\$3,750,000	\$5,868,552	\$3,914,753
6132	Well Vision Care	\$27,497	\$27,847	\$32,500	\$28,000	\$30,000
6133	Flex Plan Section 125	\$139,318	\$147,340	\$155,000	\$149,413	\$150,000
6134	PPO Premiums	\$32,106	\$32,000	\$34,500	\$39,000	\$0
6135	Health Care Fees	\$0	\$2,012	\$35,000	\$35,000	\$0
6136	Wellness Initiatives	\$0	\$0	\$1,800	\$220	\$0
6355	Professional Services	\$92,760	\$0	\$100,340	\$140,160	\$0
	Health Benefit Plan	\$4,680,401	\$4,728,137	\$4,547,140	\$6,308,095	\$4,142,753

City of Batavia 2017 Annual Budget

Fund # 15 — Health Benefit Activities

Department #40 — Health Benefit Plan

Detail on Significant Items

Account

6131	Medical & Drug Claims		
	Medical and Dental Claims		\$3,914,753
		Total	\$3,914,753

City of Batavia 2017 Annual Budget

Fund #20 — Worker's Compensation Activities Summary

Description	Actual 2014	Actual 2015	Approved Budget 2016	Estimated 2016	Proposed Budget 2017
Surplus and Reserves	\$1,357,906	\$1,513,442		\$1,444,937	\$1,410,812
02 Contributions	\$529,920	\$529,920	\$428,875	\$428,875	\$377,875
06 Other Revenues	\$122,471	\$42,908	\$14,500	\$77,000	\$35,000
Total Revenue	\$652,391	\$572,828	\$443,375	\$505,875	\$412,875
Worker's Compensation Plan	\$496,855	\$641,333	\$618,000	\$540,000	\$623,500
Total Expense	\$496,855	\$641,333	\$618,000	\$540,000	\$623,500
Surplus/(Deficit)	\$155,536	(\$68,505)	(\$174,625)	(\$34,125)	(\$210,625)
Surplus and Reserves	\$1,513,442	\$1,444,937		\$1,410,812	\$1,200,187

City of Batavia 2017 Annual Budget

Revenues

Fund #20 — Worker's Compensation Activities

Acct.	Description	Actual 2014	Actual 2015	Approved Budget 2016	Estimated 2016	Proposed Budget 2017
4420	City Self Insurance Transfer	\$529,920	\$529,920	\$428,875	\$428,875	\$377,875
	02 Contributions	\$529,920	\$529,920	\$428,875	\$428,875	\$377,875
4397	Reimbursements	\$121,449	\$37,194	\$10,000	\$72,000	\$30,000
5000	Investment Income	\$1,022	\$5,714	\$4,500	\$5,000	\$5,000
	06 Other Revenues	\$122,471	\$42,908	\$14,500	\$77,000	\$35,000
	Total Revenue	\$652,391	\$572,828	\$443,375	\$505,875	\$412,875

City of Batavia 2017 Annual Budget

Expenditures

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

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2014	2015	Budget	2016	Budget
				2016		2017
6130	Excess (SIR) Insurance Premiums	\$60,280	\$67,134	\$80,000	\$80,000	\$85,000
6146	Claims Paid - Medical & Indemnity	\$469,518	\$443,713	\$500,000	\$425,000	\$500,000
6150	Adjustment to Claims Reserve	\$-62,812	\$96,984	\$0	\$0	\$0
6203	Medical Exams & Testing	\$17,869	\$21,502	\$25,000	\$22,000	\$25,000
6355	Professional Services	\$12,000	\$12,000	\$13,000	\$13,000	\$13,500
Worker's Compensation Plan		\$496,855	\$641,333	\$618,000	\$540,000	\$623,500