

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 2014 Annual Budget

Fund #15 — Health Benefit Activities Summary

Description	Actual 2011	Actual 2012	Approved Budget 2013	Estimated 2013	Proposed Budget 2014
Surplus and Reserves	\$2,239,359	\$2,357,778		\$2,361,837	\$2,586,335
02 Contributions	\$3,322,624	\$3,390,426	\$3,623,599	\$3,625,197	\$3,637,585
06 Other Revenues	\$70,109	\$157,593	\$54,000	\$24,000	\$54,000
Total Revenue	\$3,392,733	\$3,548,019	\$3,677,599	\$3,649,197	\$3,691,585
Health Benefit Plan	\$3,274,314	\$3,543,960	\$3,598,357	\$3,424,699	\$3,579,045
Total Expense	\$3,274,314	\$3,543,960	\$3,598,357	\$3,424,699	\$3,579,045
Surplus/(Deficit)	\$118,419	\$4,059	\$79,242	\$224,498	\$112,540
Surplus and Reserves	\$2,357,778	\$2,361,837		\$2,586,335	\$2,698,875

City of Batavia 2014 Annual Budget

Revenues

Fund #15 — Health Benefit Activities

Acct.	Description	Actual 2011	Actual 2012	Approved Budget 2013	Estimated 2013	Proposed Budget 2014
4419	Employee Flex Plan Contrib.	\$120,121	\$116,612	\$120,000	\$139,870	\$130,000
4420	City Self Insurance Transfer	\$2,473,125	\$2,501,764	\$2,710,854	\$2,674,772	\$2,737,867
4425	Employee Ins. Contribution	\$521,431	\$527,999	\$554,745	\$565,168	\$566,808
4430	Non-Employee Ins Premiums	\$207,947	\$244,051	\$238,000	\$245,387	\$202,910
	02 Contributions	\$3,322,624	\$3,390,426	\$3,623,599	\$3,625,197	\$3,637,585
4397	Reimbursements	\$65,722	\$154,127	\$50,000	\$20,000	\$50,000
5000	Investment Income	\$4,387	\$3,466	\$4,000	\$4,000	\$4,000
	06 Other Revenues	\$70,109	\$157,593	\$54,000	\$24,000	\$54,000
	Total Revenue	\$3,392,733	\$3,548,019	\$3,677,599	\$3,649,197	\$3,691,585

City of Batavia 2014 Annual Budget

Expenditures

Fund #15 — Health Benefit Activities

Department # 40 — Health Benefit Plan

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2011	2012	Budget 2013	2013	Budget 2014
6128	Life Insurance Premiums	\$36,971	\$40,121	\$44,000	\$46,081	\$48,385
6129	Third Party Administrative Fees	\$86,082	\$100,295	\$94,000	\$94,000	\$98,700
6130	Excess (SIR) Insurance Premiums	\$321,663	\$280,503	\$305,000	\$280,500	\$294,525
6131	Medical & Drug Claims	\$2,642,320	\$2,953,177	\$2,966,250	\$2,805,188	\$2,945,447
6132	Well Vision Care	\$27,186	\$27,315	\$28,500	\$27,760	\$29,148
6133	Flex Plan Section 125	\$123,203	\$112,624	\$120,000	\$139,870	\$130,000
6134	PPO Premiums	\$28,518	\$29,925	\$31,857	\$30,800	\$32,340
6135	Managed Care Fee	\$8,210	\$0	\$8,250	\$500	\$500
6137	I D Cards & Misc Expense	\$161	\$0	\$500	\$0	\$0
Health Benefit Plan		\$3,274,314	\$3,543,960	\$3,598,357	\$3,424,699	\$3,579,045

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Fund #20 — Worker's Compensation Activities Summary

Description	Actual 2011	Actual 2012	Approved Budget 2013	Estimated 2013	Proposed Budget 2014
Surplus and Reserves	\$468,818	\$960,917		\$1,169,326	\$1,282,226
02 Contributions	\$951,782	\$667,300	\$662,400	\$662,400	\$529,920
06 Other Revenues	\$162,076	\$63,082	\$25,500	\$5,500	\$10,500
Total Revenue	\$1,113,858	\$730,382	\$687,900	\$667,900	\$540,420
Worker's Compensation Plan	\$621,759	\$521,973	\$600,000	\$555,000	\$610,250
Total Expense	\$621,759	\$521,973	\$600,000	\$555,000	\$610,250
Surplus/(Deficit)	\$492,099	\$208,409	\$87,900	\$112,900	(\$69,830)
Surplus and Reserves	\$960,917	\$1,169,326		\$1,282,226	\$1,212,396

City of Batavia 2014 Annual Budget

Revenues

Fund #20 — Worker's Compensation Activities

Acct.	Description	Actual 2011	Actual 2012	Approved Budget 2013	Estimated 2013	Proposed Budget 2014
4420	City Self Insurance Transfer	\$951,782	\$667,300	\$662,400	\$662,400	\$529,920
	02 Contributions	\$951,782	\$667,300	\$662,400	\$662,400	\$529,920
4397	Reimbursements	\$161,483	\$62,260	\$25,000	\$5,000	\$10,000
5000	Investment Income	\$593	\$822	\$500	\$500	\$500
	06 Other Revenues	\$162,076	\$63,082	\$25,500	\$5,500	\$10,500
	Total Revenue	\$1,113,858	\$730,382	\$687,900	\$667,900	\$540,420

City of Batavia 2014 Annual Budget

Expenditures

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

Acct.	Description	Actual	Actual	Approved	Estimated	Proposed
		2011	2012	Budget 2013	2013	Budget 2014
6129	Third Party Administrative Fees	\$12,000	\$12,000	\$13,000	\$13,000	\$13,250
6130	Excess (SIR) Insurance Premiums	\$75,415	\$70,886	\$67,000	\$72,000	\$75,000
6146	Claims Paid - Medical & Indemnity	\$492,425	\$490,375	\$500,000	\$450,000	\$500,000
6150	Adjustment to Claims Reserve	\$41,919	\$-51,288	\$0	\$0	\$0
6285	Medical Examinations and Testing	\$0	\$0	\$20,000	\$20,000	\$22,000
Worker's Compensation Plan		\$621,759	\$521,973	\$600,000	\$555,000	\$610,250

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Fund # 20 — Worker's Compensation Activities

Department #20 — Worker's Compensation Plan

Detail on Significant Items

Account

6285 Medical Examinations and Testing

Annual Fitness Physicals

\$22,000

Total

\$22,000