

## **General Fund**

### **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 2013 Annual Budget

### Fund #15 — Health Benefit Activities Summary

| Description              | Actual<br>2010     | Actual<br>2011     | Approved<br>Budget<br>2012 | Estimated<br>2012  | Proposed<br>Budget<br>2013 |
|--------------------------|--------------------|--------------------|----------------------------|--------------------|----------------------------|
| Surplus and Reserves     | \$2,161,386        | \$2,239,359        |                            | \$2,357,778        | \$2,354,150                |
| 02 Contributions         | \$3,328,141        | \$3,322,624        | \$3,406,831                | \$3,394,277        | \$3,623,599                |
| 06 Other Revenues        | \$688,911          | \$70,109           | \$57,000                   | \$29,000           | \$54,000                   |
| <b>Total Revenue</b>     | <b>\$4,017,052</b> | <b>\$3,392,733</b> | <b>\$3,463,831</b>         | <b>\$3,423,277</b> | <b>\$3,677,599</b>         |
| Health Benefit Plan      | \$3,939,079        | \$3,274,314        | \$3,657,728                | \$3,426,905        | \$3,598,357                |
| <b>Total Expense</b>     | <b>\$3,939,079</b> | <b>\$3,274,314</b> | <b>\$3,657,728</b>         | <b>\$3,426,905</b> | <b>\$3,598,357</b>         |
| <b>Surplus/(Deficit)</b> | <b>\$77,973</b>    | <b>\$118,419</b>   | <b>( \$193,897)</b>        | <b>( \$3,628)</b>  | <b>\$79,242</b>            |
| Surplus and Reserves     | \$2,239,359        | \$2,357,778        |                            | \$2,354,150        | \$2,433,392                |

# City of Batavia 2013 Annual Budget

## Revenues

### Fund #15 — Health Benefit Activities

| Acct. | Description                  | Actual<br>2010     | Actual<br>2011     | Approved<br>Budget<br>2012 | Estimated<br>2012  | Proposed<br>Budget<br>2013 |
|-------|------------------------------|--------------------|--------------------|----------------------------|--------------------|----------------------------|
| 4419  | Employee Flex Plan Contrib.  | \$104,620          | \$120,121          | \$120,000                  | \$117,000          | \$120,000                  |
| 4420  | City Self Insurance Transfer | \$2,474,588        | \$2,473,125        | \$2,556,817                | \$2,505,545        | \$2,710,854                |
| 4425  | Employee Ins. Contribution   | \$532,838          | \$521,431          | \$530,014                  | \$528,775          | \$554,745                  |
| 4430  | Non-Employee Ins Premiums    | \$216,095          | \$207,947          | \$200,000                  | \$242,957          | \$238,000                  |
|       | <b>02 Contributions</b>      | <b>\$3,328,141</b> | <b>\$3,322,624</b> | <b>\$3,406,831</b>         | <b>\$3,394,277</b> | <b>\$3,623,599</b>         |
| 4397  | Reimbursements               | \$677,133          | \$65,722           | \$50,000                   | \$25,000           | \$50,000                   |
| 5000  | Investment Income            | \$11,778           | \$4,387            | \$7,000                    | \$4,000            | \$4,000                    |
|       | <b>06 Other Revenues</b>     | <b>\$688,911</b>   | <b>\$70,109</b>    | <b>\$57,000</b>            | <b>\$29,000</b>    | <b>\$54,000</b>            |
|       | <b>Total Revenue</b>         | <b>\$4,017,052</b> | <b>\$3,392,733</b> | <b>\$3,463,831</b>         | <b>\$3,423,277</b> | <b>\$3,677,599</b>         |

# City of Batavia 2013 Annual Budget

## Expenditures

**Fund #15 — Health Benefit Activities**

**Department #40 — Health Benefit Plan**

| Acct.                      | Description                     | Actual             | Actual             | Approved           | Estimated          | Proposed           |
|----------------------------|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                            |                                 | 2010               | 2011               | Budget<br>2012     | 2012               | Budget<br>2013     |
| 6128                       | Life Insurance Premiums         | \$40,438           | \$36,971           | \$41,211           | \$43,407           | \$44,000           |
| 6129                       | Third Party Administrative Fees | \$98,578           | \$86,082           | \$98,750           | \$92,000           | \$94,000           |
| 6130                       | Excess (SIR) Insurance Premiums | \$331,649          | \$321,663          | \$337,703          | \$284,000          | \$305,000          |
| 6131                       | Medical & Drug Claims           | \$3,319,401        | \$2,642,320        | \$3,000,000        | \$2,825,000        | \$2,966,250        |
| 6132                       | Well Vision Care                | \$27,858           | \$27,186           | \$29,500           | \$27,800           | \$28,500           |
| 6133                       | Flex Plan Section 125           | \$101,767          | \$123,203          | \$120,000          | \$117,000          | \$120,000          |
| 6134                       | PPO Premiums                    | \$12,967           | \$28,518           | \$29,064           | \$29,498           | \$31,857           |
| 6135                       | Managed Care Fee                | \$6,226            | \$8,210            | \$1,000            | \$8,000            | \$8,250            |
| 6137                       | I D Cards & Misc Expense        | \$195              | \$161              | \$500              | \$200              | \$500              |
| <b>Health Benefit Plan</b> |                                 | <b>\$3,939,079</b> | <b>\$3,274,314</b> | <b>\$3,657,728</b> | <b>\$3,426,905</b> | <b>\$3,598,357</b> |

## City of Batavia 2013 Annual Budget

### Fund #20 — Worker's Compensation Activities Summary

| Description                 | Actual<br>2010     | Actual<br>2011     | Approved<br>Budget<br>2012 | Estimated<br>2012  | Proposed<br>Budget<br>2013 |
|-----------------------------|--------------------|--------------------|----------------------------|--------------------|----------------------------|
| <b>Surplus and Reserves</b> | ( \$76,365)        | \$468,818          |                            | \$960,917          | \$1,106,217                |
| 02 Contributions            | \$951,781          | \$951,782          | \$652,400                  | \$667,300          | \$662,400                  |
| 06 Other Revenues           | \$90,759           | \$162,076          | \$11,000                   | \$60,500           | \$25,500                   |
| <b>Total Revenue</b>        | <b>\$1,042,540</b> | <b>\$1,113,858</b> | <b>\$663,400</b>           | <b>\$727,800</b>   | <b>\$687,900</b>           |
| Worker's Compensation Plan  | \$497,357          | \$621,759          | \$612,500                  | \$582,500          | \$600,000                  |
| <b>Total Expense</b>        | <b>\$497,357</b>   | <b>\$621,759</b>   | <b>\$612,500</b>           | <b>\$582,500</b>   | <b>\$600,000</b>           |
| <b>Surplus/(Deficit)</b>    | <b>\$545,183</b>   | <b>\$492,099</b>   | <b>\$50,900</b>            | <b>\$145,300</b>   | <b>\$87,900</b>            |
| <b>Surplus and Reserves</b> | <b>\$468,818</b>   | <b>\$960,917</b>   |                            | <b>\$1,106,217</b> | <b>\$1,194,117</b>         |

# City of Batavia 2013 Annual Budget

## Revenues

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

| Acct. | Description                  | Actual<br>2010     | Actual<br>2011     | Approved<br>Budget<br>2012 | Estimated<br>2012 | Proposed<br>Budget<br>2013 |
|-------|------------------------------|--------------------|--------------------|----------------------------|-------------------|----------------------------|
| 4420  | City Self Insurance Transfer | \$951,781          | \$951,782          | \$652,400                  | \$667,300         | \$662,400                  |
|       | <b>02 Contributions</b>      | <b>\$951,781</b>   | <b>\$951,782</b>   | <b>\$652,400</b>           | <b>\$667,300</b>  | <b>\$662,400</b>           |
| 4397  | Reimbursements               | \$89,585           | \$161,483          | \$10,000                   | \$60,000          | \$25,000                   |
| 5000  | Investment Income            | \$1,174            | \$593              | \$1,000                    | \$500             | \$500                      |
|       | <b>06 Other Revenues</b>     | <b>\$90,759</b>    | <b>\$162,076</b>   | <b>\$11,000</b>            | <b>\$60,500</b>   | <b>\$25,500</b>            |
|       | <b>Total Revenue</b>         | <b>\$1,042,540</b> | <b>\$1,113,858</b> | <b>\$663,400</b>           | <b>\$727,800</b>  | <b>\$687,900</b>           |

# City of Batavia 2013 Annual Budget

## Expenditures

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

| <b>Acct.</b> | <b>Description</b>                | <b>Actual<br/>2010</b> | <b>Actual<br/>2011</b> | <b>Approved<br/>Budget<br/>2012</b> | <b>Estimated<br/>2012</b> | <b>Proposed<br/>Budget<br/>2013</b> |
|--------------|-----------------------------------|------------------------|------------------------|-------------------------------------|---------------------------|-------------------------------------|
| 6129         | Third Party Administrative Fees   | \$12,000               | \$12,000               | \$12,500                            | \$12,500                  | \$13,000                            |
| 6130         | Excess (SIR) Insurance Premiums   | \$95,846               | \$75,415               | \$100,000                           | \$70,000                  | \$67,000                            |
| 6146         | Claims Paid - Medical & Indemnity | \$371,554              | \$492,425              | \$500,000                           | \$500,000                 | \$500,000                           |
| 6150         | Adjustment to Claims Reserve      | \$17,957               | \$41,919               | \$0                                 | \$0                       | \$0                                 |
| 6285         | Medical Examinations and Testing  | \$0                    | \$0                    | \$0                                 | \$0                       | \$20,000                            |
|              | <b>Worker's Compensation Plan</b> | <b>\$497,357</b>       | <b>\$621,759</b>       | <b>\$612,500</b>                    | <b>\$582,500</b>          | <b>\$600,000</b>                    |

# City of Batavia 2013 Annual Budget

Fund # 20 — Worker's Compensation Activities

Department #20 — Worker's Compensation Plan

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## Detail on Significant Items

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### Account

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|             |   |              |                 |
|-------------|---|--------------|-----------------|
| <b>6285</b> | <b>Medical Examinations and Testing</b> |              |                 |
|             | Annual Fitness Physicals                |              | \$20,000        |
|             |   | <b>Total</b> | <b>\$20,000</b> |