

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 2008 BUDGET

Fund #15 — Health Benefit Activities Summary

DESCRIPTION	ACTUAL 2005	ACTUAL 2006	APPROVED		PROPOSED
			BUDGET 2007	ESTIMATED 2007	BUDGET 2008
Surplus and Reserves	(\$161,083)	(\$521,861)		(\$234,731)	\$781,133
02 Contributions	\$2,388,766	\$2,914,760	\$3,995,043	\$4,028,365	\$3,367,698
06 Other Revenues	\$898,799	\$511,055	\$220,000	\$225,168	\$125,000
Total Revenue	\$3,287,565	\$3,425,815	\$4,215,043	\$4,253,533	\$3,492,698
Health Benefit Plan	\$3,648,343	\$3,138,685	\$3,444,538	\$3,237,669	\$3,533,772
Total Expense	\$3,648,343	\$3,138,685	\$3,444,538	\$3,237,669	\$3,533,772
Surplus/(Deficit)	(\$360,778)	\$287,130	\$770,505	\$1,015,864	(\$41,074)
Surplus and Reserves	(\$521,861)	(\$234,731)		\$781,133	\$740,059

CITY OF BATAVIA 2008 BUDGET

REVENUE DETAIL

Fund #15 — Health Benefit Activities

ACCT	DESCRIPTION	ACTUAL 2005	ACTUAL 2006	APPROVED	ESTIMATED	PROPOSED
				BUDGET 2007	2007	BUDGET 2008
4419	Employee Flex Plan Contrib.	\$27,777	\$38,917	\$40,000	\$59,707	\$60,000
4420	City Self Insurance Transfer	\$1,846,252	\$2,255,573	\$3,301,564	\$3,286,958	\$2,598,054
4425	Employee Ins. Contribution	\$514,737	\$484,226	\$513,479	\$529,964	\$551,839
4430	Non-Employee Ins Premiums	\$0	\$136,044	\$140,000	\$151,736	\$157,805
	02 Contributions	\$2,388,766	\$2,914,760	\$3,995,043	\$4,028,365	\$3,367,698
4397	Reimbursements	\$898,799	\$511,055	\$220,000	\$225,168	\$125,000
	06 Other Revenues	\$898,799	\$511,055	\$220,000	\$225,168	\$125,000
	Total Revenue	\$3,287,565	\$3,425,815	\$4,215,043	\$4,253,533	\$3,492,698

CITY OF BATAVIA 2008 BUDGET

Fund # 15 — Health Benefit Activities

Department #00 — Revenues

JUSTIFICATION OF SIGNIFICANT BUDGETED ITEMS

Account

4420	City Self Insurance Transfer	
	Lower contribution in 2008 reflects catch-up contribution made by the City in 2007.	\$2,598,054.00
	Total	\$2,598,054.00

CITY OF BATAVIA 2008 BUDGET

EXPENSE SUMMARY

Fund #15 — Health Benefit Activities

Department #40 — Health Benefit Plan

ACCT	DESCRIPTION	APPROVED			PROPOSED	
		ACTUAL 2005	ACTUAL 2006	BUDGET 2007	ESTIMATED 2007	BUDGET 2008
6128	Life Insurance Premiums	\$23,238	\$19,039	\$21,541	\$17,800	\$32,266
6129	Third Party Administrative Fees	\$83,787	\$81,082	\$83,932	\$82,794	\$86,934
6130	Excess (SIR) Insurance Premiums	\$247,314	\$256,698	\$295,120	\$298,758	\$285,400
6131	Medical & Drug Claims	\$3,336,288	\$2,762,622	\$2,940,809	\$2,714,551	\$2,999,759
6132	Eye Care Reimbursements	\$10,102	\$11,205	\$10,500	\$10,000	\$11,000
6133	Flex Plan Section 125	\$27,777	\$38,917	\$30,000	\$59,709	\$60,000
6134	PPO Premiums	\$9,285	\$11,080	\$15,546	\$11,210	\$11,771
6135	Managed Care Fee	\$5,435	\$4,987	\$6,090	\$4,484	\$5,000
6136	Wellness Program	\$0	\$29,190	\$40,000	\$37,863	\$40,892
6137	I D Cards & Misc Expense	\$51	\$496	\$1,000	\$500	\$750
6730	Net Accrued Claims Payable	\$-94,934	\$-76,631	\$0	\$0	\$0
Health Benefit Plan		\$3,648,343	\$3,138,685	\$3,444,538	\$3,237,669	\$3,533,772

CITY OF BATAVIA 2008 BUDGET

Fund #20 — Worker's Compensation Activities Summary

DESCRIPTION	ACTUAL		APPROVED	ESTIMATED	PROPOSED
	2005	2006	BUDGET	2007	BUDGET
			2007	2007	2008
Surplus and Reserves	\$0	(\$64,139)		\$108,079	\$179,254
02 Contributions	\$425,607	\$475,643	\$499,425	\$499,425	\$492,688
06 Other Revenues	\$5,190	\$12,463	\$6,500	\$21,000	\$20,000
Total Revenue	\$430,797	\$488,106	\$505,925	\$520,425	\$512,688
Worker's Compensation Plan	\$494,936	\$315,888	\$324,000	\$449,250	\$359,500
Total Expense	\$494,936	\$315,888	\$324,000	\$449,250	\$359,500
Surplus/(Deficit)	(\$64,139)	\$172,218	\$181,925	\$71,175	\$153,188
Surplus and Reserves	(\$64,139)	\$108,079		\$179,254	\$332,442

CITY OF BATAVIA 2008 BUDGET

REVENUE DETAIL

Fund #20 — Worker's Compensation Activities

ACCT	DESCRIPTION	ACTUAL 2005	ACTUAL 2006	APPROVED	ESTIMATED	PROPOSED
				BUDGET 2007	2007	BUDGET 2008
4420	City Self Insurance Transfer	\$425,607	\$475,643	\$499,425	\$499,425	\$492,688
	02 Contributions	\$425,607	\$475,643	\$499,425	\$499,425	\$492,688
5000	Investment Income	\$5,190	\$12,463	\$6,500	\$21,000	\$20,000
	06 Other Revenues	\$5,190	\$12,463	\$6,500	\$21,000	\$20,000
Total Revenue		\$430,797	\$488,106	\$505,925	\$520,425	\$512,688

CITY OF BATAVIA 2008 BUDGET

EXPENSE SUMMARY

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

ACCT	DESCRIPTION	APPROVED			PROPOSED	
		ACTUAL 2005	ACTUAL 2006	BUDGET 2007	ESTIMATED 2007	BUDGET 2008
6129	Third Party Administrative Fees	\$8,850	\$11,000	\$11,500	\$11,750	\$12,500
6130	Excess (SIR) Insurance Premiums	\$44,914	\$33,708	\$42,500	\$37,500	\$42,000
6146	Claims Paid - Medical & Indemnity	\$253,474	\$301,287	\$220,000	\$300,000	\$250,000
6150	Adjustment to Claims Reserve	\$187,698	\$-34,707	\$50,000	\$100,000	\$50,000
6355	Contractual Services	\$0	\$4,600	\$0	\$0	\$5,000
Worker's Compensation Plan		\$494,936	\$315,888	\$324,000	\$449,250	\$359,500