

General Fund

Self-Insurance Activities

The City has been self-insured for health insurance for many years. Most cities the size of Batavia find it cost effective to be self-insured for this very costly expense. The City also moved to become self-insured for worker's compensation in 2005 due to increasing premiums. Self-insurance carries some level of risk but it typically is less expensive than purchasing coverage through premiums. These activities still show premium expense but they are 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 and is evaluated on a cost benefit basis of risk level versus premium cost.

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. The cost for worker's compensation premiums began to rise in recent years and as a result the City made the decision to become self-insured for this expense. Rather than pay premiums to an insurance company for first dollar coverage, the City pays the "premiums" to itself to fund this activity. The activities are separated to ensure that the City reserves enough funds to decrease the impact of large expenses in any one year.

CITY OF BATAVIA 2007 BUDGET

Fund #15 — Health Benefit Activities Summary

DESCRIPTION	APPROVED			PROPOSED	
	ACTUAL 2004	ACTUAL 2005	BUDGET 2006	ESTIMATED 2006	BUDGET 2007
Surplus and Reserves	(\$115,730)	(\$161,083)		(\$521,861)	(\$770,505)
02 Contributions	\$2,089,237	\$2,388,766	\$2,866,209	\$2,883,030	\$3,995,043
06 Other Revenues	\$149,849	\$898,799	\$75,000	\$330,000	\$220,000
Total Revenue	\$2,239,086	\$3,287,565	\$2,941,209	\$3,213,030	\$4,215,043
Health Benefit Plan	\$2,284,439	\$3,648,343	\$2,779,072	\$3,461,674	\$3,444,538
Total Expense	\$2,284,439	\$3,648,343	\$2,779,072	\$3,461,674	\$3,444,538
Surplus/(Deficit)	(\$45,353)	(\$360,778)	\$162,137	(\$248,644)	\$770,505
Surplus and Reserves	(\$161,083)	(\$521,861)		(\$770,505)	\$0

CITY OF BATAVIA 2007 BUDGET

REVENUE DETAIL

Fund #15 — Health Benefit Activities

ACCT	DESCRIPTION	ACTUAL 2004	ACTUAL 2005	APPROVED	ESTIMATED	PROPOSED
				BUDGET 2006	2006	BUDGET 2007
4419	Employee Flex Plan Contrib.	\$15,843	\$27,777	\$30,000	\$38,910	\$40,000
4420	City Self Insurance Transfer	\$1,644,294	\$1,846,252	\$2,223,304	\$2,231,022	\$3,301,564
4425	Employee Ins. Contribution	\$347,277	\$514,737	\$498,798	\$488,098	\$513,479
4430	Non-Employee Ins Premiums	\$81,823	\$0	\$114,107	\$125,000	\$140,000
02 Contributions		\$2,089,237	\$2,388,766	\$2,866,209	\$2,883,030	\$3,995,043
4397	Reimbursements	\$149,849	\$898,799	\$75,000	\$330,000	\$220,000
06 Other Revenues		\$149,849	\$898,799	\$75,000	\$330,000	\$220,000
Total Revenue		\$2,239,086	\$3,287,565	\$2,941,209	\$3,213,030	\$4,215,043

CITY OF BATAVIA 2007 BUDGET

EXPENSE SUMMARY

Fund #15 — Health Benefit Activities

Department #40 — Health Benefit Plan

ACCT	DESCRIPTION	APPROVED			PROPOSED
		ACTUAL 2004	ACTUAL 2005	BUDGET 2006	ESTIMATED 2006 BUDGET 2007
6128	Life Insurance Premiums	\$19,888	\$23,238	\$25,935	\$19,750 \$21,541
6129	Third Party Administrative Fees	\$46,574	\$83,787	\$79,329	\$75,100 \$83,932
6130	Excess (SIR) Insurance Premiums	\$223,920	\$247,314	\$286,747	\$255,394 \$295,120
6131	Medical & Drug Claims	\$2,015,519	\$3,364,065	\$2,318,486	\$3,053,593 \$2,970,809
6132	Eye Care Reimbursements	\$8,077	\$10,102	\$9,278	\$10,400 \$10,500
6134	PPO Premiums	\$8,164	\$9,285	\$16,000	\$12,100 \$15,546
6135	Managed Care Fee	\$5,373	\$5,435	\$6,797	\$5,547 \$6,090
6136	Wellness Program	\$0	\$0	\$35,000	\$29,190 \$40,000
6137	I D Cards & Misc Expense	\$469	\$51	\$1,500	\$600 \$1,000
6730	Net Accrued Claims Payable	\$-43,545	\$-94,934	\$0	\$0 \$0
Health Benefit Plan		\$2,284,439	\$3,648,343	\$2,779,072	\$3,461,674 \$3,444,538

CITY OF BATAVIA 2007 BUDGET

Fund # 15 — Health Benefit Activities

Department #40 — Health Benefit Plan

JUSTIFICATION OF SIGNIFICANT BUDGETED ITEMS

Account

6131	Medical & Drug Claims	
	2005 and 2006 included several claims in excess of the City's stop loss of \$60,000 - Reimbursements also high	\$2,970,809.00
	Total	\$2,970,809.00

CITY OF BATAVIA 2007 BUDGET

Fund #20 — Worker's Compensation Activities Summary

DESCRIPTION	ACTUAL 2004	ACTUAL 2005	APPROVED	PROPOSED	
			BUDGET 2006	ESTIMATED 2006	BUDGET 2007
Surplus and Reserves	\$0	\$0		\$123,559	\$116,742
02 Contributions	\$0	\$425,607	\$475,642	\$475,642	\$499,425
06 Other Revenues	\$0	\$5,190	\$5,000	\$6,000	\$6,500
Total Revenue	\$0	\$430,797	\$480,642	\$481,642	\$505,925
Worker's Compensation Plan	\$0	\$307,238	\$290,620	\$488,459	\$324,000
Total Expense	\$0	\$307,238	\$290,620	\$488,459	\$324,000
Surplus/(Deficit)	\$0	\$123,559	\$190,022	(\$6,817)	\$181,925
Surplus and Reserves	\$0	\$123,559		\$116,742	\$298,667

CITY OF BATAVIA 2007 BUDGET

REVENUE DETAIL

Fund #20 — Worker's Compensation Activities

ACCT	DESCRIPTION	ACTUAL 2004	ACTUAL 2005	APPROVED	ESTIMATED	PROPOSED
				BUDGET 2006	2006	BUDGET 2007
4420	City Self Insurance Transfer	\$0	\$425,607	\$475,642	\$475,642	\$499,425
	02 Contributions	\$0	\$425,607	\$475,642	\$475,642	\$499,425
5000	Investment Interest	\$0	\$5,190	\$5,000	\$6,000	\$6,500
	06 Other Revenues	\$0	\$5,190	\$5,000	\$6,000	\$6,500
Total Revenue		\$0	\$430,797	\$480,642	\$481,642	\$505,925

CITY OF BATAVIA 2007 BUDGET

EXPENSE SUMMARY

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

ACCT	DESCRIPTION	APPROVED			PROPOSED	
		ACTUAL 2004	ACTUAL 2005	BUDGET 2006	ESTIMATED 2006	BUDGET 2007
6129	Third Party Administrative Fees	\$0	\$8,850	\$11,000	\$11,000	\$11,500
6130	Excess (SIR) Insurance Premiums	\$0	\$44,914	\$35,000	\$35,000	\$42,500
6146	Claims Paid - Medical & Indemnity	\$0	\$253,474	\$194,620	\$302,188	\$220,000
6150	Claims Outstanding	\$0	\$0	\$50,000	\$140,271	\$50,000
Worker's Compensation Plan		\$0	\$307,238	\$290,620	\$488,459	\$324,000