

INTERNAL SERVICE FUND

	<u>2014-2015</u> <u>Actual</u>	<u>2015-2016</u> <u>Budget</u>	<u>2016-2017</u> <u>Budget</u>
Revenues:			
Miscellaneous	\$719,856	\$438,000	\$90,000
Contributions	\$7,793,515	8,220,935	8,309,850
Transfers In	\$31,899,574	28,496,200	31,625,350
Fund Balance Undesignated	0	2,520,000	1,000,000
Interest Income	\$29,134	21,865	26,500
	<u>\$40,442,079</u>	<u>\$39,697,000</u>	<u>\$41,051,700</u>
Expenditures:			
Professional Fees & Services	\$50,594	\$80,000	\$113,500
Administrative Fees	1,764,615	1,751,890	1,562,800
Claims	36,983,879	37,707,110	39,275,400
State of Connecticut Fees	81,435	158,000	100,000
	<u>\$38,880,523</u>	<u>\$39,697,000</u>	<u>\$41,051,700</u>

The totals of three funds are combined to form the Internal Service Fund.

The Internal Service Fund is the combination of the City's Health Benefits Fund and the "Old" and "New" self-insured Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna HealthCare, Express Scripts, and Anthem. This fund accounts for medical, prescription and dental claims for all eligible employees and retirees. The "New" Workers' Compensation Fund is also a self-insured fund and is administered by PMA Management Corporation. The "Old" Workers' Compensation Fund has no budget and no actuals. It exists to pay open claims that occurred from 1985-1988.

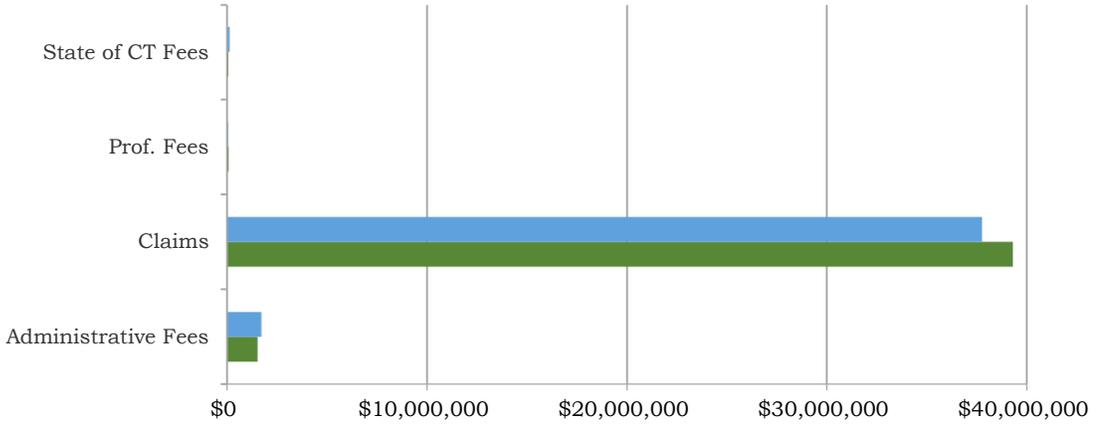
The total budget increased 3.41% or \$1,354,700. The entire increase is found within the Health Benefits Budget due to the continuous development of a wellness program as well as increased utilization within the City's medical and prescription drug insurances. Additionally, the management and oversight of the City's Workers' Compensation Plan has resulted in fewer work related injuries which reduces indemnity and medical costs. The New Workers' Compensation Fund Budget for 2016-2017 has decreased due to strong oversight by management and consistent employee training that has lessened job related injuries.

Shown on the next page is a graph of budgeted expenditures for the Internal Service Fund for 2015-2016 and 2016-2017. The claims increased by \$1,568,290 in the 2016-2017 budget due to increased utilization of medical and prescription drug plans. Workers' Compensation claims are expected to decrease due to the strong measures implemented by the Insurance Committee, a subcommittee of the City's Board of Finance.

**Program Summaries-
Internal Service Fund**

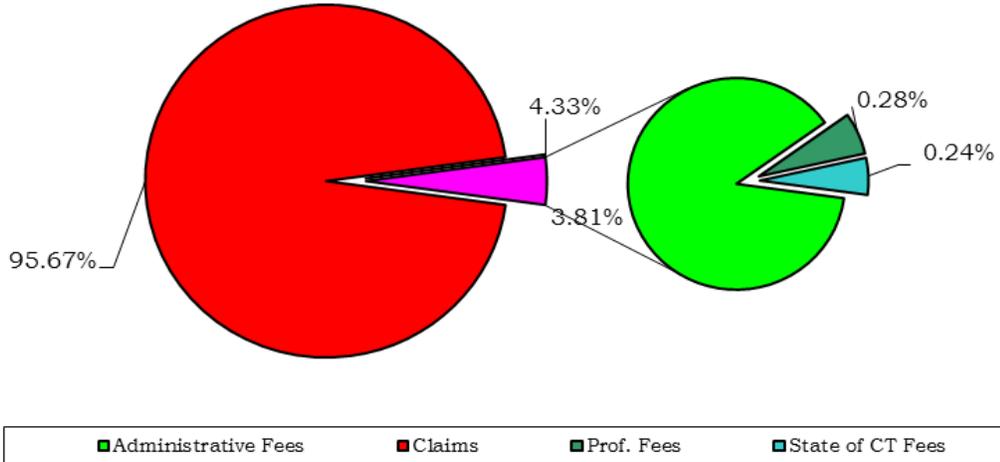
Internal Service Fund - (continued)

2015-2016 vs 2016-2017 Internal Service Budget



	Administrative Fees	Claims	Prof. Fees	State of CT Fees
■ 2015-2016 Budget	\$1,751,890	\$37,707,110	\$80,000	\$158,000
■ 2016-2017 Budget	\$1,562,800	\$39,275,400	\$113,500	\$100,000

2016-2017 Internal Service Budget



**Program Summaries-
Internal Service Fund**

Internal Service Fund - (continued)

HEALTH BENEFITS FUND

1161018 HEALTH BENEFITS- SELF INSURANCE REVENUE

OBJECT PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	JOINT BOARD 2016-2017
OTHER/MISCELLANEOUS REVENUE						
450210	MEDICARE D REIMBURSEMENTS	\$89,291	\$88,000	\$88,000	\$90,000	\$90,000
454001	MISCELLANEOUS- OTHER	630,565	350,000	350,000	0	0
TOTAL OTHER/MISCELLANEOUS RE		\$719,856	\$438,000	\$438,000	\$90,000	\$90,000
CONTRIBUTIONS						
470008	WATER CONTRIBUTIONS	\$1,150,120	\$1,100,000	\$1,100,000	\$1,246,220	\$1,170,240
470016	BOE EMPLOYEE CONTRIBUTIONS	2,704,737	2,670,165	2,670,165	3,234,700	3,111,100
470017	BOARD OF EDUCATION RETIREES	1,457,148	1,788,770	1,788,770	1,427,500	1,208,500
470029	COBRA CONTRIBUTIONS	73,958	60,000	60,000	94,110	70,880
470031	PENSION CONTRIBUTIONS	253,511	240,000	240,000	275,680	256,730
470032	CITY EMPLOYEE CONTRIBUTIONS	1,144,188	1,200,000	1,200,000	1,417,705	1,316,020
470035	CITY RETIREE CONTRIBUTIONS	37,893	30,000	30,000	50,460	50,000
470043	CIGNA WELLNESS	0	0	0	20,000	20,000
480010	OTHER AGENCIES	904,670	1,000,000	1,000,000	985,820	974,380
480011	RETIREEES DEPENDENTS	37,206	45,000	45,000	37,950	32,000
TOTAL CONTRIBUTIONS		\$7,763,431	\$8,133,935	\$8,133,935	\$8,790,145	\$8,209,850
OPERATING TRANSFERS IN						
490001	GENERAL FUND	\$9,951,375	\$8,451,375	\$8,451,375	\$10,638,265	\$10,173,990
490104	BRISTOL DEVELOPMENT AUTHORITY	67,402	70,000	70,000	80,650	77,830
490106	SPECIAL GRANTS	217,630	45,000	45,000	45,000	45,000
490108	SPECIAL EDUCATION GRANT FUNDS	826,137	989,735	989,735	1,302,045	1,302,045
490118	SEWER ASSESSMENTS	314,575	365,000	365,000	458,405	414,900
490127	SCHOOL LUNCH	354,875	390,490	390,490	305,325	305,325
490136	TRANSFER STATION	101,925	105,000	105,000	123,080	130,730
490501	BOARD OF EDUCATION	15,410,775	14,032,600	14,032,600	16,007,785	15,440,530
TOTAL OPERATING TRANSFERS IN		\$27,244,694	\$24,449,200	\$24,449,200	\$28,960,555	\$27,890,350
INVESTMENT EARNINGS						
460000	INTEREST INCOME	\$13,027	\$8,865	\$8,865	\$11,500	\$11,500
TOTAL INVESTMENT EARNINGS		\$13,027	\$8,865	\$8,865	\$11,500	\$11,500
OTHER						
491003	BUDGETARY FUND BALANCE	\$0	\$2,520,000	\$2,520,000	\$1,000,000	\$1,000,000
TOTAL FUND BALANCE		\$0	\$2,520,000	\$2,520,000	\$1,000,000	\$1,000,000
TOTAL HEALTH BENEFITS		\$35,741,008	\$35,550,000	\$35,550,000	\$38,852,200	\$37,201,700

1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES

OBJECT PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	JOINT BOARD 2016-2017
CONTRACTUAL SERVICES						
520850	WELLNESS	\$0	\$0	\$0	\$50,000	\$50,000
531000	PROFESSIONAL FEES	50,594	80,000	80,000	63,500	\$63,500
531150	ADMINISTRATIVE FEES	11,119	10,000	10,000	11,200	11,200
531152	CIGNA ADMIN	1,132,044	1,171,790	1,171,790	1,110,400	1,097,100
531154	MEDCO ADMIN	23,536	25,000	25,000	25,000	25,000
531155	ACA REINSURANCE FEE	275,779	214,105	214,105	105,400	105,400
531156	ANTHEM ADMIN	118,200	119,760	119,760	118,000	116,600
531165	ACA PCORI FEE	4,937	9,735	9,735	0	0
TOTAL CONTRACTUAL SERVICES		\$1,616,209	\$1,630,390	\$1,630,390	\$1,483,500	\$1,468,800
OTHER/MISCELLANEOUS						
586302	CIGNA CLAIMS	\$25,909,059	\$27,052,890	\$27,052,890	\$30,139,200	\$28,337,800
586304	MEDCO CLAIMS	5,154,676	5,586,640	5,586,640	5,959,700	6,122,100
586306	ANTHEM CLAIMS	1,221,157	1,280,080	1,280,080	1,269,800	1,273,000
TOTAL OTHER/MISCELLANEOUS		\$32,284,892	\$33,919,610	\$33,919,610	\$37,368,700	\$35,732,900
TOTAL HEALTH BENEFITS		\$33,901,101	\$35,550,000	\$35,550,000	\$38,852,200	\$37,201,700

**Program Summaries-
Internal Service Fund**

Internal Service Fund - (continued)

WORKERS' COMPENSATION FUNDS

There are two self-insured Workers' Compensation funds differentiated as "Old" and "New". The "Old" fund encompasses claims that occurred from 1985 through 1988. There is a balance in the "Old" fund of \$165,000 to handle all remaining claims. There is no budget for 2016-17, but the remaining \$165,000 will stay in the fund. Open claims will be evaluated on an annual basis to determine if additional funds are needed.

The "New" Workers' Compensation fund was established by the Insurance Committee, a subcommittee of the Board of Finance in 2003-2004. The Insurance Committee meets quarterly to review claims, strategize on improving return-to-work programs, training and communication with employees. These efforts have paid off and the City is realizing a reduction in injuries. This is the second year that Heart & Hypertension claims are budgeted in this fund.

119 NEW WORKERS' COMPENSATION- SELF INSURANCE REVENUE

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	JOINT BOARD 2016-2017
OPERATING TRANSFERS IN							
490001		GENERAL FUND	4,009,205	3,485,000	3,485,000	\$3,153,000	3,153,000
490118		SEWER OPERATING & ASSESSMENT	80,000	70,000	70,000	90,000	90,000
490501		BOARD OF EDUCATION	565,675	492,000	492,000	492,000	492,000
TOTAL OPERATING TRANSFERS IN			\$4,654,880	\$4,047,000	\$4,047,000	\$3,735,000	\$3,735,000
MISCELLANEOUS/CONTRIBUTIONS							
470008		WATER DEPARTMENT CONTRIBUTION	\$30,084	\$87,000	\$87,000	\$100,000	\$100,000
TOTAL MISCELLANEOUS/CONTRIBUTIONS			\$30,084	\$87,000	\$87,000	\$100,000	\$100,000
INVESTMENT EARNINGS							
460000		INTEREST INCOME	\$16,107	\$13,000	\$13,000	\$15,000	\$15,000
TOTAL INVESTMENT EARNINGS			\$16,107	\$13,000	\$13,000	\$15,000	\$15,000
NEW WORKERS' COMP SELF-TOTAL			\$4,701,071	\$4,147,000	\$4,147,000	\$3,850,000	\$3,850,000

119 NEW WORKERS' COMPENSATION- SELF INSURANCE EXPENDITURES

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2014-2015	ORIGINAL BUDGET 2015-2016	REVISED BUDGET 2015-2016	BUDGET REQUEST 2016-2017	JOINT BOARD 2016-2017
SALARIES							
516000		HEART & HYPERTENSION SALARIES	\$2,029,570	\$575,000	\$575,000	\$575,000	\$575,000
TOTAL SALARIES			\$2,029,570	\$575,000	\$575,000	\$575,000	\$575,000
CONTRACTUAL SERVICES							
520930		HEART & HYPERTENSION BENEFITS	\$430,515	\$122,500	\$122,500	\$122,500	\$122,500
531000		HEART & HYPERTENSION ADMIN	0	2,500	2,500	2,500	2,500
531150		ADMINISTRATIVE FEES	199,000	199,000	199,000	205,000	205,000
TOTAL CONTRACTUAL SERVICES			\$629,515	\$324,000	\$324,000	\$330,000	\$330,000
OTHER/MISCELLANEOUS							
586220		INDEMNITY	\$903,580	\$1,020,000	\$1,020,000	\$1,002,000	\$1,002,000
586210		MEDICAL	1,058,145	1,730,000	1,730,000	1,503,000	1,503,000
586230		EXCESS INSURANCE	277,177	340,000	340,000	340,000	340,000
589155		STATE OF CONNECTICUT FEES	81,435	158,000	158,000	100,000	100,000
TOTAL OTHER/MISCELLANEOUS			\$2,320,337	\$3,248,000	\$3,248,000	\$2,945,000	\$2,945,000
NEW WORKERS' COMP- TOTALS			\$4,979,422	\$4,147,000	\$4,147,000	\$3,850,000	\$3,850,000