

## **INTERNAL SERVICE FUND**

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Budget</u>	<u>2017-2018</u> <u>Budget</u>
<b>Revenues:</b>			
Miscellaneous	\$705,457	\$90,000	\$100,000
Contributions	7,843,379	8,309,850	8,063,740
Transfers In	28,665,118	31,625,350	29,240,260
Fund Balance Undesignated	0	1,000,000	1,090,000
Interest Income	40,922	26,500	36,000
	<u>\$37,254,876</u>	<u>\$41,051,700</u>	<u>\$38,530,000</u>
<b>Expenditures:</b>			
Miscellaneous	\$0	\$0	\$94,000
Professional Fees & Services	108,662	113,500	118,000
Administrative Fees	1,567,928	1,562,800	1,388,900
Claims	34,490,068	39,275,400	36,829,100
State of Connecticut Fees	73,674	100,000	100,000
	<u>\$36,240,332</u>	<u>\$41,051,700</u>	<u>\$38,530,000</u>

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

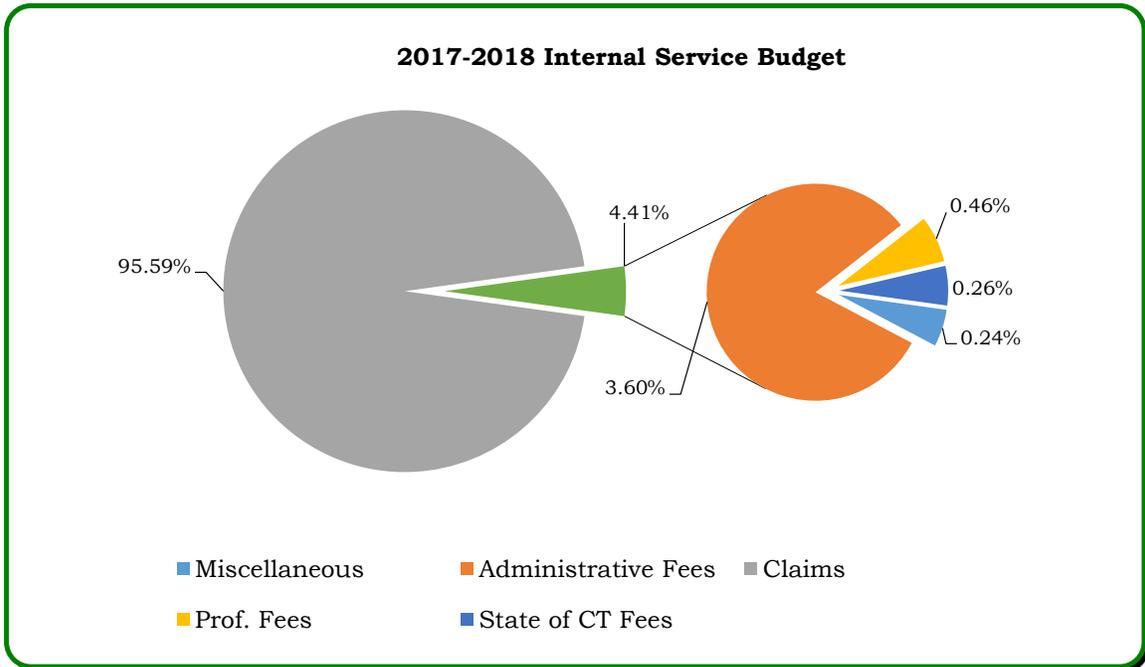
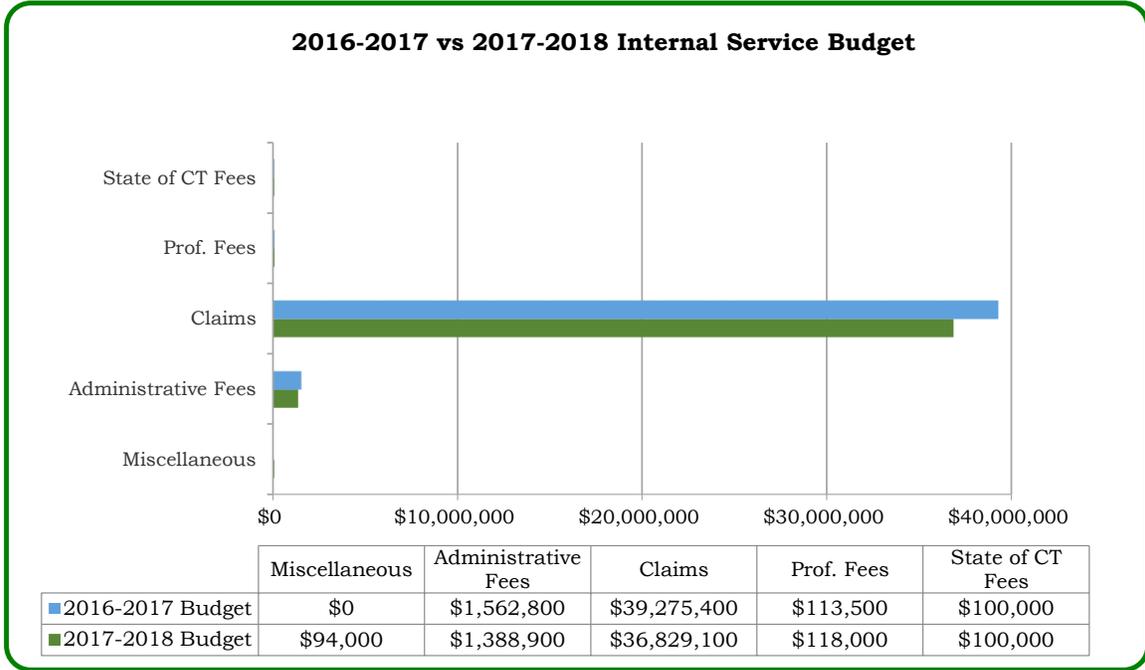
The Internal Service Fund is the combination of the City's Health Benefits Fund and the "Old" and "New" self-insured Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna HealthCare, Express Scripts, and Anthem. This fund accounts for medical, prescription 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 decreased 6.5% or \$2,521,700. The decrease is found within the Health Benefits Budget due to the continuous development of a wellness program as well as decreased covered lives and 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 2017-2018 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 2016-2017 and 2017-2018. 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)**



**Program Summaries-  
Internal Service Fund**

**HEALTH BENEFITS FUND**

**INTERNAL SERVICE- HEALTH BENEFITS FUND 116**

**1161018 HEALTH BENEFITS- SELF INSURANCE REVENUE**

OBJECT	PROJECT	DESCRIPTION	2016 ACTUAL REVENUE	2017 ORIGINAL BUDGET	2017 REVISED BUDGET	2018 BUDGET REQUEST	2018 JOINT BOARD
<b>OTHER/MISCELLANEOUS REVENUE</b>							
450210		MEDICARE D REIMBURSEMENTS	\$102,594	\$90,000	\$90,000	\$100,000	\$100,000
454001		MISCELLANEOUS- OTHER	602,863	0	0	0	0
<b>TOTAL OTHER/MISCELLANEOUS REVE</b>			<b>\$705,457</b>	<b>\$90,000</b>	<b>\$90,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>CONTRIBUTIONS</b>							
470008		WATER CONTRIBUTIONS	\$1,091,656	\$1,170,240	\$1,170,240	\$991,200	\$991,200
470016		BOE EMPLOYEE CONTRIBUTIONS	2,938,697	3,111,100	3,111,100	3,122,100	3,122,100
470017		BOARD OF EDUCATION RETIREES	1,157,366	1,208,500	1,208,500	1,066,100	1,066,100
470029		COBRA CONTRIBUTIONS	69,721	70,880	70,880	50,000	50,000
470031		PENSION CONTRIBUTIONS	267,068	256,730	256,730	269,680	269,680
470032		CITY EMPLOYEE CONTRIBUTIONS	1,234,392	1,316,020	1,316,020	1,435,600	1,435,600
470035		CITY RETIREE CONTRIBUTIONS	43,298	50,000	50,000	50,000	50,000
470043		CIGNA WELLNESS	0	20,000	20,000	20,000	20,000
480010		OTHER AGENCIES	938,013	974,380	974,380	933,860	933,860
480011		RETIREEES DEPENDENTS	38,251	32,000	32,000	37,200	37,200
<b>TOTAL CONTRIBUTIONS</b>			<b>\$7,778,462</b>	<b>\$8,209,850</b>	<b>\$8,209,850</b>	<b>\$7,975,740</b>	<b>\$7,975,740</b>
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$8,451,375	\$10,173,990	\$10,173,990	\$9,646,500	\$9,646,500
490104		BRISTOL DEVELOPMENT AUTHORITY	74,305	77,830	77,830	93,360	93,360
490106		SPECIAL GRANTS	201,883	45,000	45,000	50,000	50,000
490108		SPECIAL EDUCATION GRANT FUNDS	922,764	1,302,045	1,302,045	1,237,200	1,237,200
490118		SEWER ASSESSMENTS	401,466	414,900	414,900	425,800	425,800
490127		SCHOOL LUNCH	263,564	305,325	305,325	253,550	253,550
490136		TRANSFER STATION	115,486	130,730	130,730	102,800	102,800
490501		BOARD OF EDUCATION	14,032,600	15,440,530	15,440,530	14,027,850	14,027,850
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$24,463,443</b>	<b>\$27,890,350</b>	<b>\$27,890,350</b>	<b>\$25,837,060</b>	<b>\$25,837,060</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$17,050	\$11,500	\$11,500	\$16,000	\$16,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$17,050</b>	<b>\$11,500</b>	<b>\$11,500</b>	<b>\$16,000</b>	<b>\$16,000</b>
<b>OTHER</b>							
491003		BUDGETARY FUND BALANCE	\$0	\$1,000,000	\$1,000,000	\$1,090,000	\$1,090,000
<b>TOTAL FUND BALANCE</b>			<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,090,000</b>	<b>\$1,090,000</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$32,964,412</b>	<b>\$37,201,700</b>	<b>\$37,201,700</b>	<b>\$35,018,800</b>	<b>\$35,018,800</b>

**1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	2016 ACTUAL EXPENDITURE	2017 ORIGINAL BUDGET	2017 REVISED BUDGET	2018 BUDGET REQUEST	2018 JOINT BOARD
<b>CONTRACTUAL SERVICES</b>							
520850		WELLNESS	\$0	\$50,000	\$50,000	\$50,000	\$50,000
531000		PROFESSIONAL FEES	108,662	63,500	63,500	68,000	68,000
531150		ADMINISTRATIVE FEES	10,189	11,200	11,200	11,200	11,200
531152		CIGNA ADMIN	1,075,375	1,097,100	1,097,100	1,017,600	1,017,600
531154		MEDCO ADMIN	21,863	25,000	25,000	25,000	25,000
531155		ACA PCORI FEE	9,726	0	0	0	0
531156		ANTHEM ADMIN	105,548	116,600	116,600	117,200	117,200
531165		ACA REINSURANCE FEE	146,227	105,400	105,400	10,400	10,400
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$1,477,590</b>	<b>\$1,468,800</b>	<b>\$1,468,800</b>	<b>\$1,299,400</b>	<b>\$1,299,400</b>
<b>OTHER/MISCELLANEOUS</b>							
586302		CIGNA CLAIMS	\$25,949,398	\$28,337,800	\$28,337,800	\$26,521,300	\$26,521,300
586304		MEDCO CLAIMS	5,746,503	6,122,100	6,122,100	5,944,600	5,944,600
586306		ANTHEM CLAIMS	1,203,993	1,273,000	1,273,000	1,159,500	1,159,500
589100		MISCELLANEOUS	0	0	0	94,000	94,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$32,899,894</b>	<b>\$35,732,900</b>	<b>\$35,732,900</b>	<b>\$33,719,400</b>	<b>\$33,719,400</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$34,377,484</b>	<b>\$37,201,700</b>	<b>\$37,201,700</b>	<b>\$35,018,800</b>	<b>\$35,018,800</b>

## 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 2017-2018, 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	2016 ACTUAL REVENUE	2017 ORIGINAL BUDGET	2017 REVISED BUDGET	2018 BUDGET REQUEST	2018 JOINT BOARD
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$3,485,000	\$3,153,000	\$3,153,000	\$2,893,000	\$2,893,000
490118		SEWER OPERATING & ASSESSMENT	151,000	90,000	90,000	79,200	79,200
490501		BOARD OF EDUCATION	565,675	492,000	492,000	431,000	431,000
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$4,201,675</b>	<b>\$3,735,000</b>	<b>\$3,735,000</b>	<b>\$3,403,200</b>	<b>\$3,403,200</b>
<b>MISCELLANEOUS/CONTRIBUTIONS</b>							
470008		WATER DEPARTMENT CONTRIBUTION	\$64,917	\$100,000	\$100,000	\$88,000	\$88,000
<b>TOTAL MISCELLANEOUS/CONTRIBUTIONS</b>			<b>\$64,917</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$88,000</b>	<b>\$88,000</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$23,872	\$15,000	\$15,000	\$20,000	\$20,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$23,872</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>NEW WORKERS' COMP SELF-TOTAL</b>			<b>\$4,290,464</b>	<b>\$3,850,000</b>	<b>\$3,850,000</b>	<b>\$3,511,200</b>	<b>\$3,511,200</b>

**119 NEW WORKERS' COMPENSATION- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	2016 ACTUAL EXPENDITURE	2017 ORIGINAL BUDGET	2017 REVISED BUDGET	2018 BUDGET REQUEST	2018 JOINT BOARD
<b>SALARIES</b>							
516000		HEART & HYPERTENSION SALARIES	(\$124,921)	\$575,000	\$575,000	\$612,000	\$612,000
<b>TOTAL SALARIES</b>			<b>(\$124,921)</b>	<b>\$575,000</b>	<b>\$575,000</b>	<b>\$612,000</b>	<b>\$612,000</b>
<b>CONTRACTUAL SERVICES</b>							
520930		HEART & HYPERTENSION BENEFITS	\$37,845	\$122,500	\$122,500	\$130,500	\$130,500
531000		HEART & HYPERTENSION ADMIN	0	2,500	2,500	2,500	2,500
531150		ADMINISTRATIVE FEES	199,000	205,000	205,000	205,000	205,000
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$236,845</b>	<b>\$330,000</b>	<b>\$330,000</b>	<b>\$338,000</b>	<b>\$338,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586220		INDEMNITY	\$924,301	\$1,002,000	\$1,002,000	\$1,288,200	\$1,288,200
586210		MEDICAL	443,630	1,503,000	1,503,000	858,000	858,000
586230		EXCESS INSURANCE	309,319	340,000	340,000	315,000	315,000
589155		STATE OF CONNECTICUT FEES	73,674	100,000	100,000	100,000	100,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$1,750,924</b>	<b>\$2,945,000</b>	<b>\$2,945,000</b>	<b>\$2,561,200</b>	<b>\$2,561,200</b>
<b>NEW WORKERS' COMP- TOTALS</b>			<b>\$1,862,848</b>	<b>\$3,850,000</b>	<b>\$3,850,000</b>	<b>\$3,511,200</b>	<b>\$3,511,200</b>