

## INTERNAL SERVICE FUND

	<u>2016-2017</u> <u>Actual</u>	<u>2017-2018</u> <u>Budget</u>	<u>2018-2019</u> <u>Budget</u>
<b>Revenues:</b>			
Miscellaneous	\$165,309	\$100,000	\$100,000
Contributions	8,169,581	8,063,740	8,377,100
Transfers In	31,126,543	29,240,260	29,647,200
Fund Balance Undesignated	0	1,090,000	1,346,400
Interest Income	47,036	36,000	36,000
	<u>\$39,508,469</u>	<u>\$38,530,000</u>	<u>\$39,506,700</u>
<b>Expenditures:</b>			
Miscellaneous	\$0	\$94,000	\$990,000
Professional Fees & Services	83,482	118,000	155,500
Administrative Fees	1,515,432	1,388,900	1,429,500
Claims	34,234,980	36,829,100	36,813,700
State of Connecticut Fees	80,286	100,000	118,000
	<u>\$35,914,180</u>	<u>\$38,530,000</u>	<u>\$39,506,700</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.

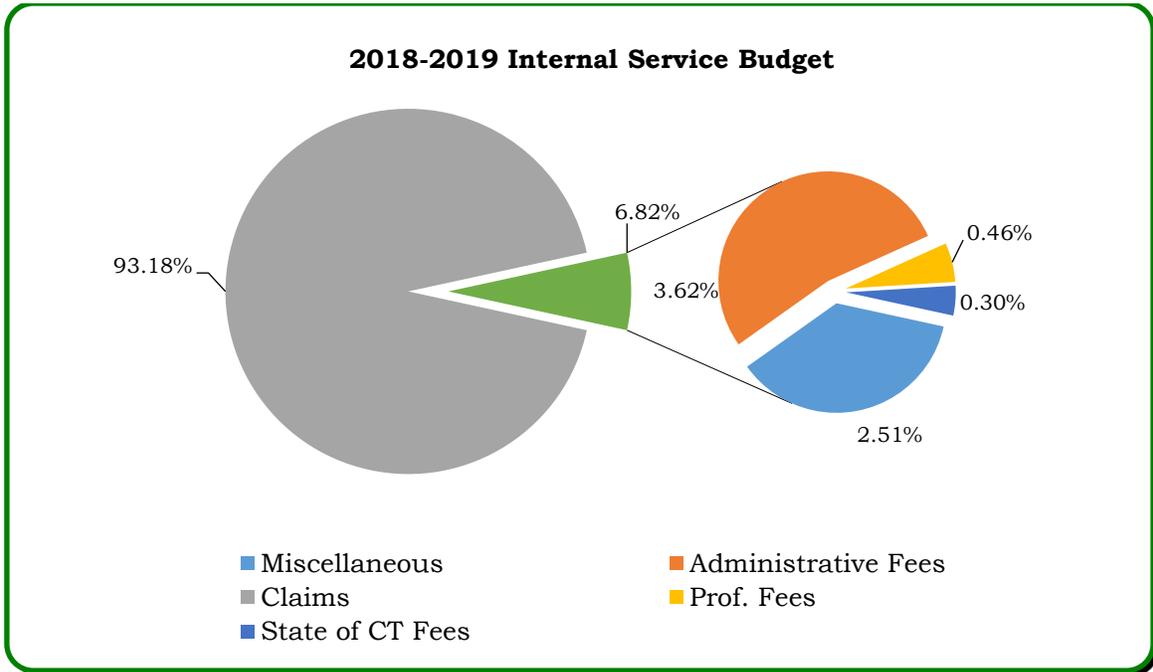
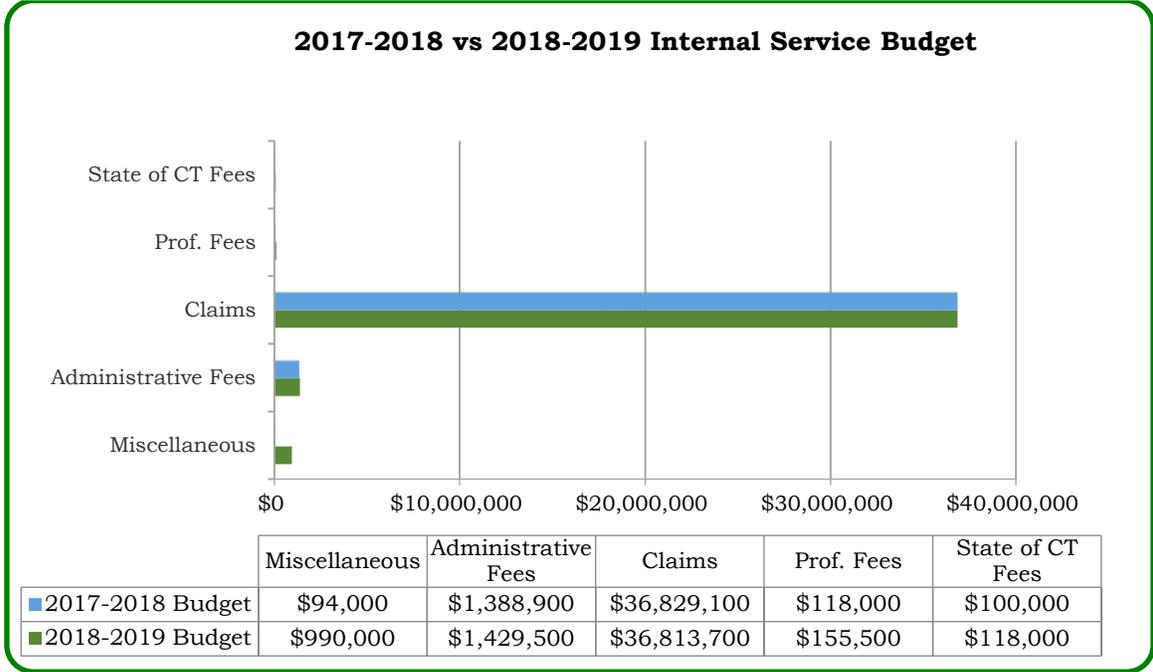
The total budget increased 2.5% or \$976,700. This small increase within the Health Benefits budget is due to a few factors. The administrative fees increased \$40,600 due to fees increases by the Third Party Administrators. The largest increase is due to the implementation of a High Deductible Health Plan for the Teachers effective 7/1/18. While the Claims number decreased as the result of this plan design change, the increase was picked up in Employer funded HSA's which can be seen in the Miscellaneous line item section of the budget.

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 2018-2019 has a small decrease 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 2017-2018 and 2018-2019. 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	2017 ACTUAL REVENUE	2018 ORIGINAL BUDGET	2018 REVISED BUDGET	2019 BUDGET REQUEST	2019 JOINT BOARD
<b>OTHER/MISCELLANEOUS REVENUE</b>							
450210		MEDICARE D REIMBURSEMENTS	\$100,446	\$100,000	\$100,000	\$100,000	\$100,000
454001		MISCELLANEOUS- OTHER	3,957	0	0	0	0
<b>TOTAL OTHER/MISCELLANEOUS REVE</b>			<b>\$104,403</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>CONTRIBUTIONS</b>							
470008		WATER CONTRIBUTIONS	\$1,057,521	\$991,200	\$991,200	\$1,027,000	\$1,027,000
470016		BOE EMPLOYEE CONTRIBUTIONS	3,255,623	3,122,100	3,122,100	2,787,200	2,787,200
470017		BOARD OF EDUCATION RETIREES	1,111,828	1,066,100	1,066,100	1,206,600	1,206,600
470029		COBRA CONTRIBUTIONS	37,048	50,000	50,000	62,500	62,500
470031		PENSION CONTRIBUTIONS	285,305	269,680	269,680	254,460	254,460
470032		CITY EMPLOYEE CONTRIBUTIONS	1,303,470	1,435,600	1,435,600	1,834,800	1,834,800
470035		CITY RETIREE CONTRIBUTIONS	42,725	50,000	50,000	56,540	56,540
470043		CIGNA WELLNESS	15,466	20,000	20,000	20,000	20,000
480010		OTHER AGENCIES	961,173	933,860	933,860	990,000	990,000
480011		RETIREES DEPENDENTS	76,556	37,200	37,200	50,000	50,000
<b>TOTAL CONTRIBUTIONS</b>			<b>\$8,146,715</b>	<b>\$7,975,740</b>	<b>\$7,975,740</b>	<b>\$8,289,100</b>	<b>\$8,289,100</b>
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$10,173,990	\$9,646,500	\$9,646,500	\$10,417,450	\$10,182,700
490104		BRISTOL DEVELOPMENT AUTHORITY	82,274	93,360	93,360	112,000	112,000
490106		SPECIAL GRANTS	228,565	50,000	50,000	50,000	50,000
490108		SPECIAL EDUCATION GRANT FUNDS	946,500	1,237,200	1,237,200	1,524,945	1,524,945
490118		SEWER ASSESSMENTS	414,744	425,800	425,800	400,000	400,000
490127		SCHOOL LUNCH	253,552	253,550	253,550	255,815	255,815
490136		TRANSFER STATION	100,888	102,800	102,800	99,500	99,500
490501		BOARD OF EDUCATION	15,440,530	14,027,850	14,027,850	14,152,440	13,648,040
490710		POLICE PENSION	(249,500)	0	0	0	0
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$27,391,543</b>	<b>\$25,837,060</b>	<b>\$25,837,060</b>	<b>\$27,012,150</b>	<b>\$26,273,000</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$20,395	\$16,000	\$16,000	\$16,000	\$16,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$20,395</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$16,000</b>
<b>OTHER</b>							
491003		BUDGETARY FUND BALANCE	\$0	\$1,090,000	\$1,090,000	\$1,126,400	\$1,346,400
<b>TOTAL FUND BALANCE</b>			<b>\$0</b>	<b>\$1,090,000</b>	<b>\$1,090,000</b>	<b>\$1,126,400</b>	<b>\$1,346,400</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$35,663,056</b>	<b>\$35,018,800</b>	<b>\$35,018,800</b>	<b>\$36,543,650</b>	<b>\$36,024,500</b>

**1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	2017 ACTUAL EXPENDITURE	2018 ORIGINAL BUDGET	2018 REVISED BUDGET	2019 BUDGET REQUEST	2019 JOINT BOARD
<b>CONTRACTUAL SERVICES</b>							
520850		WELLNESS	\$10,382	\$50,000	\$50,000	\$40,000	\$40,000
531000		PROFESSIONAL FEES	73,100	68,000	68,000	115,500	115,500
531150		ADMINISTRATIVE FEES	9,910	11,200	11,200	10,000	10,000
531152		CIGNA ADMIN	1,083,560	1,017,600	1,017,600	1,051,900	1,051,900
531154		ESI ADMIN	23,142	25,000	25,000	25,000	25,000
531155		ACA PCORI FEE	10,076	0	0	0	0
531156		ANTHEM ADMIN	96,532	117,200	117,200	118,400	118,400
531165		ACA REINSURANCE FEE	87,213	10,400	10,400	8,200	8,200
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$1,393,914</b>	<b>\$1,299,400</b>	<b>\$1,299,400</b>	<b>\$1,369,000</b>	<b>\$1,369,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586300		CLAIMS MARGIN	\$0	\$0	\$0	\$519,150	\$0
586302		CIGNA CLAIMS	25,018,595	26,521,300	26,521,300	26,976,200	26,976,200
586304		ESI CLAIMS	5,518,801	5,944,600	5,944,600	5,499,300	5,499,300
586306		ANTHEM CLAIMS	1,111,470	1,159,500	1,159,500	1,190,000	1,190,000
589100		MISCELLANEOUS	0	94,000	94,000	990,000	990,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$31,648,867</b>	<b>\$33,719,400</b>	<b>\$33,719,400</b>	<b>\$35,174,650</b>	<b>\$34,655,500</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$33,042,781</b>	<b>\$35,018,800</b>	<b>\$35,018,800</b>	<b>\$36,543,650</b>	<b>\$36,024,500</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 2018-2019, 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.

**INTERNAL SERVICE FUND 119**

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

OBJECT	PROJECT	DESCRIPTION	2017 ACTUAL REVENUE	2018 ORIGINAL BUDGET	2018 REVISED BUDGET	2019 BUDGET REQUEST	2019 JOINT BOARD
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$3,153,000	\$2,893,000	\$2,893,000	\$2,645,000	\$2,645,000
490118		SEWER OPERATING & ASSESSMENT	90,000	79,200	79,200	79,200	79,200
490501		BOARD OF EDUCATION	492,000	431,000	431,000	650,000	650,000
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$3,735,000</b>	<b>\$3,403,200</b>	<b>\$3,403,200</b>	<b>\$3,374,200</b>	<b>\$3,374,200</b>
<b>MISCELLANEOUS/CONTRIBUTIONS</b>							
454001		MISC/OTHER	\$60,906	\$0	\$0	\$0	\$0
470008		WATER DEPARTMENT CONTRIBUTION	\$22,866	\$88,000	\$88,000	\$88,000	\$88,000
<b>TOTAL MISCELLANEOUS/CONTRIBUTION</b>			<b>\$83,772</b>	<b>\$88,000</b>	<b>\$88,000</b>	<b>\$88,000</b>	<b>\$88,000</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$26,641	\$20,000	\$20,000	\$20,000	\$20,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$26,641</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>NEW WORKERS' COMP SELF-TOTAL</b>			<b>\$3,845,413</b>	<b>\$3,511,200</b>	<b>\$3,511,200</b>	<b>\$3,482,200</b>	<b>\$3,482,200</b>

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

OBJECT	PROJECT	DESCRIPTION	2017 ACTUAL EXPENDITURE	2018 ORIGINAL BUDGET	2018 REVISED BUDGET	2019 BUDGET REQUEST	2019 JOINT BOARD
<b>SALARIES</b>							
516000		HEART & HYPERTENSION SALARIES	\$399,699	\$612,000	\$612,000	\$400,000	\$400,000
<b>TOTAL SALARIES</b>			<b>\$399,699</b>	<b>\$612,000</b>	<b>\$612,000</b>	<b>\$400,000</b>	<b>\$400,000</b>
<b>CONTRACTUAL SERVICES</b>							
520930		HEART & HYPERTENSION BENEFITS	\$208,454	\$130,500	\$130,500	\$344,000	\$344,000
531000		HEART & HYPERTENSION ADMIN	0	2,500	2,500	1,000	1,000
531150		ADMINISTRATIVE FEES	205,000	205,000	205,000	215,000	215,000
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$413,454</b>	<b>\$338,000</b>	<b>\$338,000</b>	<b>\$560,000</b>	<b>\$560,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586220		INDEMNITY	\$702,843	\$858,000	\$858,000	\$869,200	\$869,200
586210		MEDICAL	975,599	1,288,200	1,288,200	1,195,000	1,195,000
586230		EXCESS INSURANCE	299,518	315,000	315,000	340,000	340,000
589155		STATE OF CONNECTICUT FEES	80,286	100,000	100,000	118,000	118,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$2,058,246</b>	<b>\$2,561,200</b>	<b>\$2,561,200</b>	<b>\$2,522,200</b>	<b>\$2,522,200</b>
<b>NEW WORKERS' COMP- TOTALS</b>			<b>\$2,871,399</b>	<b>\$3,511,200</b>	<b>\$3,511,200</b>	<b>\$3,482,200</b>	<b>\$3,482,200</b>