

**Internal Service Fund**

	<b>2017-2018</b> <b><u>Actual</u></b>	<b>2018-2019</b> <b><u>Budget</u></b>	<b>2019-2020</b> <b><u>Budget</u></b>
<b>Revenues:</b>			
Miscellaneous	\$800,912	\$100,000	\$85,000
Contributions	8,034,837	8,377,100	8,502,450
Transfers In	29,107,831	29,647,200	31,463,725
Fund Balance Undesignated	0	1,346,400	1,200,000
Interest Income	60,933	36,000	60,800
	<u>\$38,004,514</u>	<u>\$39,506,700</u>	<u>\$41,311,975</u>
<b>Expenditures:</b>			
Miscellaneous	\$65,313	\$990,000	\$951,250
Professional Fees & Services	126,541	155,500	152,500
Administrative Fees	1,337,786	1,429,500	1,311,570
Claims	37,295,762	36,813,700	38,763,655
State of Connecticut Fees	100,434	118,000	133,000
	<u>38,925,836</u>	<u>\$39,506,700</u>	<u>\$41,311,975</u>

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

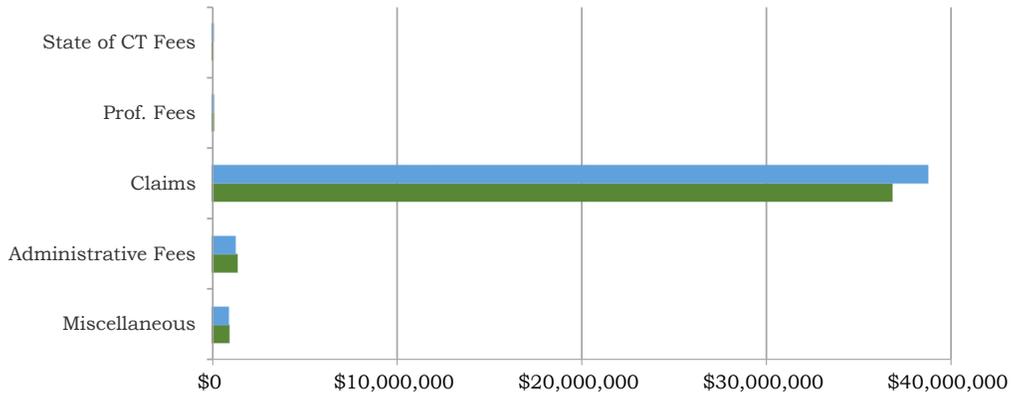
The Internal Service Fund is the combination of the City's Health Benefits Fund and the "Old" and "New" self-insured Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna HealthCare and Anthem. This fund accounts for medical, prescription and dental claims for all City and Education 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 4.6% or \$1.8 million. This increase within the Health Benefits budget is primarily due to an increase in expected claims for both medical and pharmacy. The City's actual claim experience for 2018-2019 trended high than expected. In addition, the City did include stop loss in the 2019-2020 budget for the first time and incorporated savings in a change in its Pharmacy Benefit Manager (PMB) from Express Scripts to CIGNA. These costs and savings were essentially an offset.

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 2019-2020 has a small decrease due to strong oversight by management and consistent employee training that has lessened job related injuries.

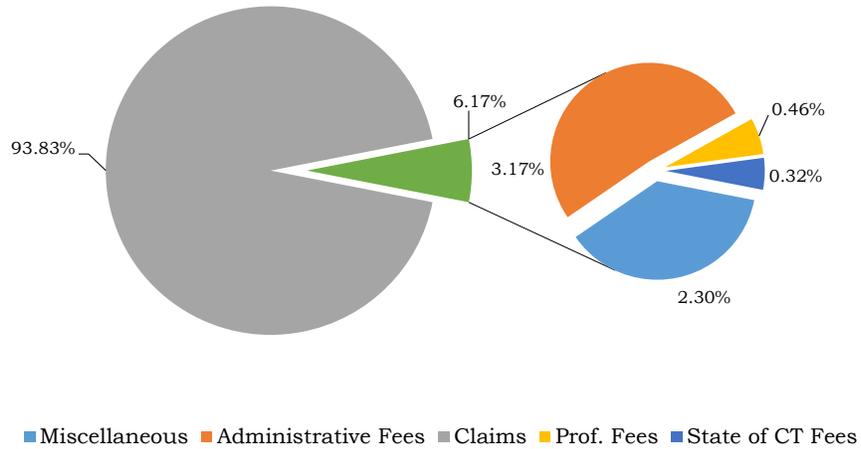
Shown on the next page is a graph of budgeted expenditures for the Internal Service Fund for 2018-2019 and 2019-2020. Workers' Compensation claims are expected to decrease due to the strong measures implemented by the Insurance Committee, a subcommittee of the City's Board of Finance.

**2018-2019 vs 2019-2020 Internal Service Budget**



	Miscellaneous	Administrative Fees	Claims	Prof. Fees	State of CT Fees
2019-2020 Budget	\$951,250	\$1,311,570	\$38,763,655	\$152,500	\$133,000
2018-2019 Budget	\$990,000	\$1,429,500	\$36,813,700	\$155,500	\$118,000

**2019-2020 Internal Service Budget**



**Internal Service Fund**

**Health Benefits Fund**

**1161018 HEALTH BENEFITS- SELF INSURANCE REVENUE**

OBJECT	PROJECT	DESCRIPTION	2018 ACTUAL REVENUE	2019 ORIGINAL BUDGET	2019 REVISED BUDGET	2020 BUDGET REQUEST	2020 JOINT BOARD
<b>OTHER/MISCELLANEOUS REVENUE</b>							
450210		MEDICARE D REIMBURSEMENTS	\$99,825	\$100,000	\$100,000	\$85,000	\$85,000
454001		MISCELLANEOUS- OTHER	701,087	0	0	0	0
<b>TOTAL OTHER/MISCELLANEOUS REVE</b>			<b>\$800,912</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$85,000</b>	<b>\$85,000</b>
<b>CONTRIBUTIONS</b>							
470008		WATER CONTRIBUTIONS	\$1,077,092	\$1,027,000	\$1,027,000	\$1,078,000	\$1,078,000
470016		BOE EMPLOYEE CONTRIBUTIONS	3,142,261	2,787,200	2,787,200	2,927,500	2,927,500
470017		BOARD OF EDUCATION RETIREES	887,686	1,206,600	1,206,600	1,186,000	1,186,000
470029		COBRA CONTRIBUTIONS	65,592	62,500	62,500	10,000	10,000
470031		PENSION CONTRIBUTIONS	274,439	254,460	254,460	296,100	296,100
470032		CITY EMPLOYEE CONTRIBUTIONS	1,457,483	1,834,800	1,834,800	1,757,000	1,757,000
470035		CITY RETIREE CONTRIBUTIONS	42,474	56,540	56,540	0	0
470043		CIGNA WELLNESS	12,975	20,000	20,000	50,000	50,000
480010		OTHER AGENCIES	925,378	990,000	990,000	1,072,850	1,072,850
480011		RETIREEES DEPENDENTS	67,723	50,000	50,000	50,000	50,000
<b>TOTAL CONTRIBUTIONS</b>			<b>\$7,953,103</b>	<b>\$8,289,100</b>	<b>\$8,289,100</b>	<b>\$8,427,450</b>	<b>\$8,427,450</b>
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$9,646,500	\$10,182,700	\$10,182,700	\$11,263,310	\$11,163,310
490104		BRISTOL DEVELOPMENT AUTHORITY	105,758	112,000	112,000	77,400	77,400
490106		SPECIAL GRANTS	237,712	50,000	50,000	40,000	40,000
490108		SPECIAL EDUCATION GRANT FUNDS	1,282,174	1,524,945	1,524,945	1,524,945	1,524,945
490118		SEWER ASSESSMENTS	392,134	400,000	400,000	495,000	495,000
490127		SCHOOL LUNCH	226,106	255,815	255,815	255,815	255,815
490136		TRANSFER STATION	89,215	99,500	99,500	118,500	118,500
490501		BOARD OF EDUCATION	13,650,232	13,648,040	13,648,040	14,559,555	14,459,555
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$25,629,831</b>	<b>\$26,273,000</b>	<b>\$26,273,000</b>	<b>\$28,334,525</b>	<b>\$28,134,525</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$29,096	\$16,000	\$16,000	\$30,000	\$30,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$29,096</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$30,000</b>	<b>\$30,000</b>
<b>OTHER</b>							
491003		BUDGETARY FUND BALANCE	\$0	\$1,346,400	\$1,346,400	\$1,000,000	\$1,200,000
<b>TOTAL FUND BALANCE</b>			<b>\$0</b>	<b>\$1,346,400</b>	<b>\$1,346,400</b>	<b>\$1,000,000</b>	<b>\$1,200,000</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$34,412,942</b>	<b>\$36,024,500</b>	<b>\$36,024,500</b>	<b>\$37,876,975</b>	<b>\$37,876,975</b>

**1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	2018 ACTUAL EXPENDITURE	2019 ORIGINAL BUDGET	2019 REVISED BUDGET	2020 BUDGET REQUEST	2020 JOINT BOARD
<b>CONTRACTUAL SERVICES</b>							
520850		WELLNESS	\$20,188	\$40,000	\$40,000	\$50,000	\$50,000
531000		PROFESSIONAL FEES	105,872	115,500	115,500	102,500	102,500
531150		ADMINISTRATIVE FEES	9,910	10,000	10,000	10,000	10,000
531152		CIGNA ADMIN	985,844	1,051,900	1,051,900	1,015,920	1,015,920
531154		ESI ADMIN	24,222	25,000	25,000	0	0
531155		ACA PCORI FEE	8,038	0	0	8,500	8,500
531156		ANTHEM ADMIN	104,772	118,400	118,400	71,150	71,150
531165		ACA REINSURANCE FEE	0	8,200	8,200	0	0
589100		HSA CONTRIBUTION	65,313	990,000	990,000	951,250	951,250
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$1,324,159</b>	<b>\$2,359,000</b>	<b>\$2,359,000</b>	<b>\$2,209,320</b>	<b>\$2,209,320</b>
<b>OTHER/MISCELLANEOUS</b>							
552105		STOP LOSS	\$0	\$0	\$0	\$425,000	\$425,000
586302		CIGNA CLAIMS	27,910,525	26,976,200	26,976,200	28,332,655	\$28,332,655
586304		ESI CLAIMS	5,257,759	5,499,300	5,499,300	0	0
586308		CIGNA RX	0	0	0	5,719,000	5,719,000
586306		ANTHEM CLAIMS	1,144,691	1,190,000	1,190,000	1,191,000	1,191,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$34,312,975</b>	<b>\$33,665,500</b>	<b>\$33,665,500</b>	<b>\$35,667,655</b>	<b>\$35,667,655</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$35,637,134</b>	<b>\$36,024,500</b>	<b>\$36,024,500</b>	<b>\$37,876,975</b>	<b>\$37,876,975</b>

## Workers' Compensation Fund

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 2019-2020 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 fund also accounts for Heart and Hypertension Claims.

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

OBJECT	PROJECT	DESCRIPTION	2018 ACTUAL REVENUE	2019 ORIGINAL BUDGET	2019 REVISED BUDGET	2020 BUDGET REQUEST	2020 JOINT BOARD
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$2,893,000	\$2,645,000	\$2,645,000	\$2,400,000	\$2,350,000
490118		SEWER OPERATING & ASSESSMENT	90,000	79,200	79,200	79,200	79,200
490501		BOARD OF EDUCATION	495,000	650,000	650,000	900,000	900,000
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$3,478,000</b>	<b>\$3,374,200</b>	<b>\$3,374,200</b>	<b>\$3,379,200</b>	<b>\$3,329,200</b>
<b>MISCELLANEOUS/CONTRIBUTIONS</b>							
470008		WATER DEPARTMENT CONTRIBUTION	\$81,734	\$88,000	\$88,000	\$75,000	\$75,000
<b>TOTAL MISCELLANEOUS/CONTRIBUTION</b>			<b>\$81,734</b>	<b>\$88,000</b>	<b>\$88,000</b>	<b>\$75,000</b>	<b>\$75,000</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$31,472	\$20,000	\$20,000	\$30,800	\$30,800
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$31,472</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$30,800</b>	<b>\$30,800</b>
<b>NEW WORKERS' COMP SELF-TOTAL</b>			<b>\$3,591,206</b>	<b>\$3,482,200</b>	<b>\$3,482,200</b>	<b>\$3,485,000</b>	<b>\$3,435,000</b>

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

OBJECT	PROJECT	DESCRIPTION	2018 ACTUAL EXPENDITURE	2019 ORIGINAL BUDGET	2019 REVISED BUDGET	2020 BUDGET REQUEST	2020 JOINT BOARD
<b>SALARIES</b>							
516000		HEART & HYPERTENSION SALARIES	\$267,976	\$400,000	\$400,000	\$350,000	\$350,000
<b>TOTAL SALARIES</b>			<b>\$267,976</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$350,000</b>	<b>\$350,000</b>
<b>CONTRACTUAL SERVICES</b>							
520930		HEART & HYPERTENSION BENEFITS	\$281,895	\$344,000	\$344,000	\$349,000	\$349,000
531000		HEART & HYPERTENSION ADMIN	0	1,000	1,000	1,000	1,000
531150		ADMINISTRATIVE FEES	205,000	215,000	215,000	205,000	205,000
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$486,895</b>	<b>\$560,000</b>	<b>\$560,000</b>	<b>\$555,000</b>	<b>\$555,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586120		H&H COUNCIL SETTLEMENT	\$22,500	\$0	\$0	\$0	\$0
586120		W/C COUNCIL SETTLEMENT	368,008	0	0	0	0
586220		INDEMNITY	500,456	869,200	869,200	872,000	872,000
586210		MEDICAL	1,201,023	1,195,000	1,195,000	1,200,000	1,150,000
586230		EXCESS INSURANCE	340,929	340,000	340,000	375,000	375,000
589155		STATE OF CONNECTICUT FEES	100,434	118,000	118,000	133,000	133,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$2,533,350</b>	<b>\$2,522,200</b>	<b>\$2,522,200</b>	<b>\$2,580,000</b>	<b>\$2,530,000</b>
<b>NEW WORKERS' COMP- TOTALS</b>			<b>\$3,288,221</b>	<b>\$3,482,200</b>	<b>\$3,482,200</b>	<b>\$3,485,000</b>	<b>\$3,435,000</b>