

## Internal Service Fund

	2018-2019 <u>Actual</u>	2019-2020 <u>Budget</u>	2020-2021 <u>Budget</u>
<b>Revenues:</b>			
Miscellaneous	\$264,440	\$85,000	\$85,000
Contributions	\$7,854,789	8,502,450	\$8,913,420
Transfers In	\$29,398,808	31,463,725	\$34,420,460
Fund Balance Undesignated	\$0	1,200,000	\$661,000
Interest Income	\$153,095	60,800	\$55,800
	<u>\$37,671,132</u>	<u>\$41,311,975</u>	<u>\$44,135,680</u>
<b>Expenditures:</b>			
Miscellaneous	\$891,194	\$951,250	\$1,072,500
Administrative Fees	\$1,303,011	\$1,311,570	\$1,278,890
Claims	\$38,287,275	\$38,763,655	\$41,455,290
Professional Fees	\$149,926	\$152,500	\$153,500
State of CT Fees	\$96,855	\$133,000	\$175,500
	<u>\$40,728,261</u>	<u>\$41,311,975</u>	<u>\$44,135,680</u>

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

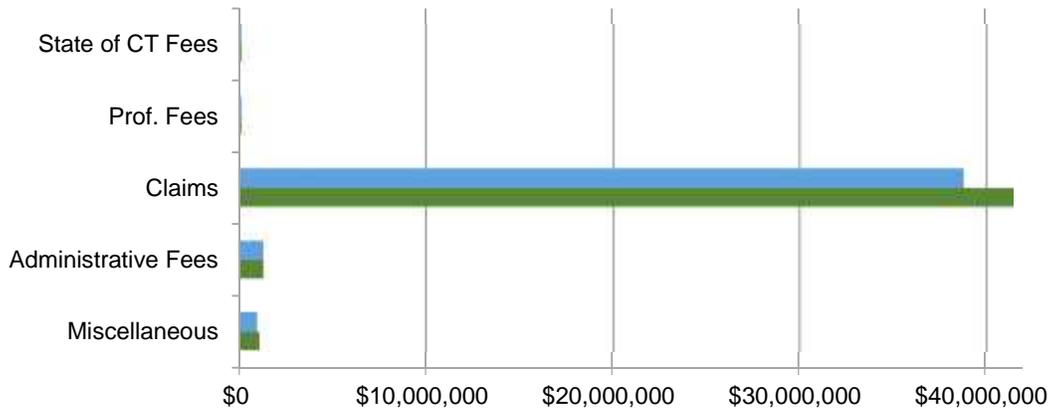
The Internal Service Fund is the combination of the City's Health Benefits Fund and the Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna Health Care and Anthem. This fund accounts for medial, prescription and dental claims for all City and Board of Education eligible employees and retirees. The Workers' Compensation Fund is also a self-insured fund. In 2019-2020 the City undertook an extensive RFP process for Workers' Compensation third party administrator services and effective for July 1, 2020 the City hired FutureComp to administer its program.

A sub-committee, comprised of three members of the Board of Finance, meets on a regular basis with City and Board of Education staff and its hired consultants to manage and oversee the administration of both the Health Benefits and Workers' Compensation Funds. The total budget increased 6.8% or \$2.8 million.

The Health Benefits budget comprises the majority of the increase in the Internal Service Fund which increased 6.5% or \$2.5 million which is primarily attributable to increases in expected pharmaceutical claims. Lockton Companies is the City's consultant for health benefits and they assist the City in evaluating health benefit design and costs, wellness strategies and development of budget estimates. One of the recommendations was to purchase stop loss insurance which the City previously did not have. Effective with the July 1, 2019 budget, the City implemented stop loss, the cost of which was offset by anticipated budget savings in the change in the Pharmacy Benefit Manager (PBM) from Express Scripts to CIGNA. The City continued the stop loss policy for the 2020-2021 fiscal year.

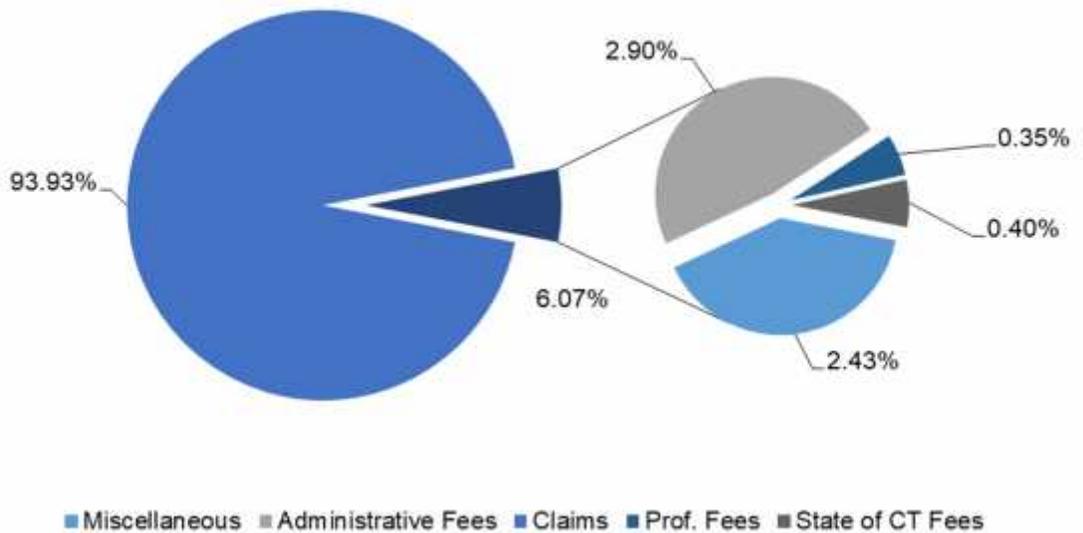
For Workers' Compensation, the Insurance Committee oversees and monitors best practices and policies in an effort to keep department heads and supervisors accountable in what is occurring within their departments. They perform claims reviews, strategize on improving return-to-work programs and training and communicating with employees. This has resulted in fewer work related injuries which reduces indemnity and medical costs. For 2020-2021 Workers' Compensation costs are expected to increase slightly due to the rising cost of medical treatment and related indemnity payments.

2019-2020 vs 2020-2021 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
2020-2021 Budget	\$1,072,500	\$1,278,890	\$41,455,290	\$153,500	\$175,500

2020-2021 Internal Service Budget



# Health Benefits Fund

INTERNAL SERVICE- HEALTH BENEFITS FUND

1161018 REVENUES - HEALTH BENEFITS- SELF INSURANCE

OBJECT	PROJECT	DESCRIPTION	2019 ACTUAL REVENUE	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2021 BUDGET REQUEST	2021 APPROVED BUDGET
<b>OTHER/MISCELLANEOUS REVENUE</b>							
450210		MEDICARE D REIMBURSEMENTS	\$86,087	\$85,000	\$85,000	\$85,000	\$85,000
454001		MISCELLANEOUS- OTHER	178,353	0	0	0	0
<b>TOTAL OTHER/MISCELLANEOUS REVENUE</b>			<b>\$264,440</b>	<b>\$85,000</b>	<b>\$85,000</b>	<b>\$85,000</b>	<b>\$85,000</b>
<b>CONTRIBUTIONS</b>							
470008		WATER CONTRIBUTIONS	\$1,171,970	\$1,078,000	\$1,078,000	\$1,220,000	\$1,220,000
470016		BOE EMPLOYEE CONTRIBUTIONS	2,665,009	2,927,500	2,927,500	3,034,495	3,116,380
470017		BOARD OF EDUCATION RETIREES	993,293	1,186,000	1,186,000	926,395	908,305
470029		COBRA CONTRIBUTIONS	36,009	10,000	10,000	10,000	10,000
470031		PENSION CONTRIBUTIONS	281,470	296,100	296,100	293,735	293,735
470032		CITY EMPLOYEE CONTRIBUTIONS	1,550,796	1,757,000	1,757,000	2,000,000	2,000,000
470035		CITY RETIREE CONTRIBUTIONS	7,030	0	0	0	0
470043		CIGNA WELLNESS	19,914	50,000	50,000	50,000	50,000
480010		BBHD	997,502	1,072,850	1,072,850	1,155,000	1,155,000
480011		RETIREES DEPENDENTS	96,646	50,000	50,000	60,000	60,000
<b>TOTAL CONTRIBUTIONS</b>			<b>\$7,819,639</b>	<b>\$8,427,450</b>	<b>\$8,427,450</b>	<b>\$8,749,625</b>	<b>\$8,813,420</b>
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$10,182,700	\$11,163,310	\$11,163,310	\$11,755,910	\$11,857,070
490104		BRISTOL DEVELOPMENT AUTHORITY	78,436	77,400	77,400	71,000	71,000
490106		SPECIAL GRANTS	195,047	40,000	40,000	209,885	209,885
490108		SPECIAL EDUCATION GRANT FUNDS	1,056,220	1,524,945	1,524,945	1,454,690	1,454,690
490118		SEWER ASSESSMENTS	470,797	495,000	495,000	504,000	504,000
490127		SCHOOL LUNCH	243,661	255,815	255,815	317,575	317,575
490136		TRANSFER STATION	115,750	118,500	118,500	128,000	128,000
490160		TRANSFER SA	22,965	0	0	9,930	9,930
490501		BOARD OF EDUCATION	13,648,232	14,459,555	14,459,555	16,766,105	16,209,110
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$26,013,808</b>	<b>\$28,134,525</b>	<b>\$28,134,525</b>	<b>\$31,217,095</b>	<b>\$30,761,260</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$77,601	\$30,000	\$30,000	\$35,000	\$35,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$77,601</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$35,000</b>	<b>\$35,000</b>
<b>OTHER</b>							
491003		BUDGETARY FUND BALANCE	\$0	\$1,200,000	\$1,200,000	\$261,000	\$661,000
<b>TOTAL FUND BALANCE</b>			<b>\$0</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>	<b>\$261,000</b>	<b>\$661,000</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$34,175,488</b>	<b>\$37,876,975</b>	<b>\$37,876,975</b>	<b>\$40,347,720</b>	<b>\$40,355,680</b>

INTERNAL SERVICE- HEALTH BENEFITS FUND

1168102 EXPENDITURES - HEALTH BENEFITS- SELF INSURANCE

OBJECT	PROJECT	DESCRIPTION	2019 ACTUAL EXPENDITURES	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2021 BUDGET REQUEST	2021 APPROVED BUDGET
<b>CONTRACTUAL SERVICES</b>							
520850		WELLNESS	\$20,796	\$50,000	\$50,000	\$50,000	\$50,000
531000		PROFESSIONAL FEES	129,130	102,500	102,500	103,500	103,500
531150		ADMINISTRATIVE FEES	9,910	10,000	10,000	10,000	10,000
531152		CIGNA ADMIN	971,323	1,015,920	1,015,920	1,054,905	1,054,905
531154		ESI ADMIN	29,650	0	0	0	0
531155		ACA PCORI FEE	19,546	8,500	8,500	0	0
531156		ANTHEM ADMIN	67,582	71,150	71,150	72,985	72,985
589100		HSA CONTRIBUTION	891,194	951,250	951,250	1,072,500	1,072,500
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$2,139,131</b>	<b>\$2,209,320</b>	<b>\$2,209,320</b>	<b>\$2,363,890</b>	<b>\$2,363,890</b>
<b>OTHER/MISCELLANEOUS</b>							
552105		STOP LOSS	\$0	\$425,000	\$425,000	\$324,910	\$324,910
586302		CIGNA CLAIMS	27,711,504	28,332,655	28,332,655	28,464,565	28,464,565
586304		ESI CLAIMS	5,700,456	0	0	0	0
586308		CIGNA RX	0	5,719,000	5,719,000	8,028,470	8,028,470
586306		ANTHEM CLAIMS	1,114,021	1,191,000	1,191,000	1,165,885	1,173,845
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$34,525,981</b>	<b>\$35,667,655</b>	<b>\$35,667,655</b>	<b>\$37,983,830</b>	<b>\$37,991,790</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$36,665,112</b>	<b>\$37,876,975</b>	<b>\$37,876,975</b>	<b>\$40,347,720</b>	<b>\$40,355,680</b>

## Workers' Compensation Fund

## INTERNAL SERVICE FUND

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

OBJECT	PROJECT	DESCRIPTION	2019 ACTUAL REVENUE	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2021 BUDGET REQUEST	2021 APPROVED BUDGET
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$2,645,000	\$2,350,000	\$2,350,000	\$2,330,000	\$2,305,000
490118		SEWER OPERATING & ASSESSMENT	90,000	79,200	79,200	79,200	79,200
490501		BOARD OF EDUCATION	650,000	900,000	900,000	1,300,000	1,275,000
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$3,385,000</b>	<b>\$3,329,200</b>	<b>\$3,329,200</b>	<b>\$3,709,200</b>	<b>\$3,659,200</b>
<b>MISCELLANEOUS/CONTRIBUTIONS</b>							
470008		WATER DEPARTMENT CONTRIBUTION	\$35,150	\$75,000	\$75,000	\$100,000	\$100,000
<b>TOTAL MISCELLANEOUS/CONTRIBUTIONS</b>			<b>\$35,150</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$100,000</b>	<b>\$100,000</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$75,494	\$30,800	\$30,800	\$20,800	\$20,800
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$75,494</b>	<b>\$30,800</b>	<b>\$30,800</b>	<b>\$20,800</b>	<b>\$20,800</b>
<b>NEW WORKERS' COMP SELF-TOTAL</b>			<b>\$3,495,644</b>	<b>\$3,435,000</b>	<b>\$3,435,000</b>	<b>\$3,830,000</b>	<b>\$3,780,000</b>

## INTERNAL SERVICE FUND

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

OBJECT	PROJECT	DESCRIPTION	2019 ACTUAL EXPENDITURES	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2021 BUDGET REQUEST	2021 APPROVED BUDGET
<b>SALARIES</b>							
516000		HEART & HYPERTENSION SALARIES	\$220,967	\$350,000	\$350,000	\$400,000	\$400,000
<b>TOTAL SALARIES</b>			<b>\$220,967</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$400,000</b>	<b>\$400,000</b>
<b>CONTRACTUAL SERVICES</b>							
520930		HEART & HYPERTENSION BENEFITS	\$40,498	\$349,000	\$349,000	\$229,000	\$229,000
531000		HEART & HYPERTENSION ADMIN	0	1,000	1,000	1,000	1,000
531150		ADMINISTRATIVE FEES	205,000	205,000	205,000	190,000	140,000
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$245,498</b>	<b>\$555,000</b>	<b>\$555,000</b>	<b>\$420,000</b>	<b>\$370,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586120		W/C COUNCIL SETTLEMENT	\$169,000	\$0	\$0	\$0	0
586220		INDEMNITY	886,722	872,000	872,000	937,000	937,000
586210		MEDICAL	2,134,066	1,150,000	1,150,000	1,557,500	1,557,500
586230		EXCESS INSURANCE	310,041	375,000	375,000	340,000	340,000
589155		STATE OF CONNECTICUT FEES	96,855	133,000	133,000	175,500	175,500
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$3,596,684</b>	<b>\$2,530,000</b>	<b>\$2,530,000</b>	<b>\$3,010,000</b>	<b>\$3,010,000</b>
<b>NEW WORKERS' COMP- TOTALS</b>			<b>\$4,063,149</b>	<b>\$3,435,000</b>	<b>\$3,435,000</b>	<b>\$3,830,000</b>	<b>\$3,780,000</b>