

Insurance

Program Description:

The Personnel Department administers the City's self-insurance program. Included are programs for workers' compensation, unemployment, general liability/property insurance and the employee health benefit plan. Department staff is responsible for monitoring each component of the insurance division to assure each fund's fiscal integrity is maintained. Staff works closely with each department to reduce liability by identifying trends and developing programs that may impact the City's future costs. Staff also works with the City Attorney, insurance broker and third party administrators to effectively deliver coverage in the most efficient manner.

Program Objectives:

- Improve the fiscal integrity of liability (self) insurance and healthcare plans.
- Administer the employee health benefit plan that includes managed care, prescription, third party administration, reinsurance, dental, vision and Bluecard program.
- Work in conjunction with Blue Cross/Blue Shield or another outside vendor in implementing an initial wellness program for employees.
- Conduct request-for-proposal and consideration of an on-site nurse program at city hall.
- Review prescription cost information and consider switching vendors.
- Self-insurance renewal for commercial insurance

Service Indicators:	Actual 2006/07	Actual 2007/08	Estimated 2008/09	Proposed 2009/10
Demand:				
1. Total hlth ins participants	833	993	1,033	1,029
2. Employee hlth ins participants	373	306	351	332
3. Retiree hlth ins participants	146	196	195	147
4. Asset Liability	\$113,281,462	\$114,108,816	\$115,249,904	\$116,402,403
Workload:				
1. Workers' Comp claims filed	97	109	94	100
2. Unemployment claims filed	4	6	7	10
3. Gen Liability/Prop claims filed	97	58	75	100
4. Hlth Ins enrollment changes	300	200	200	300
Productivity:				
1. Avg. cost/workers' comp. claim	\$3,094.00	\$2,532.00	\$2,925.00	\$3,050.00
2. Avg. cost/unemployment claim	\$330.00	\$0.00	\$350.00	\$300.00
3. Avg. cost/general liability claim	\$1,006.00	\$905.46	\$533.33	\$650.00
4. Cost per health ins member/month	\$260.34	\$302.00	\$326.05	\$364.98
Effectiveness:				
1. Avg lost time hrs/work comp. claim	8	8	8	8
2. % unemploy clms successfully protested	75.0%	100.0%	28.0%	75.0%
3. % gen liab claims paid in 60 days	76.0%	60.0%	80.0%	75.0%
4. % hlth benefits clms pd in 60 days	99.0%	99.0%	99.0%	99.0%

Analysis:

Overall fund expenses will increase 10%. Personnel increased 6% primarily because of another person being added to the city's insurance plan. Services increased 9% and is related to insurance costs. The self insurance and health funds are presently below goals established by financial policies and require extra funding. Self insurance is budgeted to produce a revenue surplus of \$74,835. Health insurance is budgeted to produce a revenue surplus of \$218,091. Each fund has a plan to rebuild fund balance over a five-year period. A part-time, on-site nurse (OSN) is budgeted (\$64,063). The OSN will be used to initiate wellness programs, provide general health care for plan participants and handle workers' compensation claims. The OSN is expected to be cost neutral to the self-insurance and health plans. Insurance premiums increased 6.4% in FY09/10 which is below the medical inflation rate of 10%. Other decreased as a result of reductions in dues and professional publications.

Staffing:	Actual 2005/06	Actual 2006/07	Actual 2007/08	Budget 2008/09	Estimated 2008/09	Proposed 2009/10	Diff. (fte)
Risk Manager	0.70	0.70	0.70	0.70	0.70	0.70	0.00
Benefits Coordinator	0.45	0.45	0.45	0.45	0.45	0.45	0.00
Office Assistant III	0.25	0.25	0.25	0.25	0.25	0.25	0.00
(0) Total Staffing (fte)	1.40	1.40	1.40	1.40	1.40	1.40	0.00
Expense:							% Var
Personnel	78,690	75,176	78,198	103,874	103,874	110,096	6%
Supplies	-	-	-	25	25	25	0%
Services	4,439,566	4,089,001	4,727,810	4,790,369	4,773,716	5,258,640	10%
Other	1,183	961	1,018	1,100	1,100	700	-36%
Transfers	9,612	9,840	3,576	3,687	3,687	3,825	4%
Other	4,409	-	(30,526)	-	-	-	---
Total Cost Center	4,533,460	4,174,978	4,780,076	4,899,055	4,882,402	5,373,286	10%
Expense by Fund:							
General Fund	52	-	-	-	-	-	---
Self Insurance	1,239,238	594,846	900,452	858,942	842,289	972,424	13%
Health Insurance	3,294,170	3,580,132	3,879,624	4,040,113	4,040,113	4,400,862	9%
Total Expense	4,533,460	4,174,978	4,780,076	4,899,055	4,882,402	5,373,286	10%

Police and Fire Pension

Analysis:

The Police and Fire Pension funds provide retirement benefits for sworn police personnel, fire fighters, and their beneficiaries and are funded by employee and employer contributions. The tax levy for the employer's share is determined annually by an actuarial computation. Retirement benefits are paid monthly through the city's payroll system. Supplies, Services and Other remain unchanged. Loss/Sale on Investments is variable, dependant on investment performance.

Staffing:	Actual 2005/06	Actual 2006/07	Actual 2007/08	Budget 2008/09	Estimated 2008/09	Proposed 2009/10	Diff. (fte)
None	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(0) Total Staffing (fte)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expense:							% Var
Personnel	4,969,071	5,158,896	5,369,832	4,907,280	4,907,280	6,566,819	34%
Supplies	-	-	-	300	300	150	-50%
Services	82,451	83,675	83,409	88,720	88,720	86,020	-3%
Other	10,541	10,991	10,808	11,500	11,500	12,600	10%
Programs	-	-	-	-	-	-	---
Capital	-	-	-	-	-	-	---
Debt service	-	-	-	-	-	-	---
Transfers	-	-	-	-	-	-	---
Loss/Sale Invest	437,597	59,993	49,893	-	-	160,000	NEW
Total Cost Center	5,499,660	5,313,555	5,513,942	5,007,800	5,007,800	6,825,589	36%
Expense by Fund:							
Police Pension Fund	2,748,984	2,621,575	2,842,589	2,485,995	2,485,995	3,515,774	41%
Fire Pension Fund	2,750,676	2,691,980	2,671,353	2,521,805	2,521,805	3,309,815	31%
Total Expense	5,499,660	5,313,555	5,513,942	5,007,800	5,007,800	6,825,589	36%

Debt Service

Program Description:

Debt service includes enterprise and general long-term debt. Enterprise debt is paid directly from the fund that received the benefit of the improvement. Enterprise debt service is financed with revenues from user charges. The debt service fund accounts for the accumulation of resources for payment of general long-term debt principal, interest and related costs. Revenue is received from property tax and transfers from gaming, tax increment financing (TIF) and public benefits funds. No new debt issues are included in the 2009/2010 budget. Budgeted debt service is included in the appropriate department budget schedules. Detailed debt service schedules are shown in table 16.

General obligation debt	Total debt	General long-term	Enterprise	2009/10 principal	2009/10 interest	2009/10 total
\$8,025,000 2001 water refunding (\$4,090,000), aquatic center (\$1,300,000), special assessments (\$1,340,000), sunset marina (\$830,000) due in annual installments of \$245,000 to \$625,000 through December 1, 2017; interest at 4.35% to 4.375%.	4,860,000	460,000	4,400,000	575,000	212,332	787,332
\$2,205,000 2002 refunding (\$1,210,000) and special assessments (\$995,000) due in annual installments of \$100,000 to \$755,000 through December 15, 2012; interest at 1.60% to 3.70%.	400,000	400,000	-	100,000	14,150	114,150
\$3,080,000 2003 sunset marina (\$820,000), wastewater (\$1,915,000), special assessments (\$345,000) due in annual installments of \$155,000 to \$225,000 through December 15, 2018; interest at 1.00% to 4.20%.	2,175,000	200,000	1,975,000	2,005,000	80,192	2,085,192
\$3,330,000 2004 refunding bonds.	1,535,000	-	1,535,000	195,000	52,278	247,278
\$1,625,000 2004 general obligation special assessment project bonds.	1,040,000	1,040,000	-	155,000	34,373	189,373
\$2,655,000 2005 general obligation bonds.	2,080,000	75,000	2,005,000	225,000	74,476	299,476
\$4,885,000 2007 general obligation bonds (\$1,330,000) special assessments, (\$3,555,000) wastewater due in annual installments of \$175,000 to \$250,000 through December 1, 2026.	4,405,000	1,100,000	3,305,000	250,000	176,200	426,200
\$3,480,000 2008A general obligation bonds, for The MLK Center expansion (\$1,015,000), software (\$440,000), special assessments street improvements (\$350,000) and hydroelectric plant improvements (\$1,675,000), due in annual installments of \$100,000 to \$295,000 to December 1, 2028.	3,480,000	1,675,000	1,805,000	255,000	125,050	380,050

General obligation debt	Total debt	General long-term	Enterprise	2009/10 principal	2009/10 interest	2009/10 total
\$2,640,000 2008B general obligation bonds, for construction of the First Avenue sewer and Armory Park , due in annual installments of \$160,000 to \$250,000 to December 1, 2021.	2,640,000	-	2,640,000	160,000	92,135	252,135
\$700,000 2008C clean renewable energy general obligations for hydroelectric plant improvements, due in annual installments of \$46,667 to December 15, 2022.	653,333	-	653,333	46,667	6,697	53,364
\$3,060,000 2008D general obligation bonds for construction of Armory Park, due in annual installments of \$180,000 to \$310,000 to December 1, 2021.	3,060,000	3,060,000	-	180,000	111,011	291,011
\$5,440,000 2009A general obligation bonds for construction of Armory Park, due in annual installments of \$255,000 to \$565,000 to December 1, 2021	5,440,000	5,440,000	-	-	-	-
\$3,380,000 2009B general obligation bonds for expansion of RIFAC, street improvements and land acquisition, due in annual installments of \$190,000 to \$290,000 to December 1, 2024.	3,380,000	880,000	2,500,000	-	-	-
\$1,440,000 2009C general obligation bonds, for development of Columbia Park, due in annual installments of \$110,000 to \$180,000 to December 1, 2026.	1,440,000	1,440,000	-	-	-	-