

Adopted Budget - FY 2020

Insurance Fund

Calculation of Contribution to(from) Fund Balance/General Fund

	Adopted Budget FY 2019	Adopted Budget FY 2020
Estimated Revenue		
Rev-Use Money/Property	51,500	58,860
Charges for Services	3,600,100	3,301,340
Total Estimated Revenue	3,651,600	3,360,200
Operating Expenses		
Workers Comp-Claims & Ser	2,083,000	1,733,000
Insurance Claims & Ser	1,517,100	1,568,340
Total Operating Expenses	3,600,100	3,301,340
Net Operating Income (Loss)	51,500	58,860
Add:		
Depreciation	0	0
Deduct:		
Debt Service Principal	0	0
Capital Expenditures from Current Operating Funds	0	0
Calculation of Contribution to(from) Fund Balance/General Fund	51,500	58,860

This fund has two major revenue categories:

Revenue –Use of Money/Property: All of the City’s funds are invested in secured accounts in an attempt to earn the highest possible return. Investments earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates.

Charges For Services: This revenue represents the premiums or claims that are charged to the various departments and functional areas of the City. In turn, this revenue is used to pay the contracted premiums to the City’s insurance providers, deductibles, and claims for self-insured items.

	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Revenues:					
Rev-Use of Money & Property	\$ 59,034	\$ 47,774	\$ 51,500	\$ 58,860	\$ 7,360
Charges for Services	\$ 2,723,364	\$ 2,256,649	\$ 3,600,100	\$ 3,301,340	\$ (298,760)
Transfers In	-	228,673	-	-	-
Totals	\$ 2,782,398	\$ 2,533,096	\$ 3,651,600	\$ 3,360,200	\$ (291,400)

Description

The Insurance Internal Service fund was established in order to provide overall management of the City's insurance program. The fund includes all of the City's insurance coverage with the exception of group health and life insurance, which are included in the General Fund budget. The cost of the insurance program is allocated to the various funds based upon the estimated cost of the applicable coverage provided. The insurance program includes the following major coverage with certain limitations on each coverage:

1. Property Insurance: all risk coverage with the City self-insuring the first \$10,000
2. Boiler and Machinery: all risk coverage with the City self-insuring the first \$5,000
3. Fleet Insurance: Liability
4. Fleet Insurance: Comprehensive and Collision – only for vehicles exceeding \$100,000 in cost (\$5,000 deductible)
5. Comprehensive General Liability
6. Public Officials/Law Enforcement Liability
7. Bodily Injury and Property Damage: Airport
8. Fiduciary Liability: Employee's Retirement System
9. Employee's Security Bonds
10. Worker's Compensation: Fully Self Insured

The City contracts with a claims handling agency to handle worker's compensation claims. The City's fleet insurance, comprehensive general liability and public officials/law enforcement are covered through the Virginia Municipal League Liability Pool. Other coverages are with private carriers.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Employee Benefits	\$1,574,748	\$1,074,171	\$2,083,000	\$ 1,733,000	\$ (350,000)
Other Operating Exp	1,148,615	1,182,479	1,517,100	1,568,340	51,240
Transfer Out	1,500,000	-	-	-	-
Totals	\$4,223,363	\$2,256,650	\$3,600,100	\$ 3,301,340	\$ (298,760)