

Internal Service Fund

	2019-2020 <u>Actual</u>	2020-2021 <u>Budget</u>	2021-2022 <u>Budget</u>
Revenues:			
Miscellaneous	\$102,351	\$85,000	\$85,000
Contributions	\$8,549,045	\$8,913,420	\$9,582,005
Transfers In	\$31,560,135	\$34,420,460	\$35,070,630
Fund Balance Undesignated	\$0	\$661,000	\$1,000,000
Interest Income	\$153,095	\$55,800	\$22,500
	<u>\$37,671,132</u>	<u>\$44,135,680</u>	<u>\$45,760,135</u>
Expenditures:			
Miscellaneous	\$1,064,777	\$1,072,500	\$1,399,750
Administrative Fees	\$1,255,786	\$1,278,890	\$1,132,530
Claims	\$37,177,336	\$41,455,290	\$42,845,505
Professional Fees	\$107,035	\$153,500	\$206,000
State of CT Fees	\$136,738	\$175,500	\$176,350
	<u>\$39,625,777</u>	<u>\$44,135,680</u>	<u>\$45,760,135</u>

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

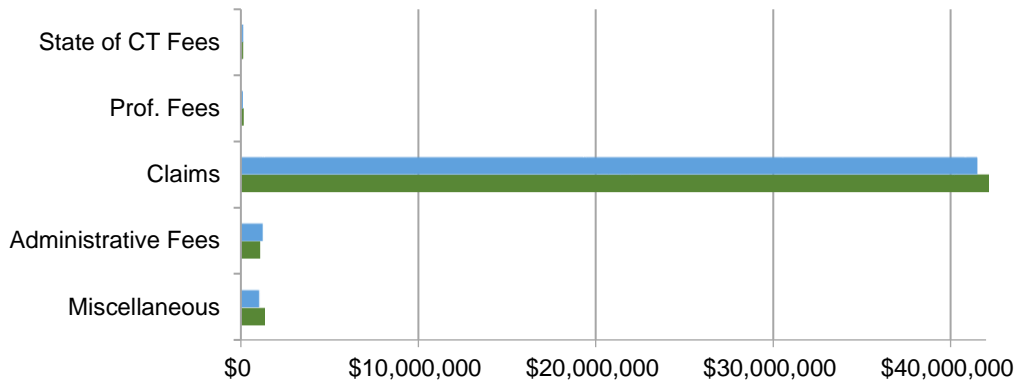
The Internal Service Fund is the combination of the City's Health Benefits Fund and the Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna Health Care and Anthem. This fund accounts for medical, prescription and dental claims for all City and Board of Education 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 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 3.68% or \$1.6 million.

The Health Benefits budget comprises the majority of the increase in the Internal Service Fund which increased 2.89% or \$1.16 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. At that time the cost was offset by anticipated budget savings in the change in the Pharmacy Benefit Manager (PBM) from Express Scripts to CIGNA. The City has continued with the stop loss policy since then and continues for the 2021-2022 fiscal year.

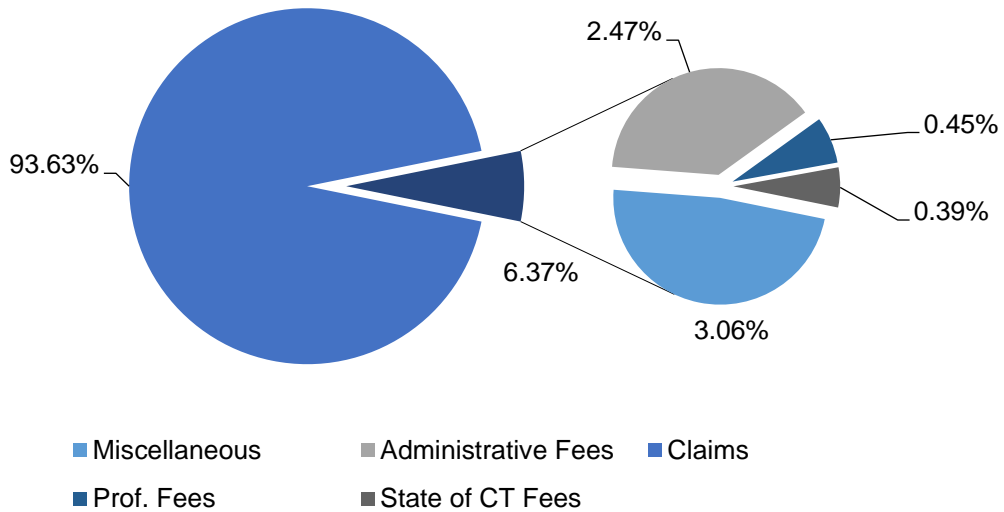
For Workers' Compensation, the Insurance Committee oversees and monitors best practices and policies in an effort to keep department heads and supervisors accountable to what is occurring within their departments. They perform claims reviews, strategize on improving return-to-work programs and training and communicating with employees. This has resulted in fewer work related injuries which reduces indemnity and medical costs. For 2021-2022 Workers' Compensation costs are expected to increase slightly due to the rising cost of medical treatment and related indemnity payments.

2020-2021 vs 2021-2022 Internal Service Budget



	Miscellaneous	Administrative Fees	Claims	Prof. Fees	State of CT Fees
■ 2020-2021 Budget	\$1,072,500	\$1,278,890	\$41,455,290	\$153,500	\$175,500
■ 2021-2022 Budget	\$1,399,750	\$1,132,530	\$42,845,505	\$206,000	\$176,350

2021-2022 Internal Service Budget



Health Benefits Fund

1161018 REVENUES - HEALTH BENEFITS- SELF INSURANCE

OBJECT	PROJECT	DESCRIPTION	2020 ACTUAL REVENUE	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	2022 BUDGET REQUEST	2022 APPROVED BUDGET
OTHER/MISCELLANEOUS REVENUE							
450210		MEDICARE D REIMBURSEMENTS	\$87,791	\$85,000	\$85,000	\$85,000	\$85,000
454001		MISCELLANEOUS- OTHER	14,560	0	0	0	0
TOTAL OTHER/MISCELLANEOUS REVENUE			\$102,351	\$85,000	\$85,000	\$85,000	\$85,000
CONTRIBUTIONS							
470008		WATER CONTRIBUTIONS	\$1,240,899	\$1,220,000	\$1,220,000	\$1,275,000	\$1,275,000
470016		BOE EMPLOYEE CONTRIBUTIONS	3,026,925	3,116,380	3,116,380	3,528,010	3,528,010
470017		BOARD OF EDUCATION RETIREES	921,289	908,305	908,305	1,205,720	1,205,720
470029		COBRA CONTRIBUTIONS	32,354	10,000	10,000	10,000	10,000
470031		PENSION CONTRIBUTIONS	275,586	293,735	293,735	266,320	266,320
470032		CITY EMPLOYEE CONTRIBUTIONS	1,677,961	2,000,000	2,000,000	1,825,000	1,825,000
470035		CITY RETIREE CONTRIBUTIONS	23,293	0	0	0	0
470043		CIGNA WELLNESS	7,290	50,000	50,000	100,000	100,000
480010		BBHD	960,385	1,155,000	1,155,000	1,085,000	1,085,000
480011		RETIREES DEPENDENTS	102,480	60,000	60,000	75,000	75,000
TOTAL CONTRIBUTIONS			\$8,268,462	\$8,813,420	\$8,813,420	\$9,370,050	\$9,370,050
OPERATING TRANSFERS IN							
490001		GENERAL FUND	\$11,713,310	\$11,857,070	\$11,857,070	\$11,892,180	\$11,722,180
490104		BRISTOL DEVELOPMENT AUTHORITY	64,670	71,000	71,000	70,000	70,000
490106		SPECIAL GRANTS	157,326	209,885	209,885	173,445	173,445
490108		SPECIAL EDUCATION GRANT FUNDS	1,009,505	1,454,690	1,454,690	1,601,470	1,601,470
490118		SEWER ASSESSMENTS	441,151	504,000	504,000	511,060	511,060
490127		SCHOOL LUNCH	253,115	317,575	317,575	286,000	286,000
490136		TRANSFER STATION	121,505	128,000	128,000	132,475	132,475
490160		TRANSFER SA	0	9,930	9,930	10,005	10,005
490501		BOARD OF EDUCATION	14,459,554	16,209,110	16,209,110	16,713,395	16,543,395
TOTAL OPERATING TRANSFERS IN			\$28,220,135	\$30,761,260	\$30,761,260	\$31,390,030	\$31,050,030
INVESTMENT EARNINGS							
460000		INTEREST INCOME	\$67,356	\$35,000	\$35,000	\$15,000	\$15,000
TOTAL INVESTMENT EARNINGS			\$67,356	\$35,000	\$35,000	\$15,000	\$15,000
OTHER							
491003		BUDGETARY FUND BALANCE	\$0	\$661,000	\$661,000	\$660,000	\$1,000,000
TOTAL FUND BALANCE			\$0	\$661,000	\$661,000	\$660,000	\$1,000,000
TOTAL HEALTH BENEFITS			\$36,658,304	\$40,355,680	\$40,355,680	\$41,520,080	\$41,520,080

1168102 EXPENDITURES - HEALTH BENEFITS- SELF INSURANCE

OBJECT	PROJECT	DESCRIPTION	2020 ACTUAL EXPENDITURES	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	2022 BUDGET REQUEST	2022 APPROVED BUDGET
CONTRACTUAL SERVICES							
520850		WELLNESS	\$7,035	\$50,000	\$50,000	\$100,000	\$100,000
531000		PROFESSIONAL FEES	100,000	103,500	103,500	106,000	106,000
531150		ADMINISTRATIVE FEES	9,910	10,000	10,000	10,000	10,000
531152		CIGNA ADMIN	983,014	1,054,905	1,054,905	938,335	938,335
531154		ESI ADMIN	3	0	0	0	0
531156		ANTHEM ADMIN	57,859	72,985	72,985	59,195	59,195
589100		HSA CONTRIBUTION	1,064,777	1,072,500	1,072,500	1,399,750	1,399,750
TOTAL CONTRACTUAL SERVICES			\$2,222,598	\$2,363,890	\$2,363,890	\$2,613,280	\$2,613,280
OTHER/MISCELLANEOUS							
552105		STOP LOSS	\$247,050	\$324,910	\$324,910	\$247,160	\$247,160
586302		CIGNA CLAIMS	25,133,580	28,464,565	28,464,565	28,843,610	\$28,843,610
586304		ESI CLAIMS	107	0	0	0	0
586308		CIGNA RX	5,587,700	8,028,470	8,028,470	8,679,130	8,679,130
586306		ANTHEM CLAIMS	885,995	1,173,845	1,173,845	1,136,900	1,136,900
TOTAL OTHER/MISCELLANEOUS			\$31,854,432	\$37,991,790	\$37,991,790	\$38,906,800	\$38,906,800
TOTAL HEALTH BENEFITS			\$34,077,030	\$40,355,680	\$40,355,680	\$41,520,080	\$41,520,080

Workers' Compensation Fund

119 REVENUES - NEW WORKERS' COMPENSATION- SELF INSURANCE

OBJECT	PROJECT	DESCRIPTION	2020 ACTUAL REVENUE	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	2022 BUDGET REQUEST	2022 APPROVED BUDGET
OPERATING TRANSFERS IN							
490001		GENERAL FUND	\$2,350,000	\$2,305,000	\$2,305,000	\$2,519,305	\$2,519,305
490118		SEWER OPERATING & ASSESSMENT	90,000	79,200	79,200	91,935	91,935
490501		BOARD OF EDUCATION	900,000	1,275,000	1,275,000	1,409,360	1,409,360
TOTAL OPERATING TRANSFERS IN			\$3,340,000	\$3,659,200	\$3,659,200	\$4,020,600	\$4,020,600
MISCELLANEOUS/CONTRIBUTIONS							
470008		WATER DEPARTMENT CONTRIBUTION	\$280,583	\$100,000	\$100,000	\$211,955	\$211,955
TOTAL MISCELLANEOUS/CONTRIBUTIONS			\$280,583	\$100,000	\$100,000	\$211,955	\$211,955
INVESTMENT EARNINGS							
460000		INTEREST INCOME	\$63,918	\$20,800	\$20,800	\$7,500	\$7,500
TOTAL INVESTMENT EARNINGS			\$63,918	\$20,800	\$20,800	\$7,500	\$7,500
NEW WORKERS' COMP SELF-TOTAL			\$3,684,501	\$3,780,000	\$3,780,000	\$4,240,055	\$4,240,055

119 EXPENDITURES- NEW WORKERS' COMPENSATION- SELF INSURANCE

OBJECT	PROJECT	DESCRIPTION	2020 ACTUAL EXPENDITURES	2021 ORIGINAL BUDGET	2021 REVISED BUDGET	2022 BUDGET REQUEST	2022 APPROVED BUDGET
SALARIES							
516000		HEART & HYPERTENSION SALARIES	(\$117,917)	\$400,000	\$400,000	\$400,000	\$400,000
TOTAL SALARIES			(\$117,917)	\$400,000	\$400,000	\$400,000	\$400,000
CONTRACTUAL SERVICES							
520930		HEART & HYPERTENSION BENEFITS	\$2,023	\$229,000	\$229,000	\$230,000	\$230,000
531000		HEART & HYPERTENSION ADMIN		1,000	1,000	0	0
531150		ADMINISTRATIVE FEES	205,000	140,000	140,000	125,000	125,000
TOTAL CONTRACTUAL SERVICES			\$207,023	\$370,000	\$370,000	\$355,000	\$355,000
OTHER/MISCELLANEOUS							
586120		H&H COUNCIL SETTLEMENT	\$125,000	\$0	\$0	\$0	\$0
586120		W/C COUNCIL SETTLEMENT	689,900	0	0	0	0
586220		INDEMNITY	2,003,300	937,000	937,000	1,175,080	1,175,080
586210		MEDICAL	2,183,224	1,557,500	1,557,500	1,762,625	1,762,625
586230		EXCESS INSURANCE	321,480	340,000	340,000	371,000	371,000
589155		STATE OF CONNECTICUT FEES	136,738	175,500	175,500	176,350	176,350
TOTAL OTHER/MISCELLANEOUS			\$5,459,642	\$3,010,000	\$3,010,000	\$3,485,055	\$3,485,055
NEW WORKERS' COMP- TOTALS			\$5,548,747	\$3,780,000	\$3,780,000	\$4,240,055	\$4,240,055