

Adopted Budget - FY 2023

Insurance Fund

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

	Adopted Budget FY 2022	Adopted Budget FY 2023
Estimated Revenue		
Rev-Use Money/Property	11,450	11,010
Charges for Services	4,210,500	4,056,700
Total Estimated Revenue	4,221,950	4,067,710
Operating Expenses		
Workers Comp-Claims & Ser	2,239,000	1,889,000
Insurance Claims & Ser	1,971,500	2,167,700
Total Operating Expenses	4,210,500	4,056,700
Net Operating Income (Loss)	11,450	11,010
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	11,450	11,010

This fund has two major revenue categories:

Revenue –Use of Money/Property: All of the City’s funds are invested in secured accounts to earn the highest possible return. Investment 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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Revenues:					
Rev-Use of Money & Property	\$ 68,364	\$ 33,475	\$ 11,450	\$ 11,010	\$ (440)
Charges for Services	<u>2,351,796</u>	<u>2,365,040</u>	<u>4,210,500</u>	<u>4,056,700</u>	<u>(153,800)</u>
Totals	\$ 2,420,160	\$ 2,398,515	\$ 4,221,950	\$ 4,067,710	\$ (154,240)

Description

The Insurance Internal Service fund was established to provide overall management of the City's insurance program. The fund includes all the City's insurance coverage except for 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 with City self-insuring the first \$50,000
4. Fleet Insurance: Comprehensive and Collision – only for vehicles exceeding \$100,000 in cost and specially identified Mass Transit vehicles (\$5,000 deductible)
5. Comprehensive General Liability with City self-insuring the first \$50,000
6. Public Officials/Law Enforcement Liability
7. Bodily Injury and Property Damage: Airport
8. Fiduciary Liability: Employees' 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 Risk Sharing Association. Other coverages are with private carriers.

Expenditures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Employee Benefits	\$ 1,054,713	\$ 881,386	\$ 2,239,000	\$ 1,889,000	\$ (350,000)
Other Operating Exp	1,297,083	1,483,654	1,971,500	2,167,700	196,200
Totals	\$ 2,351,796	\$ 2,365,040	\$ 4,210,500	\$ 4,056,700	\$ (153,800)