

CITY OF CAÑON CITY
INTERNAL SERVICE FUND
SELF INSURANCE FUND - BUDGET STATEMENT

	<u>2007</u> <u>Actual</u>	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Estimate</u>	<u>2009</u> <u>Budget</u>
Revenues				
Charges for Services	\$ 2,353,481	\$ 2,545,300	\$ 2,544,500	\$ 2,649,680
Interest	44,357	47,700	29,000	23,300
Total Revenues	<u>\$ 2,397,838</u>	<u>\$ 2,593,000</u>	<u>\$ 2,573,500</u>	<u>\$ 2,672,980</u>
Expenditures by Function				
Current:				
Self Insurance	\$ 2,330,399	\$ 2,491,600	\$ 2,444,300	\$ 2,643,200
Total Expenditures	<u>\$ 2,330,399</u>	<u>\$ 2,491,600</u>	<u>\$ 2,444,300</u>	<u>\$ 2,643,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 67,439	\$ 101,400	\$ 129,200	\$ 29,780
Retained Earnings, Beginning of Year	<u>\$ 592,067</u>	<u>\$ 656,235</u>	<u>\$ 659,506</u>	<u>\$ 788,706</u>
Retained Earnings, End of Year	<u><u>\$ 659,506</u></u>	<u><u>\$ 757,635</u></u>	<u><u>\$ 788,706</u></u>	<u><u>\$ 818,486</u></u>

**CITY OF CAÑON CITY
INTERNAL SERVICE FUND
SELF INSURANCE FUND - REVENUE DETAIL**

<u>Account #</u>	<u>Description</u>	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Estimate</u>	<u>2009 Budget</u>
340 - Charges for Services					
60-340-34901	Premiums - City of Canon City	\$ 1,617,331	\$ 1,736,330	\$ 1,730,800	\$ 1,770,320
60-340-34902	Premiums - Fremont Sanit. District	298,977	334,680	349,900	377,030
60-340-34903	Premiums - Fire District	401,171	441,220	439,400	462,820
60-340-34905	Premiums - COBRA/Retirees	36,002	33,070	24,400	39,510
	Total Charges for Services	2,353,481	2,545,300	2,544,500	2,649,680
360 - Misc. Revenue					
60-360-36101	Earnings on Investments	44,357	47,700	29,000	23,300
	Total Misc. Revenue	44,357	47,700	29,000	23,300
	Total Self Insurance Fund	\$ 2,397,838	\$ 2,593,000	\$ 2,573,500	\$ 2,672,980

City of Cañon City 2008 Budget

Self Insurance Fund Overview

The Self Insurance Fund is used to account for the City's self-funded insurance program. In addition to all full-time City employees, the Cañon City Area Fire Protection District and Fremont Sanitation District also participate in the program. The program's benefits include medical, dental, vision, short-term & long-term disability and life insurance coverage. The City of Cañon City Employee Benefits Plan Advisory Committee oversees the operations of the program. The Advisory Board is comprised of representatives from various City departments and two representatives from each of the other participating entities. The Advisory Board develops recommendations concerning rates and benefits and presents these to City Council for their consideration. The program's rates are computed to provide sufficient resources to pay fixed administrative costs (i.e. claims administration, cost containment services and stop loss insurance) as well as payment for estimated claims costs.

2008 Major Goals and Accomplishments:

- ◆ Continued to evaluate the benefits provided by the Self Insurance Program in relation to the market;
- ◆ Continued monthly evaluation of participant's claims;
- ◆ Prepared a comprehensive rate analysis for the 2009 plan year that includes priorities for continuing to build the plan's reserves while maintaining competitive premiums. The Self Insurance Advisory Committee recommended a 5% premium increase for 2009;
- ◆ Developed revisions to the processes for collecting COBRA premiums from eligible participants.

2009 Major Goals:

- ◆ Continue to evaluate the benefits provided by the Self Insurance Program in relation to the market;
- ◆ Evaluate plan documents (i.e. short-term disability, etc.) to determine level of benefit and provide additional protections for the plan;
- ◆ Continue monthly evaluation of participant's claims;
- ◆ Prepare a comprehensive rate analysis for the 2010 plan year that includes priorities for maintaining plan retained earnings at a minimum level of 30% of annual expenditures while maintaining premiums that are competitive with the market.
- ◆ Complete a performance evaluation of current self-funded benefit administrator.

**CITY OF CAÑON CITY
INTERNAL SERVICE FUND
SELF INSURANCE FUND - EXPENDITURE DETAIL**

Account #	Description	2007 Actual	2008 Budget	2008 Estimate	2009 Budget
	Purchased Services (300)				
60-410-180-388	Claims	\$ 2,132,279	\$ 2,131,900	\$ 2,073,500	\$ 2,281,600
60-410-180-389	Claims Reimbursements	(219,050)	(90,000)	(68,000)	(90,000)
60-410-180-390	Misc. Reimbursements	(14,012)	(10,000)	(7,400)	(10,000)
60-410-180-391	Stop Loss - Specific	260,959	285,500	280,100	291,400
60-410-180-392	Other fees & expenses	5,256	5,200	5,400	5,400
60-410-180-394	CBSA Admin Fees	73,640	77,100	78,500	81,800
60-410-180-395	Sloans Lake Admin. Fees	13,758	14,600	14,500	14,800
60-410-180-396	Pre-Certification Fees	9,073	9,000	9,200	9,600
60-410-180-397	Pre-Existing Condition Fees (HPPA)	5,599	5,700	5,700	5,800
60-410-180-398	LTD Premiums	36,127	35,700	25,100	25,600
60-410-180-399	Life Insurance Premiums	26,770	26,900	27,700	27,200
	Total Purchased Services (300)	\$ 2,330,399	\$ 2,491,600	\$ 2,444,300	\$ 2,643,200
GRAND TOTAL SELF INSURANCE FUND		\$ 2,330,399	\$ 2,491,600	\$ 2,444,300	\$ 2,643,200