SELF-FUNDED INSURANCE
Fund 476-000

The fund accounts for risk financing activities. Revenue comes from the Tort Immunity Fund to cover costs relevant to the County's General Corporate Fund departments; and from billings to various County Special Revenue Funds to cover their representative share of cost. The Self-Funded Insurance Fund provides financing for the County's auto liability and property, general liability, unemployment and worker's compensation claims payments, and for stop-loss insurance premiums for auto, liability, property, unemployment and workers compensation.

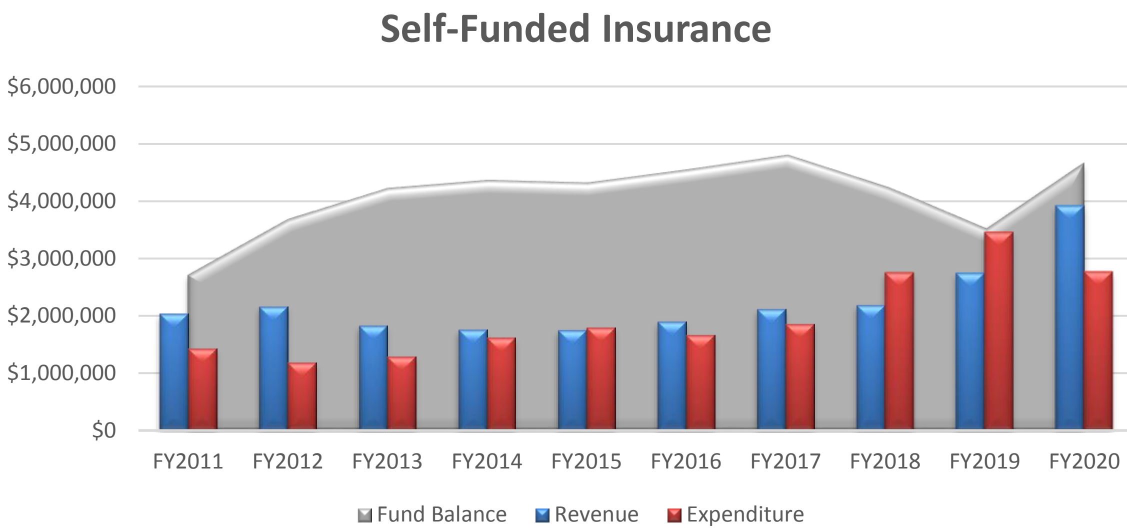
In FY1986, the county established a self-funded worker's compensation insurance plan which was accounted for in the Tort Immunity (Special Revenue) Fund through FY1992. In 1993, the County created a separate internal service fund – the Self-Funded Insurance Fund, and moved self-funded worker's compensation to that fund. The County also began self-funding liability and auto insurance in 1994 through the Self-Funded Insurance Fund. The billings to various funds for the self-funded portion of worker's compensation, general liability and auto liability are based upon projections provided through an actuarial study documenting the County's Loss Reserve and Funding Analysis.

BUDGET HIGHLIGHTS

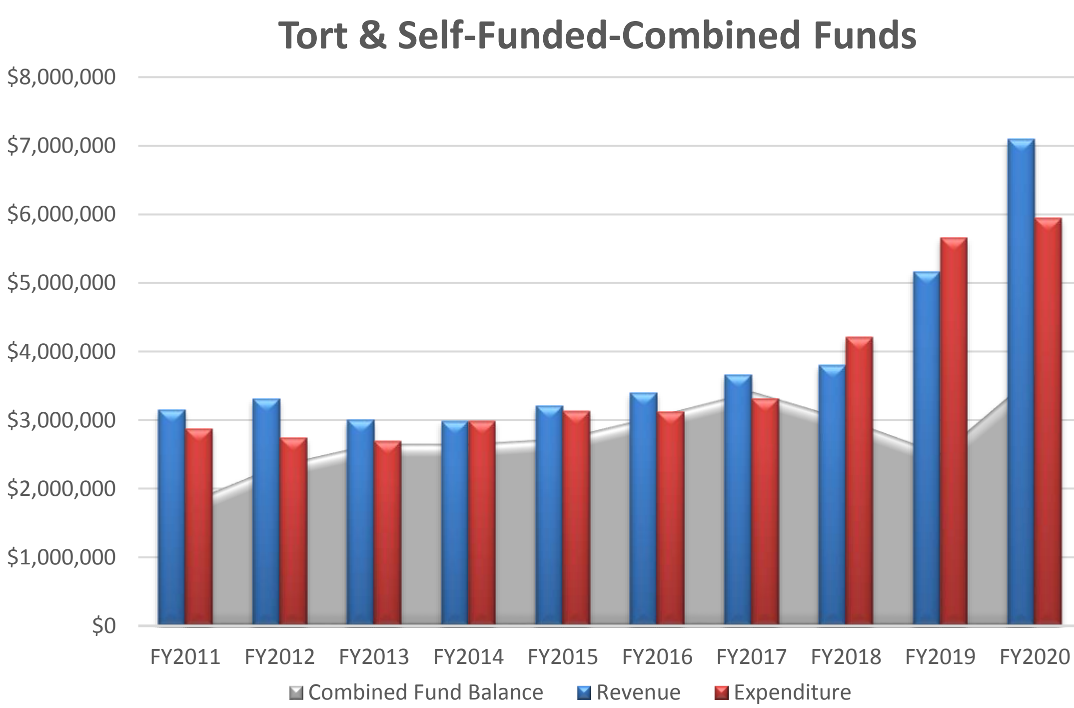
In FY2018 and FY2019, there was a significant drop in the fund balance due to expenditures exceeding revenues as a result of settling Nursing Home claims, the Nursing Home fund's inability to reimburse this fund for self-funded insurance costs, and the fund having to pay for insurance expenditures traditionally paid by the home. Historically, the Self-Funded Insurance fund has experienced revenue in excess of, or equal to, expenditures. This results from the fact that actual claims paid have been lower than budgeted based on the actuarial report, and thus billings to the outside funds based on the actuarial estimates and worker's compensation rates generated revenue in excess of actual expenditure.

As of July 30, 2019, the Nursing Home fund owed the Self-Funded Insurance fund a total of $1,828,057 for Worker's Compensation costs, property insurance premium payments, outside attorney fees and Interfund liability billings. This total does not include recent claims settlements made on behalf of the home in FY2019, nor the Home's 2019 Interfund billing amount.

The FY2019 the liability levy included $439,285 that was reallocated under PTELL from the Nursing Home operating levy for outstanding amounts owed by the Nursing Home. A transfer to the Self-Funded Insurance fund was budgeted in an equal amount. In FY2020 the liability levy includes $1.32 million that will be transferred to the Self-Funded Insurance fund to go towards the Nursing Home obligations owed to the Self-Funded Insurance fund.



The Self-Funded Insurance Fund is in a combined fund with the Tort Immunity Fund, which has a fund balance deficit. That negative fund balance has realized gradual improvement in years 2015 through 2019 (see the Tort Immunity Fund Budget Document 076-075). Combining the funds allows the fund balance surplus in the Self-Funded Insurance Fund to cover the fund balance deficit in the Tort Immunity Fund. The following chart depicts the combined revenues and expenditures for the Tort Immunity Fund and Self-Funded Insurance Fund, and shows the actual fund balance available for Self-Funded operations. The significant increase in revenues reflected in FY2020 is the result of the former Nursing Home levy being utilized to reimburse the fund for obligations owed to the fund. Even with the amounts paid to this fund from reallocation of the levy in FY2018 and FY2019, there will still be an outstanding amount owed from the Nursing Home fund to the Self-Funded Insurance fund as there are recent claims settlements that must be paid as well as the FY2019 Interfund billing amount.



FINANCIAL

		Fund 476 Summary	2018 Actual	2019 Original	2019 Projected	2020 Budget
341	8	PROPERTY/LIAB INS BILLING	$987,299	$1,298,074	$1,036,438	$1,338,662
341	9	WORKERS COMP INS BILLINGS	$826,244	$1,096,295	$985,000	$981,727
		FEES AND FINES	$1,813,543	$2,394,369	$2,021,438	$2,320,389
361	10	INVESTMENT INTEREST	$52,603	$30,000	$50,000	$40,000
369	80	INSURANCE CLAIMS REIMB	$24,580	$0	$0	$0
369	90	OTHER MISC. REVENUE	$48,950	$0	$1,152	$0
		MISCELLANEOUS	$126,133	$30,000	$51,152	$40,000
371	76	FROM TORT IMMUNITY FND076	$0	$439,285	$439,285	$1,322,382
381	17	UNEMPLOYMENT INS REIMB	$248,600	$236,000	$236,000	$240,000
		INTERFUND REVENUE	$248,600	$675,285	$675,285	$1,562,382
		REVENUE TOTALS	**$2,188,276**	**$3,099,654**	**$2,747,875**	**$3,922,771**
513	4	WORKERS' COMPENSATION INS	$242,374	$270,940	$270,940	$279,800
513	14	WKRS COMP SELF-FUND CLAIM	$819,115	$797,374	$797,374	$688,755
		PERSONNEL	$1,061,489	$1,068,314	$1,068,314	$968,555
522	1	STATIONERY & PRINTING	$56	$50	$0	$50
		COMMODITIES	$56	$50	$0	$50
533	1	AUDIT & ACCOUNTING SERVCS	$0	$13,000	$13,000	$0
533	3	ATTORNEY/LEGAL SERVICES	$377,384	$110,000	$300,000	$250,000
533	20	INSURANCE	$967,172	$987,306	$1,331,092	$967,171
533	26	PROPERTY LOSS/DMG CLAIMS	$30,532	$40,000	$40,000	$40,000
533	93	DUES AND LICENSES	$0	$400	$0	$0
533	95	CONFERENCES & TRAINING	$0	$0	$0	$400
534	80	AUTO DAMAGE/LIAB CLAIMS	$87,060	$46,128	$46,128	$52,762
534	81	GENERAL LIABILITY CLAIMS	$208,814	$837,410	$650,000	$472,014
		SERVICES	$1,670,962	$2,034,244	$2,380,220	$1,782,347
571	80	TO GENERAL CORP FUND 080	$19,596	$20,403	$19,080	$19,683
		INTERFUND EXPENDITURE	$19,596	$20,403	$19,080	$19,683
		EXPENDITURE TOTALS	**$2,752,103**	**$3,123,011**	**$3,467,614**	**$2,770,635**

FUND BALANCE

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
$4,241,579	$3,521,840	$4,673,976

Per the County's Financial Policies, the County will strive to maintain the actuary recommended fund balance. Per the County's current actuarial study, the discounted actuarial central estimate of unpaid claim liability is $3.24 million for the period ending December 31, 2020. At a minimum, a fund balance of $2.5 million is suggested to allow for appropriate cash flow and adequate funding for unanticipated claims.

COMBINED FUND BALANCE (TORT IMMUNITY AND SELF-FUNDED INSURANCE)

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
$3,000,762	$2,509,179	$3,662,753

PROPERTY LIABILITY INSURANCE
Fund 476-118

The Property Liability Insurance budget receives revenues and appropriates expenditures for the County's property and liability self-funded claims, and for stop-loss insurance premiums.

FINANCIAL

		Fund 476 Dept 118	2018 Actual	2019 Original	2019 Projected	2020 Budget
341	8	PROPERTY/LIAB INS BILLING	$987,299	$1,298,074	$1,036,438	$1,338,662
		FEES AND FINES	$987,299	$1,298,074	$1,036,438	$1,338,662
369	80	INSURANCE CLAIMS REIMB	$24,580	$0	$0	$0
369	90	OTHER MISC. REVENUE	$20,236	$0	$1,152	$0
		MISCELLANEOUS	$44,816	$0	$1,152	$0
371	76	FROM TORT IMMUNITY FND076	$0	$439,285	$439,285	$1,322,382
381	17	UNEMPLOYMENT INS REIMB	$248,600	$236,000	$236,000	$240,000
		INTERFUND REVENUE	$248,600	$675,285	$675,285	$1,562,382
		REVENUE TOTALS	**$1,280,715**	**$1,973,359**	**$1,712,875**	**$2,901,044**
533	1	AUDIT & ACCOUNTING SERVCS	$0	$6,500	$6,500	$0
533	3	ATTORNEY/LEGAL SERVICES	$377,384	$110,000	$300,000	$250,000
533	20	INSURANCE	$967,172	$987,306	$1,331,092	$967,171
533	26	PROPERTY LOSS/DMG CLAIMS	$30,532	$40,000	$40,000	$40,000
533	93	DUES AND LICENSES	$0	$400	$0	$0
533	95	CONFERENCES & TRAINING	$0	$0	$0	$400
534	80	AUTO DAMAGE/LIAB CLAIMS	$87,060	$46,128	$46,128	$52,762
534	81	GENERAL LIABILITY CLAIMS	$208,814	$837,410	$650,000	$472,014
		SERVICES	$1,670,962	$2,027,744	$2,373,720	$1,782,347
571	80	TO GENERAL CORP FUND 080	$6,144	$6,330	$6,330	$6,561
		INTERFUND EXPENDITURE	$6,144	$6,330	$6,330	$6,561
		EXPENDITURE TOTALS	**$1,677,106**	**$2,034,074**	**$2,380,050**	**$1,788,908**

WORKER'S COMPENSATION INSURANCE
Fund 476-119

The Worker's Compensation Insurance budget receives revenues and appropriates expenditures for the County's worker's compensation self-funded claims, and for stop-loss insurance premiums.

FINANCIAL

		Fund 476 Dept 119	2018 Actual	2019 Original	2019 Projected	2020 Budget
341	9	WORKERS COMP INS BILLINGS	$826,244	$1,096,295	$985,000	$981,727
		FEES AND FINES	$826,244	$1,096,295	$985,000	$981,727
361	10	INVESTMENT INTEREST	$52,603	$30,000	$50,000	$40,000
369	90	OTHER MISC. REVENUE	$28,714	$0	$0	$0
		MISCELLANEOUS	$81,317	$30,000	$50,000	$40,000
		REVENUE TOTALS	**$907,561**	**$1,126,295**	**$1,035,000**	**$1,021,727**
513	4	WORKERS' COMPENSATION INS	$242,374	$270,940	$270,940	$279,800
513	14	WKRS COMP SELF-FUND CLAIM	$819,115	$797,374	$797,374	$688,755
		PERSONNEL	$1,061,489	$1,068,314	$1,068,314	$968,555
522	1	STATIONERY & PRINTING	$56	$50	$0	$50
		COMMODITIES	$56	$50	$0	$50
533	1	AUDIT & ACCOUNTING SERVCS	$0	$6,500	$6,500	$0
		SERVICES	$0	$6,500	$6,500	$0
571	80	TO GENERAL CORP FUND 080	$13,452	$14,073	$12,750	$13,122
		INTERFUND EXPENDITURE	$13,452	$14,073	$12,750	$13,122
		EXPENDITURE TOTALS	**$1,074,997**	**$1,088,937**	**$1,087,564**	**$981,727**

EMPLOYEE HEALTH AND LIFE INSURANCE
Fund 620-120

This internal service fund receives revenues comprised of employer and employee contributions, and appropriates expenditures for administration of the County’s group health and life insurance plans.

In FY2018 the County moved from an HMO plan with Health Alliance, to a PPO plan with BlueCross BlueShield, with a plan premium increase of 2.7%. The FY2019 premium increase for the BlueCross BlueShield PPO plan was 2%. In FY2020, the premium increase for the BlueCross BlueShield PPO plan is 4.53%, which is comprised of a 2.44% plan increase and 2.09% increase for ACA fees.

The total amount owed to this fund from the Nursing Home at the end of May 2019 is $735,838. The sale of the Nursing Home was completed on April 1, 2019. A transfer from the Nursing Home Fund of at least $250,000 is planned in FY2019 in order to remedy the projected negative fund balance. With this transfer, the FY2019 projected fund balance is $35,272.

Even with the sale of the Nursing Home in FY2019, the FY2020 health and life insurance expenditure is budgeted flat against the FY2019 budget due to the RPC program expansion.

FINANCIAL

		Fund 620 Dept 120	2018 Actual	2019 Original	2019 Projected	2020 Budget
361	10	INVESTMENT INTEREST	$5,037	$5,000	$46	$0
369	46	EMPLOYEE CONTRIBUTIONS	$1,495,477	$1,969,116	$1,650,000	$1,741,963
369	50	MUNICIPALITY CONTRIB.	$4,401,469	$4,993,264	$4,400,000	$5,225,887
369	90	OTHER MISC. REVENUE	$80	$0	$0	$0
		MISCELLANEOUS	$5,902,063	$6,967,380	$6,050,046	$6,967,850
381	81	REIMB FROM NURSING HOME	$0	$0	$250,000	$0
		INTERFUND REVENUE	$0	$0	$250,000	$0
		REVENUE TOTALS	**$5,902,063**	**$6,967,380**	**$6,300,046**	**$6,967,850**
513	6	EMPLOYEE HEALTH/LIFE INS	$6,295,781	$6,900,000	$6,150,000	$6,900,000
513	22	FLEX SPENDING ACCT FEES	$5,508	$5,500	$5,500	$6,250
513	23	BENEFITS MANAGEMENT FEES	$55,000	$55,000	$45,000	$45,000
		PERSONNEL	$6,356,289	$6,960,500	$6,200,500	$6,951,250
522	1	STATIONERY & PRINTING	$36	$100	$0	$100
522	2	OFFICE SUPPLIES	$62	$100	$0	$100
		COMMODITIES	$98	$200	$0	$200
533	1	AUDIT & ACCOUNTING SERVCS	$18,350	$0	$0	$15,500
533	50	FACILITY/OFFICE RENTALS	$0	$280	$0	$0
533	84	BUSINESS MEALS/EXPENSES	$0	$850	$0	$850
533	95	CONFERENCES & TRAINING	$50	$50	$0	$50
		SERVICES	$18,400	$1,180	$0	$16,400

571	80	TO GENERAL CORP FUND 080	$19,400	$0	$0	$0
		INTERFUND EXPENDITURE	$19,400	$0	$0	$0
		EXPENDITURE TOTALS	**$6,394,187**	**$6,961,880**	**$6,200,500**	**$6,967,850**

FUND BALANCE

FY2018 Actual	FY2019 Projected	FY2020 Budgeted
($64,274)	$35,272	$35,272

The Fund Balance Goal is $1,000,000 to allow the County flexibility in negotiating with providers or to consider self-funding of health insurance at some point in the future.