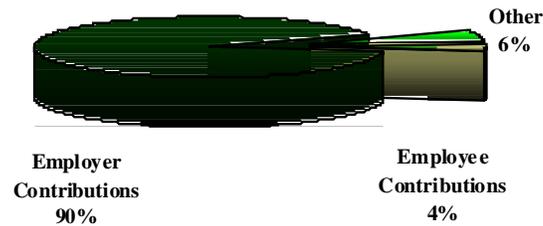


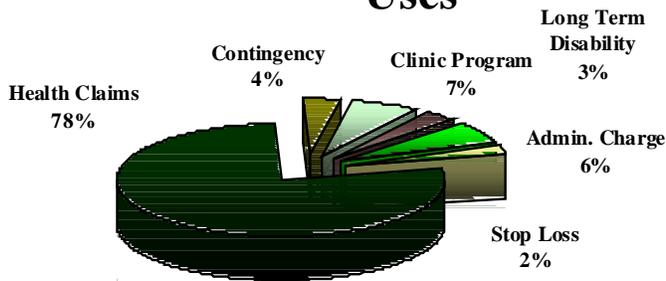
CITY OF PORT ST. LUCIE MEDICAL FUND ANNUAL BUDGET 2010-11

Revenue Source	Amount
Employer Contributions	\$15,196,842
Employee Contributions	615,000
Non-Employee Revenue	938,362
Fund Balance	16,102
Total	\$16,766,306

Sources



Uses



Expenditure by Function	Amount
Health Claims	\$13,017,451
Long Term Disability	575,000
Contingency	601,699
Clinic Program	1,122,156
Stop Loss	400,000
Admin. Charges	1,050,000
Total	\$16,766,306

Medical Trust Fund

This fund tracks the accumulation of the employee and employer contributions that fund the total cost of the Health Insurance Program for the city staff. The City is self-insured for Health Insurance and directly benefits from any period of favorable claim ratios. A system of internal rates is used to charge the various department budgets based on the number of participants and their type of coverage. In order to create a steady revenue flow for this fund, the departments are charged based on their budgeted staffing level regardless of any vacancies. Included in this fund's budget is the cost for the City Clinic which is available for the covered employees and dependents.

Major Revenue Source

The largest revenue for this fund is the employer contributions toward employee health insurance. This figure is charged as an expense to the operating department while it is revenue to this fund. The employer contribution revenue will increase by \$200 thousand to a total of \$15.2 million. The current projections will have a minimum fund balance of only perhaps \$16 thousand available to carryforward into FY 2010-11. The employer contribution for this program has risen substantially in the current year (31%) based on two budget

amendments needed to provide funding for the increasing level of costs. And due to this unfortunate trend plus the new ruling that there can not be a cap on mental claims, the rates used to charge the department budgets will climb another 18% for FY 2010-11.

Expenditure Trends

Because the City is self insured for its health insurance program, the claims paid is an ever changing cost number. The increasing level of claims being paid from this fund has been the real issue for this fund and is a major budget issue for the city. In the current year, the original budget amount for claims was \$10,600,000 which has been amended to be \$14,400,000. With this trend, but offset by the proposed reduction to the number of employees, it is projected that the claims will cost \$13 million in FY 2010-11. Other costs, including administrative charges and the cost of the City's employee clinic, are projected to remain roughly the same. Due to the increasing cost of claims, the City has been trying to increase the employee contribution to help offset this large expense. However, this issue must be made part of the union contract negotiations to reach this decision.

CITY OF PORT ST. LUCIE
APPROVED BUDGET - MEDICAL FUND #605
FY 2010-11

	AUDITED 2007-08 *****	AUDITED 2008-09 *****	ESTIMATED 2009-10 *****	APPROVED 2010-11 *****
REVENUES & SOURCES:				
Employee Contributions	\$565,407	\$610,389	\$615,000	\$615,000
Employer Contribution	10,588,221	12,690,147	14,994,502	15,196,842
Stop Loss Ins. Proceeds	0	0	600,000	0
Contributions from OPEB Trust Fund	0	0	318,608	338,362
Non-Employee Revenue	335,826	326,488	335,000	450,000
Interest Income & Misc.	1,082,329	184,921	30,000	20,000
Refund of Pharmacy Expenses	0	0	130,000	130,000
Fund Transfer	3,956,027	0	0	0
Budgeted Cash Carryforward	0	0	562,364	16,102
Totals	<u>\$16,527,810</u>	<u>\$13,811,945</u>	<u>\$17,585,474</u>	<u>\$16,766,306</u>
EXPENDITURES:				
Insurance Program				
Administrative Charges -Administrator	\$883,728	\$895,735	\$925,000	\$900,000
Health Plan Consultant	\$0	\$0	\$150,000	\$150,000
Disability, Vision & Other Ins.	645,311	738,209	560,000	575,000
Stop Loss	404,463	382,060	400,000	400,000
Health/Dental Insurance Claims	11,010,151	11,082,399	14,400,000	13,017,451
Financial Policy Contingency	0	0	0	601,699
Totals	<u>\$12,943,654</u>	<u>\$13,098,403</u>	<u>\$16,435,000</u>	<u>\$15,644,150</u>
Clinic Program				
Professional Fees	\$851,875	\$832,277	\$900,000	\$900,000
Other Contractual Services	11,777	14,265	12,000	12,000
Communications	795	1,915	0	0
Electricity	2,607	2,644	3,000	3,000
Water	324	347	425	350
Sewer	652	699	700	700
Rental of Building	0	3,434	10,056	10,056
Rental of Equipment	0	35,372	31,000	31,000
Insurance	0	0	1,991	0
Repairs of Building	532	4,203	700	550
Administrative Fees	0	0	0	0
Office Supplies	1,275	7,155	4,500	4,500
Operating Supplies	21,391	168,563	170,000	160,000
Improvements - Bldg	0	0	0	0
Totals	<u>\$891,228</u>	<u>\$1,070,874</u>	<u>\$1,134,372</u>	<u>\$1,122,156</u>
Total Expenditures	\$13,834,883	\$14,169,277	\$17,569,372	\$16,766,306
Contingency - Future Years	\$0	\$0	\$0	\$0
SURPLUS <DEFICIT>	<u><u>\$2,692,927</u></u>	<u><u>(\$357,332)</u></u>	<u><u>\$16,102</u></u>	<u><u>\$0</u></u>