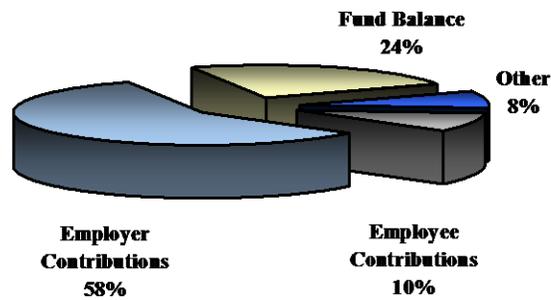


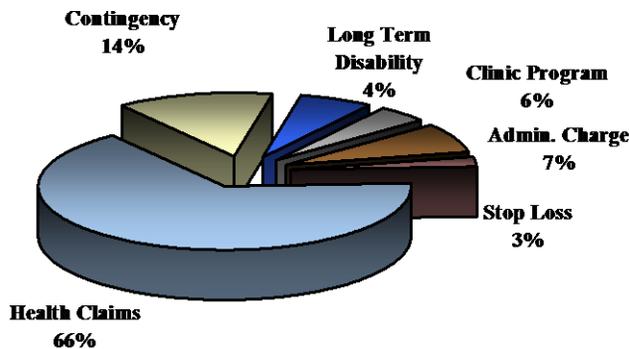
CITY OF PORT ST. LUCIE MEDICAL FUND ANNUAL BUDGET 2012-13

Revenue Source	Amount
Employer Contributions	\$10,891,901
Employee Contributions	1,808,099
Non-Employee Revenue	1,554,000
Fund Balance	4,611,533
Total	\$18,865,533

Sources



Uses



Expenditure by Function	Amount
Health Claims	\$11,180,000
Long Term Disability	765,000
Contingency	2,309,325
Clinic Program	1,110,306
Stop Loss	450,000
Fund Transfer	1,773,689
Admin. Charges	1,277,213
Total	\$18,865,533

Medical Insurance 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 lower claims. A system of internal rates is used to charge the various department budgets based on the number of participants and their type of coverage. 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 departments while it is revenue to this fund. The employer contribution revenue will be less in the current fiscal year due to the lower number of employees but also because of the reshaping of the funding ratios that places a larger financial responsibility on the employees. For FY 2012-13, the employee contribution total will increase by $\pm\$500,000$. The combined total of these two funding sources will be lower than the current year by $\pm\$500,000$ because of the favorable claims trend, which allows the City's cost to decline by roughly \$1 million.

Expenditure Trends

Because the City is self insured for its health insurance program, the claims paid is an ever changing cost number and the largest single cost to this program. Due to fewer employees and a lower claims trend, the budget for claims will be set at \$11 million. That is \$1.8 million less than the actual amount paid in FY 2009-10. The other costs in this program, the employee health clinic, admin charges and insurance costs are expected to remain about the same. Included in the proposed budget is a one time transfer of nearly \$1.8 million to the various operating funds that make contributions to this fund. The purpose of this transfer of surplus fund balance is to fund the employee bonus that is being budgeted in the operating department budgets. This is possible because the fund balance that was built up in recent years with the favorable claims experience. Also of note, this fund is budgeting a 60 day / 17% contingency which is required in order to have our self insurance health plan certified by the state. This also is in line with the GFOA recommended contingency level that is being instituted in most of the operating funds of the City.

CITY OF PORT ST. LUCIE
APPROVED BUDGET - MEDICAL FUND #605
FY 2012-13

	AUDITED 2009-10 *****	AUDITED 2010-11 *****	ESTIMATED 2011-12 *****	APPROVED 2012-13 *****
REVENUES & SOURCES:				
Employee Contributions	\$614,017	\$738,809	\$1,282,053	\$1,808,099
Employer Contribution	15,924,042	12,649,199	11,932,713	10,891,901
Stop Loss Ins. Proceeds	379,559	0	0	0
Contributions from OPEB Trust Fund	0	0	300,000	804,000
Non-Employee Revenue	329,045	427,006	434,500	440,000
Refund of Prior Year Costs	393	0	0	0
BC/BS Wellness Program Funding	0	0	125,000	75,000
Interest Income & Misc.	43,419	43,211	160,000	85,000
Refund of Pharmacy Expenses	151,312	149,362	150,000	150,000
Fund Transfer	0	0	0	0
Budgeted Cash Carryforward	0	0	3,141,573	4,611,533
Totals	<u>\$17,441,787</u>	<u>\$14,007,587</u>	<u>\$17,525,839</u>	<u>\$18,865,533</u>
EXPENDITURES:				
Insurance Program				
Administrative Charges -Administrator	\$757,278	\$659,511	\$670,000	\$675,000
Health Plan Consultant	0	38,415	20,000	20,000
Disability, Vision & Other Ins.	736,606	987,490	762,000	765,000
Stop Loss	356,907	332,769	400,000	450,000
Health/Dental Insurance Claims	12,840,546	10,303,809	10,000,000	10,196,000
Health/Dental Insurance Claims - OPEB (Retirees)	0	0	0	804,000
City Wellness Program	0	0	20,000	180,000
Administrative Charges - City	0	0	0	82,213
Fund Transfer to Operating Funds	0	0	0	1,773,689
IBNR Reserve	0	0	0	500,000
Add'l Contingency for Future Years	0	0	0	135,823
Financial Policy Contingency	0	0	0	2,173,502
Totals	<u>\$14,691,337</u>	<u>\$12,321,994</u>	<u>\$11,872,000</u>	<u>\$17,755,227</u>
Clinic Program				
Professional Fees	\$655,851	\$774,856	\$850,000	\$920,000
Other Contractual Services	12,537	12,328	13,000	13,000
Communications	1,766	1,718	1,200	1,200
Electricity	2,498	3,055	2,500	2,500
Water	390	354	350	350
Sewer	783	713	700	700
Cable	0	205	1,000	1,000
Rental of Building	10,056	10,056	10,056	10,056
Rental of Equipment	32,114	0	0	0
Insurance	1,991	0	0	0
Repairs of Building	605	2,732	6,000	4,000
Administrative Fees	100	9,754	500	500
Office Supplies	5,509	7,989	5,000	5,000
Operating Supplies	152,838	155,203	152,000	152,000
Office Equipment	0	0	0	0
Improvements - Bldg	0	0	0	0
Totals	<u>\$877,039</u>	<u>\$978,963</u>	<u>\$1,042,306</u>	<u>\$1,110,306</u>
Total Expenditures	<u>\$15,568,376</u>	<u>\$13,300,957</u>	<u>\$12,914,306</u>	<u>\$18,865,533</u>
Contingency - Future Years	\$0	\$0	\$0	\$0
SURPLUS <DEFICIT>	<u><u>\$1,873,410</u></u>	<u><u>\$706,631</u></u>	<u><u>\$4,611,533</u></u>	<u><u>\$0</u></u>