

FISCAL YEAR 2005 BUDGET

Fund Summary

Fund Name : Long Term Disability
Department Name : Human Resources
Fund/Department No. : 926 / 80

	<u>FY2004 BUDGET</u>	<u>FY2004 ESTIMATE</u>	<u>FY2005 BUDGET</u>
Beginning Fund Balance	45,937	45,937	21,397
Current Revenues	<u>1,210,250</u>	<u>1,211,384</u>	<u>2,212,517</u>
Total Available Resources	<u>1,256,187</u>	<u>1,257,321</u>	<u>2,233,914</u>
Maintenance and Operations	<u>1,225,102</u>	<u>1,235,924</u>	<u>2,213,914</u>
Total Expenditures	1,225,102	1,235,924	2,213,914
Planned Ending Fund Balance	<u>31,085</u>	<u>21,397</u>	<u>20,000</u>
Total Budget	<u>1,256,187</u>	<u>1,257,321</u>	<u>2,233,914</u>

The long term disability plan is a self insured program which is accounted for as an internal service fund. The plan was established in 1985 and modified several times since then. The most recent change occurred in 2001 when classified police officers were removed from the plan as a result of Meet and Confer negotiations which replaced their disability insurance with a Paid Time Off program.

The plan is actuarially funded, which means that each year's expenditures are a combination of current payments to disabled employees and an amount needed to ensure the long term financial soundness of the fund. An independent actuary makes a determination of the most likely future trends in expenditures and investment return and suggests an appropriate contribution. The FY2005 budget contains a significant increase in actuarially-determined contribution, based largely on several years of reduced investment return.

Each new permanent full time employee (other than classified police officers) is eligible for LTD coverage 2 ½ years after their start date. The Human Resources Department administers the plan and coordinates benefits to disabled employees in a way to avoid possible duplication of benefits with other insurance programs.

Like all internal service funds, the Long Term Disability Fund derives its revenue from transfers from other city departments, through premium charges contained in each department's budget (expense code 1420). These premium charges cover the actuarially-determined contributions as discussed above plus an amount for third party administrative fees.

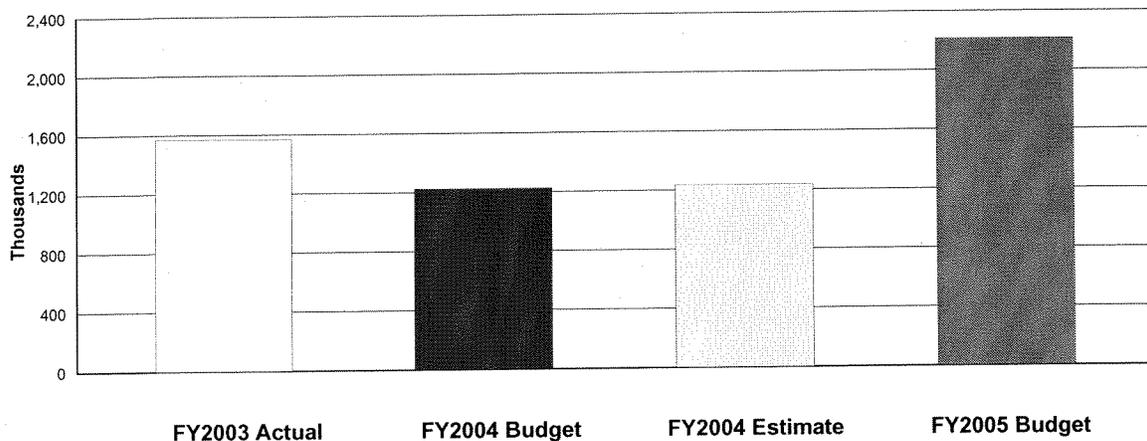
FISCAL YEAR 2005 BUDGET

Department Budget Summary

Fund Name : Long Term Disability
Department Name : Human Resources
Fund/Department No. : 926 / 80

	<u>FY2003 Actual</u>	<u>FY2004 Budget</u>	<u>FY2004 Estimate</u>	<u>FY2005 Budget</u>	
Expenditure Summary	Other Services and Charges	1,569,484	1,225,102	1,235,924	2,213,914
	Total M & O Expenditures	1,569,484	1,225,102	1,235,924	2,213,914
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	1,569,484	1,225,102	1,235,924	2,213,914
Revenue Summary	1,533,486	1,210,250	1,211,384	2,212,517	
Staffing Summary	Full-Time Equivalents - Civilian	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Total	0.0	0.0	0.0	0.0
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.0
Budget Highlights	<ul style="list-style-type: none"> o The FY2005 Budget continues funding on a full accrual basis supported by actuarial valuation and includes benefits for individuals receiving workers compensation and eligible applicants in the Long Term Disability (LTD) program. o Contributions from City departments are based on increasing contribution rates of \$7.70/month per employee to \$14.52/month per employee. The eligible employee base is estimated at 11,820. o Claims costs are higher due to a future claims severity adjustment and a one time adjustment for lower return on investments determined by an annual actuarial valuation performed by an independent actuarial firm. 				

**Long Term Disability
Human Resources
Expenditure Summary**



FISCAL YEAR 2005 BUDGET

Department Program Summary	
Fund Name : Long Term Disability Department Name : Human Resources Fund/Department No. : 926 / 80	
Program Description	Program Objectives
Long Term Disability 1500 Administer, analyze, and fund the City's Long Term Disability Plan for eligible employees.	Process long-term disability claims for eligible employees. The claim costs are actuarially determined.

FISCAL YEAR 2005 BUDGET

Department Program Summary									
Fund Name : Long Term Disability									
Department Name : Human Resources									
Fund/Department No. : 926 / 80									
Program Performance Measures	FY2003 Actual			FY2004 Estimate			FY2005 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Manage LTD claimants	169			1			1		
Actuarial valuation	1			189			205		
		0.0	1,569,484		0.0	1,235,924		0.0	2,213,914
Total		<u>0.0</u>	<u>1,569,484</u>		<u>0.0</u>	<u>1,235,924</u>		<u>0.0</u>	<u>2,213,914</u>

FISCAL YEAR 2005 BUDGET

Department Revenue Summary

Fund Name : Long Term Disability
Department Name : Human Resources
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Source	Description	Program Org	Program Name	FY2004 Budget	FY2004 Estimate	FY2005 Budget
7356	Interfund Billing-Ltdisability	1500	Long Term Disability	1,051,050	1,077,384	2,059,517
8300	Interest On Pooled Investments	1500	Long Term Disability	159,200	134,000	153,000
Total Human Resources				<u>1,210,250</u>	<u>1,211,384</u>	<u>2,212,517</u>

FISCAL YEAR 2005 BUDGET

Fund Name : Long Term Disability
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ACCT	DESCRIPTION	FY2003 Actual	FY2004 Budget	FY2004 Estimate	FY2005 Budget
3200	Claims Payment Services	113,783	130,000	130,000	140,000
3250	Employee Medical Claims	1,444,461	1,085,102	1,093,924	2,062,414
3335	Management Consulting Services	11,240	10,000	12,000	11,500
Total Other Services and Charges		<u>1,569,484</u>	<u>1,225,102</u>	<u>1,235,924</u>	<u>2,213,914</u>
Grand Total Expenditures		<u><u>1,569,484</u></u>	<u><u>1,225,102</u></u>	<u><u>1,235,924</u></u>	<u><u>2,213,914</u></u>