

FISCAL YEAR 2013 BUDGET

Fund Summary

Fund Name : Long Term Disability
Business Area Name : Human Resources
Fund No./Bus. Area No. : 9001 / 8000

	<u>FY2012 Current Budget</u>	<u>FY2012 Estimate</u>	<u>FY2013 Budget</u>
Beginning Fund Balance	968,189	968,189	944,526
Current Revenues	1,290,679	1,347,661	1,359,968
Total Available Resources	2,258,868	2,315,850	2,304,494
Maintenance and Operations	1,413,124	1,371,324	1,419,968
Total Expenditures	1,413,124	1,371,324	1,419,968
Planned Ending Fund Balance	845,744	944,526	884,526
Total Budget	2,258,868	2,315,850	2,304,494

The Long Term Disability (LTD) 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. In 2001, classified police officers were removed from the plan as a result of Meet and Confer negotiations, which replaced their disability plan with a Paid Time Off (PTO) program. Effective September 1, 2008, each new permanent full time employee (other than classified police officers) is eligible for LTD coverage after one year of employment (previously two years).

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 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. A third-party administrator determines eligibility and pays claims.

Like all internal service funds, the Long Term Disability Fund derives its revenue from other City departments by transfer, through premium charges contained in each department's budget (GL expense acct 503060 & 503061). These premium charges cover the actuarially-determined contributions as discussed above plus an amount for third-party administrative fees.

Business Area Budget Summary

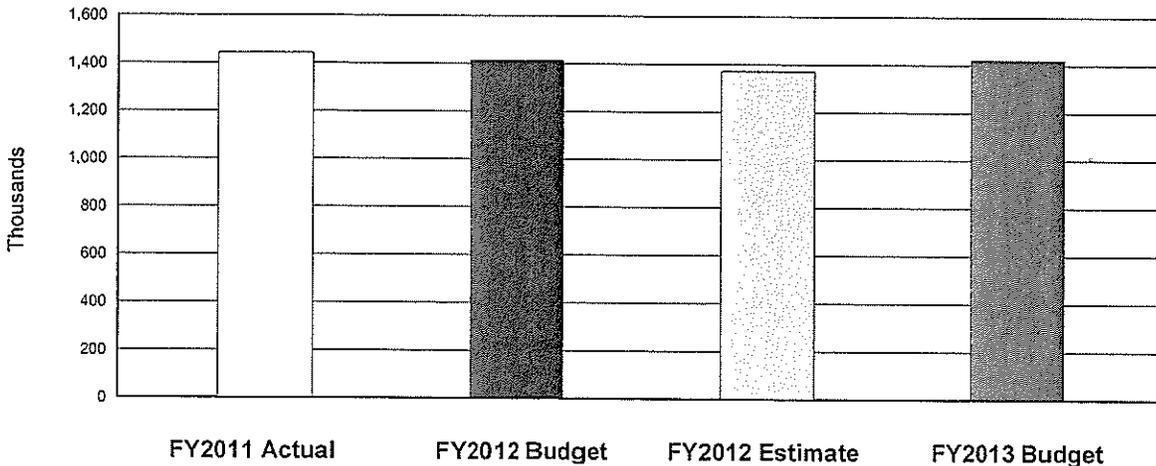
Fund Name : Long Term Disability
Business Area Name : Human Resources
Fund No./Bus. Area No. : 9001 / 8000

		FY2011 Actual	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
Expenditures	Other Services and Charges	924,720	1,413,124	1,371,324	1,419,968
	Total M & O Expenditures	924,720	1,413,124	1,371,324	1,419,968
	Debt Service & Other Uses	519,168	0	0	0
	Total Expenditures	1,443,888	1,413,124	1,371,324	1,419,968
Revenues		189,677	1,290,679	1,347,661	1,359,968
Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Classified	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Cadets	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

Significant Budget Changes and Highlights

- o The FY2013 Budget continues funding on a full accrual basis supported by actuarial valuation and includes benefits for eligible employees in the Long Term Disability (LTD) program.
- o The FY2013 contributions from City departments are based on FY2012 contribution rate of \$7.06/month per eligible employee. The FY2013 average eligible employee base is estimated at 14,400 employees.

**Long Term Disability
Human Resources
Expenditure Summary**



FISCAL YEAR 2013 BUDGET

Division Mission and Performance Measures

Fund Name : Long Term Disability
 Business Area Name : Human Resources
 Fund No./Bus Area No. : 9001 / 8000

Name: Benefits Administration -- 800012

Mission: Administer, analyze, and fund the City's Long Term Disability Plan for eligible employees.

Goal: Provide benefits to employees as required by the Plan.

Performance Measures	FY2011 Actual	FY2012 Estimate	FY2013 Budget
Manage LTD claimants	198	200	215
Actuarial valuation	1	1	1

FISCAL YEAR 2013 BUDGET

Division Summary

Fund Name : Long Term Disability
 Business Area Name : Human Resources
 Fund No./Bus Area No. : 9001 / 8000

Division Description	FY2011 Actual		FY2012 Estimate		FY2013 Budget	
	FTEs	Cost \$	FTEs	Cost \$	FTEs	Cost \$
Benefits Administration 800012 Process long term disability claims for eligible employees. The claim costs are actuarially determined.	0.0	1,443,888	0.0	1,371,324	0.0	1,419,968
Total	0.0	1,443,888	0.0	1,371,324	0.0	1,419,968

FISCAL YEAR 2013 BUDGET

Business Area Revenue Summary

Fund Name : Long Term Disability
Business Area Name : Human Resources
Fund No./Bus Area No. : 9001 / 8000

Commit Item	Description	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
8000120001	Benefits Administration			
429010	Interfund Billing - Long Term Disability	1,110,679	1,217,661	1,219,968
432010	Interest on Pooled Investments	180,000	130,000	140,000
Total	Benefits Administration	<u>1,290,679</u>	<u>1,347,661</u>	<u>1,359,968</u>
Total	Human Resources	<u>1,290,679</u>	<u>1,347,661</u>	<u>1,359,968</u>

FISCAL YEAR 2013 BUDGET

Business Area Expenditure Summary

Fund Name : Long Term Disability
 Business Area Name : Human Resources
 Fund No./Bus. Area No. : 9001 / 8000

Commit Item	Description	FY2011 Actual	FY2012 Current Budget	FY2012 Estimate	FY2013 Budget
520104	Claims Payment Services	128,280	170,000	170,000	170,000
520110	Management Consulting Services	15,250	57,800	16,000	58,800
522605	Active Employee Incurred Claims	781,190	1,185,324	1,185,324	1,191,168
Total	Other Services and Charges	924,720	1,413,124	1,371,324	1,419,968
531135	Interfund Transfers	519,168	0	0	0
Total	Debt Service and Other Uses	519,168	0	0	0
Grand Total Expenditures		1,443,888	1,413,124	1,371,324	1,419,968