Fund Summary

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

	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
Beginning Fund Balance	3,112,062	3,112,062	**1,265,637**
Current Revenues	1,684,794	1,760,568	**1,606,806**
Total Available Resources	4,796,856	4,872,630	**2,872,443**
Maintenance and Operations	2,736,643	2,606,993	**2,859,192**
Other Interfund Transfers	1,000,000	1,000,000	**0**
Total Expenditures	3,736,643	3,606,993	**2,859,192**
Planned Ending Fund Balance	1,060,213	1,265,637	**13,251**
Total Budget	4,796,856	4,872,630	**2,872,443**

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. 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 transfers from other City departments, 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

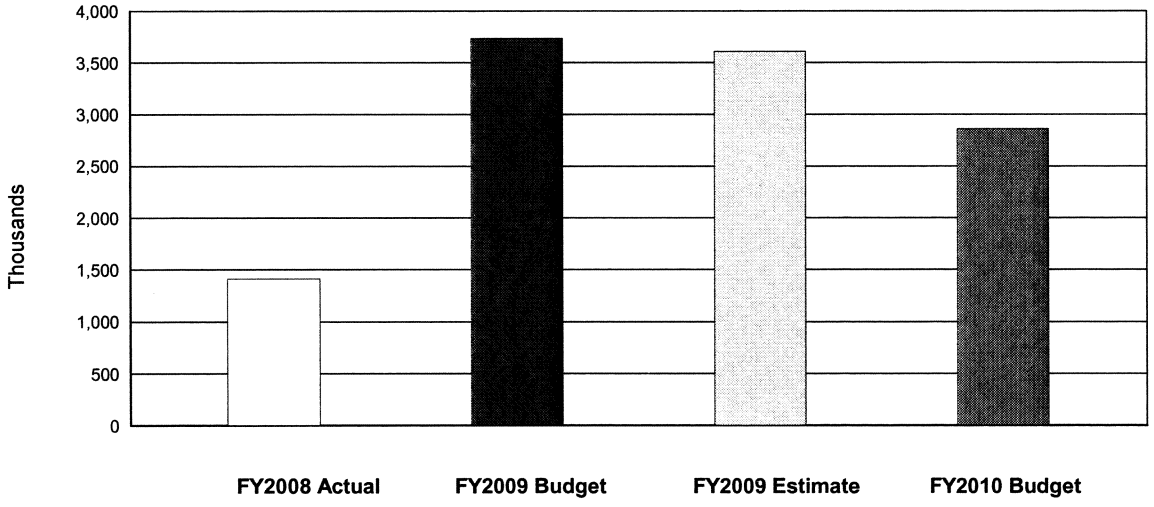
Fund Name : Long Term Disability
Business Area Name : Human Resources
Fund No./Bus. Area No. : 9001 / 8000

		FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
Expenditures	Other Services and Charges	1,412,965	2,736,643	2,606,993	**2,859,192**
	Total M & O Expenditures	1,412,965	2,736,643	2,606,993	**2,859,192**
	Debt Service & Other Uses	0	1,000,000	1,000,000	**0**
	Total Expenditures	1,412,965	3,736,643	3,606,993	**2,859,192**
Revenues		2,067,830	1,684,794	1,760,568	**1,606,806**
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**

Budget Highlights

- The FY2010 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.
- Contributions from City departments are based on contribution rate of $7.06/month (FY2009 $7.06/month) per eligible employee . The FY2010 average eligible employee base is estimated at 15,425.
- The plan includes a $1.2 Million fund balance reduction attributable to favorable claim activity.

Long Term Disability
Human Resources
Expenditure Summary



Business Area Cost Center Summary

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

Cost Center Description	Cost Center Objectives
Benefits Administration **8000120001**	
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.

Business Area Cost Center Summary

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

Performance Measures	FY2008 Actual			FY2009 Estimate			FY2010 Budget		
	Activities	FTEs	Costs $	Activities	FTEs	Costs $	Activities	FTEs	Costs $
Manage LTD claimants	184			186			**200**		
Actuarial valuation	1			1			**1**		
		0.0	1,412,965		0.0	3,606,993		**0.0**	**2,859,192**
Total		0.0	1,412,965		0.0	3,606,993		**0.0**	**2,859,192**

Business Area Revenue Summary

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

Commit Item	Description	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
8000120001	**Benefits Administration**			
429010	Interfund Billing - Long Term Disability	1,234,794	1,360,568	**1,306,806**
432010	Interest on Pooled Investments	450,000	400,000	**300,000**
Total	**Benefits Administration**	1,684,794	1,760,568	**1,606,806**
Total	**Human Resources**	1,684,794	1,760,568	**1,606,806**

Business Area Expenditure Summary

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

Commit Item	Description	FY2008 Actual	FY2009 Current Budget	FY2009 Estimate	FY2010 Budget
520104	Claims Payment Services	119,773	170,000	155,000	**170,000**
520110	Management Consulting Services	11,500	12,000	12,000	**56,300**
522605	Active Employee Incurred Claims	1,281,692	2,554,643	2,439,993	**2,632,892**
Total	**Other Services and Charges**	**1,412,965**	**2,736,643**	**2,606,993**	**2,859,192**
532005	Transfers to General Fund	0	1,000,000	1,000,000	**0**
Total	**Debt Service and Other Uses**	**0**	**1,000,000**	**1,000,000**	**0**
	Grand Total Expenditures	**1,412,965**	**3,736,643**	**3,606,993**	**2,859,192**