Fund Summary

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

	FY2011 Current Budget	FY2011 Estimate	FY2012 Budget
Beginning Fund Balance	2,222,401	2,222,401	**336,212**
Revenues	1,568,924	190,000	**1,290,679**
Expenditures	2,076,189	2,076,189	**1,413,124**
Revenues Over/(Under) Expenditures	(507,265)	(1,886,189)	**(122,445)**
Ending Fund Balance	1,715,136	336,212	**213,767**

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

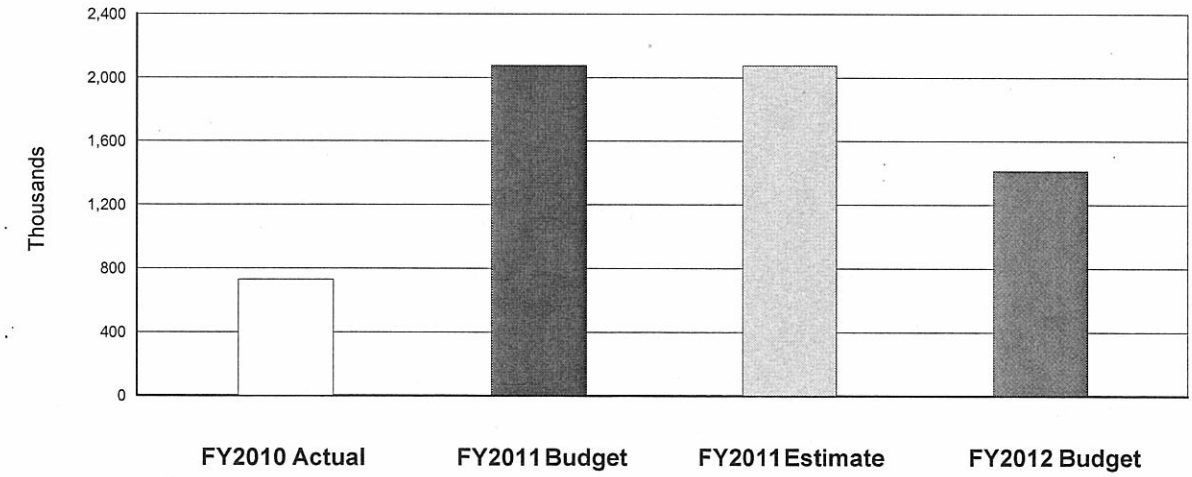
Fund Name : Long Term Disability
Business Area Name : Human Resources
Fund No./Bus. Area No. : 9001 / 8000

		FY2010 Actual	FY2011 Current Budget	FY2011 Estimate	FY2012 Budget
Expenditures	Other Services and Charges	728,232	1,360,250	1,360,250	**1,413,124**
	Total M & O Expenditures	728,232	1,360,250	1,360,250	**1,413,124**
	Debt Service & Other Uses	0	715,939	715,939	**0**
	Total Expenditures	728,232	2,076,189	2,076,189	**1,413,124**
Revenues		1,548,867	1,568,924	190,000	**1,290,679**
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

- The FY2012 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.
- The FY2012 contributions from City departments are based on FY2011 contribution rate of $7.06/month per eligible employee. The FY2012 average eligible employee base is estimated at 13,110 employees.
- The plan includes a $2,000,000 fund balance reduction attributable to favorable claim activity that enabled the fund to provide savings to departments.

Long Term Disability
Human Resources
Expenditure Summary



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	FY2010 Actual	FY2011 Estimate	FY2012 Budget
Manage LTD claimants	192	200	**200**
Actuarial valuation	1	1	**1**

Division Summary

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

Division Description	FY2010 Actual		FY2011 Estimate		FY2012 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	728,232	0.0	2,076,189	**0.0**	**1,413,124**
Total	0.0	728,232	0.0	2,076,189	**0.0**	**1,413,124**

Business Area Revenue Summary

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

Commit Item	Description	FY2011 Current Budget	FY2011 Estimate	FY2012 Budget
8000120001	**Benefits Administration**			
424110	Other Interfund Services	0	(1,284,061)	**0**
429010	Interfund Billing - Long Term Disability	1,308,924	1,284,061	**1,110,679**
432010	Interest on Pooled Investments	260,000	190,000	**180,000**
Total	**Benefits Administration**	**1,568,924**	**190,000**	**1,290,679**
Total	**Human Resources**	**1,568,924**	**190,000**	**1,290,679**

Business Area Expenditure Summary

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

Commit Item	Description	FY2010 Actual	FY2011 Current Budget	FY2011 Estimate	FY2012 Budget
520104	Claims Payment Services	133,984	145,000	145,000	**170,000**
520110	Management Consulting Services	14,500	15,250	15,250	**57,800**
522605	Active Employee Incurred Claims	579,748	1,200,000	1,200,000	**1,185,324**
Total	**Other Services and Charges**	**728,232**	**1,360,250**	**1,360,250**	**1,413,124**
531135	Interfund Transfers	0	715,939	715,939	**0**
Total	**Debt Service and Other Uses**	**0**	**715,939**	**715,939**	**0**
	Grand Total Expenditures	**728,232**	**2,076,189**	**2,076,189**	**1,413,124**