

**FISCAL YEAR 2006 BUDGET**

**Fund Summary**

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

	<u>FY2005 BUDGET</u>	<u>FY2005 ESTIMATE</u>	<u>FY2006 BUDGET</u>
Beginning Fund Balance	(70,671)	(70,671)	<b>20,000</b>
Current Revenues	<u>2,212,517</u>	<u>2,230,246</u>	<u><b>2,248,009</b></u>
Total Available Resources	<u><u>2,141,846</u></u>	<u><u>2,159,575</u></u>	<u><u><b>2,268,009</b></u></u>
Maintenance and Operations	<u>2,213,914</u>	<u>2,139,575</u>	<u><b>2,248,009</b></u>
Total Expenditures	2,213,914	2,139,575	<b>2,248,009</b>
Planned Ending Fund Balance	<u>(72,068)</u>	<u>20,000</u>	<u><b>20,000</b></u>
Total Budget	<u><u>2,141,846</u></u>	<u><u>2,159,575</u></u>	<u><u><b>2,268,009</b></u></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 (PTO) 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 FY2006 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 2006 BUDGET**

**Department Budget Summary**

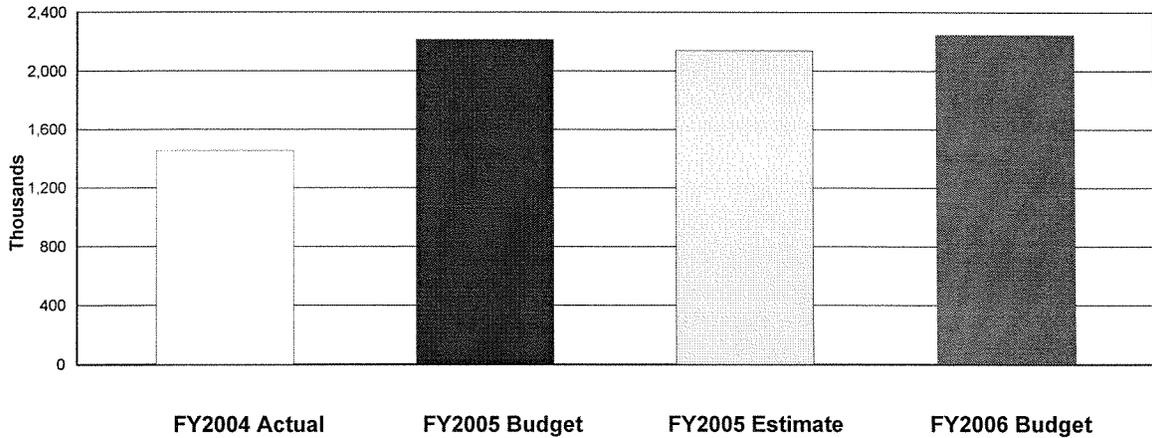
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		<u>FY2004 Actual</u>	<u>FY2005 Budget</u>	<u>FY2006 Estimate</u>	<u>FY2006 Budget</u>
Expenditure Summary	Other Services and Charges	1,458,365	2,213,914	2,139,575	2,248,009
	Total M & O Expenditures	1,458,365	2,213,914	2,139,575	2,248,009
	Debt Service & Other Uses	0	0	0	0
	Total Expenditures	1,458,365	2,213,914	2,139,575	2,248,009
Revenue Summary		1,341,757	2,212,517	2,230,246	2,248,009
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**

- o The FY2006 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 contribution rate of \$14.52/month per employee the same as FY05. The eligible employee base is estimated at 11,995.
- o In FY05 and FY06, compared to FY04 Claims costs are higher due to a future claims severity adjustment and an 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 2006 BUDGET**

<b>Department Program Summary</b>	
<b>Fund Name : Long Term Disability</b> <b>Department Name : Human Resources</b> <b>Fund/Department No. : 926 / 80</b>	
<b>Program Description</b>	<b>Program Objectives</b>
<b>Long Term Disability</b> <span style="float: right;"><b>1500</b></span>  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 2006 BUDGET**

**Department Program Summary**

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

Program Performance Measures	FY2004 Actual			FY2005 Estimate			FY2006 Budget		
	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$	Program Activities	Budget FTEs	Program Costs \$
Manage LTD claimants	177			205			220		
Actuarial valuation	1			1			1		
	0			0			0		
	0			0			0		
		0.0	1,458,365		0.0	2,139,575		0.0	2,248,009
<b>Total</b>	<u>0.0</u>		<u>1,458,365</u>	<u>0.0</u>		<u>2,139,575</u>	<u>0.0</u>		<u>2,248,009</u>

**FISCAL YEAR 2006 BUDGET**

**Department Revenue Summary**

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

Source	Description	Program Org	Program Name	FY2005 Budget	FY2005 Estimate	FY2006 Budget
7356	Interfund Billing-Ltdisability	1500	Long Term Disability	2,059,517	2,077,246	<b>2,090,009</b>
8300	Interest On Pooled Investments	1500	Long Term Disability	153,000	153,000	<b>158,000</b>
<b>Total Human Resources</b>				<u>2,212,517</u>	<u>2,230,246</u>	<u><b>2,248,009</b></u>

**FISCAL YEAR 2006 BUDGET**

**Fund Name** : Long Term Disability  
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ACCT	DESCRIPTION	FY2004 Actual	FY2005 Budget	FY2005 Estimate	FY2006 Budget
3200	Claims Payment Services	133,224	140,000	140,000	<b>155,000</b>
3250	Employee Medical Claims	1,311,205	2,062,414	1,988,075	<b>2,081,509</b>
3335	Management Consulting Services	13,936	11,500	11,500	<b>11,500</b>
<b>Total Other Services and Charges</b>		<b>1,458,365</b>	<b>2,213,914</b>	<b>2,139,575</b>	<b>2,248,009</b>
<b>Grand Total Expenditures</b>		<b>1,458,365</b>	<b>2,213,914</b>	<b>2,139,575</b>	<b>2,248,009</b>