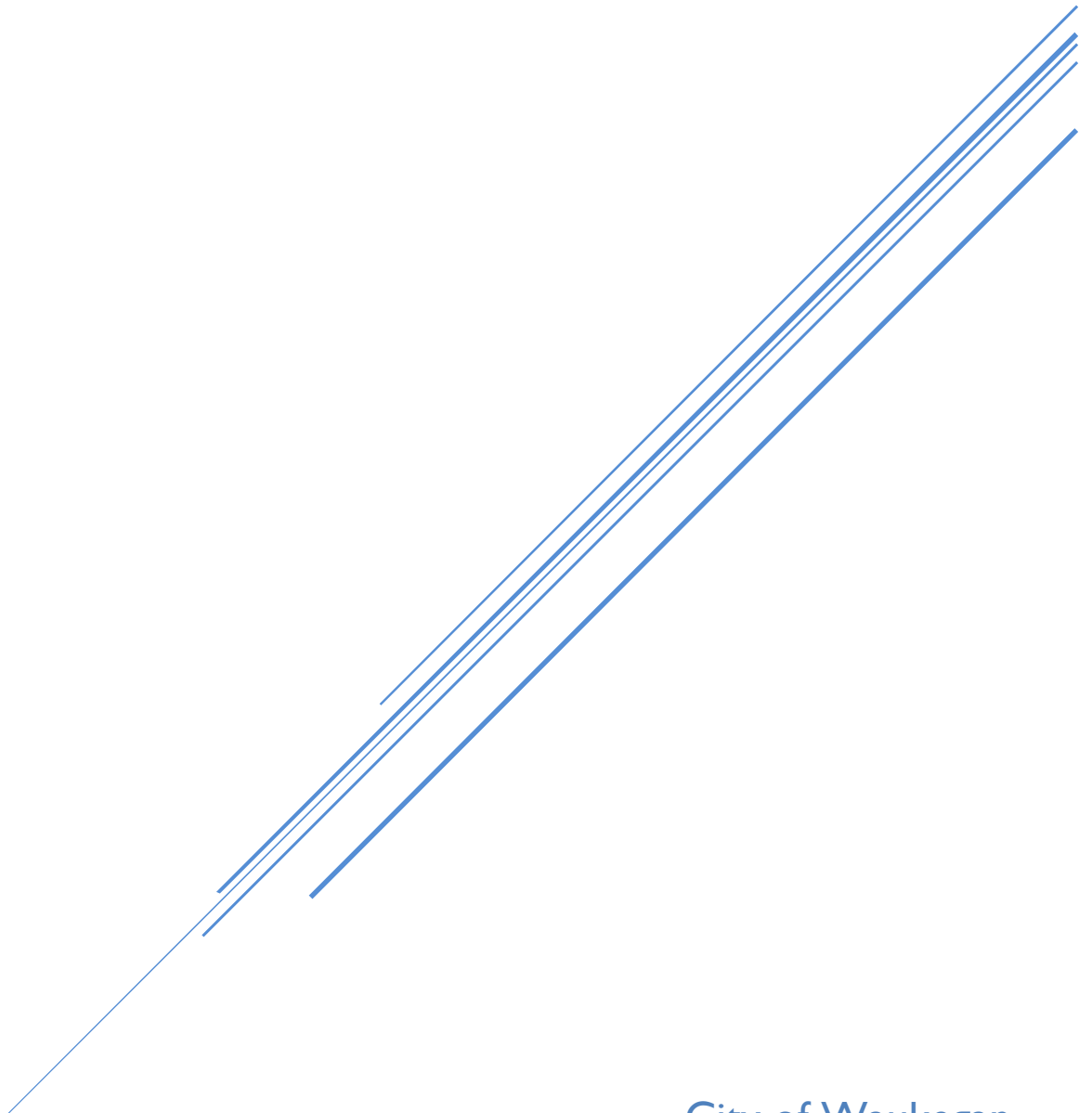


INTERNAL SERVICE FUNDS

May 1, 2017 – April 30, 2018



City of Waukegan
Proposed Budget

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INTERNAL SERVICE FUNDS OVERVIEW

The city maintains Internal Service Funds to process insurance payments before charging those costs back to the funds generating the expense.

The city has various arrangements for medical, dental and life insurance coverage for all full-time employee groups as well as some programs relative to retirees. The city’s premiums are run through the Employee Benefit Plan Fund with charges assigned back to the department from which the employee or retiree is associated.

In addition, the city is exposed to various risk of loss claims related to workers’ compensation, property damage, torts, errors and omissions, etc. The financial activity related to these risks is run through the Safety and Risk Management Fund and then charged back to the appropriate departmental budget to recoup those costs.

SOURCES & USES OF FUNDS

The premiums collected from employees, employer contributions and the related charge-backs to the departments account for the revenues to these funds. Expenditures are the payment of employer and employee premiums for the various insurance coverages.

Sources & Uses of Funds	
Revenues	\$8,983,000
Expenditures	-8,983,000
Surplus / (Deficit) before transfers	0
Transfers-In	0
Transfers-Out	-900,000
Surplus / (Deficit) after transfers	-900,000

The \$900 thousand transfer out of the Safety & Risk Fund is related to an insurance carrier reimbursement on the wrongful incarceration claim payment of \$2.5 million being paid via the Police Department budget in the General Fund. This reimbursement was received during FY17 and will be used to help defray the cost of the FY18 payment.

Given the currently proposed staffing levels the estimated cost for the year is \$100 thousand for life insurance and \$5.4 million for employee medical/dental insurance. The estimated workers compensation and general liability annually estimated costs of \$2.8 million and \$4 million respectively are not appropriated directly into the Safety and Risk Fund as those charges are reversed to the generated funds on a monthly basis.

LINE ITEM DETAIL

	SAFETY & RISK MANAGEMENT	
Fnd 660	FU	
660 48380	Liability-5% Su	-125,000
660 48385	W/C-5% Surcharg	-125,000

Acc 804	Revenues	-250,000
Acc 902	Expenditures	
660 169824438	Other Professio	45,000
660 169825478	Computer Suppli	2,000
660 169825480	Miscellaneous E	1,000
660 169924429	Conference & Tr	2,000
660 169924436	Consultant Serv	200,000

Acc 902	Expenditures	250,000
Acc 903	Transfers To	
660 68714	Transfers to Wo	900,000

Acc 903	Transfers To	900,000

	SAFETY & RISK MANAGEMENT	
Fnd 660	FU	900,000
Fnd 680	EMPLOYEE'S BENEFIT PLAN FUN	
Acc 805	Revenues	
680 58100	Employee Contri	-1,348,000
680 58200	City Contrib. -	-7,400,000

Acc 805	Revenues	-8,748,000
Acc 902	Expenditures	
680 189424466	Dental Insuranc	435,000
680 189424470	HMO/PPO Premium	8,313,000

Acc 902	Expenditures	8,748,000

Fnd 680	EMPLOYEE'S BENEFIT PLAN FUN	
Fnd 685	SELF FUNDED FLEXIBLE SPENDI	

Acc 805	Revenues	
685 58507	Medical Saving	11,000
685 58560	Dependent Care	4,000

Acc 805	Revenues	15,000
Acc 902	Expenditures	
685 189524503	Insurance Admin	-4,000
685 189524530	Claims Expense-	-11,000

Acc 902	Expenditures	-15,000

Fnd 685	SELF FUNDED FLEXIBLE SPENDI	-----