

GROUP INSURANCE FUND

Description	2010-2011 Budget	2011-2012 Proposed Budget	Dollar Increase (Decrease)	Percent Increase (Decrease)
Balance Brought Forward	2,558,182	2,699,119	140,937	5.51%
Internal Service Fund Billing	2,233,457	2,388,820	155,363	6.96%
Other Interest Income	16,012	17,710	1,698	10.60%
Total Revenue	2,249,469	2,406,530	157,061	6.98%
Total Funds Available	4,807,651	5,105,649	297,998	6.20%
Personnel Costs	2,690,720	2,610,000	(80,720)	(3.00%)
Other Admin. & Overhead	149,000	145,000	(4,000)	(2.68%)
Total Expenditures	2,839,720	2,755,000	(84,720)	(2.98%)
Ending Balance	1,967,931	2,350,649	382,718	19.45%
Total Funds Accounted For	4,807,651	5,105,649	297,998	6.20%

Revenues: The increase in the beginning balance of the group health budget is due to having fewer claims than anticipated. It is preferred to maintain a high enough balance in this fund so that if in a given year the claims exceed projected maximum costs that this fund would remain solvent. The Internal Service Fund Billing increases \$155,363 or 6.96% because of a 7% increase in the City's share of health insurance. Employee costs remain unchanged. Interest income increases due to increased fund balance.

Expenditures: Personnel Costs decrease \$80,720 or 3.00% due to decreases in reinsurance costs. Other Administration and Overhead costs decrease \$4,000 or 2.68% due to decreases in wellness and plan administration costs.