

TOWN OF CANTON
FISCAL YEAR 2011-2012 BUDGET
PRELIMINARY DRAFT

INSURANCE & MISCELLANEOUS

8130	Insurance
9141	Employee Benefits

February 4, 2011

INSURANCE & MISCELLANEOUS MUNICIPAL INSURANCE - 8130

EXPLANATION

This program account funds premiums on various types of municipal insurance including:

- Workers Compensation
- General Liability
- Malpractice, Property Coverage
- Funding for unemployment compensation claims

BUDGET CHANGES AND COMMENTARY

- Property Casualty: The Town changed insurers in 2010 to CIRMA. CIRMA is the predominant insurer for Connecticut Municipalities. The Insurance Agent and accompanying Insurance Agent premiums were removed at that time. The insurance premiums are pursuant to a negotiated three year rate lock agreement.
- Workers Compensation: Worker's Compensation is now provided by CIRMA.
- Unemployment Compensation: The Town has historically not secured insurance coverage for unemployment compensation claims.
- Recoverable Expenses: Provides funding associated with deductibles for insured losses.

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TOWN OF CANTON
NEXT YEAR BUDGET HISTORICAL COMPARISON

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PROJECTION: 2012 TOWN OF CANTON FISCAL YEAR 2011-2012 BUDGET

FOR PERIOD 13

ACCOUNTS FOR: GENERAL FUND			PRIOR FY3 ACTUALS	PRIOR FY2 ACTUALS	LAST FY1 ACTUALS	CY ACTUALS	CY REV BUDGET	PROJECTION LEVEL 2	PCT CHANGE

1008130	INSURANCE								
1008130	52000	PRO.CASUL.	112,160.28	114,265.85	99,886.48	110,909.44	107,486.00	118,087.00	9.9%
1008130	52005	INS AGENCY	7,200.00	7,200.00	7,200.00	.00	7,200.00	.00	-100.0%
1008130	52010	WORK.COMP.	107,524.96	111,136.91	113,213.00	130,695.17	137,938.17	110,715.00	-19.7%
1008130	52030	UNEMPLOY.	7,484.52	8.00	12,304.70	1,496.00	7,500.00	7,500.00	.0%
1008130	53560	REC.EXPENS	4,329.52	1,065.17	10,938.10	17,784.39	6,000.00	6,000.00	.0%
TOTAL INSURANCE			238,699.28	233,675.93	243,542.28	260,885.00	266,124.17	242,302.00	-9.0%

INSURANCE & MISCELLANEOUS EMPLOYEE BENEFITS - 9141

EXPLANATION

This program provides for the contributions required for benefits afforded to all full-time and part time personnel including life insurance; medical/ surgical, dental, and prescriptions; disability insurance; and Social Security and Medicare taxes. Provisions are also made for any on-going obligations of the Town for accepted and settled heart and hypertension claims by public safety personnel.

BUDGET CHANGES AND COMMENTARY

- **Medical Insurance:** The budgeted amount reflects the cost for the Town's self insured medical insurance program and Anthem's Administrative Services program. Amount is based upon the estimate of expected claims for the plan year taking into account the past year's experience. Based upon the recommendations of the Town's Agent of Record, an increase in medical insurance costs of 11% is anticipated.
- **Section 125 Plan Administration:** A tax exempt benefit plan which allows employees to utilize tax exempt funds to pay certain medical and dependent care expenses. The Town pays the administrative costs of the plan.
- **Heart and Hypertension:** Funds the Town's liability for spousal benefits of a deceased sworn member of the Canton Police Department.
- **Pension/ Defined Contribution:** A 10% decrease from last year. The total budgeted amount reflects the Annual Required Contribution identified by the Town's Pension Actuary (Defined Benefit Estimate = \$496,184 and Defined Contribution estimate is \$169,779). This only includes the General Fund amount; those attributable to the Special Revenue accounts (WPCA, Emergency Medical Services and Park & Recreation) are located within the corresponding Special Revenue line items.
- **FICA:** Represents 7.65% of budgeted salaries.
- **Employee Assistance Program (EAP):** Provides for the Employee Assistance Program administered through the University of Connecticut Health Center.

PROJECTION: 2012 TOWN OF CANTON FISCAL YEAR 2011-2012 BUDGET

FOR PERIOD 13

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1009141	EMPLOYEE BENEFITS & INSURANCE								
1009141	52110	LIFE INS.	8,141.89	9,032.26	8,230.80	5,145.05	11,093.00	9,000.00	-18.9%
1009141	52120	MED.INS.	470,692.56	510,809.88	538,045.00	469,766.73	626,356.00	695,514.00	11.0%
1009141	52130	SEC125 ADM	654.00	654.00	1,197.99	535.00	945.00	1,500.00	58.7%
1009141	52140	LONG TERM	6,609.64	7,092.64	6,640.22	4,159.68	8,563.00	7,700.00	-10.1%
1009141	52145	HEART&HYPE	161,076.00	43,576.00	43,576.00	25,978.00	43,576.00	43,576.00	.0%
1009141	52300	PENSION	502,195.84	507,112.69	555,373.50	663,046.08	744,098.00	665,963.00	-10.5%
1009141	52400	F.I.C.A.	277,615.02	279,722.78	298,201.90	186,277.74	309,500.00	320,761.00	3.6%
1009141	56820	EAP	900.00	1,350.00	1,450.00	1,624.00	1,733.00	1,770.00	2.1%
TOTAL EMPLOYEE BENEFITS & IN			1,427,884.95	1,359,350.25	1,452,715.41	1,356,532.28	1,745,864.00	1,745,784.00	.0%