

Insurance Fund

Fiscal Year 2025 Operating Budget

Fund Overview

ADOPTED BUDGET		ADOPTED BUDGET
	FY2024	FY2025
Estimated Revenues		
Revenue-Use Money/Property	\$26,560	\$18,500
Charges for Services	\$4,117,700	\$4,629,600
Recovered Cost	\$0	–
ESTIMATED REVENUES TOTAL	\$4,144,260	\$4,648,100
Operating Expenses		
Employee Benefits	\$1,989,000	\$2,314,000
Other Operating Expense	\$2,128,700	\$2,315,600
OPERATING EXPENSES TOTAL	\$4,117,700	\$4,629,600
Net Operating Income (Loss)	\$26,560	\$18,500
Calculation of Contribution to(from) Fund Balance/General Fund	\$26,560	\$18,500

Major Revenue Sources

This fund has two major revenue categories:

Revenue –Use of Money/Property: All of the City’s funds are invested in secured accounts to earn the highest possible return. Investment earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates.

Charges For Services: This revenue represents the premiums or claims that are charged to the various departments and functional areas of the City. In turn, this revenue is used to pay the contracted premiums to the City’s insurance providers, deductibles, and claims for self-insured items.

ACTUAL		ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/ (Decrease)
Revenues					
Revenue-Use Money/Property	\$22,817	\$46,110	\$26,560	\$18,500	(\$8,060)
Charges for Services	\$2,208,340	\$3,295,671	\$4,117,700	\$4,629,600	\$511,900
Recovered Cost	\$7,306	\$5,298	\$0	–	\$0
Not Applicable	(\$33,936)	(\$27,153)	\$0	–	\$0
REVENUES TOTAL	\$2,204,527	\$3,319,926	\$4,144,260	\$4,648,100	\$503,840

Insurance Operations

Description

The Insurance Internal Service fund was established to provide overall management of the City's insurance program. The fund includes all the City's insurance coverage except for group health and life insurance, which are included in the General Fund budget. The cost of the insurance program is allocated to the various funds based upon the estimated cost of the applicable coverage provided. The insurance program includes the following major coverage with certain limitations on each coverage:

1. Property Insurance: all risk coverage with the City self-insuring the first \$10,000
2. Boiler and Machinery: all risk coverage with the City self-insuring the first \$5,000
3. Fleet Insurance: Liability with City self-insuring the first \$50,000
4. Fleet Insurance: Comprehensive and Collision – only for vehicles exceeding \$100,000 in cost and specially identified Mass Transit vehicles (\$5,000 deductible)
5. Comprehensive General Liability with City self-insuring the first \$50,000
6. Public Officials/Law Enforcement Liability
7. Bodily Injury and Property Damage: Airport
8. Fiduciary Liability: Employees' Retirement System
9. Employee's Security Bonds
10. Worker's Compensation: Fully Self Insured

The City contracts with a claims handling agency to handle worker's compensation claims. The City's fleet insurance, comprehensive general liability and public officials/law enforcement are covered through the Virginia Risk Sharing Association. Other coverages are with private carriers.

Expenditures

	ACTUAL	ADOPTED BUDGET		ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	Increase/(Decrease)
Expenses					
Employee Benefits	\$731,064	\$1,725,028	\$1,989,000	\$2,314,000	\$325,000
Other Operating Expense	\$1,477,275	\$1,570,642	\$2,128,700	\$2,315,600	\$186,900
EXPENSES TOTAL	\$2,208,340	\$3,295,671	\$4,117,700	\$4,629,600	\$511,900