

Insurance Fund

Fiscal Year 2026 Operating Budget

Fund Overview

	ADOPTED BUDGET	PROPOSED BUDGET
	FY2025	FY2026
Estimated Revenues		
Revenue-Use Money/Property	\$18,500	\$28,600
Charges for Services	\$4,629,600	\$4,695,600
ESTIMATED REVENUES TOTAL	\$4,648,100	\$4,724,200
Operating Expenses		
Ins Fund Insurance Claims&Serv	\$2,315,600	\$2,381,600
Ins Fund W/C Claims & Services	\$2,314,000	\$2,314,000
OPERATING EXPENSES TOTAL	\$4,629,600	\$4,695,600
Net Operating Income (Loss)	\$18,500	\$28,600
Calculation of Contribution to(from) Fund Balance/General Fund	\$18,500	\$28,600

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	PROPOSED BUDGET		
	FY2023	FY2024	FY2025	FY2026	Increase/ (Decrease)
Revenues					
Revenue-Use Money/Property	\$46,110	\$69,884	\$18,500	\$28,600	\$10,100
Charges for Services	\$3,295,671	\$2,275,678	\$4,629,600	\$4,695,600	\$66,000
Recovered Cost	\$5,298	\$4,177	–	–	\$0
Other Revenue	(\$27,153)	\$25,425	–	–	\$0
REVENUES TOTAL	\$3,319,926	\$2,375,164	\$4,648,100	\$4,724,200	\$76,100

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	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Employee Benefits	\$1,725,028	\$591,179	\$2,314,000	\$2,314,000	\$0
Other Operating Expense	\$1,570,642	\$1,684,499	\$2,315,600	\$2,381,600	\$66,000
EXPENSES TOTAL	\$3,295,671	\$2,275,678	\$4,629,600	\$4,695,600	\$66,000