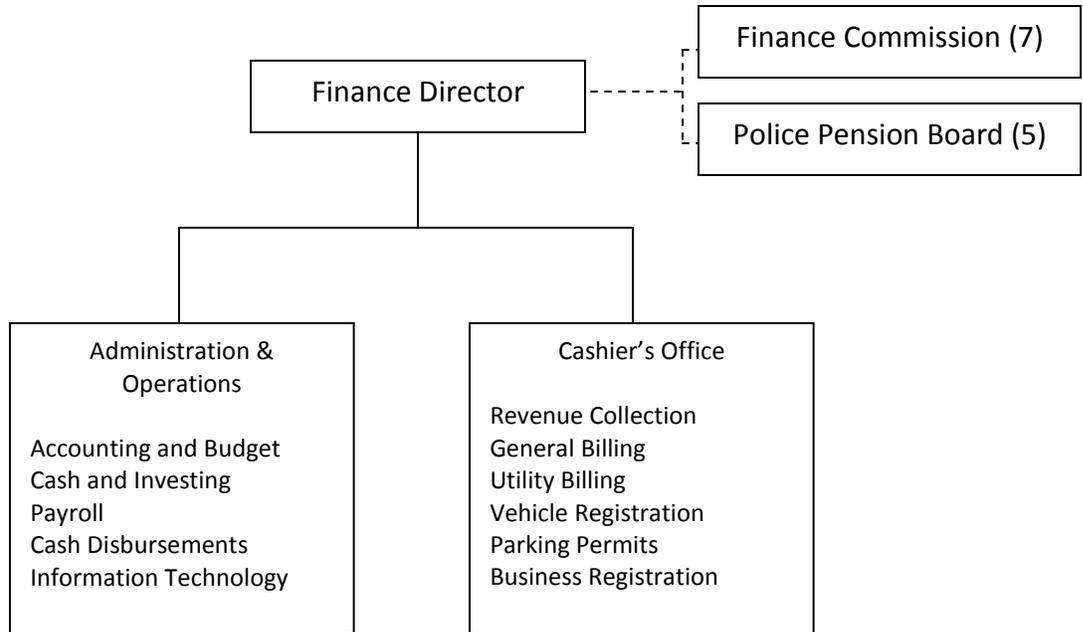


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IV. FINANCE DEPARTMENT

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FINANCE DEPARTMENT FY12/13



- Assistant Finance Director (1)
- Information Technology Manager (1)
- Accounting Specialist (1)
- Fiscal Clerk (1 P.T.=0.6 FTE)

- Accounts Manager (1)
- Fiscal Clerk (8 P.T. = 3.6 FTE)
- Water Meter Reader (4 P.T. = 1 FTE)

| <u>FY12/13 Budget</u> | <u>Employee</u> | |
|------------------------|-----------------|--------------|
| | <u>Count</u> | <u>FTE</u> |
| Full Time Personnel | 5 | 5.00 |
| Part-Time Personnel | <u>13</u> | <u>5.20</u> |
| Total Employees / FTEs | <u>18</u> | <u>10.20</u> |

(FTE = Full-Time Equivalent)

| | <u>FY04</u> | <u>FY05</u> | <u>FY06</u> | <u>FY07</u> | <u>FY08</u> | <u>FY09</u> | <u>FY10</u> | <u>FY11</u> | <u>FY12</u> | <u>FY13</u> |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Budgeted Full-Time Employees</u> | | | | | | | | | | |
| Operations | 5 | 6 | 5 | 5 | 5 | 4* | 4 | 4 | 4 | 4 |
| Cashier's Office | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total FT | 6 | 7 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 |

*Personnel Analyst position moved to Village Manager's budget.

FINANCE DEPARTMENT

The Finance Department is responsible for overseeing the fiscal and technology operations of the Village. Primary responsibilities of the department include accounting and financial reporting, budgeting and long-term financial planning, capital financing, cash management and investment of Village funds, payment of bills, billing and collection of revenue, payroll and pension administration, and information technology services.

Many of the functions performed by the department represent an internal service to other departments. Additionally, the Department performs accounting and related administrative services for the Glen Ellyn Public Library and the Glenbard Wastewater Authority (GWA). A service charge representing the cost of services provided to other Village funds and these two external agencies is collected and recognized as revenue in the General Fund.

The proposed staffing complement for FY12/13 includes 5 full-time and 13 part-time employees. Departmental staff is divided into two areas including Administration and Operations and the Cashiers Office.

Administration and Operations - This segment of the department is staffed by four full-time employees including a full-time Finance Director, Assistant Finance Director, Information Technology Manager, and Accounting Specialist and one part-time Fiscal Clerk. Primary responsibilities of this area include general administration, accounting services, accounts payable, payroll processing, and information technology services.

General administration of the department is the responsibility of the Finance Director. Primary duties include the coordination and management of staff resources, coordination of the Village's annual budget process, management of the Village's independent annual financial audit, cash management and investment of Village funds, planning for long-term capital project financing, and oversight of information technology functions.

The accounting function records cash receipts and cash disbursements in accordance with established policies and procedures. The accounts payable function processes all disbursements for the Village, the Glenbard Wastewater Authority and the Glen Ellyn Public Library. Monthly financial statements are prepared and distributed to department managers for review of current spending against budgeted amounts.

Each year, in conformance with State statutes, the Village undergoes an audit of its financial statements and records by an independent audit firm for the purpose of obtaining an opinion as to whether the Village's financial statements are prepared in conformity with Generally Accepted Accounting Principles (GAAP). The department is responsible for the coordination and preparation of the Village's annual financial statements (Comprehensive Annual Financial Report or "CAFR") through its audit firm as well as preparing all documentation and records necessary to support the amounts and disclosures in the financial statements.

For the past 22 years, the Village has received recognition for its CAFR in the form of a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This program requires preparation of financial statements in accordance with detailed program criteria, which help ensure a financial report that is well organized and easily readable as well as ensuring a spirit of complete disclosure and comparability with other local government financial statements.

The Village received for the third time a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its Annual Budget for the fiscal year beginning May 1, 2011.

Cashier's Office - The Cashier's Office, located in the Civic Center lobby area, is staffed by a full-time Accounts Manager, eight part-time Fiscal Clerks and four Meter Readers. This segment of the department represents the main point of contact for many Village residents. The Cashier's Office collects and records all payments received via the mail or in person at the Civic Center as well as receiving utility bill payments electronically from an external financial institution, which performs payment processing (lockbox) services for monthly Village utility bills.

The Cashier's Office manages all facets of the Village's monthly combined utility billing program for water/sanitary sewer and residential solid waste collection services. The Village presently services approximately 8,000 water/sewer and 7,000 solid waste accounts through monthly billings and handles all related customer service and account maintenance. Additionally, the cashier's office administers the Village vehicle license program (approximately 16,000 transactions per year), the business registration program (which includes an annual fire inspection that is coordinated through the Planning and Development Department) and the parking permit renewal process which covers more than 800 customers in the Central Business District. Other transactions include the collection of building permit fees, real estate transfer tax transactions, dog licenses, parking citations and other miscellaneous fees.

Accomplishments for FY11/12

In addition to the array of services provided to other departments and the public on an ongoing basis, the department was involved in a number of significant activities and projects during the fiscal year as itemized below.

1. Excellence in Financial Reporting - For the twenty-third consecutive year, the Village's Comprehensive Annual Financial Report (CAFR) was awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA). Glen Ellyn is included among the less than 10% of local governments in Illinois who receive an unqualified audit opinion and prepare a CAFR which meet GFOA's recognition criteria.

2. Distinguished Budget Presentation Award – Received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the adopted Village Budget for the fiscal year beginning May 1, 2011.
3. Information Technology Initiatives – We continue to be very busy in areas concerning technology and our computer network to provide Village staff access to higher functioning work tools and to enhance the overall reliability and protection of network data. Highlights for the FY11/12 fiscal year include:
 - Provided significant assistance to the Fire Department:
 - Worked with Fire Department to migrate their accounting system from Quickbooks to MUNIS, a significant process and internal control improvement.
 - Phone system: Helped provide temporary phone service for the Fire Department when Fire Station 2 was hit by a lightning strike. Worked with outside vendors to identify specifications for a replacement phone system for both Fire Stations. Worked the costs down from an initial estimate of \$40,000 to \$14,000. New PBXs were installed, phones replaced, voicemail system was programmed and inbound lines were reconfigured into a circular hunt configuration.
 - Rebuilt 10 MDTs in fire vehicles, 10 PCs in the fire department, and resolved issues with Fire Department GPS units.
 - Built an inbound auto attendant using the phone system voicemail to reduce call load to the reception area. This involved programming the attendant, replacing the operator console with a standard phone, re-configuring the inbound call routing for day and night modes and recording attendant messages. Migration was done with no interruption to service.
 - Installed email archive appliance to archive all emails sent and received. Investigated several solutions and was able to identify a low cost solution (\$4200 vs. \$25,000) that meets our needs. Worked with the Village Clerk to create rule to expunge archived emails after a required retention interval.
 - Worked with the Police Department to implement new Parking Ticket System for local adjudication court process.
4. Finance Commission – Continued working with the Finance Commission to address Village long-range financial and policy issues. Prepared the five year forecast with significant revisions, changing the focus from General Fund to all governmental funds. Also modified quarterly reporting to residents to encompass all governmental funds, instead of just the General Fund.
5. Utility Bill and Forms Improvement – The Cashier's Office improved the look and readability of the Village's utility bills. Several other forms and processes were also updated for improved customer service and to enhance internal efficiency.

6. Adopted revised cash reserve policy – The cash reserve policy and definitions were updated to align existing fund balance with the source of restriction and to use understandable language.
7. Adopted revised purchasing policy – The purchasing policy was updated to increase purchasing thresholds for employees. Financial reporting and controls remain in place. These changes allow for more efficient operations.
8. Changed general billing module from an accrual base to cash. The Cashiers office created all new charge codes and parameters in MUNIS. Updated all annexation billing to one total bill. Deleted over 200 invoices and created new for all accounts.
9. Review and update billing for elevators. The cashier's office worked with Planning and Development to review all registered elevators and update billing information and codes, ensuring the proper elevator inspections were occurring and being billed for and paid.

Goals and Objectives for FY12/13

Activities of the department will continue to focus on improving and enhancing operational efficiency and effectiveness both within the department and throughout the larger organization. Some of these undertakings include:

1. Develop a comprehensive capital planning document as a supplement to the annual Village budget.
2. Publish wage and benefit information on-line in accordance with changes in state law. Additional spending information will also be made available on the Village website.
3. Improve financial reporting to residents and other stakeholders by focused reporting on government-fund basis.
4. Integrate three year operating revenue and expenditure projections into the annual budget document to expand longer term planning horizon.
5. Prepare multi-year trend analysis of key Village revenues and expenditures and integrate into financial planning tools. Improve five year forecast tool to incorporate all governmental funds.
6. Review and make recommendations for improvement of Village financial policies.
7. Continue to investigate cost effective solutions for electronic bill delivery and payment.
8. Achieve the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting, Distinguished Budget Presentation Award and Award for Outstanding Achievement in Popular Annual Financial Reporting.

GENERAL FUND
FINANCE DEPARTMENT
(122000)



Village of Glen Ellyn
FY 2012/13 Budget

| Object Code | Account Description | FY08/09 Actual | FY09/10 Actual | FY10/11 Actual | FY11/12 Revised Budget | FY11/12 Prelim. Actual | FY12/13 Budget | |
|-----------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-------------------------------|-----------------------|----------|
| Personnel Services | | | | | | | | |
| 510100 | Salaries - FT | \$ 604,114 | \$ 410,218 | \$ 376,465 | \$ 430,000 | \$ 381,578 | \$ 465,000 | |
| 510120 | Salaries - PT | - | 154,094 | 152,407 | 162,000 | 157,442 | 162,000 | |
| 510200 | Overtime | - | - | 4,356 | - | 15,799 | - | |
| 510400 | FICA | 43,904 | 40,908 | 39,196 | 45,500 | 41,026 | 47,000 | |
| 510500 | IMRF | 27,912 | 33,738 | 47,905 | 56,000 | 47,648 | 58,100 | |
| | Subtotal | 675,930 | 638,958 | 620,329 | 693,500 | 643,493 | 732,100 | 1 |
| Contractual Services | | | | | | | | |
| 520600 | Dues / Subscriptions | 1,635 | 1,972 | 1,442 | 2,000 | 1,587 | 2,400 | |
| 520620 | Employee Education | 1,112 | 617 | 1,110 | 4,100 | 3,280 | 2,100 | |
| 520625 | Travel | 769 | 955 | 958 | 1,300 | 675 | 1,100 | |
| 520630 | State Unemployment Claims | - | 23,270 | 20,477 | 25,000 | 15,871 | 25,000 | |
| 520650 | Public Notices | 3,087 | 2,254 | 2,516 | 2,800 | 2,584 | 2,700 | |
| 520825 | Audit Fees | 29,828 | 33,172 | 31,691 | 33,000 | 33,031 | 34,300 | 2 |
| 520835 | Banking Services | 12,688 | 14,021 | 13,844 | 15,000 | 11,563 | 14,000 | 3 |
| 520900 | Postage | 3,070 | 33,857 | 23,363 | 33,000 | 29,506 | 32,100 | 4 |
| 520975 | Maintenance - Equipment | 68,065 | 72,031 | 76,642 | 81,000 | 69,679 | 78,000 | 5 |
| 521055 | Professional Services / Other | 13,643 | 3,953 | 5,603 | 26,233 | 33,257 | 8,500 | 6 |
| 521195 | Telecommunications | 1,093 | 31,523 | 30,945 | 33,000 | 28,947 | 27,400 | 7 |
| 590600 | IFT / Health Insurance | 40,869 | 50,400 | 62,353 | 74,600 | 74,600 | 57,000 | |
| 590610 | IFT / Insurance - General | 4,300 | 4,700 | 6,100 | 6,200 | 6,200 | 2,500 | |
| 590650 | IFT / Equipment Service (O&M) | 3,200 | - | - | - | - | - | |
| 590655 | IFT / Equipment Service (Replace) | 3,900 | - | - | - | - | - | |
| | Subtotal | 187,259 | 272,725 | 277,044 | 337,233 | 310,780 | 287,100 | |
| Commodities | | | | | | | | |
| 530100 | Office Supplies | 7,822 | 7,286 | 5,368 | 8,000 | 6,978 | 7,000 | |
| 530105 | Operating Supplies | 11,392 | 7,985 | 11,845 | 13,000 | 10,132 | 12,000 | 8 |
| | Subtotal | 19,214 | 15,271 | 17,213 | 21,000 | 17,110 | 19,000 | |
| Capital Outlay | | | | | | | | |
| 570110 | Computer Equipment / Projects | 41,068 | 21,318 | 49,493 | 37,000 | 34,645 | 33,500 | 9 |
| 580110 | Equipment | 5,725 | - | - | - | - | - | |
| | Subtotal | 46,793 | 21,318 | 49,493 | 37,000 | 34,645 | 33,500 | |
| | TOTAL EXPENDITURES | \$ 929,196 | \$ 948,272 | \$ 964,079 | \$ 1,088,733 | \$ 1,006,028 | \$ 1,071,700 | |

BUDGET FOOTNOTES FINANCE DEPARTMENT

1. **Salaries: (\$732,100)** Salaries for FY11/12 declined due to the vacancy in the Finance Director position. Salaries for FY12/13 assume all positions will be filled. The Cashier's Office continues to operate at 10% fewer hours than in FY08/09.
2. **Audit Fees: (\$34,300)** The Village is required by State statute to have an annual audit performed by independent Certified Public Accountants. The amount budgeted for FY12/13 represents audit fees for the review of fiscal year May 1, 2011 through April 30, 2012 which is scheduled for the summer of 2012.
3. **Banking Services: (\$14,000)** Prior to FY08/09, the Village paid for its banking services through a compensating balance arrangement. Following a request for proposal process in the fall of 2008, the new banking services agreement provides for compensation through monthly charges versus the requirement to maintain a compensating balance.
4. **Postage: (\$32,100)** This account pays for all general outgoing Village postage metered at the Civic Center. Also included are postage costs for the mailing of approximately 12,000 vehicle registration applications (for approximately 16,000 vehicles) and annual business registration materials. Postage costs for the monthly water / sewer / refuse bills are budgeted in the Water & Sanitary Sewer and Residential Solid Waste Funds.

The increase in this line item since FY08/09 reflects the transfer of general metered postage from the General Services division which was closed in FY09/10.

5. **Maintenance - Equipment: (\$78,000)** Most of this line item includes annual maintenance and support costs for our financial accounting system (\$60,000). Additional costs budgeted include software maintenance for our document imaging system (\$8,500), and contracts on various departmental printers and copiers as well as licensing fees for computer network virus protection software, and network nightly back-up and monitoring software and postage meter maintenance (\$10,500).
6. **Professional Services / Other: (FY11/12 Preliminary Actual \$33,257)** Costs include additional funds for the use of temporary services as a result of the vacancies in the Finance Director and Assistant Finance Director positions.

Professional Services / Other: (FY12/13 Budgeted \$8,500) Budgeted costs include use of network consulting services on an as-needed project basis (\$4,000) and other miscellaneous professional services (\$4,500).

**BUDGET FOOTNOTES
FINANCE DEPARTMENT**

7. **Telecommunications: (\$27,400)** This line item pays for the main Village phone service (\$15,480). Additional items include leases and maintenance contracts on Civic Center and Reno Center telephone infrastructure (\$1,000), and internet service (\$8,040). These items were previously budgeted in the General Services division.

8. **Operating Supplies: (\$12,000)** This line item provides for many of the department's annual supplies and forms including decals and tags associated with vehicle, business and dog registration, real estate transfer tax decals, multi-part carbonless forms and applications, payroll and accounts payable check stock, year-end tax forms, and document publication supplies.

9. **Computer Equipment / Projects: (\$33,500)** Funds are allocated for the replacement of PCs and printers across all Village departments, which have reached the end of their useful lives and needed server replacements.

VILLAGE OF GLEN ELLYN
 FY12/13 ANNUAL BUDGET
 PERSONNEL SCHEDULE

FINANCE DEPARTMENT

| <u>Classification</u> | <u>Status</u> | <u>Salary Range*</u> | <u>FY09/10 Budgeted Employees</u> | <u>FY10/11 Budgeted Employees</u> | <u>FY11/12 Budgeted Employees</u> | <u>FY12/13 Budgeted Employees</u> |
|--|---------------|----------------------|---|---|---|---|
| Administration & Operations | | | | | | |
| Finance Director | FT | U | 1.00 | 1.00 | 1.00 | 1.00 |
| Assistant Finance Director | FT | P | 1.00 | 1.00 | 1.00 | 1.00 |
| Information Technology Manager | FT | S | 1.00 | 1.00 | 1.00 | 1.00 |
| Accounting Specialist | FT | I | 1.00 | 1.00 | 1.00 | 1.00 |
| AP Fiscal Clerk | PT | D | 0.60 | 0.60 | 0.60 | 0.60 |
| Cashier's Office | | | | | | |
| Accounts Manager | FT | J | 1.00 | 1.00 | 1.00 | 1.00 |
| Fiscal Clerk (8) | PT | D | 3.60 | 3.60 | 3.60 | 3.60 |
| Water Meter Readers (4) | PT | N/A | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> |
| TOTAL EMPLOYEES (Full-time Equivalents) | | | <u>10.20</u> | <u>10.20</u> | <u>10.20</u> | <u>10.20</u> |
| Full-time Number of Positions | | | 5 | 5 | 5 | 5 |
| Part-time Number of Positions | | | 13 | 13 | 13 | 13 |

* Information regarding salary ranges can be found in the appendix.

INSURANCE FUND

The Insurance Fund serves as a centralized cost center for the Village's health benefits plan and general liability/workers compensation insurance costs. The principle revenues of the Insurance Fund are transfers from other funds and departments based on their proportionate share of total budgeted costs.

Health Benefits Plan – The Village's health benefits plan provides medical, dental, prescription, vision, and life insurance benefits to full-time staff and to retired employees and a few others. The Glenbard Wastewater Authority and Glen Ellyn Public Library are also participants in the plan and contribute their proportionate share of budgeted costs each year. Employee participants pay 20% of the total plan costs, in addition to usage deductibles and co-payments, while retired employees pay 100% of the total budgeted cost.

Prior to January 1, 2009, the health benefits plan was a self-funded plan, whereby the Village and its participants/beneficiaries contributed the total anticipated costs of health benefit claims, "stop loss" insurance, and plan administration each year. The Village retained a health benefits consultant to perform plan analysis, benefit reviews and cost projections, and hired a third party administrator to handle the payment of claims.

Beginning January 1, 2009, the Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC), a pool of approximately 50 Illinois municipalities who have joined together as an intergovernmental cooperative for the purpose of providing economies of scale and risk pooling among its members. Participation in this program was intended to offer the Village better price stability with respect to annual changes in its insurance costs, as well as offer a greater variety of choices (including lower cost programs) to participating employees.

Liability/Workers Compensation Insurance – This category includes all other types of insurance carried by the Village, other than the employee health benefits program, and includes coverages for property, liability, auto, workers compensation, boiler, public official's liability and the like.

On January 1, 2002, the Village began pooling its general liability / workers compensation insurance coverages with the Municipal Insurance Cooperative Agency (MICA), a privately administered insurance pool consisting of 20 municipal and other local government agencies within Illinois. Prior to this, the Village participated in a similar, but much larger insurance pool, the Intergovernmental Risk Management Agency (IRMA) consisting of about 80 local government participants in the Chicago metropolitan area.

INSURANCE FUND



Village of Glen Ellyn
FY 2012/13 Budget

| Object Code | Account Description | FY08/09 Actual | FY09/10 Actual | FY10/11 Actual | FY11/12 Revised Budget | FY11/12 Prelim. Actual | FY12/13 Budget | |
|---------------------------------------|---------------------------------|---------------------|---------------------|---------------------|------------------------|------------------------|---------------------|---|
| Revenues / Inflows (6000) | | | | | | | | |
| 440600 | Health Plan Contrib. - Employee | 306,849 | 302,140 | 350,779 | 398,000 | 386,715 | 424,600 | 1 |
| 440605 | Health Plan Contrib. - Others | 143,276 | 139,640 | 138,062 | 153,000 | 178,928 | 157,000 | 1 |
| 440610 | Health Plan Contrib. - Library | 133,279 | 154,816 | 214,837 | 221,200 | 221,200 | 236,800 | |
| 440620 | Health Plan Contrib. - GWA | 129,472 | 152,290 | 209,049 | 217,500 | 217,500 | 218,600 | |
| 440630 | Medical Stop Loss Reimb. | 53,975 | - | - | - | - | - | |
| 460100 | Interest Income | 23,771 | 4,598 | 2,773 | 3,000 | 3,180 | 3,000 | |
| 480885 | IRMA Refunds | - | 141,806 | - | - | - | - | |
| 489000 | Miscellaneous Revenue | 3,857 | 22,019 | 7,146 | - | - | - | |
| 490602 | IFT / Administration | 48,820 | 34,977 | 41,064 | 42,300 | 42,300 | 44,900 | |
| 490604 | IFT / Finance | 45,169 | 55,100 | 68,453 | 80,800 | 80,800 | 59,500 | |
| 490606 | IFT / Public Works - Adm/Eng | 43,542 | 46,768 | 62,879 | 84,300 | 84,300 | 100,200 | |
| 490608 | IFT / Equipment Services | 36,657 | 43,430 | 59,929 | 63,200 | 63,200 | 58,800 | |
| 490610 | IFT / Public Works Operations | 88,207 | 112,415 | 186,222 | 169,100 | 169,100 | 107,700 | |
| 490612 | IFT / Facilities Maintenance | 11,352 | 10,611 | 13,330 | 13,400 | 13,400 | 10,800 | |
| 490614 | IFT / Police | 417,588 | 498,396 | 682,402 | 740,500 | 740,500 | 718,300 | |
| 490615 | IFT / Volunteer Fire | 78,300 | 143,200 | 208,700 | 212,400 | 212,400 | 199,100 | |
| 490616 | IFT / Planning and Development | 50,700 | 82,522 | 110,890 | 114,700 | 114,700 | 114,300 | |
| 490617 | IFT / Economic Development | - | - | - | - | - | 100 | |
| 490618 | IFT / Parking | 800 | 1,100 | 1,100 | 1,100 | 1,100 | 600 | |
| 490620 | IFT / Water | 81,026 | 78,638 | 126,521 | 115,700 | 115,700 | 98,100 | |
| 490622 | IFT / Sewer | 68,368 | 80,738 | 118,521 | 114,800 | 114,800 | 96,300 | |
| 490624 | IFT / Recreation | 94,834 | 145,800 | 202,302 | 192,500 | 192,500 | 166,900 | |
| TOTAL REVENUES | | \$ 1,859,842 | \$ 2,251,004 | \$ 2,804,959 | \$ 2,937,500 | \$ 2,952,323 | \$ 2,815,600 | |
| Expenditures / Outflows (6000) | | | | | | | | |
| Contractual Services | | | | | | | | |
| 520870 | Risk Management | 16,974 | 6,216 | 7,132 | 17,000 | 6,671 | 17,000 | 2 |
| 520885 | Liability Insurance | 545,262 | 692,790 | 608,555 | 730,000 | 530,419 | 523,000 | 3 |
| 520893 | Wellness/Health Incentives | - | 3,546 | 22,122 | 33,000 | 30,518 | 33,000 | 4 |
| 520895 | Health/Life Insurance | 2,276,136 | 1,903,919 | 1,968,258 | 2,153,000 | 2,167,747 | 2,246,000 | 5 |
| TOTAL EXPENDITURES | | \$ 2,838,372 | \$ 2,606,471 | \$ 2,606,067 | \$ 2,933,000 | \$ 2,735,355 | \$ 2,819,000 | |
| FUND INCREASE (DECREASE) | | \$ (978,530) | \$ (355,467) | \$ 198,892 | \$ 4,500 | \$ 216,968 | \$ (3,400) | |

| Available Cash Analysis (000's) | |
|-------------------------------------|-----------------|
| Available, May 1, 2011 | \$ 1,400 |
| Estimated FY12 Inflow/(Outflow) | 217 |
| Budgeted FY13 Inflow/(Outflow) | (3) |
| Projected Available, April 30, 2013 | <u>\$ 1,614</u> |

BUDGET FOOTNOTES INSURANCE FUND

1. **Employee / Retiree / Other Contributions: (\$581,600)** Full-time employees participating in the Village's health benefits plan pay for 20% of the total projected costs for the plan year by payroll deduction. Retired and separated employees choosing to continue participation in the health plan pay 100% of their budgeted costs.
2. **Risk Management: (\$17,000)** The Risk Management account funds such items as the Village's safety program, educational seminars and materials, employee assistance program, testing of various types, and equipment for the Civic Center exercise room.
3. **Liability Insurance: (\$603,000)** The Village pools its risk and liability insurance coverages with about 20 other municipal members through the Municipal Insurance Cooperative Agency (MICA). Annual premiums payable to MICA are determined through an allocation model which is based on each member's loss experience (2/3) and loss exposure (1/3) over the past four claim years.
4. **Wellness/Health Incentives: (\$33,000)** The Village's employee health plan includes a wellness checkup each fall. Employees who participate are eligible for up to \$400 in credit towards their insurance deductibles. The program encourages healthy lifestyles with the goal of reducing future health care costs. The costs of this program were previously included in the Health Benefits line item.
5. **Health Benefits / Life Insurance: (\$2,290,000)** Beginning January 1, 2009, the Village began participation in the Intergovernmental Personnel Benefit Cooperative (IPBC) as a means of better stabilizing changes in health costs. Premiums to the IPBC will increase by 1.0% for PPO health insurance and 3.6% for HMO as of July, 2012. Renewal rates include. Previously, the Village operated a protected self-insurance plan which involved securing reinsurance contracts to cover claims above established self-insured retention amounts.

