TOWN OF WATERFORD
GENERAL FUND
2024 - 2025 PROPOSED BUDGET

DEPT/AGENCY: 10112 INSURANCE

LINE ITEM	DESCRIPTION	2022/2023 ACTUAL EXPENDED	2023/2024 RTM APPROP.	2023/2024 ADDITIONAL/ TRANSFERS	ACTUAL EXPEND & ENCUMB AS OF 1/1/24	2024/2025 DEPT/ AGENCY REQUEST	2024/2025 BD OF SELECTMEN APPROVED	2024/2025 BD OF FINANCE APPROVED (3/11/24)	BOF Approved $ Increase	BOF Approved % Increase
SERVICES										
52200	WORKERS' COMPENSATION	510,371	718,436		587,711	607,941	607,941	607,941	(110,495)	-15.38%
52201	LIABILITY/AUTO/PROPERTY (LAP)	508,611	760,738		588,652	763,918	763,918	763,918	3,180	0.42%
52240	UNEMPLOYMENT COMPENSATION	11,055	10,000		581	10,000	10,000	10,000	-	0.00%
52250	DEDUCTIBLE COVERAGE	2,885	20,000		1,000	10,000	10,000	10,000	(10,000)	-50.00%
52251	HEALTHCARE	3,357,369	3,569,431		184,245	3,544,058	3,544,058	3,544,058	(25,373)	-0.71%
52252	LONG TERM DISABILITY	2,889	5,052		1,497	5,318	5,318	5,318	266	5.27%
52253	LIFE INSURANCE	20,252	22,200		8,585	20,947	20,947	20,947	(1,253)	-5.64%
	SUBTOTAL	4,413,432	5,105,857	0	1,372,271	4,962,182	4,962,182	4,962,182	(143,675)	-2.81%
DEPARTMENT TOTAL		4,413,432	5,105,857	0	1,372,271	4,962,182	4,962,182	4,962,182	(143,675)	-2.81%

BUDGET FUNCTION

The Town of Waterford is responsible for providing a variety of insurance coverage for both its employees and town departments.

- Health Insurance
- Workers' Compensation
- Liability (includes Auto & Property)
- Life Insurance
- Unemployment
- Long Term Disability

BUDGET SUMMARY

FY 2024-2025

The insurance budget for fiscal year 2024-2025 represents a decrease of $143,675 (-2.81%) over the prior year.

In the Spring of 2022, the Town went out to bid in the open market for the FY2023 policies as an opportunity to review overall coverages and premium costs. The bid resulted in the town moving to all liability, property and workers' compensation policies to Travelers. Travelers will continue to provide our insurance coverage for the FY2025.

ADDITIONAL MEDICAL INSURANCE INFORMATION

The Town of Waterford has a **Self-Funded plan** for its employee health benefits. This is a type of plan in which an employer takes on most or all of the cost of benefit claims. The insurance company manages the payments, but the employer is the one who pays the claims. The proposed budget is an estimate of what our annual medical claims are forecasted to be.

The Town also purchases **Stop-loss** insurance (also known as excess insurance). This insurance is a product that provides protection against catastrophic or unpredictable losses. It is purchased by the town to lessen the liability for large losses arising under our self-funded plan. Under a stop-loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles. The Town's stop/loss is $175,000 per individual.

Our proposed FY25 Healthcare budget also includes a **Risk Corridor** amount. We define risk corridors as the risk or possibility of our projected claims being higher than projected. We budget 25.5% of the anticipated claims to act as our insurance policy to offset any possible risk of the claims coming in higher than anticipated.

TOWN OF WATERFORD
INSURANCE BUDGET SUMMARY
2024 - 2025

LINE ITEM	COVERAGE	FY2018 ACUTAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL	FY 2024 BUDGETED	FY2025 PROPOSED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)
52200	WORKERS' COMPENSATION	704,517	695,402	713,648	657,530	677,919	510,371	718,436	607,941	(110,495)	-15.38%
52201	LIABILITY/AUTO/PROPERTY	457,590	427,302	411,011	406,751	496,149	508,611	760,738	763,918	3,180	0.42%
52240	UNEMPLOYMENT COMPENSATION	7,821	1,077	43,498	34,265	9,280	11,055	10,000	10,000	-	0.00%
52250	DEDUCTIBLE COVERAGE	39,655	26,671	48,865	4,000	14,071	2,885	20,000	10,000	(10,000)	-50.00%
52251	HEALTHCARE	3,205,084	3,417,542	3,410,686	3,398,170	3,458,563	3,357,369	3,569,431	3,544,058	(25,373)	-0.71%
52252	LONG TERM DISBILIYT	3,494	2,951	2,440	2,911	2,899	2,889	5,052	5,318	266	5.26%
52253	LIFE INSURANCE	18,811	19,866	19,736	20,444	20,294	20,252	22,200	20,947	(1,253)	-5.64%
	TOTALS	4,436,972	4,590,811	4,649,883	4,524,071	4,679,175	4,413,433	5,105,857	4,962,183	(143,674)	-2.81%

TOWN OF WATERFORD
WORKERS' COMPENSATION BUDGET SUMMARY
2024 - 2025

COVERAGE	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL	FY 2024 BUDGETED	FY2024 ACTUAL	FY2025 PROPOSED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)
PREMIUM [1]	693,728	693,696	672,889	672,830	519,820	718,436	552,674	607,941	(110,495)	-15.38%
PAYROLL AUDIT [2]	30,144	31,362	55,249	-	-	-	-	-	-	0.00%
CREDITS - POLICE OUTSIDE SERVICES/MISCELLANEOUS [3]	(19,355)	(29,656)	(14,490)	(15,300)	(9,449)	(15,000)	(8,804)	(9,000)	6,000	-40.00%
TOTALS	704,517	695,402	713,648	657,530	510,371	703,436	543,870	598,941	(104,495)	-14.85%

[1] Budget request based on 10% industry trend.

[2] No longer a separate fee for this annual audit.

[3] Vendor reimbursement from Police special duty jobs. Credit is based on FY23.

TOWN OF WATERFORD
LIABILITY, AUTO, PROPERTY
2024 - 2025

COVERAGE	FY2018 ACUTAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL	FY 2024 BUDGETED	FY2024 ACTUAL	FY2025 PROPOSED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)
LIABILITY/AUTO/PROPERTY (LAP) PREMIUM	421,676	394,898	367,559	360,639	371,282	393,001	643,094	539,605	607,056	(36,038)	-5.60%
TAX COLLECTOR BOND	572	572	572	572	572	572	572	572	572	-	0.00%
TREASURER BOND	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	1,070	-	0.00%
MACHINERY	5,852	6,013	14,212	15,003	14,747	10,500	14,424	14,424	16,227	1,803	12.50%
VACANT PROPERTY	1,948	682	737	763	803	827	878	1,967	2,213	1,335	152.16%
CRIME	1,612	1,612	4,032	4,444	4,444	4,668	4,828	14,004	15,755	10,926	226.31%
POLLUTION (UST)	1,839	1,504	1,951	2,031	1,975	1,766	1,819	12,736	14,328	12,509	687.69%
RISK MANAGEMENT ADVISOR	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	-	0.00%
ADDITIONAL ENDORSEMENTS (ESTIMATE)	2,550	537	238	3,641	3,000	10,434	3,100	6,776	7,000	3,900	125.81%
CYBER SECURITY					77,273	64,772	69,954	69,954	78,698	8,744	12.50%
PRIOR YEAR CREDITS	(529)	(586)	(360)	(2,412)	(17)	-	-	-	-	-	#DIV/0!
TOTALS	457,590	427,302	411,011	406,751	496,149	508,611	760,738	682,108	763,918	3,180	0.42%

Renewal quotes not available until early June 2024. Budget request based on industry trend (12.5%)

TOWN OF WATERFORD
UNEMPLOYMENT COMPENSATION
2024 - 2025

COVERAGE	FY2018 ACUTAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY 2023 ACTUAL	FY 2024 BUDGETED	FY 2025 PROPOSED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)
UNEMPLOYMENT COMPENSATION [1]	7,821	1,077	43,498	34,265	9,280	11,055	10,000	10,000	-	-
TOTALS	7,821	1,077	43,498	34,265	9,280	11,055	10,000	10,000	-	-

Three-Year Average

[1] Proposed budget includes an established funding level to reflect the last several year's downward trend.

Note that the Town pays directly for the unemployment benefits paid to former employees; therefore, expenditures can vary significantly from year to year.

TOWN OF WATERFORD
LONG-TERM DISABILITY
2024 - 2025

COVERAGE	FY2018 ACUTAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL	FY2024 BUDGETED	FY2025 PROPOSED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)
LONG-TERM DISABILITY	3,494	2,951	2,440	2,911	2,899	2,889	5,052	5,318	266	5.26%
TOTALS	3,494	2,951	2,440	2,911	2,899	2,889	5,052	5,318	266	5.26%

In accordance with the collective bargaining agreement between the Town of Waterford and the General Government Administrators, the Town shall provide up to 50% of the cost of long-term disability insurance, with the remaining 50% being the responsibility of the employee. The Town's 50% match is capped to a premium liability of not more than $250 per month. The Town currently has 21 eligible employees. The FY 24 budget includes costs for 20 employees.

TOWN OF WATERFORD
LIFE INSURANCE
2024 - 2025

COVERAGE	FY2018 ACUTAL	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 ACTUAL	FY2024 BUDGETED	FY2025 PROPOSED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ (DECREASE)
LIFE INSURANCE	18,811	19,886	19,736	20,444	20,294	20,252	22,200	20,947	(1,253)	-5.64%
TOTALS	18,811	19,886	19,736	20,444	20,294	20,252	22,200	20,947	(1,253)	9.62%

All full-time employees of the Town of Waterford are eligible for a group term life insurance based on their collective bargaining agreement. In addition, all employees (except members of 1301) are eligible for accidental death and dismemberment. The level of benefit follow.

Presently, there are 185 employees covered under the plan, 85 have additional coverage for accidental death/disability. Life insurance is at a rate of $.12 per $1,000 of benefit and accidental death/disability coverage is at $.02 per $1,000 of benefit.

TOWN OF WATERFORD
HEALTH INSURANCE FUND ANALYSIS
2024-2025 FISCAL YEAR BUDGET

ITEM	DESCRIPTION	TOWN	BD OF ED	TOTAL	NOTES
	Projected percent of expenditures	34.09%	65.91%	100.00%	
1	Expected paid claims for contract period @100%	$ 3,405,113	$ 6,583,486	$ 9,988,599	Projection THRU OCT 23
2	Administrative Fees/Network Access Fees	$ 70,184	$ 135,694	$ 205,878	Projection FY 24
3	Stop Loss	$ 1,608,066	$ 3,109,054	$ 4,717,120	Projection FY 24
	Note: Includes ISL at $175K and ASL at 125%				
	Estimated Stop Loss Excess	$ -	$ -	$ -	
4	PCORI	$ 1,541	$ 2,979	$ 4,520	
5	**TOTAL 2024-25 PROJECTED EXPENDITURES**	**$5,084,904**	**$9,831,213**	**$14,916,117**	
6	Premiums to be collected from COBRA and "Other" participants	$ 132,641	$ 292,614	$ 499,403	from HR
7	Employee Premium Shares	$ 622,915	$ 1,561,226	$ 1,939,829	from HR and BOE finance
8	Due From Sewer Enterprise Fund	$ 355,263	n/a	$ 305,402	from HR
9	Due From Town Retirement Budget	$ 429,140	n/a	$ 429,140	matches retirement budget #
10	Due From Employer Share Food Service	n/a	$ 119,893	$ 118,326	from BOE finance
11	Due From Employee Share Food Service	n/a	$ 27,615	$ 25,862	from BOE finance
12	Due from Teachers' Retirement	n/a	$ 113,985	$ 56,984	from TRB
13	Projected Investment Earnings/Miscellaneous	$ 2,500	$ 2,500	$ 5,000	
16	**TOTAL PROJECTED FUNDING OFFSETS**	**$ 1,542,459**	**$ 2,117,833**	**$ 3,379,946**	
17	**TOTAL PROJECTED EXPENDITURES**	**$3,542,445**	**$7,713,380**	**$11,536,171**	
FUND BALANCE PROJECTION					
18	**Fund Balance as of 06/30/2024**	**$ 1,928,170**	**$ 3,727,946**	**$ 5,656,116**	

CURRENT YEAR ESTIMATED					
19	Amoritzation of Fund Balance FY 2024	$ (160,681)	($310,662)	($471,343)	Based on Budget for 2024
20	**ESTIMATED Fund Balance as of 06/30/2025**	**$ 1,767,489**	**$ 3,417,284**	**$ 5,184,773**	
21	Risk Corridor @ 25.5% of Line 1	$ 868,304	$ 1,678,789	$ 2,547,093	
22	Fund balance over Risk Corridor	$ 899,185	$ 1,738,495	$ 2,637,680	
23	Amortization of Fund balance over/(under) Risk Corridor (Line 22 above)	$ 299,728	$ 579,498	$ 879,226	
24	**Total Funding Offsets and Funding Requirement**	**3,242,717**	**7,133,882**	**10,376,599**	
25	**Transfer to Healthcare Fund (Line 15 - Line 19)**	**$ 3,242,717**	**$ 7,133,882**	**$ 10,376,599**	
26	Payments in Lieu of Insurance	$ 18,000	$ 20,950	$ 38,950	Per estimate provided by Karen
27	Services of Agent of Record	$ 15,341	$ 29,660	$ 45,000	Assuming no increase
28	HSA Contribution	$ 268,000	$ 622,534	$ 890,534	Per estimate provided by Karen and Christine
29	**Health Insurance Appropriation-2024-2025**	**$ 3,544,058**	**$ 7,807,026**	**$ 11,351,083**	
30	Appropriated 2023-2024 Budget	$ 3,569,431	$7,484,151	$11,053,582	
31	Increase/(Decrease)	(25,373)	322,875	297,501	
32	Percent Increase/Decrease	-0.71%	4.31%	2.69%	

Insu ce
Actual Expenditures

FY-2024 Month	Wk. Comp Premium	Vendor Reimb.	Net Premium	LAP Insurance	Unemp. Comp.	Deductable Coverage	Healthcare	Long-term Disability	Life Insurance	Total
Jul-23	$0.00	($391.61)	($391.61)	$1,680.00	$0.00	$0.00	$164,841.50	$249.95	$0.00	$166,379.84
Aug-23	$551,662.57	($1,011.43)	$550,651.14	$570,189.00	$0.00	$0.00	$6,306.92	$244.25	$1,679.98	$1,129,071.29
Sep-23	$0.00	($562.80)	($562.80)	$324.00	$569.64	$1,000.00	$0.00	$192.30	$1,678.98	$3,202.12
Oct-23	$842.54	($188.76)	$653.78	$14,558.50	$11.00	$0.00		$253.47	$1,745.58	$17,222.33
Nov-23	$253.58	$0.00	$253.58	$0.00	$0.00	$0.00			$1,737.92	$1,991.50
Dec-23			$0.00							$0.00
Jan-24			$0.00							$0.00
Feb-24			$0.00							$0.00
Mar-24			$0.00							$0.00
Apr-24			$0.00							$0.00
May-24			$0.00							$0.00
Jun-24			$0.00							$0.00
	$552,758.69	($2,154.60)	$550,604.09	$586,751.50	$580.64	$1,000.00	$171,148.42	$939.97	$6,842.46	$1,317,867.08

FY-2023 Month	Wk. Comp Premium	Vendor Reimb.	Net Premium	LAP Insurance	Unemp. Comp.	Deductable Coverage	Healthcare	Long-term Disability	Life Insurance	Total
Jul-22	$501.00	($527.93)	($26.93)	$0.00	$0.00	$0.00	$165,049.25	$289.07	$1,685.18	$166,996.57
Aug-22	$129,831.68	($793.26)	$129,038.42	$400,036.77	$0.00	$1,000.00	$2,031.42	$256.60	$1,680.38	$534,043.59
Sep-22	$129,828.48	($1,275.90)	$128,552.58	$35,652.36	$0.00	$0.00	$2,409.83	$240.54	$1,680.30	$168,535.61
Oct-22	$0.00	($1,026.13)	($1,026.13)	$356.50	$10,116.47	$0.00	$400.39	$200.76	$1,638.30	$11,686.29
Nov-22	$0.00	($1,022.80)	($1,022.80)	$1,406.00	$0.00	$1,082.20	$7,954.99	$190.24	$1,671.30	$11,281.93
Dec-22	$129,828.48	($849.40)	$128,979.08	$34,124.36	$368.00	$0.00	$82,993.34	$243.57	$1,693.50	$248,401.85
Jan-23	$0.00	($557.88)	($557.88)	$627.50	$0.00	$0.00	$3,078,987.40	$241.72	$1,694.30	$3,080,993.04
Feb-23	$0.00	($334.64)	($334.64)	$174.50	$48.00	$0.00	$3,031.88	$257.05	$1,671.34	$4,848.13
Mar-23	$129,828.48	($245.53)	$129,582.95	$35,005.86	$0.00	$0.00	$6,116.50	$237.50	$1,676.72	$172,619.53
Apr-23	$0.00	($611.58)	($611.58)	$186.50	$0.00	$0.00	$1,645.58	$196.86	$1,689.38	$3,106.74
May-23	$0.00	($474.55)	($474.55)	$1,013.50	$523.00	$0.00	$666.66	$265.14	$1,758.44	$3,752.19
Jun-23	$0.00	($1,727.69)	($1,727.69)	$27.54	$0.00	$803.00	$6,081.37	$270.27	$1,712.78	$7,167.27
	$519,818.12	($9,447.29)	$510,370.83	$508,611.39	$11,055.47	$2,885.20	$3,357,368.61	$2,889.32	$20,251.92	$4,413,432.74

Insu ce
Actual Expenditures

FY-2022 Month	Wk. Comp Premium	Vendor Reimb.	Net Premium	LAP Insurance	Unemp. Comp.	Deductable Coverage	Healthcare	Long-term Disability	Life Insurance	Total
Jul-21	$0.00	($1,364.64)	($1,364.64)	$118,267.00	$0.00	$0.00	$167,178.83	$249.83	$1,708.20	$286,039.22
Aug-21	$173,254.40	($2,180.53)	$171,073.87	$93,712.75	$0.00	$0.00	$1,486.37	$249.93	$1,675.40	$268,198.32
Sep-21	$0.00	($2,484.43)	($2,484.43)	$0.00	$0.00	$0.00	$3,130.82	$249.93	$1,675.40	$2,571.72
Oct-21	$173,253.76	($1,976.66)	$171,277.10	$95,854.75	$0.00	$8,914.50	($396.40)	$249.93	$1,689.80	$277,589.68
Nov-21	$0.00	($1,621.63)	($1,621.63)	$26.00	$0.00	$1,085.50	$2,173.62	$249.93	$1,689.80	$3,603.22
Dec-21	$173,253.76	($874.01)	$172,379.75	$93,712.75	$0.00	$40.00	$979.05	$236.99	$1,653.00	$269,001.54
Jan-22	$0.00	($175.35)	($175.35)	($161.00)	$0.00	$0.00	$3,260,181.38	$226.03	$1,671.80	$3,261,742.86
Feb-22	$0.00	($334.47)	($334.47)	$0.00	$2,837.86	$45.32	$2,166.66	$258.87	$1,704.60	$6,678.84
Mar-22	$0.00	($700.66)	($700.66)	$0.00	$2,333.00	$2,485.00	$2,659.83	$262.66	$1,727.80	$8,767.63
Apr-22	$173,256.76	($663.88)	$172,592.88	$94,641.75	$4,086.73	$1,000.00	($117.59)	$247.18	$1,689.68	$274,140.63
May-22	$0.00	($1,098.17)	($1,098.17)	$0.00	$22.30	$0.00	$5,673.59	$238.78	$1,704.98	$6,541.48
Jun-22	$0.00	($1,625.40)	($1,625.40)	$95.00	$0.00	$500.00	$13,446.84	$179.08	$1,703.98	$14,299.50
	$693,018.68	($15,099.83)	$677,918.85	$496,149.00	$9,279.89	$14,070.32	$3,458,563.00	$2,899.14	$20,294.44	$4,679,174.64

FY-2021 Month	Wk. Comp Premium	Vendor Reimb.	Net Premium	LAP Insurance	Unemp. Comp.	Deductable Coverage	Healthcare	Long-term Disability	Life Insurance	Total
Jul-20	$168,207.98	($711.57)	$167,496.41	$179,213.61	$0.00	$0.00	$243,800.25	$249.87	$3,365.44	$594,125.58
Aug-20	$0.00	($1,716.54)	($1,716.54)	$0.00	$13,799.00	$0.00	$1,056.25	$249.87	$0.00	$13,388.58
Sep-20	$168,207.34	($1,551.00)	$166,656.34	$89,101.84	$0.00	$0.00	$4,993.17	$249.87	$3,372.64	$264,373.86
Oct-20	$0.00	($1,953.66)	($1,953.66)	$2,542.00	$1,314.00	$0.00	$4,143.98	$786.58	$1,703.12	$8,536.02
Nov-20	$0.00	($1,107.97)	($1,107.97)	$0.00	$0.00	$0.00	$1,614.75	($286.84)	$0.00	$219.94
Dec-20	$168,207.34	($1,023.54)	$167,183.80	$89,101.84	$0.00	$0.00	$28,655.22	$249.87	$1,771.32	$286,962.05
Jan-21	$0.00	($94.19)	($94.19)	$655.00	$2,037.92	$0.00	$2,529.66	$249.87	$3,427.44	$8,805.70
Feb-21	$0.00	($371.92)	($371.92)	$572.00	$6,510.45	$0.00	$2,883,320.96	$249.87	$1,676.52	$2,891,957.88
Mar-21	$0.00	($648.22)	($648.22)	$89,101.84	$5,309.82	$0.00	$1,883.96	$249.87	$1,709.32	$97,606.59
Apr-21	$168,207.34	($941.15)	$167,266.19	$1,135.22	$920.50	$0.00	$1,595.84	$212.07	$1,709.32	$172,839.14
May-21	$0.00	($1,999.03)	($1,999.03)	$3,641.00	$1,705.88	$2,000.00	$5,420.05	$229.21	$1,709.32	$12,706.43
Jun-21	$0.00	($3,181.57)	($3,181.57)	($48,313.50)	$2,667.82	$2,000.00	$219,155.91	$220.64	$0.00	$172,549.30
	$672,830.00	($15,300.36)	$657,529.64	$406,750.85	$34,265.39	$4,000.00	$3,398,170.00	$2,910.75	$20,444.44	$4,524,071.07