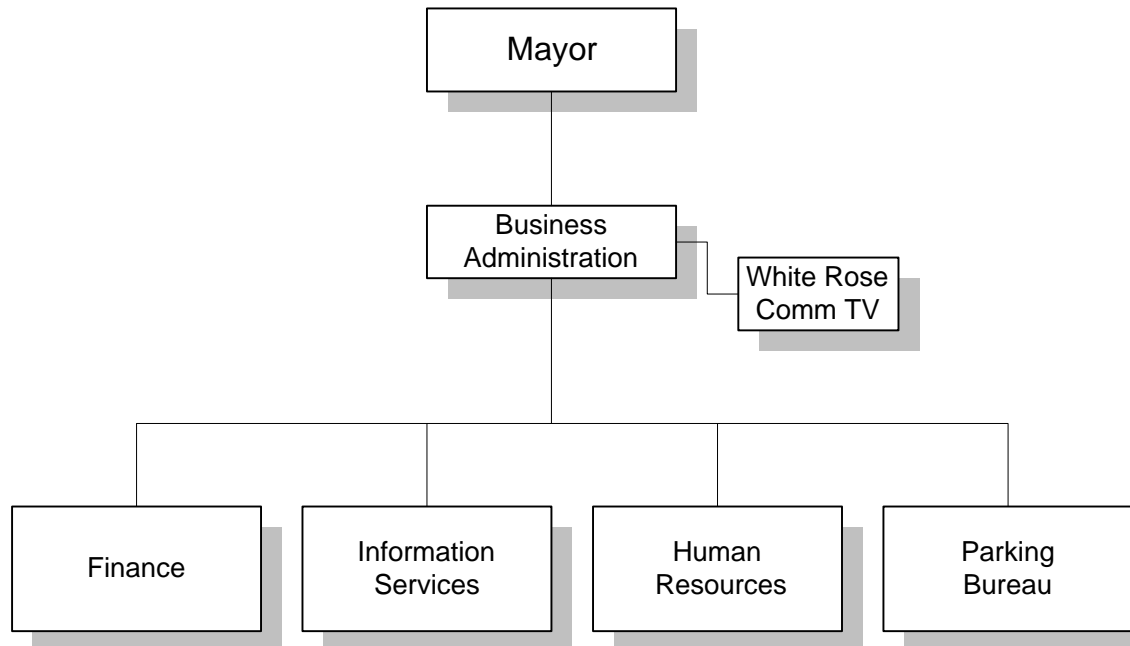




# 2011 BUDGET

## DEPARTMENT OF BUSINESS ADMINISTRATION



# Internal Services

What is it?

Why do we need it?

How does it work?

# What is it?

Internal Services is comprised of five areas in the Department of Business Administration.

Business Administration   Human Resources

Risk Management   Central Services   Information Services

The services provided by these areas are beneficial to every department in the City.

# Why do we need it?

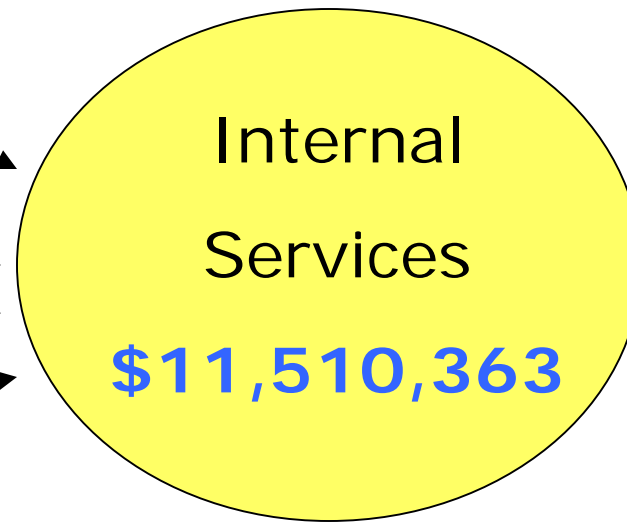
Sharing the cost of operating Internal Services using the allocation methods described later:

- Distributes the burden in a manner that is fair and equitable
- Ensures that the City is reimbursed for the cost associated with employees paid from various funds and grants
- Reflects an accurate picture of the “true” cost of an employee

# How does it work?

## EXPENSE

- Business Administration
- Human Resources
- Risk Management
- Central Services
- Information Services



## REVENUE

All Departments All Funds

# Business Administration

- The Business Administrator is the Chief Administrative Officer of the City.
- The budget for Business Administration totals  
\$1,193,323  
\$ 61,579 is charged to General Fund  
\$ 150,572 is charged to WRTC  
**\$ 981,172 is charged to Internal Services.**
- The O & E Pension contribution of \$759,447 is paid from this budget.
- The remainder covers salaries for the Business Administrator and the Grant Coordinator along with normal office expenses.

# Business Administration

- The budget for Business Administration also includes Special Projects \$189,000 and 2010 Bond Issue Project \$515,000

# Human Resources

- All aspects of employee relations are handled by Human Resources.
- The budget for Human Resources is entirely paid from Internal Services and totals **\$477,593**.
- The salaries for the Deputy B.A. of Human Resources, Benefit Coordinator, H.R. Specialist and Administrative Assistant along with arbitration costs, employee benefit audit and advertising are contained in the Human Resources budget.



# Risk Management

- Risk Management is by far the largest component of Internal Services totaling **\$8,750,500**

- Health/Dental/Vision Insurance Paid Claims
- Life Insurance
- Stop Loss Insurance
- Health Administrative
- Workers' Comp Insurance
- Unemployment Insurance
- Property Insurance

- Prescription Paid Claims
- Self Insured Losses
- Bond Insurance
- General Liability Insurance
- Police Profession Liability Insurance
- Public Official Insurance
- Auto Insurance

# Central Services

- The Central Services budget was established to cover items that are used City-wide.
- The budget includes items such as postage, telephones, wireless communications, envelopes, janitorial supplies as well as one Administrative Support person.
- The budget is **\$643,815.**

# Information Services

- Management of the City's information system and information technology including the electronic mail, calendar system, Internet and Intranet web sites are the primary responsibility of Information Services.
- They handle the administration, growth and maintenance of the city's network including all aspects of both hardware and software.
- The entire cost of this division totals

**\$645,283**

# Allocation Methods

The method used for allocating the cost varies depending upon many factors such as who benefits from the service, job classifications, bargaining unit affiliation, etc.

# Business Administration ALLOCATION METHOD

Total cost of Business Administration	\$981,172
Minus the O&E MMO payment	<u>- 759,447</u>
	\$221,725

Divided by the number of employees / 419

Cost per employee \$ 529

O&E MMO payment / O&E employees = \$3,669 additional

# Human Resources ALLOCATION METHOD

Total cost of Human Resources	\$447,593
(excluding \$30,000 civil services)	
Divided by the number of employees /	<hr/> 419
Cost per employee	\$1,068

# Central Services ALLOCATION METHOD

Total cost of Central Services		\$643,815
Divided by the number of employees	/	<u>419</u>
Cost per employee		\$ 1,537

# Information Services ALLOCATION METHOD

Total cost of Information Services \$645,283

Divided by the number of users / 224

Cost per user \$ 2,881



# Risk Management ALLOCATION METHODS

Risk Management is allocated using various methods depending upon the type of insurance and the employee/retiree involved.

Health/Dental/Vision Claims

Life Insurance

Stop Loss Insurance

Health Administrative

Workmens Comp Insurance

Unemployment Insurance

Prescription Claims

Self Insured Losses

Bond Insurance

General Liability

Police Profession

Public Officials

*The cost per insurance type is calculated individually.*

# Health/Dental Vision Insurance

The cost of [Health/Dental/Vision](#) is calculated by using the amount per year for the last 5 years per location –the high and low years are removed – figure what proportion each location used of the total amount spent. The proportion is divided among locations for the budget year divided by the number of covered employees. The cost is reduced by the anticipated revenue for premiums and Cobra payments.

The budget year amount is projected using straight line analysis & % of inflation predicted for the current claims.

Location = 5 unions, Non-affiliated, retirees grouped by benefits/age

# Life Insurance

# Stop/Loss Insurance

**Life Insurance** is calculated based on the premium per thousand dollars of insurance per employee.

**Stop/Loss Insurance** is based on the projection of the Third Party Administrator

# Health Administrative

## Workmens Compensation Insurance

**Health Administrative** is mandated by the contract with Blue Cross

**Workmens Compensation** premium is based on the anticipated salary in each classification multiplied by the risk factor associated.

# Unemployment Insurance

## Prescription Paid Claims

**Unemployment Insurance** is budgeted based on the number of employees anticipated to be receiving benefits in 2011. Benefits are based on salary.

**Prescription Paid Claims** are budgeted using a combination of % increase predicted plus a straight line analysis. Extra weight is placed on the most recent year.

# General Liability Insurance

## Police Professional & Public Officials

**General Liability Insurance** is calculated by dividing the premium by the number of employees.

**Police Professional** is based on the premium and deductibles and charged directly to the Police Budget.

**Public Officials** is based on the premium for the term year and charged to the associated departments.

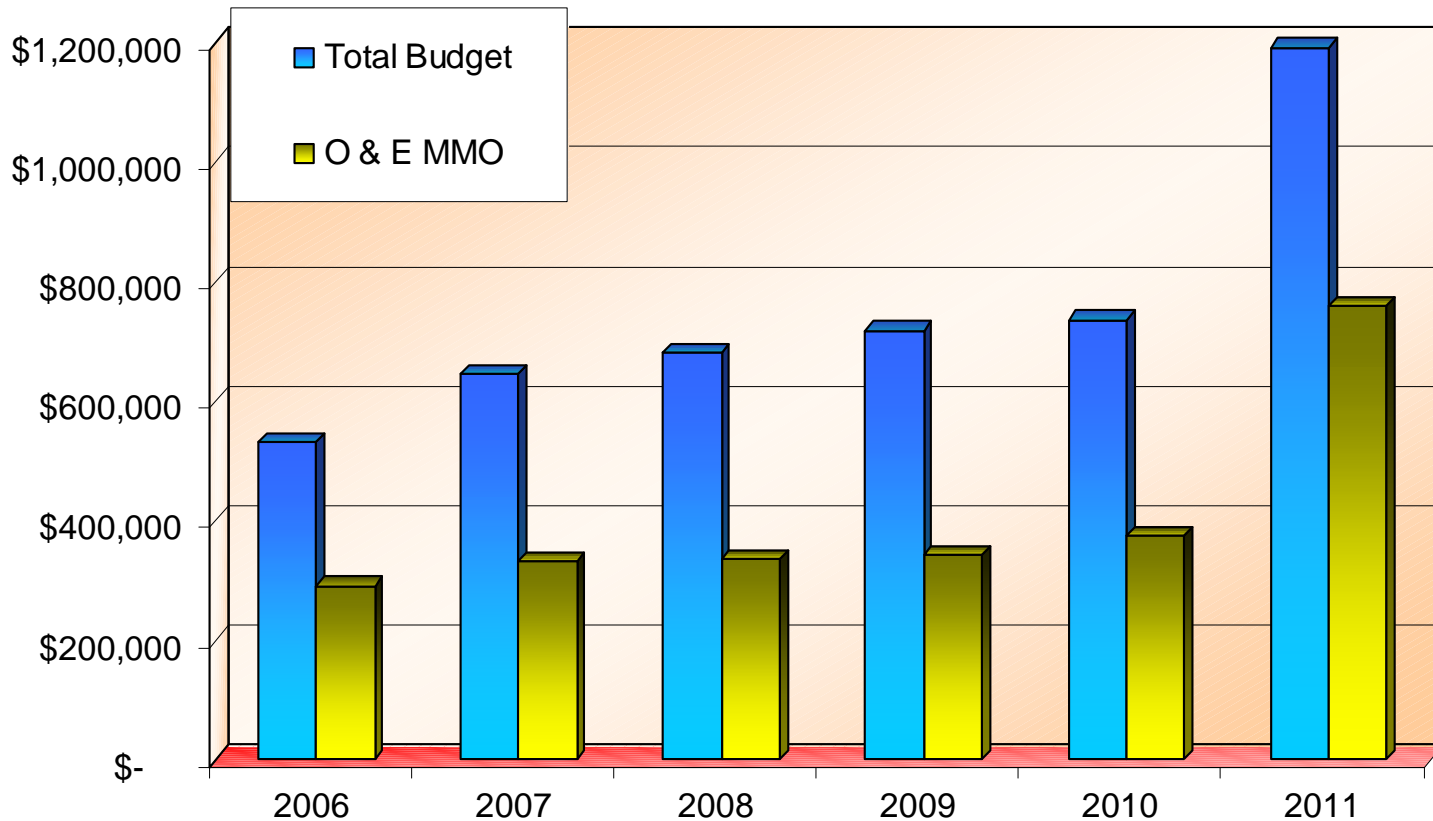
# Allocations

All allocations methods and calculations are built in to the Budget Based Accounting System. The associated costs are automatically distributed to the correct line item in each department. The allocations are based on the employee payroll allocations.

The Budget Based Accounting System has taken a very cumbersome calculation and turned it in to a one button operation that benefits the City tremendously when dealing with funds and grants.

# Business Administration

	Total Budget	O & E MMO
2006	\$ 531,359	291,572
2007	\$ 645,049	331,360
2008	\$ 683,192	335,270
2009	\$ 719,028	344,088
2010	\$ 737,122	376,684
2011	\$ 1,193,323	759,447

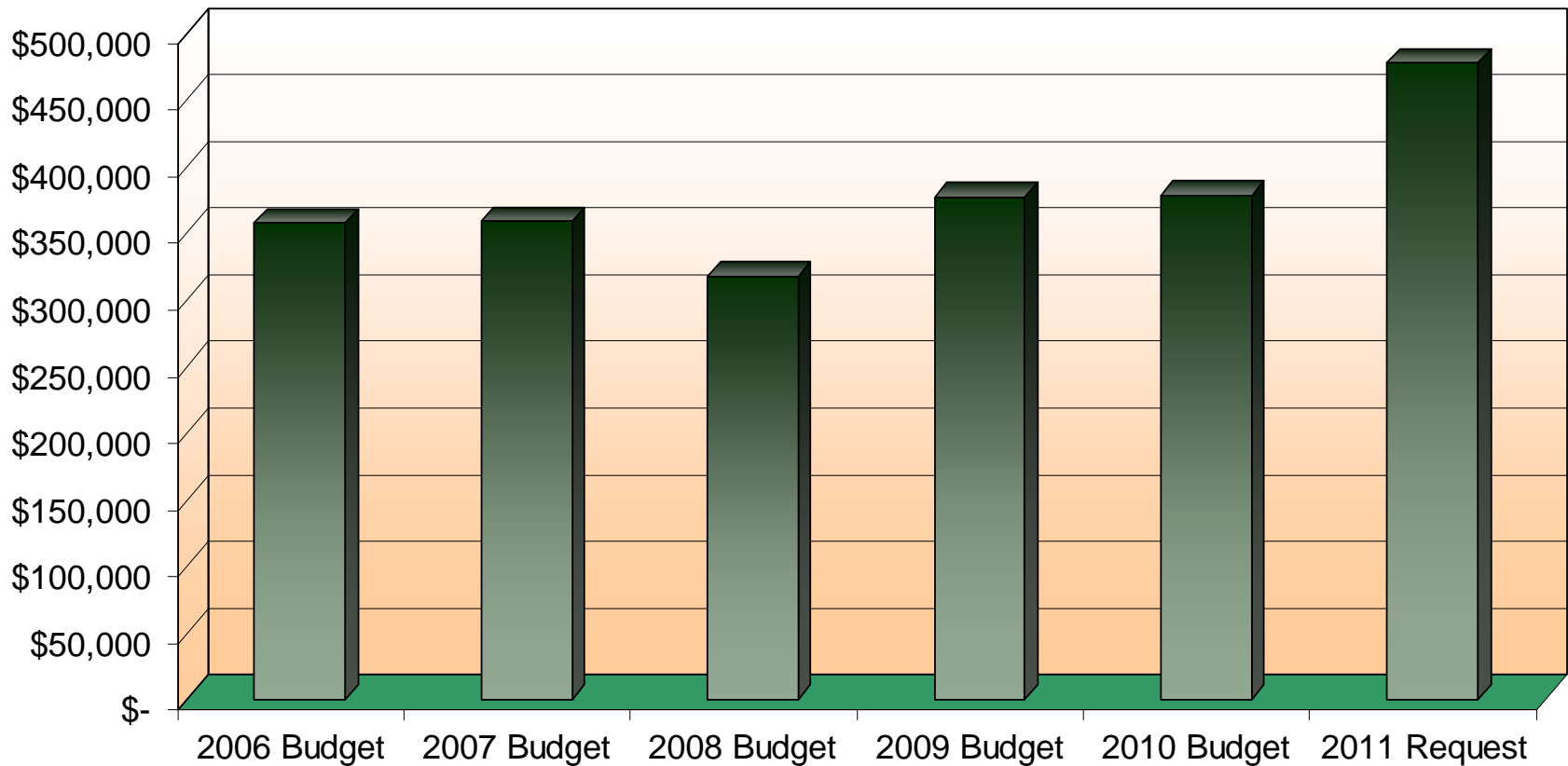




# Human Resources

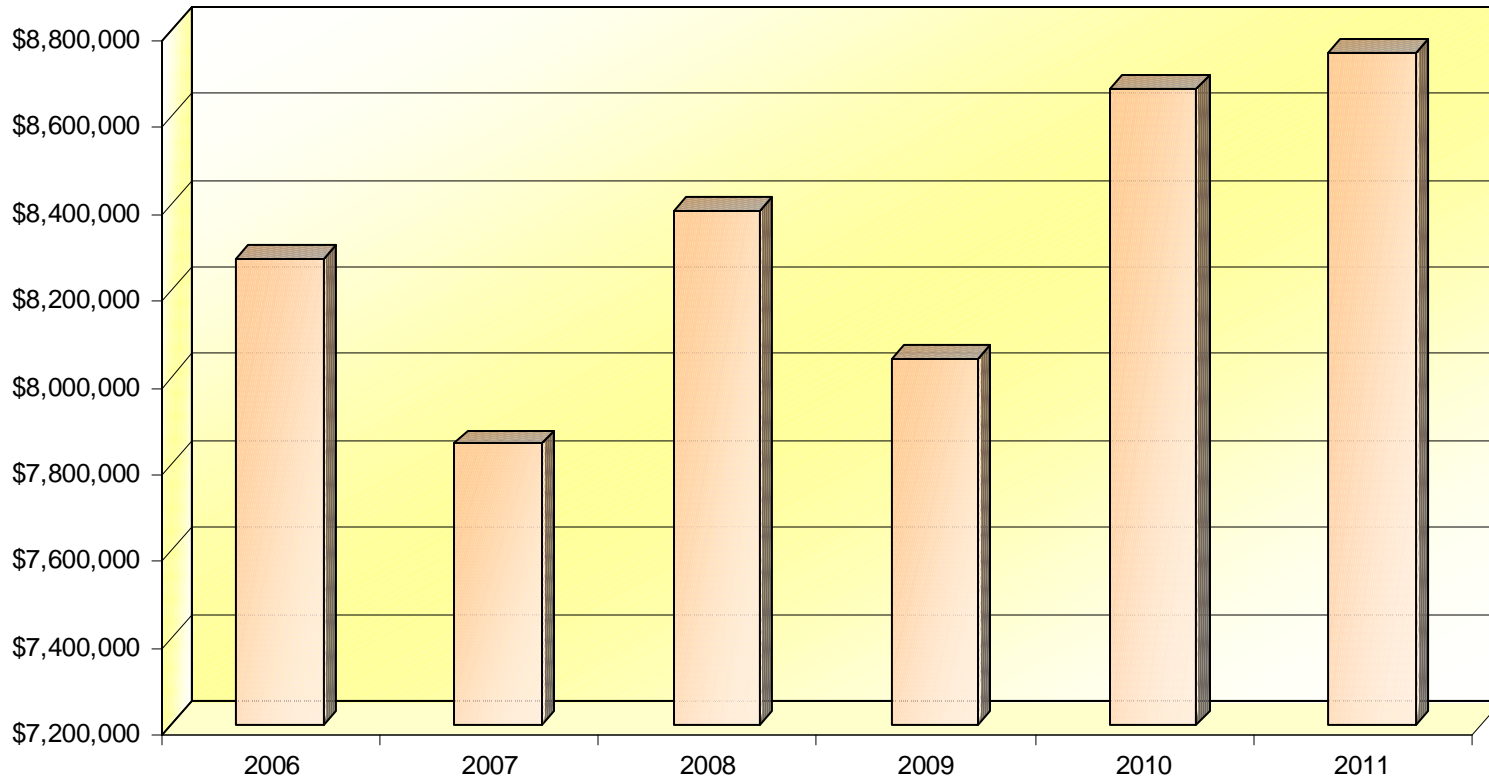
## Total Budget

2006 Budget	\$	357,568
2007 Budget	\$	358,829
2008 Budget	\$	317,645
2009 Budget	\$	377,048
2010 Budget	\$	378,276
2011 Request	\$	477,593



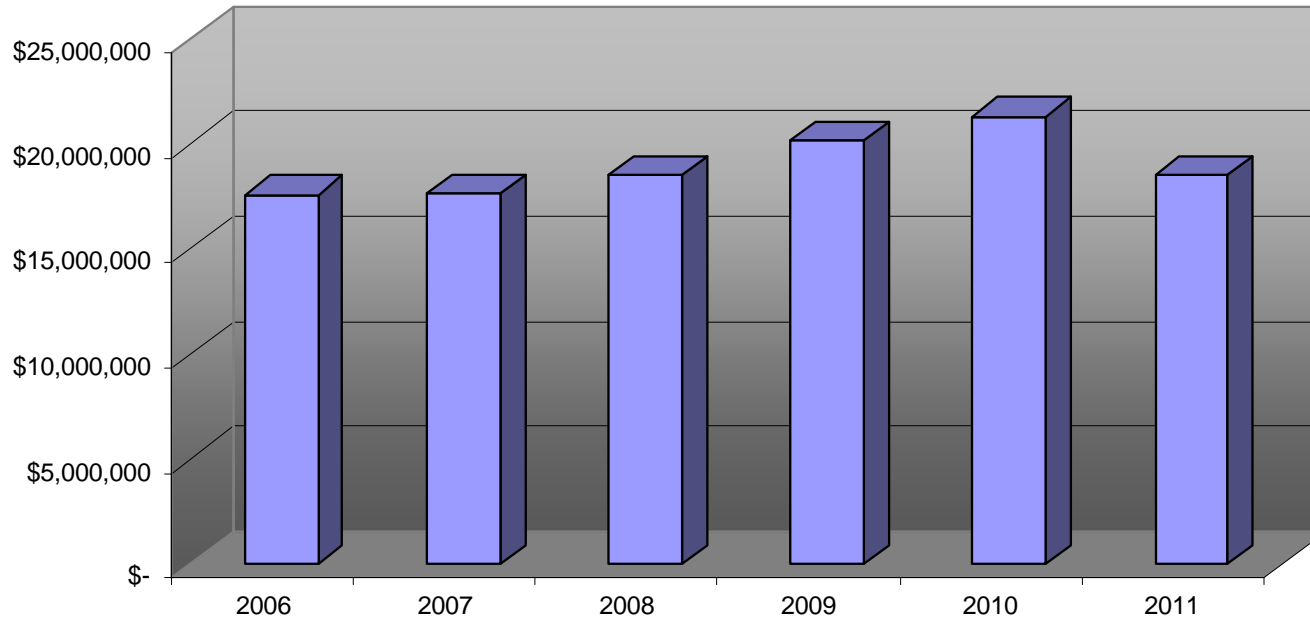
# Risk Management

	Total Budget
2006	\$ 8,275,588
2007	\$ 7,847,918
2008	\$ 8,386,016
2009	\$ 8,045,400
2010	\$ 8,665,500
2011	\$ 8,750,500



# Finance

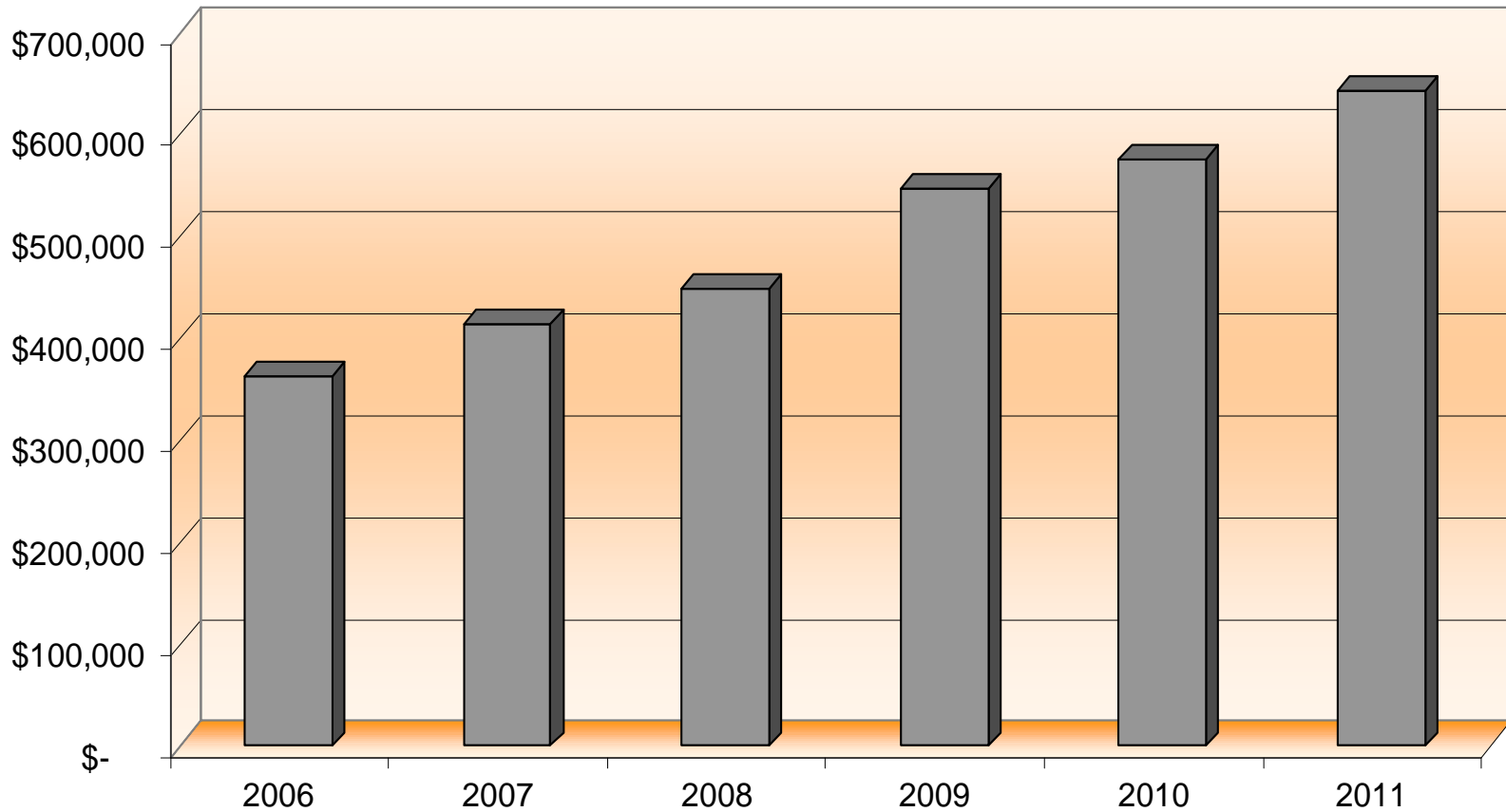
	Total Budget
2006	\$ 17,608,720
2007	\$ 17,622,584
2008	\$ 18,552,412
2009	\$ 20,209,531
2010	\$ 21,332,997
2011	\$ 18,566,265



# Central Services

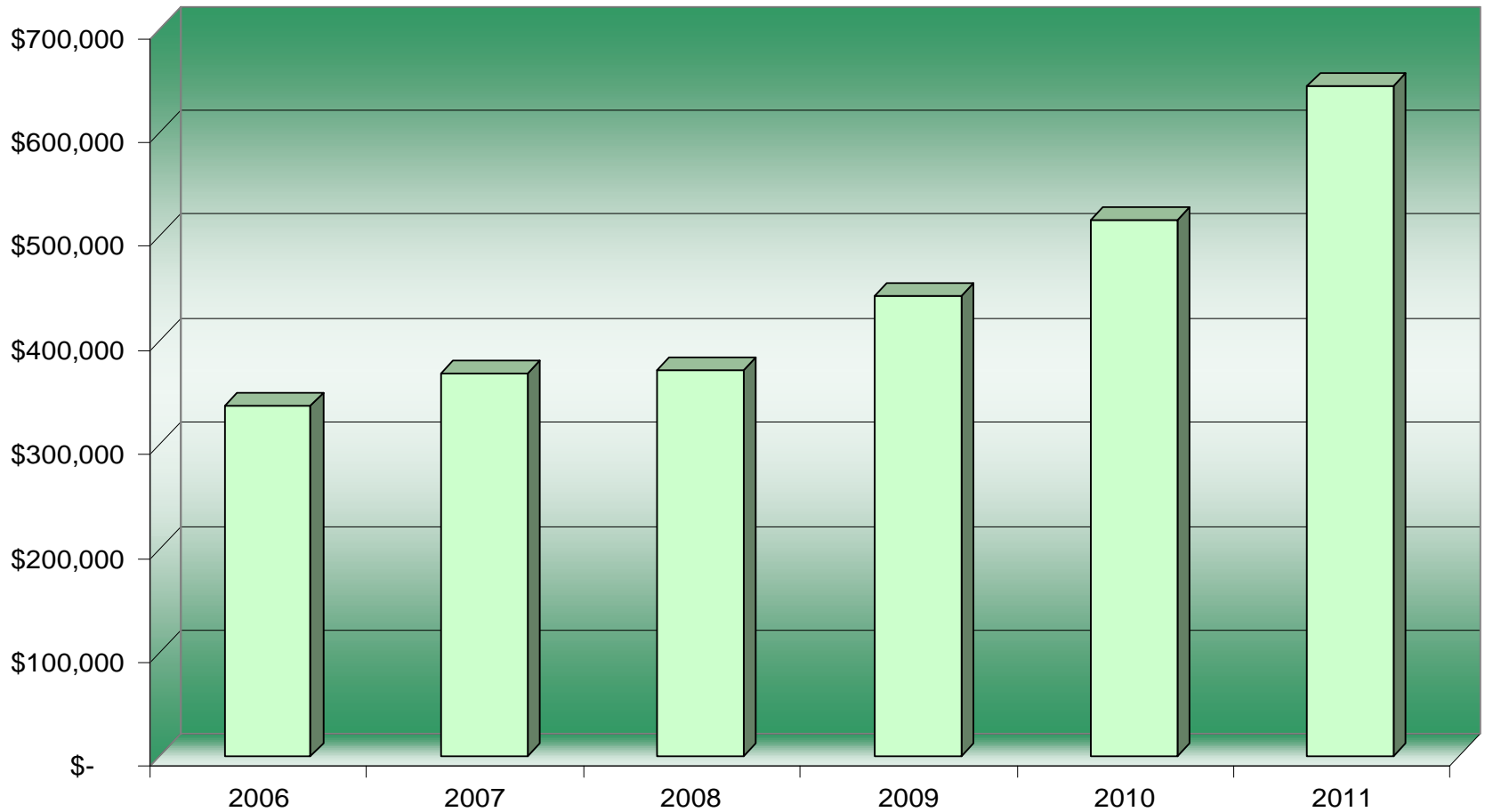
## Total Budget

2006	\$	363,457
2007	\$	413,618
2008	\$	448,888
2009	\$	548,144
2010	\$	576,549
2011	\$	643,815



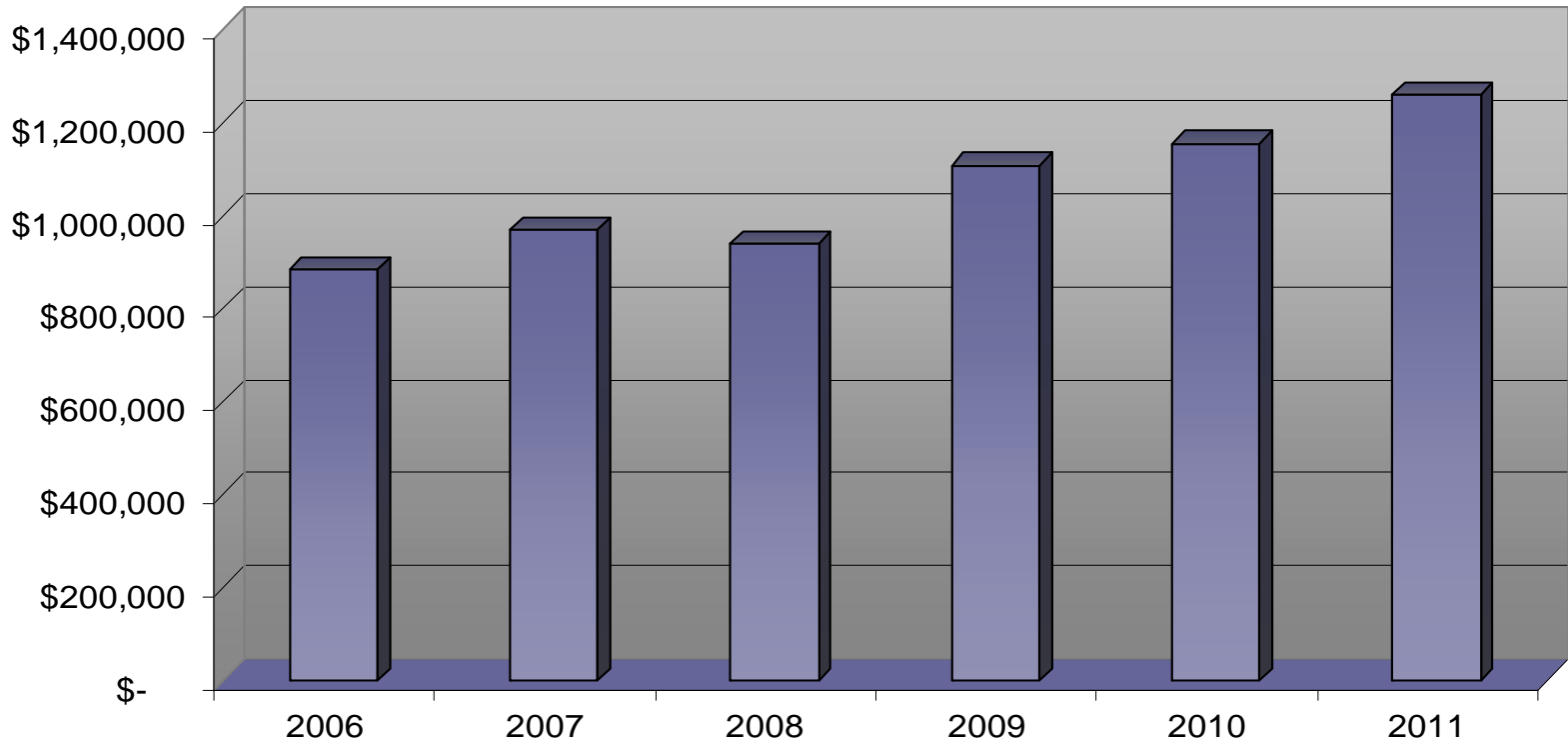
# Information Services

	Total Budget
2006	\$ 338,057
2007	\$ 368,392
2008	\$ 371,137
2009	\$ 443,343
2010	\$ 516,282
2011	\$ 645,283



# Parking

	Total Budget
2006	\$ 884,819
2007	\$ 969,873
2008	\$ 937,753
2009	\$ 1,108,014
2010	\$ 1,153,657
2011	\$ 1,257,464



# Department of Business Administration

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Business Administration	531,359	645,049	683,192	719,028	737,122	1,193,323
Human Resources	357,568	358,829	317,645	377,048	343,276	477,593
Risk Management	8,275,588	7,847,918	8,386,016	8,045,400	8,665,500	8,750,500
Finance	17,608,720	17,622,584	18,552,412	20,209,531	21,332,997	18,566,265
Central Services	363,457	413,618	448,888	548,144	576,549	643,815
Information Services	338,057	368,392	371,137	443,343	516,282	645,283
Parking	884,819	969,873	937,753	1,108,014	1,153,657	1,257,464
	<b>\$ 28,359,568</b>	<b>\$ 28,226,263</b>	<b>\$ 29,697,043</b>	<b>\$ 31,450,508</b>	<b>\$ 33,325,383</b>	<b>\$ 31,534,243</b>

