

# EXHIBIT

## "A"

**City of Round Rock  
Self-Funded Health Insurance Fund  
2017-2018 Budget**

| Description of Item                             | 15-16<br>YE<br>Actuals | 16-17<br>Adopted<br>Budget | 16-17<br>Estimated<br>Actuals | 17-18<br>Proposed<br>Budget |
|---|------------------------|----------------------------|-------------------------------|-----------------------------|
| Beginning Fund Balance                          | \$ 9,295,089           | \$ 7,526,373               | \$ 7,526,373                  | \$ 6,550,896                |
| <b>REVENUES:</b>                                |                        |                            |                               |                             |
| Reinsurance Proceeds                            | 300,956                | 301,000                    | 459,051                       | 301,000                     |
| COBRA/Retiree Contributions                     | 223,002                | 223,000                    | 212,501                       | 223,000                     |
| Interest Income                                 | 27,715                 | 27,700                     | 25,213                        | 27,700                      |
| Miscellaneous Revenue                           | 167,106                | 170,000                    | 253,874                       | 170,000                     |
| City Contributions - General Fund <b>A</b>      | 5,815,000              | 6,914,000                  | 6,747,892                     | 8,686,667                   |
| City Contributions - Utility Fund <b>B</b>      | 995,000                | 1,144,000                  | 1,139,470                     | 1,394,829                   |
| City Contributions - Hotel Fund                 | 18,800                 | 43,500                     | 32,745                        | 47,133                      |
| City Contributions - Sports Complex             | 78,000                 | 103,000                    | 103,996                       | 123,414                     |
| City Contributions - Multi Purpose              | -                      | 54,500                     | 16,421                        | 41,439                      |
| City Contributions - Drainage                   | 191,500                | 208,000                    | 206,665                       | 245,311                     |
| Total Employee Contributions                    | 2,490,000              | 2,800,000                  | 2,785,756                     | 2,800,000                   |
| GSFC Contribution                               |                        |                            |                               | 500,000                     |
| <b>Total Revenues</b>                           | <b>10,307,079</b>      | <b>11,988,700</b>          | <b>11,983,583</b>             | <b>14,560,493</b>           |
| <b>EXPENDITURES:</b>                            |                        |                            |                               |                             |
| Wellness Programs                               | 71,045                 | 80,000                     | 79,979                        | 80,000                      |
| Health Clinic                                   | 564,288                | 630,000                    | 870,870                       | 786,000                     |
| Janitorial                                      | 9,600                  | 10,000                     | 9,685                         | 10,000                      |
| R&M - Building                                  | 434                    | 1,000                      | 920                           | 1,000                       |
| Power & Light                                   | 664                    | 3,000                      | 223                           | 3,000                       |
| Internet Communications                         | 4,793                  | 5,200                      | 5,144                         | 5,200                       |
| Office Furniture                                |                        | 1,000                      | 15                            | 1,000                       |
| Supplies & Screenings                           |                        | 1,000                      | -                             | 1,000                       |
| Professional Services                           | 98,832                 | 75,000                     | 72,000                        | 75,000                      |
| Administrative Fees                             | 528,549                | 550,000                    | 513,144                       | 688,000                     |
| Stop Loss/Reinsurance Fees                      | 1,013,307              | 1,100,000                  | 1,178,099                     | 1,200,000                   |
| Health Claims                                   | 6,334,908              | 7,000,000                  | 7,039,349                     | 6,800,000                   |
| Dental Claims                                   | 535,670                | 515,000                    | 541,107                       | 600,000                     |
| Prescription Claims                             | 2,754,733              | 3,100,000                  | 2,497,458                     | 3,000,000                   |
| Long Term Disability                            | 90,099                 | 95,000                     | 78,653                        | 95,000                      |
| Life Insurance                                  | 68,873                 | 77,000                     | 72,415                        | 77,000                      |
| <b>Total Expenditures</b>                       | <b>12,075,795</b>      | <b>13,243,200</b>          | <b>12,959,060</b>             | <b>13,422,200</b>           |
| <b>Net Revenues</b>                             | <b>(1,768,716)</b>     | <b>(1,254,500)</b>         | <b>(975,477)</b>              | <b>1,138,293</b>            |
| <b>Fund Balance</b>                             | <b>7,526,373</b>       | <b>6,271,873</b>           | <b>6,550,896</b>              | <b>7,689,189</b>            |
| <b>Reserves</b>                                 |                        |                            |                               |                             |
| Less: Restricted for GASB 45 Funding            | (5,249,000)            | (5,249,000)                | (5,249,000)                   | (5,249,000)                 |
| <b>Total Reserves</b>                           | <b>(5,249,000)</b>     | <b>(5,249,000)</b>         | <b>(5,249,000)</b>            | <b>(5,249,000)</b>          |
| <b>Estimated Reserves for Unexpected Claims</b> | <b>\$ 2,277,373</b>    | <b>\$ 1,022,873</b>        | <b>\$ 1,301,896</b>           | <b>\$ 2,440,189</b>         |
|   |                        |                            | <b>25% Reserve</b>            | <b>(3,355,550)</b>          |
|   |                        |                            | <b>C</b>                      | <b>\$ (915,361)</b>         |

**A:** The General Fund contributions include \$336,000 for 28 retirees.

**B:** The Utility Fund contributions include \$48,000 for 4 retirees.

**C:** The fund reserves have declined over the previous three years due to higher than expected claims. City contributions were adjusted beginning in 2017/18 as a three year plan to restore reserves to the recommended 25% level.