

**SELF-INSURANCE
INTERNAL SERVICE FUND
Fund 75**

PROGRAM DESCRIPTION:

The Self-Insurance Fund (Fund 75) supports the City of Franklin's medical, dental, and other employee insurance-related costs. For 2026, total estimated revenues are projected at \$4,233,945, maintaining the 2025 level and driven by group health charges, stop-loss premium rebates, and investment earnings.

Key Revenue Sources:

- **Dental Insurance:** Estimated at \$218,000, reflecting active employee and retiree charges.
- **Investment Earnings:** Projected at \$148,000, consistent with prior years.
- **Medical High-Deductible Plans:** Expected at \$2.95 million, combining City and employee contributions. This aligns with current renewal projections.

Appropriations:

Total appropriations for 2026 are budgeted at \$4,862,777. The majority is allocated to medical insurance claims, particularly high-deductible plans, prescription drugs, and stop-loss premiums. Dental insurance claims are budgeted at \$196,462, consistent with projected utilization.

Challenges:

The Self-Insurance Fund continues to face upward cost pressure from medical and prescription drug claims, along with modest increases in stop-loss premiums. The 2026 budget addresses these realities while maintaining sufficient reserves to absorb volatility. The net change in fund balance is projected to be a deficit of \$628,832, emphasizing the importance of careful resource management and ongoing monitoring to sustain long-term fund health.

**City of Franklin, WI
INTERNAL SERVICE - FUND 75**

GL NUMBER	DESCRIPTION	2026 ORIGINAL BUDGET	2025 ACTIVITY	2025 AMENDED BUDGET	2024 ACTIVITY	2023 ACTIVITY	2022 ACTIVITY
INVESTMENT EARNINGS							
75-0000-4711	INTEREST ON INVESTMENTS	148,000	101,351	148,000	131,089	162,950	49,122
75-0000-4713	INVESTMENT GAINS/LOSSES						(11,235)
NET OF REVENUES/APPROPRIATIONS - INVESTMENT		148,000	101,351	148,000	131,089	162,950	37,887
MISCELLANEOUS REVENUE							
75-0000-4781	REFUNDS/REIMBURSEMENTS				45	471	2,807
75-5010-4701	GROUP HEALTH CHARGES-CITY	710,020	531,812	710,020	571,611	521,342	701,309
75-5010-4704	GROUP HEALTH CHG-MEDICAL-EM	167,795	137,130	167,795	149,891	148,907	181,879
75-5011-4703	COBRA- GROUP HEALTH CHARGES		3,002		2,770	4,209	
75-5012-4701	GROUP HEALTH CHARGES-CITY	2,575,120	2,151,882	2,575,120	2,093,669	1,611,045	1,656,153
75-5012-4704	GROUPHEALTH CHARGES-EMPLC	370,010	337,771	370,010	329,964	277,749	259,594
75-5016-4703	GRP HEALTH CHRGS -COBRA HIGH DEDUCT		7,948		3,866		2,488
75-5020-4701	DENTAL CHARGES - CITY ACTIVE	145,000	104,785	145,000	95,768	100,975	98,798
75-5020-4703	GROUP HEALTH CHARGES-RETIR	3,000	1,296	3,000	648	2,268	2,592
75-5020-4704	DENTAL - GRP HEALTH	70,000	54,064	70,000	47,597	54,349	51,252
75-5021-4703	COBRA-GROUP DENTAL CHARGES-ACTIVE		409		234	1,094	
75-5025-4703	RETIREE DENTAL-RETIREE		75			764	1,266
NET OF REVENUES/APPROPRIATIONS - MISCELLANEOUS		4,040,945	3,330,174	4,040,945	3,296,063	2,723,173	2,958,138
EMPLOYEE BENEFITS							
75-0147-5199	ALLOCATED PAYROLL COST	51,000	49,485	48,515	48,515	47,100	47,100
75-5012-5162	EMPLOYER HSA CONTRIBUTION	177,000	155,188	177,000	155,938	154,500	140,625
NET OF REVENUES/APPROPRIATIONS - EMPLOYEE BENEFITS		(228,000)	(204,673)	(225,515)	(204,453)	(201,600)	(187,725)
SERVICES & CHARGES							
75-0151-5491	BANK FEES	2,700	2,503	2,700	2,520	2,494	2,393
75-5010-5501	IncurMedClaimCurrentYrActive	700,000	354,284	700,000	465,341	603,217	163,461
75-5010-5502	PRESCRIPTION DRUG CLAIMS - ACTIVE		132,909		127,347	119,247	149,889
75-5010-5503	CLAIM FEES - ACTIVE	45,000	72,796	45,000	70,194	67,535	75,609
75-5010-5504	MISC WELLNESS EXP - ACTIVE		19,521		19,987	44,083	35,566
75-5010-5505	STOP LOSS PREMIUMS - ACTIVE	140,000	116,147	140,000	119,746	123,974	146,195
75-5010-5506	REFUNDS-STOP LOSS COV - ACTIVE		(27,258)		(9,569)	(63,698)	
75-5010-5507	SECTION 125-FLEX & MISC EXP - ACT		1,170		439	780	1,746
75-5010-5509	INCURRED CLAIM-PR YR - ACTIVE	100,000	22,719	100,000	55,848	108,722	68,860
75-5011-5501	COBRA-Incur Claim-Current Year		3,205		1,908		458
75-5011-5509	COBRA-HEALTH-INCURRED CLAIM-PRIOR YEAR				715		2,159
75-5012-5501	INCURRED CLAIM-CURRENT YEAF	2,232,000	1,322,172	2,232,000	1,661,840	2,176,154	1,250,225
75-5012-5502	PRESCRIPTION DRUG CLAIMS	490,000	726,170	490,000	531,956	315,699	203,180
75-5012-5503	CLAIM FEES	102,000	158,730	102,000	116,526	100,241	95,146
75-5012-5505	STOP LOSS PREMIUMS	503,000	471,844	503,000	441,063	390,759	349,305
75-5012-5506	REFUNDS-STOP LOSS COVERAGE		(367,441)		(198,209)	(511,409)	(21,045)
75-5012-5509	INCURRED CLAIM-PRIOR YEAR	125,000	178,211	125,000	123,926	167,128	118,084
75-5016-5509	INCURRED CLAIM-PRIOR YEAR						454
75-5020-5501	Incur Dental Claim-Current Yr	175,000	135,394	175,000	131,439	151,529	140,495
75-5020-5503	DENTAL CLAIM FEES	11,462	17,158	11,462	16,133	1,408	5,378
75-5020-5509	DENTAL-INCURRED CLAIM-PRIOR	10,000	2,755	10,000	3,342	5,804	7,477
75-5021-5501	COBRA-DentalIncurClaimCurYr		644		13,771	3,180	3,803
75-5021-5503	COBRA-DENTAL-CLAIM FEES		145		216	19	43
75-5021-5509	COBRA-DENTAL-INCURRED CLAIM-PRIOR YEAR		(365)		759		286
75-5025-5501	Dental-Retiree-IncurClaim-CurrYr		1,841		1,055	1,335	4,636
75-5025-5503	DENTAL CLAIM FEES-RETIREE-CURRENT YEAR		35		58	5	72
NET OF REVENUES/APPROPRIATIONS - SERVICES & CHARGES		(4,636,162)	(3,345,289)	(4,636,162)	(3,698,351)	(3,808,206)	(2,803,875)
CHARGES FOR SERVICES							
75-5010-4706	STOP LOSS PREMIUM REBATE		7,025			14,393	
75-5010-4707	PHARMACY RX REBATES	45,000	(36,799)	45,000	44,819	41,169	36,415
75-5012-4706	STOP LOSS PREMIUM REBATE		20,686		805	34,388	
75-5012-4707	RX CLAIM REBATES		289,494		128,864	99,878	40,303
NET OF REVENUES/APPROPRIATIONS - CHARGES FOR SERVICES		45,000	280,406	45,000	174,488	189,828	76,718
CLAIMS, CONTRIB. AND AWARDS							
75-5010-5580	ACA TRANSITIONAL REINSURANCE	1,100	1,045	1,100	985	906	865
NET OF REVENUES/APPROPRIATIONS - CLAIMS, CONTRIBUTIONS AND AWARDS		(1,100)	(1,045)	(1,100)	(985)	(906)	(865)
TOTAL RESOURCES		4,233,945	3,711,931	4,233,945	3,601,640	3,075,951	3,072,743
TOTAL EXPENDITURES		(4,865,262)	(3,551,007)	(4,862,777)	(3,903,789)	(4,010,712)	(2,992,465)
TOTAL SURPLUS (DEFICIT)		(631,317)	160,924	(628,832)	(302,149)	(934,761)	80,278
BEGINNING FUND BALANCE		2,201,931	2,041,003	2,041,003	2,343,151	3,277,911	3,197,633
ENDING FUND BALANCE		1,570,614	2,201,927	1,412,171	2,041,002	2,343,150	3,277,911

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