

**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.

**BUDGET REPORT FOR CITY OF FRANKLIN**  
**Fund: 75 SELF-INSURANCE FUND**

GL NUMBER	DESCRIPTION	2026 MAYOR RECOMMEND BUDGET	2026 DEPT REQUEST BUDGET	2025 PROJECTED ACTIVITY	2025 ORIGINAL BUDGET	2024 ACTIVITY	2023 ACTIVITY
<b>ESTIMATED REVENUES</b>							
<b>Dept 0000 - GENERAL</b>							
<b>INVESTMENT EARNINGS</b>							
75-0000-4711	INTEREST ON INVESTMENTS	148,000	148,000	100,800	148,000	131,089	162,950
	INVESTMENT EARNINGS	148,000	148,000	100,800	148,000	131,089	162,950
<b>MISCELLANEOUS REVENUE</b>							
75-0000-4781	REFUNDS/REIMBURSEMENTS					45	471
	MISCELLANEOUS REVENUE					45	471
	Totals for dept 0000 - GENERAL	148,000	148,000	100,800	148,000	131,134	163,421
<b>Dept 5010 - MEDICAL INSURANCE</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5010-4701	GROUP HEALTH CHARGES-CITY	710,020	710,020	629,000	710,020	571,611	521,342
75-5010-4704	GROUP HEALTH CHG-MEDICAL-EMPLOYE	167,795	167,795	149,000	167,795	149,891	148,907
	MISCELLANEOUS REVENUE	877,815	877,815	778,000	877,815	721,502	670,249
<b>CHARGES FOR SERVICES</b>							
75-5010-4706	STOP LOSS PREMIUM REBATE			7,025			14,393
75-5010-4707	PHARMACY RX REBATES	45,000	45,000	45,000	45,000	44,819	41,169
	CHARGES FOR SERVICES	45,000	45,000	52,025	45,000	44,819	55,562
	Totals for dept 5010 - MEDICAL INSURANCE	922,815	922,815	830,025	922,815	766,321	725,811
<b>Dept 5011 - COBRA - TRADITIONAL PLAN</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5011-4703	COBRA- GROUP HEALTH CHARGES			3,100		2,770	4,209
	MISCELLANEOUS REVENUE			3,100		2,770	4,209
	Totals for dept 5011 - COBRA - TRADITIONAL PLAN			3,100		2,770	4,209
<b>Dept 5012 - MEDICAL HIGH DEDUCTIBLE</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5012-4701	GROUP HEALTH CHARGES-CITY	2,575,120	2,575,120	2,554,000	2,575,120	2,093,669	1,611,045
75-5012-4704	GROUP HEALTH CHARGES-EMPLOYEE	370,010	370,010	368,000	370,010	329,964	277,749
	MISCELLANEOUS REVENUE	2,945,130	2,945,130	2,922,000	2,945,130	2,423,633	1,888,794
<b>CHARGES FOR SERVICES</b>							
75-5012-4706	STOP LOSS PREMIUM REBATE			20,685		805	34,388
75-5012-4707	RX CLAIM REBATES			225,000		128,864	99,878
	CHARGES FOR SERVICES			245,685		129,669	134,266

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<b>ESTIMATED REVENUES</b>							
<b>Dept 5012 - MEDICAL HIGH DEDUCTIBLE</b>							
	Totals for dept 5012 - MEDICAL HIGH DEDUCTIBLE	2,945,130	2,945,130	3,167,685	2,945,130	2,553,302	2,023,060
<b>Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5016-4703	GRP HEALTH CHRGS -COBRA HIGH DEDL			7,500		3,866	
	MISCELLANEOUS REVENUE			7,500		3,866	
	Totals for dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN			7,500		3,866	
<b>Dept 5020 - DENTAL INSURANCE</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5020-4701	DENTAL CHARGES - CITY ACTIVE	145,000	145,000	114,000	145,000	95,768	100,975
75-5020-4703	GROUP HEALTH CHARGES-RETIREE	3,000	3,000	1,375	3,000	648	2,268
75-5020-4704	DENTAL - GRP HEALTH	70,000	70,000	59,650	70,000	47,597	54,349
	MISCELLANEOUS REVENUE	218,000	218,000	175,025	218,000	144,013	157,592
	Totals for dept 5020 - DENTAL INSURANCE	218,000	218,000	175,025	218,000	144,013	157,592
<b>Dept 5021 - COBRA - DENTAL ACTIVE</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5021-4703	COBRA-GROUP DENTAL CHARGES-ACTIV			105		234	1,094
	MISCELLANEOUS REVENUE			105		234	1,094
	Totals for dept 5021 - COBRA - DENTAL ACTIVE			105		234	1,094
<b>Dept 5025 - DENTAL - RETIREE</b>							
<b>MISCELLANEOUS REVENUE</b>							
75-5025-4703	RETIREE DENTAL-RETIREE			105			764
	MISCELLANEOUS REVENUE			105			764
	Totals for dept 5025 - DENTAL - RETIREE			105			764
TOTAL ESTIMATED REVENUES		4,233,945	4,233,945	4,284,345	4,233,945	3,601,640	3,075,951
<b>APPROPRIATIONS</b>							
<b>Dept 0147 - ADMINISTRATION</b>							
<b>EMPLOYEE BENEFITS</b>							
75-0147-5199	ALLOCATED PAYROLL COST	51,000	51,000	48,515	48,515	48,515	47,100
	EMPLOYEE BENEFITS	51,000	51,000	48,515	48,515	48,515	47,100
	Totals for dept 0147 - ADMINISTRATION	51,000	51,000	48,515	48,515	48,515	47,100

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<b>APPROPRIATIONS</b>							
<b>Dept 0151 - FINANCE</b>							
<b>SERVICES &amp; CHARGES</b>							
75-0151-5491	BANK FEES	2,700	2,700	2,815	2,700	2,520	2,494
	SERVICES & CHARGES	2,700	2,700	2,815	2,700	2,520	2,494
	Totals for dept 0151 - FINANCE	2,700	2,700	2,815	2,700	2,520	2,494
<b>Dept 5010 - MEDICAL INSURANCE</b>							
<b>SERVICES &amp; CHARGES</b>							
75-5010-5501	IncurMedClaimCurrentYrActive	700,000	700,000	350,000	700,000	465,341	603,217
75-5010-5502	PRESCRIPTION DRUG CLAIMS - ACTIVE			125,000		127,347	119,247
75-5010-5503	CLAIM FEES - ACTIVE	45,000	45,000	79,000	45,000	70,194	67,535
75-5010-5504	MISC WELLNESS EXP - ACTIVE			21,000		19,987	44,083
75-5010-5505	STOP LOSS PREMIUMS - ACTIVE	140,000	140,000	125,000	140,000	119,746	123,974
75-5010-5506	REFUNDS-STOP LOSS COV - ACTIVE					(9,569)	(63,698)
75-5010-5507	SECTION 125-FLEX & MISC EXP - ACT			700		439	780
75-5010-5509	INCURRED CLAIM-PR YR - ACTIVE	100,000	100,000	38,000	100,000	55,848	108,722
	SERVICES & CHARGES	985,000	985,000	738,700	985,000	849,333	1,003,860
<b>CLAIMS, CONTRIB. AND AWARDS</b>							
75-5010-5580	ACA TRANSITIONAL REINSURANCE FEES	1,100	1,100	1,500	1,100	985	906
	CLAIMS, CONTRIB. AND AWARDS	1,100	1,100	1,500	1,100	985	906
	Totals for dept 5010 - MEDICAL INSURANCE	986,100	986,100	740,200	986,100	850,318	1,004,766
<b>Dept 5011 - COBRA - TRADITIONAL PLAN</b>							
<b>SERVICES &amp; CHARGES</b>							
75-5011-5501	COBRA-Incur Claim-Current Year			1,550		1,908	
75-5011-5509	COBRA-HEALTH-INCURRED CLAIM-PRIOR					715	
	SERVICES & CHARGES			1,550		2,623	
	Totals for dept 5011 - COBRA - TRADITIONAL PLAN			1,550		2,623	
<b>Dept 5012 - MEDICAL HIGH DEDUCTIBLE</b>							
<b>EMPLOYEE BENEFITS</b>							
75-5012-5162	EMPLOYER HSA CONTRIBUTION	177,000	177,000	177,000	177,000	155,938	154,500
	EMPLOYEE BENEFITS	177,000	177,000	177,000	177,000	155,938	154,500
<b>SERVICES &amp; CHARGES</b>							
75-5012-5501	INCURRED CLAIM-CURRENT YEAR	2,232,000	2,232,000	1,200,000	2,232,000	1,661,840	2,176,154
75-5012-5502	PRESCRIPTION DRUG CLAIMS	490,000	490,000	655,000	490,000	531,956	315,699
75-5012-5503	CLAIM FEES	102,000	102,000	171,000	102,000	116,526	100,241
75-5012-5505	STOP LOSS PREMIUMS	503,000	503,000	503,000	503,000	441,063	390,759

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<b>APPROPRIATIONS</b>							
<b>Dept 5012 - MEDICAL HIGH DEDUCTIBLE</b>							
<b>SERVICES &amp; CHARGES</b>							
75-5012-5506	REFUNDS-STOP LOSS COVERAGE			(237,000)		(198,209)	(511,409)
75-5012-5509	INCURRED CLAIM-PRIOR YEAR	125,000	125,000	248,000	125,000	123,926	167,128
	SERVICES & CHARGES	3,452,000	3,452,000	2,540,000	3,452,000	2,677,102	2,638,572
	Totals for dept 5012 - MEDICAL HIGH DEDUCTIBLE	3,629,000	3,629,000	2,717,000	3,629,000	2,833,040	2,793,072
<b>Dept 5020 - DENTAL INSURANCE</b>							
<b>SERVICES &amp; CHARGES</b>							
75-5020-5501	Incur Dental Claim-Current Yr	175,000	175,000	137,000	175,000	131,439	151,529
75-5020-5503	DENTAL CLAIM FEES	11,462	11,462	20,000	11,462	16,133	1,408
75-5020-5509	DENTAL-INCURRED CLAIM-PRIOR YEAR	10,000	10,000	4,000	10,000	3,342	5,804
	SERVICES & CHARGES	196,462	196,462	161,000	196,462	150,914	158,741
	Totals for dept 5020 - DENTAL INSURANCE	196,462	196,462	161,000	196,462	150,914	158,741
<b>Dept 5021 - COBRA - DENTAL ACTIVE</b>							
<b>SERVICES &amp; CHARGES</b>							
75-5021-5501	COBRA-DentalIncurClaimCurYr			1,500		13,771	3,180
75-5021-5503	COBRA-DENTAL-CLAIM FEES			200		216	19
75-5021-5509	COBRA-DENTAL-INCURRED CLAIM-PRIOR			550		759	
	SERVICES & CHARGES			2,250		14,746	3,199
	Totals for dept 5021 - COBRA - DENTAL ACTIVE			2,250		14,746	3,199
<b>Dept 5025 - DENTAL - RETIREE</b>							
<b>SERVICES &amp; CHARGES</b>							
75-5025-5501	Dental-Retiree-IncurClaim-CurrYr			1,550		1,055	1,335
75-5025-5503	DENTAL CLAIM FEES-RETIREE-CURRENT			30		58	5
	SERVICES & CHARGES			1,580		1,113	1,340
	Totals for dept 5025 - DENTAL - RETIREE			1,580		1,113	1,340
	TOTAL APPROPRIATIONS	4,865,262	4,865,262	3,674,910	4,862,777	3,903,789	4,010,712
	NET OF REVENUES/APPROPRIATIONS - FUND 75	(631,317)	(631,317)	609,435	(628,832)	(302,149)	(934,761)
	BEGINNING FUND BALANCE	2,650,438	2,650,438	2,041,003	2,041,003	2,343,151	3,277,911
	ENDING FUND BALANCE	2,019,121	2,019,121	2,650,438	1,412,171	2,041,002	2,343,150

**FUNDS:**

<b>Operating Funds</b>		<b>Capital Funds</b>		<b>TID Funds</b>	
General Fund	01	Capital Outlay Furniture and Fixtures	41	TID 5 – Debt Service	33
Library	15	Equipment Replacement	42	TID 5 – Ballpark Commons	43
Library Auxiliary	16	Capital Improvement	46	TID 6 – Debt Service	34
Tourism	17	Street Improvement	47	TID 6 – Loomis & Ryan	44
Solid Waste	19	Development Impact Fees	27	TID 7 – Debt Service	35
		Utility Development	22	TID 7 – Velo Village	45
<b>Grants &amp; Other</b>				TID 8 – Debt Service	30
Opioid Fund	13	<b>Debt Service</b>		TID 8 – S 27 <sup>th</sup> Bus Park	40
Fire Grants	14	Debt Service	31	TID 9 – Debt Service	50
Police Grants	20	Special Assessments	51	TID 9 – Carma Labs	60
St Martins Fair	21			TID 5 – Debt Service	33
Health Grants	24				
Other Grants	25				
Donations	26	Civic Celebrations	29		
	28				

**DEPARTMENTS:**

<b>General Government</b>		<b>Public Safety</b>		<b>Public Works</b>	
Mayor	101	Police	211	Engineering	321
Aldersperson	102	Dispatch	212	Highway	331
Municipal Court	121	Fire	221	Street Lighting	351
City Clerk	141	Fire Protection	222	Parks	551
Elections	142	Inspection Services	231	Water Utility	755
Information Technology	144			Sanitary Sewer	756
Administration and HR	147	<b>Culture/Recreation</b>			
Finance and Audit	151	Franklin Senior Citizens, Inc.	521	<b>Other</b>	
Assessor	154	Senior Travel Program	521	Health	441
Legal Services	161	St Martins Fair	529	Animal Control	431
Municipal Buildings	181	Civic Celebrations	541	Planning	621
Insurance	194			Economic Development	641

**ACCOUNTS:**

51xx – Labor Costs

515x – Benefits

52xx – Contract Services

53xx – Supplies

54xx – Services &amp; Charges

55xx – Facilities Charges

57xx – Recreation Costs

58xx – Capital Expenditures