

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

PROGRAM DESCRIPTION:

The Self-Insurance Fund accounts for the City's self-funded employee health and dental benefit programs and related insurance costs. The fund provides a dedicated mechanism to collect employer and employee contributions and pay eligible medical, prescription drug, dental, administrative, and other benefit-related expenses.

The City's self-funded structure allows it to fund eligible claims directly rather than pay a fixed premium for fully insured medical coverage. Because actual claims experience can vary significantly from year to year, the fund is managed with consideration for expected claims, administrative costs, stop-loss protection, available reserves, and the long-term sustainability of the employee benefit program.

FUND REVENUES:

Resources supporting the fund generally include City and employee health and dental contributions, retiree dental contributions where applicable, investment earnings, stop-loss reimbursements or rebates, and other insurance-related revenues.

The annual budget and benefit renewal process establish contribution levels and other revenue assumptions, which are reflected in the Fund 75 financial schedules.

FUND EXPENDITURES:

Fund expenditures primarily consist of medical and prescription drug claims, dental claims, stop-loss insurance premiums, claims administration, and other costs associated with administering the City's self-funded benefit programs.

Stop-loss insurance provides protection against unusually large claims or aggregate claims experience above established coverage thresholds, helping limit the City's exposure to significant claims volatility.

FUND BALANCE AND RISK MANAGEMENT:

Maintaining an appropriate fund balance is particularly important for a self-funded insurance program because claims experience can fluctuate considerably from budget assumptions. Available reserves provide financial capacity to absorb short-term volatility while allowing the City to evaluate contribution levels, benefit design, claims trends, and other cost-management strategies over time.

The City monitors claims' experience and fund performance throughout the year as part of its ongoing management of employee benefit costs. The applicable annual budget schedules present detailed information on revenues, expenditures, contribution assumptions, claims costs, and fund balance.

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

GL NUMBER	DESCRIPTION	2027 MAYOR RECOMMEND BUDGET	2027 DEPT REQUEST BUDGET	2026 PROJECTED ACTIVITY	2026 ORIGINAL BUDGET	2025 ACTIVITY	2024 ACTIVITY
ESTIMATED REVENUES							
Dept 0000 - GENERAL							
INTEREST & INV INCOME							
75-0000-4711	INTEREST ON INVESTMENTS	60,000	60,000	75,000	148,000	101,351	131,089
75-0000-4713	INVESTMENT GAINS/LOSSES						
75-0000-4716	INTERFUND INTEREST						
	INTEREST & INV INCOME	60,000	60,000	75,000	148,000	101,351	131,089
MISCELLANEOUS							
75-0000-4781	REFUNDS/REIMBURSEMENTS						45
	MISCELLANEOUS						45
TRANSFERS - IN							
75-0000-4850	TRANSFERS FROM FUND BALANCE						
	TRANSFERS - IN						
	Totals for dept 0000 - GENERAL	60,000	60,000	75,000	148,000	101,351	131,134
Dept 5010 - MEDICAL INSURANCE							
CHARGES FOR SERVICES							
75-5010-4701	GROUP HEALTH CHARGES-CITY	630,020	630,020	578,000	710,020	531,812	571,611
75-5010-4704	GROUP HEALTH CHG-MEDICAL-EMPLOYE	166,000	166,000	152,000	167,795	137,130	149,891
75-5010-4706	STOP LOSS PREMIUM REBATE					7,025	
75-5010-4707	PHARMACY RX REBATES	45,000	45,000	(90,000)	45,000	(36,799)	44,819
	CHARGES FOR SERVICES	841,020	841,020	640,000	922,815	639,168	766,321
	Totals for dept 5010 - MEDICAL INSURANCE	841,020	841,020	640,000	922,815	639,168	766,321
Dept 5011 - COBRA - TRADITIONAL PLAN							
CHARGES FOR SERVICES							
75-5011-4703	COBRA- GROUP HEALTH CHARGES					3,002	2,770
	CHARGES FOR SERVICES					3,002	2,770
	Totals for dept 5011 - COBRA - TRADITIONAL PLAN					3,002	2,770
Dept 5012 - MEDICAL HIGH DEDUCTIBLE							
CHARGES FOR SERVICES							
75-5012-4701	GROUP HEALTH CHARGES-CITY	2,844,900	2,844,900	2,610,000	2,575,120	2,151,882	2,093,669
75-5012-4703	GROUP HEALTH CHARGES-RETIREE						
75-5012-4704	GROUPHEALTH CHARGES-EMPLOYEE	452,000	452,000	415,000	370,010	337,771	329,964
75-5012-4706	STOP LOSS PREMIUM REBATE					20,686	805
75-5012-4707	RX CLAIM REBATES	445,000	445,000	445,000		289,494	128,864
	CHARGES FOR SERVICES	3,741,900	3,741,900	3,470,000	2,945,130	2,799,833	2,553,302

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

GL NUMBER	DESCRIPTION	2027 MAYOR RECOMMEND BUDGET	2027 DEPT REQUEST BUDGET	2026 PROJECTED ACTIVITY	2026 ORIGINAL BUDGET	2025 ACTIVITY	2024 ACTIVITY
ESTIMATED REVENUES							
Dept 5012 - MEDICAL HIGH DEDUCTIBLE							
	Totals for dept 5012 - MEDICAL HIGH DEDUCTIBLE	3,741,900	3,741,900	3,470,000	2,945,130	2,799,833	2,553,302
Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
CHARGES FOR SERVICES							
75-5016-4703	GRP HEALTH CHRGS -COBRA HIGH DEDL	3,000	3,000	2,980		7,948	3,866
	CHARGES FOR SERVICES	3,000	3,000	2,980		7,948	3,866
	Totals for dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN	3,000	3,000	2,980		7,948	3,866
Dept 5020 - DENTAL INSURANCE							
CHARGES FOR SERVICES							
75-5020-4701	DENTAL CHARGES - CITY ACTIVE	119,900	119,900	110,000	145,000	104,785	95,768
75-5020-4703	GROUP HEALTH CHARGES-RETIREE	1,450	1,450	1,300	3,000	1,296	648
75-5020-4704	DENTAL - GRP HEALTH	58,315	58,315	53,500	70,000	54,064	47,597
	CHARGES FOR SERVICES	179,665	179,665	164,800	218,000	160,145	144,013
	Totals for dept 5020 - DENTAL INSURANCE	179,665	179,665	164,800	218,000	160,145	144,013
Dept 5021 - COBRA - DENTAL ACTIVE							
CHARGES FOR SERVICES							
75-5021-4703	COBRA-GROUP DENTAL CHARGES-ACTIV			2,600		409	234
	CHARGES FOR SERVICES			2,600		409	234
	Totals for dept 5021 - COBRA - DENTAL ACTIVE			2,600		409	234
Dept 5025 - DENTAL - RETIREE							
CHARGES FOR SERVICES							
75-5025-4703	RETIREE DENTAL-RETIREE					75	
	CHARGES FOR SERVICES					75	
	Totals for dept 5025 - DENTAL - RETIREE					75	
Dept 5026 - COBRA - DENTAL - RETIREE							
CHARGES FOR SERVICES							
75-5026-4703	COBRA-RETIREE-DENTAL CHARGES-RET						
	CHARGES FOR SERVICES						
	Totals for dept 5026 - COBRA - DENTAL - RETIREE						
TOTAL ESTIMATED REVENUES		4,825,585	4,825,585	4,355,380	4,233,945	3,711,931	3,601,640

APPROPRIATIONS

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

GL NUMBER	DESCRIPTION	2027 MAYOR RECOMMEND BUDGET	2027 DEPT REQUEST BUDGET	2026 PROJECTED ACTIVITY	2026 ORIGINAL BUDGET	2025 ACTIVITY	2024 ACTIVITY
APPROPRIATIONS							
Dept 0000 - GENERAL							
NON PERSONNEL SERVICES							
75-0000-5501	IncurClaim-RestrictedContngcy						
	NON PERSONNEL SERVICES						
Totals for dept 0000 - GENERAL							
Dept 0147 - ADMINISTRATION							
PERSONNEL SERVICES							
75-0147-5199	ALLOCATED PAYROLL COST	51,500	51,500	51,000	51,000	49,485	48,515
	PERSONNEL SERVICES	51,500	51,500	51,000	51,000	49,485	48,515
Totals for dept 0147 - ADMINISTRATION		51,500	51,500	51,000	51,000	49,485	48,515
Dept 0151 - FINANCE							
NON PERSONNEL SERVICES							
75-0151-5491	BANK FEES	2,800	2,800	2,550	2,700	2,503	2,520
	NON PERSONNEL SERVICES	2,800	2,800	2,550	2,700	2,503	2,520
PERSONNEL SERVICES							
75-0151-5199	ALLOCATED PAYROLL COST						
	PERSONNEL SERVICES						
Totals for dept 0151 - FINANCE		2,800	2,800	2,550	2,700	2,503	2,520
Dept 5010 - MEDICAL INSURANCE							
NON PERSONNEL SERVICES							
75-5010-5424	MEMBERSHIPS/DUES						
75-5010-5501	IncurMedClaimCurrentYrActive	766,815	766,815	703,500	700,000	354,284	465,341
75-5010-5502	PRESCRIPTION DRUG CLAIMS - ACTIVE	132,980	132,980	122,000		132,909	127,347
75-5010-5503	CLAIM FEES - ACTIVE	76,845	76,845	70,500	45,000	72,796	70,194
75-5010-5504	MISC WELLNESS EXP - ACTIVE	30,520	30,520	28,000		19,521	19,987
75-5010-5505	STOP LOSS PREMIUMS - ACTIVE	152,600	152,600	140,000	140,000	116,147	119,746
75-5010-5506	REFUNDS-STOP LOSS COV - ACTIVE			(2,015)		(27,258)	(9,569)
75-5010-5507	SECTION 125-FLEX & MISC EXP - ACT			(10,500)		1,170	439
75-5010-5509	INCURRED CLAIM-PR YR - ACTIVE	81,750	81,750	75,000	100,000	22,719	55,848
75-5010-5510	VITALITY REWARDS						
75-5010-5580	ACA TRANSITIONAL REINSURANCE FEES	1,250	1,250	1,141	1,100	1,045	985
	NON PERSONNEL SERVICES	1,242,760	1,242,760	1,127,626	986,100	693,333	850,318
TRANSFERS - OUT							
75-5010-5589	TRANSFER TO OTHER FUNDS						

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APPROPRIATIONS							
Dept 5010 - MEDICAL INSURANCE							
TRANSFERS - OUT							
TRANSFERS - OUT							
Totals for dept 5010 - MEDICAL INSURANCE		1,242,760	1,242,760	1,127,626	986,100	693,333	850,318
Dept 5011 - COBRA - TRADITIONAL PLAN							
NON PERSONNEL SERVICES							
75-5011-5501	COBRA-Incur Claim-Current Year					3,205	1,908
75-5011-5502	COBRA-PRESCRIPTION DRUG CLAIMS						
75-5011-5503	COBRA-HEALTH CLAIM FEES						
75-5011-5505	COBRA-HEALTH-STOP LOSS PREMIUMS						
75-5011-5506	COBRA-REFUNDS-STOP LOSS COVERAGI						
75-5011-5509	COBRA-HEALTH-INCURRED CLAIM-PRIOR	1,650	1,650	1,503			715
NON PERSONNEL SERVICES		1,650	1,650	1,503		3,205	2,623
Totals for dept 5011 - COBRA - TRADITIONAL PLAN		1,650	1,650	1,503		3,205	2,623
Dept 5012 - MEDICAL HIGH DEDUCTIBLE							
NON PERSONNEL SERVICES							
75-5012-5501	INCURRED CLAIM-CURRENT YEAR	1,880,250	1,880,250	1,725,000	2,232,000	1,322,172	1,661,840
75-5012-5502	PRESCRIPTION DRUG CLAIMS	779,350	779,350	715,000	490,000	726,170	531,956
75-5012-5503	CLAIM FEES	140,000	140,000	128,000	102,000	158,730	116,526
75-5012-5504	MISC WELLNESS EXP						
75-5012-5505	STOP LOSS PREMIUMS	683,430	683,430	627,000	503,000	471,844	441,063
75-5012-5506	REFUNDS-STOP LOSS COVERAGE			(460,000)		(367,441)	(198,209)
75-5012-5509	INCURRED CLAIM-PRIOR YEAR	320,460	320,460	294,000	125,000	178,211	123,926
NON PERSONNEL SERVICES		3,803,490	3,803,490	3,029,000	3,452,000	2,489,686	2,677,102
PERSONNEL SERVICES							
75-5012-5162	EMPLOYER HSA CONTRIBUTION	174,000	174,000	159,300	177,000	155,188	155,938
PERSONNEL SERVICES		174,000	174,000	159,300	177,000	155,188	155,938
Totals for dept 5012 - MEDICAL HIGH DEDUCTIBLE		3,977,490	3,977,490	3,188,300	3,629,000	2,644,874	2,833,040
Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
NON PERSONNEL SERVICES							
75-5016-5501	INCURRED CLAIM-CURRENT YEAR						
75-5016-5502	PRESCRIPTION DRUG CLAIMS						
75-5016-5503	CLAIM FEES						
75-5016-5505	STOP LOSS PREMIUMS						
75-5016-5506	REFUNDS-STOP LOSS COVERAGE						
75-5016-5509	INCURRED CLAIM-PRIOR YEAR						

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APPROPRIATIONS							
Dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
NON PERSONNEL SERVICES							
NON PERSONNEL SERVICES							
Totals for dept 5016 - COBRA - HIGH DEDCUTIBLE PLAN							
Dept 5020 - DENTAL INSURANCE							
NON PERSONNEL SERVICES							
75-5020-5501	Incur Dental Claim-Current Yr	175,000	175,000	137,776	175,000	135,394	131,439
75-5020-5503	DENTAL CLAIM FEES	26,000	26,000	24,501	11,462	17,158	16,133
75-5020-5509	DENTAL-INCURRED CLAIM-PRIOR YEAR	10,000	10,000	1,997	10,000	2,755	3,342
NON PERSONNEL SERVICES		211,000	211,000	164,274	196,462	155,307	150,914
Totals for dept 5020 - DENTAL INSURANCE		211,000	211,000	164,274	196,462	155,307	150,914
Dept 5021 - COBRA - DENTAL ACTIVE							
NON PERSONNEL SERVICES							
75-5021-5501	COBRA-DentalIncurClaimCurYr			4,111		644	13,771
75-5021-5503	COBRA-DENTAL-CLAIM FEES			150		145	216
75-5021-5509	COBRA-DENTAL-INCURRED CLAIM-PRIOR					(365)	759
NON PERSONNEL SERVICES				4,261		424	14,746
Totals for dept 5021 - COBRA - DENTAL ACTIVE				4,261		424	14,746
Dept 5025 - DENTAL - RETIREE							
NON PERSONNEL SERVICES							
75-5025-5501	Dental-Retiree-IncurClaim-CurrYr			515		1,841	1,055
75-5025-5503	DENTAL CLAIM FEES-RETIREE-CURRENT			43		35	58
75-5025-5509	DENTAL CLAIMS -PRIOR YEAR- RETIREE						
NON PERSONNEL SERVICES				558		1,876	1,113
Totals for dept 5025 - DENTAL - RETIREE				558		1,876	1,113
Dept 5026 - COBRA - DENTAL - RETIREE							
NON PERSONNEL SERVICES							
75-5026-5501	COBRA-RetireeDentalIncurClaimCurYr						
75-5026-5503	COBRA-RETIREE-DENTAL-CLAIM FEES						
75-5026-5509	COBRA-RETIREE-DENTAL-INCUR CLAIM-F						
NON PERSONNEL SERVICES							
Totals for dept 5026 - COBRA - DENTAL - RETIREE							
TOTAL APPROPRIATIONS		5,487,200	5,487,200	4,540,072	4,865,262	3,551,007	3,903,789

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GL NUMBER	DESCRIPTION	2027 MAYOR RECOMMEND BUDGET	2027 DEPT REQUEST BUDGET	2026 PROJECTED ACTIVITY	2026 ORIGINAL BUDGET	2025 ACTIVITY	2024 ACTIVITY
NET OF REVENUES/APPROPRIATIONS - FUND 75		(661,615)	(661,615)	(184,692)	(631,317)	160,924	(302,149)
	BEGINNING FUND BALANCE	2,017,239	2,017,239	2,201,931	2,201,931	2,041,003	2,343,151
	ENDING FUND BALANCE	1,355,624	1,355,624	2,017,239	1,570,614	2,201,927	2,041,002