

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 19, FILE # 050839

NOVEMBER 9, 2005

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File # 050839 is a resolution transferring \$61,000 from the 2005 Common Council Contingent Fund to the Long Term Disability Special Purpose Account.

Background

1. This resolution transfers \$61,000 from the 2005 Common Council Contingent Fund to the Long Term Disability Special Purpose Account.
2. This account funds an income replacement program for employees who cannot work due to injury or illness. Currently, about 3,400 employees are eligible as a result of collective bargaining and extension to non-represented and management employees. Insured benefits begin 180 days from the date an employee can no longer work because of illness or injury.

Discussion

1. The Long Term Disability (LTD) program covers all DC 48, Local 75 Plumbers Union, Staff Nurses Council, TEAM, Scientific Personnel, Association of Municipal Employees, management and non-management/non-represented employees who have been on the payroll for at least six months.
2. The shortfall in the 2005 LTD SPA is related to the inclusion of two additional collective bargaining groups in this benefit for 2005, creating an additional \$2,365 in biweekly premium liability.
3. Local 61 (Sanitation Workers) and Local 510 (MFD Machinists, Fire Equipment Repairers) are the two new groups eligible for LTD coverage.
4. The 2006 proposed budget for this SPA represents an increase of \$78,000 from the 2005 budget related to the addition of the two more bargaining groups to this benefit.

Fiscal Effect

1. The total amount of this resolution is \$61,000 to be transferred from the 2005 Common Council Contingent Fund.
2. The balance in the Contingent Fund as of November 4, 2005 is \$3,614,134 (28% expended).

3.

EXPENDITURE TRENDS

2004 Actual	2005 Budget	Change	2006 Proposed	Change
\$541,852	\$562,000	3%	\$640,000	13%

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LRB-Fiscal Review Section
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