



citycounty insurance services Quarterly Report to Members

Board adopts 2010-11 Budget with Service Enhancements

The CIS Board of Trustees on June 28 adopted a CIS budget for 2010-11 that funds a high level of service and support to members, while recognizing the economic challenges that members continue to face. The budget for the operations of CIS (excluding the cost of claims) enhances member services in several areas, but has increased less than 1% over the 2009-10 adopted amount.

The budget will be reviewed again at the Board's August 27 meeting, pending the final results of June 30 renewals for the P/C Trust and July 31 renewals for CIS Benefits.

Member Program Enhancements:

- **Expanded funding for member risk management activities.** The budget in this area expands the former Risk Management Grant program to all members (not just the smallest members). The maximum incentive amount is 25% of the member's Liability program contribution in FY 2009-10 or \$10,000, whichever is lower, over a three-year period.
- **Law enforcement grant programs.** Dollars have been provided to fund local law enforcement departments' participation in Lexipol or the Oregon Accreditation Alliance.

- **Disaster recovery program.** Property program members will be covered by a business continuity program; the program provides services and tools for the member to continue its office operations in the event of a local or regional disaster. An RFP has been issued as CIS seeks a provider for these services.
- **CIS Risk Network.** Additional funds are budgeted to provide more online training courses for member employees in 2010-11.

CIS will continue:

- Worksite wellness grants for CIS Benefits members meeting Health Status Questionnaire completion goals
- Funding of \$100,000 for LOC and AOC training programs
- Matching grants for employers sponsoring health screenings
- Scholarships to Oregon Local Leadership Institute classes with a connection to risk management

Summary of CIS Adopted Budget for FY2010-11

The Board adopted a budget with anticipated operating revenues of \$162.0 million, and investment income of \$4.76 million. Total expenses, including losses, premium payments, and operating expenses, are budgeted at \$168.0 million.

IN THIS EDITION:

Board adopts 2010-11 Budget with Service Enhancements
Members Use Distribution Credits to Lower Contributions
New Members Welcomed to CIS Programs
New CIS Trustee

Next Meeting of CIS Board of Trustees

The Board's third quarter meeting is scheduled for August 27 in Baker County.

Looked at by Trust, the Property/Casualty Trust (Liability, Property, Auto, Workers' Compensation) would add \$1.58 million to reserves, while the CIS Benefits trusts (EBS and AOCIT) would use \$2.8 million from reserves to balance the budget, if the revenues and expenses anticipated by the budget come to pass. The Board anticipated the use of Benefits reserves to hold the overall medical rate increase for 2010-11 to 8%.

The budget anticipates that:

- **\$100.6 million** will be set aside to cover self-insured losses in the two CIS Benefits trusts, for medical and dental claims. Administrative charges for third party administrators and CIS for the self-insured medical and dental programs are budgeted at \$7.4 million.