
**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL**

**2021-2022
PROPOSED BUDGET**

**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL**

**2021-2022
PROPOSED BUDGET**

DESCRIPTION	2021-2022 PROPOSED BUDGET	2020-2021 BUDGET	2020-2021 PROJECTED ACTUAL	BUDGET CHANGE
REVENUES				
Contribution Income				
Auto Liability	1,498,251	985,719	985,719	512,532
General Liability	5,312,021	5,491,748	5,491,748	(179,727)
Umbrella Liability	-	563,261	563,261	(563,261)
Trunkline	521,411	522,892	522,892	(1,481)
EPLI/E&O	1,905,365	1,942,483	1,943,108	(37,118)
Physical Damage	4,424,764	4,202,118	4,210,028	222,646
Crime	25,825	25,900	25,431	(75)
Bonds	1,000	500	50	500
Cyber Coverage	-	95,000	95,000	(95,000)
State Assessments (MCCA & ACF)				
MCCA	543,200	1,169,300	1,169,300	(626,100)
ACF	251,131	246,940	255,021	4,191
Other Income	17,200	160,000	11,533	(142,800)
Investment Income	4,000,000	4,000,000	19,579,054	-
Building Revenue	71,470	43,831	50,768	27,639
TOTAL REVENUES	\$ 18,571,638	\$ 19,449,692	\$ 34,902,913	\$ (878,054)
EXPENDITURES				
Administration/Loss Control	2,053,315	2,357,938	2,015,011	(304,623)
State Assessments (MCCA & ACF)	794,331	1,416,240	697,398	(621,909)
Excess Insurance	3,967,810	4,012,038	4,012,038	(44,228)
Claims Administration	763,834	616,124	630,893	147,710
Investment Fees	565,000	565,000	521,202	-
Building Expenses	172,600	191,162	148,184	(18,562)
TOTAL EXPENDITURES	\$ 8,316,890	\$ 9,158,502	\$ 8,024,726	\$ (841,612)
REVENUES IN EXCESS OF EXPENDITURES	\$ 10,254,748	\$ 10,291,190	\$ 26,878,187	\$ (36,442)

**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL**

**2021-2022 PROPOSED BUDGET
Supporting Schedules**

MICHIGAN COUNTY ROAD COMMISSION SELF-INSURANCE POOL

2021-2022 PROPOSED BUDGET Analytical Review

Revenues/Reinsurance

Contribution income is down by \$140,984 this year (1.02%) due to actuarial estimates and the elimination of cyber coverage (\$95,000).

MCCA's rate decreased from \$220 per vehicle to \$100 per vehicle.

Trunkline Liability Contribution revenue decreased by \$1,481 or .28%. We cover 16,043 miles of trunkline under contract with MDOT.

The increase in Auto Liability (\$512,532 or 52%) is due to the reallocation of Umbrella Liability contributions. When taken together, there is a decrease of \$50,729, or approximately 3.2%, reflecting a 3% decrease in reinsurance premiums.

This budget assumes the Genesis liability coverage option (current coverage) in our reinsurance program. The rates for General & Auto Liability and E&O/EPLI decreased by 3%.

Our rate per \$100 of coverage for Physical Damage Reinsurance increased \$0.00386 or 4.81%. The assets insured increased by approximately \$77 million (4.88%). Together they result in an increase in cost of \$126,000.

Total Costs (Actuarial Estimates + Insurance + Administrative Costs) for this renewal increased \$195,772 to \$13,505,810 (assuming the current reinsurance program is maintained).

The decrease in Other Income is due to the projected income earned from our Short Term Investment Account and checking account, which have been budgeted to more closely reflect recent trends. Results in the current year were lower than expected due to the economic impact of the COVID-19 pandemic.

Expenses

The decrease in expected Administrative personnel expenses is largely due to a restructuring of staffing - including replacing the Member Services Coordinator position with a Legal Assistant that will be allocated to the Claims Department. The duties of the Webmaster/Communications Manager will likely be absorbed by other members of the team as well as outside IT consultants.

Estimated Loss Control personnel expenses have increased slightly due to budgeted salary increases.

Estimated Claims Administration personnel expenses have increased due to the addition of a Legal Assistant - Claims/Member Services, as discussed above.

One new vehicle has been budgeted as a replacement to one of our aging vehicles.

Capital outlay reflects \$20,000 for various computer hardware and software purchases, primarily to replace aging equipment. The initial purchase of Origami was placed in service on April 1, 2020 and began depreciating over 3 years, accounting for approximately \$65,000 of depreciation expense allocated to Claims Administration. The decrease in Capital Outlay and Office Furniture/Fixtures in total is due to the completion of the office renovations during the current fiscal year.

Office rent will increase on April 1, 2021 to reflect the actual square footage of MCRCSIP's new space at a market rate of \$20/square foot.

Professional fees are budgeted at a similar level as in prior year with no major changes expected. The counties lawsuit is expected to go before the Supreme Court during the fiscal year.

We expect investment fees to remain flat or slightly increased due to a higher market value.

**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL**

**2021-2022
ADMINISTRATIVE, LOSS CONTROL AND CLAIMS BUDGET**

DESCRIPTION	2021-2022 PROPOSED BUDGET	2020-2021 APPROVED BUDGET	2020-2021 PROJECTED ACTUAL	BUDGET INCREASE (DEC)	PERCENTAGE CHANGE
Administrative Personnel Expenses					
Salaries	353,607	482,350	341,053	(128,743)	-26.69%
Payroll Taxes	28,289	38,587	24,586	(10,298)	-26.69%
Benefits	61,070	125,715	61,938	(64,645)	-51.42%
Retiree Benefits	51,600	26,598	47,517	25,002	94.00%
Benefit Administration	3,000	3,000	2,844	-	100.00%
Other Payroll Costs	2,000	750	1,738	1,250	166.67%
Total Admin Personnel Expense	499,566	677,000	479,676	(177,434)	-26.21%
Administrative Expenses					
Annual Meeting	30,000	30,000	15,207	-	0.00%
Automotive Expense	7,500	7,500	4,676	-	0.00%
Automotive Vehicle	40,000	34,000	29,043	6,000	17.65%
Bank/CC Fees	8,000	8,000	7,945	-	0.00%
Board Meetings	30,000	30,000	9,464	-	0.00%
Capital Expenditures	20,000	192,065	192,065	(172,065)	-89.59%
Contingency Fund	10,000	10,000	-	-	0.00%
Depreciation	10,000	15,000	7,927	(5,000)	-33.33%
Dues, Fees & Subscriptions	13,000	12,000	12,960	1,000	8.33%
Insurance - BoP and Umbrella	4,000	3,500	3,758	500	14.29%
Insurance - W/C and Bond	5,500	5,500	5,208	-	0.00%
Meetings & Seminars	50,000	50,000	1,898	-	0.00%
Miscellaneous Business	500	500	500	-	0.00%
Office Furniture/Fixtures/Add'l Work	-	50,000	50,000	(50,000)	-100.00%
Office Supplies/Equipment	12,000	12,000	18,644	-	0.00%
Postage	4,500	4,500	3,329	-	0.00%
Printing & Duplication	5,000	5,000	2,189	-	0.00%
Technology-Expenses	32,000	32,000	31,785	-	0.00%
Professional Services - Lawsuit	150,000	150,000	150,000	-	0.00%
Professional Services	625,000	600,000	594,873	25,000	4.17%
Rental - Office	63,696	26,640	17,952	37,056	139.10%
Telephone & Internet	15,000	15,000	10,871	-	0.00%
Total Administrative	1,635,262	1,970,205	1,649,970	(334,943)	-17.00%
Loss Control Expenses					
LC Personnel Expenses					
LC Salaries	247,750	241,554	253,375	6,196	2.57%
LC Payroll Taxes	19,820	19,325	20,524	495	2.56%
LC Benefits	70,483	68,854	57,740	1,629	2.37%
Total LC Personnel Expense	338,053	329,733	331,639	8,320	2.52%
Other Loss Control Expenses					
LC Audits and Training	40,000	20,000	9,634	20,000	100.00%
LC Automotive	25,000	25,000	13,411	-	0.00%
LC Meetings & Training	5,000	5,000	1,094	-	0.00%
LC Office Expenses	5,000	3,000	5,693	2,000	66.67%
LC Telephone	5,000	5,000	3,570	-	0.00%
Total Loss Control	418,053	387,733	365,041	30,320	7.82%

DESCRIPTION	2021-2022 PROPOSED BUDGET	2020-2021 APPROVED BUDGET	2020-2021 PROJECTED ACTUAL	BUDGET INCREASE (DEC)	PERCENTAGE CHANGE
CA Personnel Expenses					
CA Salaries	228,019	172,436	176,600	55,583	32.23%
CA Payroll Taxes	18,242	13,795	13,719	4,447	32.24%
CA Benefits	79,051	57,543	50,224	21,508	37.38%
	-				
Total CA Personnel Expense	325,312	243,774	240,543	81,538	33.45%
CA Appraisals	31,000	31,000	22,825	-	0.00%
CA Automotive	-	5,000	-	(5,000)	-100.00%
CA Depreciation	65,000	-	65,436	65,000	100.00%
CA Dues, Fees & Subscriptions	1,000	1,000	-	-	0.00%
CA Meetings and Training	6,000	6,000	285	-	0.00%
CA Office Expenses	8,000	8,000	5,186	-	0.00%
CA Printing & Duplication	-	-	902	-	0.00%
CA Professional Services	222,500	215,000	170,388	7,500	3.49%
CA Technology Expenses	1,000	-	546	1,000	100.00%
CA Rent	-	-	20,760	-	0.00%
CA Capital Outlay	-	-	-	-	0.00%
CA Telephone	-	-	-	-	0.00%
CA TPA Fees	104,022	106,350	104,022	(2,328)	-2.19%
Total Claims Administration	763,834	616,124	630,893	147,710	23.97%
Total Admin/LC/CA	2,817,149	2,974,062	2,645,904	(156,913)	-5.28%

**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL**

**2021-2022
NORTH CAPITAL VIEW BUILDING**

DESCRIPTION	2021-2022 PROPOSED BUDGET	2020-2021 BUDGET	2020-2021 PROJECTED ACTUAL	BUDGET CHANGE
Income				
Rental Income	\$ 71,470	\$ 43,831	\$ 50,768	\$ 27,639
Other Income	-	-	-	-
Total Income	71,470	43,831	50,768	27,639
Administrative Fees	6,025	6,025	6,000	-
Janitorial	20,854	17,640	18,256	3,214
Leasing Activity	4,619	9,355	-	(4,736)
Maintenance & Repair	29,290	36,486	29,181	(7,196)
Services	13,223	16,157	6,916	(2,934)
Taxes & Fees	16,877	16,380	16,401	497
Utilities	22,962	25,174	18,092	(2,212)
Building Insurance	2,000	1,700	1,448	300
Depreciation	45,000	40,000	40,140	5,000
Capital Improvements	11,750	22,245	11,750	(10,495)
Total Expense	172,600	191,162	148,184	(18,562)
Net Income	\$ (101,130)	\$ (147,331)	\$ (97,416)	\$ 46,201

	2020-2021 Budget	Projected Total	Difference with Projected	2021-2022 Proposed Budget	Change in Budget
Assigned Claims Facility	250,000	258,089	(8,089)	255,000	5,000
Assigned Claims Facility - Prev MCCA	(3,060)	(3,068)	8	(3,869)	(809)
	1,169,300	1,169,300	-	543,200	(626,100)
	1,416,240	1,424,321	(8,081)	794,331	(621,909)
Employee Fidelity	25,400	25,431	(31)	25,825	425
EPLI/D&O	1,942,483	1,943,108	(625)	1,905,368	(37,115)
Cyber Coverage Liability	95,000	95,000	-	-	(95,000)
Auto	985,719	985,719	-	1,498,251	512,532
General	5,491,748	5,491,748	-	5,312,021	(179,727)
Umbrella	563,261	563,261	-	-	(563,261)
Total Liability	7,040,728	7,040,728	-	6,810,272	(230,456)
Liability-TL					
TLAuto	522,892	522,892	-	521,411	(1,481)
Total Liability-TL	522,892	522,892	-	521,411	(1,481)
PD Contributions					
EPD	2,725,675	2,721,343	4,332	2,907,453	181,778
PPD	1,476,443	1,488,685	(12,242)	1,517,312	40,869
Total PD Contributions	4,202,118	4,210,028	(7,910)	4,424,765	222,647
Performance Bond	500	50	450	500	-
Surety Bond	500	-	500	500	-
	13,829,621	13,837,237	(7,616)	13,688,641	(140,980)
Dividends	2,000,000	1,542,211	457,789	2,000,000	-
Realized Gain/Loss	2,000,000	5,053,053	(3,053,053)	2,000,000	-
Unrealized Gain/Loss	-	12,983,791	(12,983,791)	-	-
	4,000,000	19,579,055	(15,579,055)	4,000,000	-
Associate Member Fees	-	-	-	-	-
AM Registrations	-	-	-	-	-
Interest Income - Members	5,000	-	5,000	5,000	-
MCRCSIP-CA	5,000	546	4,454	5,000	-
Interest Income-ST Investments	100,000	4,087	95,913	6,000	(94,000)
Bank Interest	50,000	400	49,600	1,200	(48,800)
Miscellaneous	-	6,500	(6,500)	-	-
Other Income - Other	-	-	-	-	-
	160,000	11,533	148,467	17,200	(142,800)
Total Income	19,405,861	34,852,146	(15,446,285)	18,500,172	(905,689)
Gross Profit	19,405,861	34,852,146	(15,446,285)	18,500,172	(905,689)
Annual Meeting	30,000	15,207	14,793	30,000	-
Automobile Expense					
Insurance, Gas, Oil & Repairs	7,500	4,676	2,824	7,500	-
Vehicle	34,000	29,043	4,957	40,000	6,000
Automobile Expense - Other	-	-	-	-	-
Total Automobile Expense	41,500	33,719	7,781	47,500	6,000
Bank/Credit Card Service Fees	8,000	7,945	55	8,000	-
Board Meetings	30,000	9,464	20,536	30,000	-
Bond & Workers' Comp Insurance	5,500	5,208	292	5,500	-
Capital Outlay Expenses	192,065	192,065	-	20,000	(172,065)
Depreciation Expense	15,000	7,927	7,073	10,000	(5,000)
Dues, Fees & subscriptions	12,000	12,960	(960)	13,000	1,000
Insurance	3,500	3,758	(258)	4,000	500
Loss Control					

LC Audits & Training	20,000	9,634	10,366	40,000	20,000
LC Automotive	25,000	13,411	11,589	25,000	-
LC Meetings & Training	5,000	1,094	3,906	5,000	-
LC Office Expenses	3,000	5,693	(2,693)	5,000	2,000
LC Telephone	5,000	3,570	1,430	5,000	-
LC Personnel Expenses					
LC Benefits	68,854	57,740	11,114	70,483	1,629
LC Payroll Taxes	19,325	20,524	(1,199)	19,820	495
LC Salaries	241,554	253,375	(11,821)	247,750	6,196
Total LC Personnel Expenses	329,733	331,639	(1,906)	338,053	8,320
Total Loss Control	387,733	365,041	22,692	418,053	30,320
Meetings & Seminars	50,000	1,898	48,102	50,000	-
Miscellaneous Expenses	500	500	-	500	-
Office Supplies & Equipment					
Office Furniture/Fixtures/Ad'l Work	50,000	50,000	-	-	(50,000)
Office Supplies & Equipment - Other	12,000	18,644	(6,644)	12,000	-
Total Office Supplies & Equipment	62,000	68,644	(6,644)	12,000	(50,000)
Payroll Expenses					
Benefit Administration	3,000	2,844	156	3,000	-
Benefits	125,715	61,938	63,777	61,070	(64,645)
Payroll Taxes	38,587	24,585	14,002	28,289	(10,298)
Retiree Medical Insurance	26,598	47,517	(20,919)	51,600	25,002
Wages	482,350	341,053	141,297	353,607	(128,743)
Payroll Expenses - Other	750	1,738	(988)	2,000	1,250
Total Payroll Expenses -Admin	677,000	479,675	197,325	499,566	(177,434)
Postage and Express Mailings	4,500	3,329	1,171	4,500	-
Printing & Duplication	5,000	2,189	2,811	5,000	-
Professional Fees					
Prof Fees-Admin	300,000	293,973	6,027	300,000	-
Prof Fees-Guidelines	-	-	-	25,000	25,000
Lawsuit	150,000	150,000	-	150,000	-
Communications/PR/Lobbying	300,000	300,900	(900)	300,000	-
Professional Fees-Other	-	-	-	-	-
Total Professional Fees	750,000	744,873	5,127	775,000	25,000
Rent/Leases	26,640	17,952	8,688	63,696	37,056
Technology-IT	32,000	31,785	215	32,000	-
Telephone & Internet	15,000	10,871	4,129	15,000	-
Administrative Expenses - Other	10,000	-	10,000	10,000	-
Total Administrative Expenses	2,357,938	2,015,010	342,928	2,053,315	(304,623)
CA Appraisals	31,000	22,825	8,175	31,000	-
CA Auto	5,000	-	5,000	-	(5,000)
CA Capital Outlay Expenses	-	-	-	-	-
CA Depreciation	-	65,436	(65,436)	65,000	65,000
CA Dues, Fees, & Subscriptions	1,000	-	1,000	1,000	-
CA Meetings & Training	6,000	285	5,715	6,000	-
CA Office Expenses	8,000	5,189	2,811	8,000	-
CA Personnel Expenses					
CA Benefits	57,543	50,224	7,319	79,051	21,508
CA Payroll Taxes	13,795	13,719	76	18,242	4,447
CA Salaries	172,436	176,600	(4,164)	228,019	55,583
Total CA Personnel Expenses	243,774	240,543	3,231	325,312	81,538
CA Professional Fees					
CA TPA Service Fees	106,350	104,022	2,328	104,022	(2,328)
CA Legal Support	75,000	22,888	52,112	75,000	-
CA Origami	140,000	147,500	(7,500)	147,500	7,500
Total CA Professional Fees	321,350	274,410	46,940	326,522	5,172
CA Rent	-	20,760	(20,760)	-	-

CA Technology Expenses	-	546	(546)	1,000	1,000
CA Telephone & Internet	-	-	-	-	-
CA Printing & Duplication	-	902	(902)	-	-
	<u>616,124</u>	<u>630,896</u>	<u>(14,772)</u>	<u>763,834</u>	<u>147,710</u>
Member Liability and P&C	4,012,038	4,012,038	-	3,967,310	(44,728)
	<u>4,012,038</u>	<u>4,012,038</u>	<u>-</u>	<u>3,967,310</u>	<u>(44,728)</u>
Custodial Fees	15,000	15,935	(935)	15,000	-
Investment Fees - Other	550,000	505,267	44,733	550,000	-
	<u>565,000</u>	<u>521,202</u>	<u>43,798</u>	<u>565,000</u>	<u>-</u>
Assigned Claims Facility	246,940	255,938	(8,998)	251,131	4,191
MCCA Expense	1,169,300	441,460	727,840	543,200	(626,100)
	<u>1,416,240</u>	<u>697,398</u>	<u>718,842</u>	<u>794,331</u>	<u>(621,909)</u>
Total State Assessments	<u>1,416,240</u>	<u>697,398</u>	<u>718,842</u>	<u>794,331</u>	<u>(621,909)</u>
Total Expense	<u>8,967,340</u>	<u>7,876,544</u>	<u>1,090,796</u>	<u>8,143,790</u>	<u>(823,550)</u>
Net Ordinary Income	10,438,521	26,975,602	(16,537,081)	10,356,382	(82,139)