

Meeting Date
July 22, 2014



AGENDA	
Section	Unfinished Business
Item No.	TU.6

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

Tabled from 7-8-14

SUBJECT:	2015 Group Health Plan Design Changes
DEPT/OFFICE:	Office of Human Resources / Employee Benefits

Requested Action:
 That the Board approves premiums and plan design changes to the Board's group health plan in accordance with EBIAC recommendations for plan options #2 and #4 previously presented to the Board on May 27, 2014.

Summary Explanation & Background:

At the May 27, 2014 Board meeting, the County Manager was given direction to use the County's Employee Benefits / Insurance Advisory Committee's (EBIAC) recommendations presented as Option #2 (which includes a 14% premium increase for employers, a 20% premium increase for active employees and their dependents while increasing retiree premiums to the full vested /unsubsidized rate) and Option #4 (the introduction of an in-network only EPO plan offered by Health First Health Plans) for budget development.

Under these options the Employer premium will increase to \$980.17 per benefits eligible employee per month (\$11,762.06 annually) and is projected to generate \$5,665,536 in new revenue for the group health plan. Employee and retiree premium increases under this option are illustrated in the attached exhibit. With an understanding that the proposed FY 14/15 budget with the employer, employee, dependent and retiree premium increases proposed, would not produce sufficient revenue to meet the expected group health plan costs for 2015, the EBIAC then developed several plan design options that incorporate changes to the current self-insured program to produce the necessary level of plan cost reductions they were tasked with addressing. The recommendations designated as Options #2 and #4 create the additional funding and cost reductions needed to meet projected 2015 group health plan expenses. Group Health Plan reserves may continue to be utilized to make up some portion of the anticipated revenue/expense shortfall, but at a significantly slower rate that will provide the Plan with the opportunity to meet statutory required reserves.

It is anticipated that the current and projected rate of medical inflation and the group health plan's utilization will result in a significant shortfall in funding for the 2015 plan year if the proposed level of employer funding and plan design changes for employee group health are not provided. Group Health Plan reserves have been utilized for the past several years to offset funding shortfalls given the County's fiscal constraints over that time. Those reserves are now projected to fall below statutorily required minimums without these significant changes to both plan funding and plan design.

The Office of Human Resources/Employee Benefits requests that the Board authorize plan design and premium changes for the 2015 plan year as illustrated on the attached exhibit.

Fiscal Impact:
 \$6.6 million in plan design and employee, dependent and retiree premium changes to the group health plan.

Clerk to the Board instruction:
 Exhibits Attached: GHP renewal options

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager		Assistant County Manager	Department Director / Extension Gerard Visco, Insurance Director / 5-5446
Stockton Whitten			



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

July 23, 2014

MEMORANDUM

TO: Gerard Visco, Insurance Director

RE: Item IV.B, Approval of 2015 Group Health Plan Design Changes

The Board of County Commissioners, in regular session on July 22, 2014, approved premiums and plan design changes to the Board's Group Health Plan in accordance with EBAC recommendations for plan Options 1.A and 4.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

for Tammy Etheridge, Deputy Clerk

/clm

cc: County Manager

Brevard County Government 2015 Health Plan Renewal

Option 1 (EBIAC vote 7 for / 4 against)

PBM RFP – savings from enhanced discounts	\$1.45 million
PBM medical/rx integration @ \$4.90 PMPM	\$350,000
Cigna Local Plus Network for HRA/OAP for PPO	\$880,000
\$250/\$500 deductible then HRA	\$940,000
Increase PPO deductible to \$600/\$1,200	\$155,000
Increase Rx copays to add 10% coinsurance to brands, Specialty to \$150	\$925,000
100 Deductible Brand Rx	\$512,000
Active increase 30%	\$800,000
Retiree increase 35%	\$590,000
Total	\$6,602,000

Option 2 (EBIAC vote 7 for /4 against)

PBM RFP – savings from enhanced discounts	\$1.45 million
PBM medical/rx integration @ \$4.90 PMPM	\$350,000
Cigna Local Plus Network for HRA/OAP for PPO	\$880,000
\$250/\$500 deductible then HRA	\$940,000
Increase PPO deductible to \$600/\$1,200	\$155,000
Increase Rx copays to add 10% coinsurance to brands, Specialty to \$150	\$925,000
100 Deductible Brand Rx	\$512,000
Active increase 20%	\$400,000
Retiree at full vested rate with 1 year retiree subsidy*	\$700,000
Total	\$6,312,000

Option 3 (EBIAC vote 9 for / 2 against)

PBM RFP – savings from enhanced discounts	\$1.45 million
PBM medical/rx integration @ \$4.90 PMPM	\$350,000
Cigna Local Plus Network for HRA/OAP for PPO	\$880,000
Increase HRA deductible to \$2000/\$4000 and OOP Max to \$3,500/\$6450	\$550,000
Increase PPO deductible to \$600/\$1,200	\$155,000
Increase Rx copays to add 10% coinsurance to brands, Specialty to \$150	\$925,000
\$100 Deductible Brand Rx	\$512,000
Active increase 20%	\$400,000
Retiree at full vested rate with 1 year retiree subsidy*	\$700,000
Total	\$5,922,000

**Retiree assumptions: full vested premium adds \$3.2 million less one year subsidy based on 263 non-Medicare at \$440/mo. and 487 Medicare at \$189/mo. Retirees can elect either the County subsidy or the subsidy through the Federal insurance Marketplace if one is available, (whichever is greater) but not both. If a retiree takes the County subsidy of up to \$440 for non-Medicare eligible retirees or \$189 for Medicare eligible retirees and leaves the County plan they cannot return to the County's plan under any circumstances. The County subsidy will only be available for one year (2015) and will only pay up to the actual medical/pharmacy premium incurred by retirees.*

Option 4: (EBIAC vote 10 for /0 against / 1 absent) Add HFHP EPO (in-network coverage only) using the HRA in-network plan design and keeping the current employee contribution structure. The impact on this is pending further discussion.

***Differences between Options have been highlighted.**

Full Active Employee Premium Rates Based on Option 2 (20% active employee increase)

Coverage Tier	HRA		%	Inc	PPO		%	Inc	EPO	
	2014 Rates	2015 Rates			2014 Rates	2015 Rates			2014 Rates	2015 Rates
Employee Only	\$29.52	\$35.42	20.00%		\$55.00	\$66.00	20.00%		\$29.52	
EE & Spouse	\$90.24	\$108.29	20.00%		\$213.90	\$256.68	20.00%		\$90.24	
EE & Child(ren)	\$71.92	\$86.30	20.00%		\$170.46	\$204.55	20.00%		\$71.92	
Full Family	\$149.48	\$179.38	20.00%		\$247.44	\$296.93	20.00%		\$149.48	

Retiree Premiums based on Option 2 Full Premium Rates

Coverage Tier	HRA		%	Inc	PPO		%	Inc	EPO	
	2014 Rates	2015 Rates			2014 Rates	2015 Rates			2014 Rates	2015 Rates
Retiree < 65	\$449.02	\$564.58	25.70%		\$559.34	\$676.90	21.00%		\$449.02	
Retiree < 65 + Spouse < 65	\$775.70	\$1,321.60	70.40%		\$1,067.78	\$1,659.04	55.40%		\$775.70	
Retiree < 65 + Spouse > 65	\$650.80	\$1,321.60	103.10%		\$846.02	\$1,659.04	96.10%		\$775.70	
Retiree < 65 + Child(ren)	\$608.96	\$1,068.10	75.40%		\$719.28	\$1,339.10	86.20%		\$608.96	
Retiree < 65 + Spouse < 65 + Child(ren)	\$935.64	\$1,862.41	99.10%		\$1,227.72	\$2,244.73	82.80%		\$935.64	
Retiree < 65 + Spouse > 65 + Child(ren)	\$810.74	\$1,862.41	129.70%		\$1,005.94	\$2,244.73	123.10%		\$935.64	
Retiree > 65	\$252.72	\$564.58	123.40%		\$337.58	\$676.90	100.50%		\$449.02	
Retiree > 65 + Spouse < 65	\$579.42	\$1,321.60	128.10%		\$846.02	\$1,659.04	96.10%		\$775.70	
Retiree > 65 + Spouse > 65	\$454.52	\$1,321.60	190.80%		\$624.24	\$1,659.04	165.80%		\$775.70	
Retiree > 65 + Child(ren)	\$412.66	\$1,068.10	158.80%		\$497.54	\$1,339.10	169.10%		\$608.96	
Retiree > 65 + Spouse < 65 + Child(ren)	\$739.36	\$1,862.41	151.90%		\$1,005.94	\$2,244.73	123.10%		\$935.64	
Retiree > 65 + Spouse > 65 + Child(ren)	\$614.46	\$1,862.41	203.10%		\$784.20	\$2,244.73	186.20%		\$935.64	

Full Premium Rates (vested) Based on Option 2 (14% Board / 20% active employee increase)

Coverage Tier	HRA		%	Inc	PPO		%	Inc
	2014 Rates	2015 Rates			2014 Rates	2015 Rates		
Employee Only	\$493.08	\$564.58	14.50%		\$591.18	\$676.90	14.50%	
EE & Spouse	\$1,154.24	\$1,321.60	14.50%		\$1,448.94	\$1,659.04	14.50%	
EE & Child(ren)	\$932.84	\$1,068.10	14.50%		\$1,169.52	\$1,339.10	14.50%	
Full Family	\$1,626.56	\$1,862.41	14.50%		\$1,960.46	\$2,244.73	14.50%	

Employer PMPM Contribution	2014	2015
Monthly Rate	\$859.80	\$980.17
Annual Rate	\$10,317.60	\$11,762.06



Office of Human Resources

2725 Judge Fran Jamieson Way
Building B, Room 209
Viera, Florida 32940

BOARD OF COUNTY COMMISSIONERS

Date: July 10, 2014
TO: Retirees in the County's Group Health Plan(s)
FROM: Gerard Visco, Brevard County Insurance Director
RE: Group Health Plan Options for 2015

This is a courtesy notice that on July 22, 2014, we expect the Board of County Commissioners to make very difficult decisions that will impact your 2015 health plan benefits.

Anticipating significant changes to our group health insurance benefits & premiums in 2015, you should have already received a letter from this office offering to help you explore all the options available to you between the County's group health plan options, the federal health insurance marketplace, Medicare Supplements and Medicare Advantage plans.

Several retirees have taken advantage of the opportunity to sit down with the Employee Benefits staff and identify available health care options that would be more advantageous for them than those options currently offered through the County's group health plan. Many of these individuals have found alternatives that produced plan options with lower costs and more appropriate coverage that better fit their individual needs. We again invite you to take advantage of this resource in order to help you find the best health insurance option available that meets your needs and fits your budget.

These difficult changes are necessary because for several years the trend has been that our medical expenses have exceeded the premiums collected, resulting in our Reserves being depleted below statutory required levels. Extremely difficult choices have to be made to cut plan expenses and/or increase plan revenues. Consistent with this, Employers will contribute an additional \$6 million dollars in 2015, which equates to approximately \$1,445 paid annually on behalf of each full-time employee bringing the total cost for employers to \$11,762 per employee per year. These funds help to cover most of the medical costs for employees, retirees and dependents enrolled in the group health plan.

Unfortunately, without additional changes, it is projected that we will deplete all of our Reserves as of the end of the 2015 plan year. The group health plan will no longer be able to operate at that point as there will be insufficient monies to pay claims. As a result, The Board has been considering the following options recommended by the Employee Benefits Insurance Advisory Committee (EBIAC):

Option 1: Provides for a 30% increase in premiums for active employees and a 35% increase in premiums for retirees.

Option 1a: *(This is a modified proposal that was introduced at the July 8, 2014 Board meeting.)* Provides for a 30% increase in premiums for active employees and retirees.

Option 2: Provides for a 20% increase in premiums for active employees and the rate for retirees will increase to the full vested rate, which is the unsubsidized premium based on our claims

experience. In addition, Retirees can elect either a separate County subsidy for one year or the subsidy through the Federal Insurance Marketplace if one is available, (whichever is greater) but not both. If a retiree takes the County subsidy of up to \$440 for non-Medicare eligible retirees or \$189 for Medicare eligible retirees and leaves the County plan they cannot return to the County's plan under any circumstances. The County subsidy will only pay up to the actual medical/pharmacy premium incurred by retirees.

In an effort to provide an option with no premium increase, separate and apart from the above-referenced options, the Board is considering a limited network under Health First that does not provide an out-of-network option. This option will only be available to Active employees and Non-Medicare eligible retirees with 2015 premiums equaling the current 2014 HRA premiums.

In addition, there are several proposed plan design changes that will take place on January 1st, 2015 to include:

- Members will have to pay the first \$250 (individual) or \$500 (family) before HRA funds can be used
- The PPO deductible will increase to \$600(individual) or \$1200(family)
- There will be an increase to the prescription drug co-payment as follows:
 - \$30 Co-pay + 10% Coinsurance (Max of \$60) for Preferred Brand Drugs (Non-Specialty)
 - \$50 Co-pay + 10% Coinsurance (Max of \$100) for Non-Preferred Brand Drugs (Non-Specialty)
 - \$75 Co-pay for Retail 90/Mail Preferred Brand (Non-Specialty)
 - \$125 Co-payment for Retail 90/Mail Non-Preferred Brand (Non-Specialty)
- There will also be a \$100 (individual)/\$200 (family) deductible applied to Brand name drugs
- The co-payment for Specialty drugs will increase up to a maximum of \$150
- The co-payment for generic drugs WILL NOT change

Regretfully, the current plan design cannot be sustained. To ensure our group health plan's survival the options listed above were considered to be the most viable solutions by the Employee Benefits Insurance Advisory Committee.

Because we know that other public entities are facing a similar dilemma, we conducted a survey of several counties and municipalities to review their current data with respect to retiree subsidies and premiums. The results of that survey are provided for your additional information in attachment 1. We have included a second attachment, which is a simplified version of premium increases under consideration for retirees.

Needless to say, the Board will have difficult decisions to make at the July 22nd meeting; decisions that will not be taken lightly. The Board was very interested in making certain our retirees are aware of the current situation and options under consideration. As always, if you have any questions or would like to discuss your particular situation directly with a member of the Employee Benefits staff, you can contact us at your convenience. We stand ready to assist you in any way possible.

Gerard Visco
Insurance Director
Brevard County Board of County Commissioner

Brevard County Government Retiree Subsidy Survey - June 2014

Employer	Retiree Only Coverage		Active/Cobra Rate	Other subsidy
	Medicare	Non-Medicare		
Brevard 2014	\$252.72	\$449.02	\$493.08	EE's hired after 1/1/2006, 4% per yr svc to max of 100% of board contribution. 94% if enrolled in MAPD.
Alachua Co.	\$422.34	\$422.34	\$422.34	\$3/mo/yr of svc up to \$90
Citrus Co.	\$546.90	\$546.90	\$601.60	Voluntary early retire incentive plan 100% for 2 years
Hamilton Co.	\$762.00	\$762.00	\$788.32	\$5/mo/yr of svc up to \$150
Hernando Co.	\$767.00	\$767.00	\$767.00	No
Hillsborough	\$650.00	\$650.00	\$650.00	\$5/mo/yr of svc up to \$150 only from ages 62-65. Ceases upon Medicare eligibility
Lake Co.	\$540.87	\$540.87	\$540.87	No
Lee Co.	\$293.60	\$390.00	\$795.60	50% of prem (retiree only) if hired prior to 1/1/2008, if after, no subsidy
Manatee Co.	\$418.33	\$418.33	\$573.00	Retirees w/10+ yrs svc, Co. pays average of \$154 of mo premium
Marion Co.	Retiree pays 100% of active premium		No	No
Miami Dade Co.	\$432.10	\$545.87	\$649.19	Roughly 30% retiree-only coverage.
Orange Co.	\$397.31	\$497.31	\$497.31	\$3/mo/yr of svc up to \$90
St. Johns Co.	\$558.00	\$670.00	\$567.65	% based on yr/svc: 20-24 yrs: 30%, 35-30 yrs: 40%, 30+ yrs: 50%
St. Lucie Co.	\$0.00	\$628.78	\$628.78	100% of retiree only if retired prior to 10/1/13 (and meet req) until they become eligible for Medicare or another health plan

Employer	Retiree Only Coverage		Active/Cobra Rate	Other subsidy
	Medicare	Non-Medicare		
Sumter Co.	\$242.50	\$417.00	Not provided yet	Under 65 w/10+ yrs svc-50%, 6-9 yrs svc-25%. If Medicare Eligible - 25%. Eff 10/1/14, if retiree opts out, Co. will pay \$1,300 towards health prem.
Polk Co.	\$336.07	\$540.26	Not provided yet	Lesser of \$16 or 3% per year of service for pre-65, 3% per year of service post-65
Volusia Co.	\$398.71	\$398.71	\$398.71	30% retiree only. Will be evaluating retirees next year. Hands out Marketplace flyer.
Walton Co.	\$387.48	\$258.40	Not provided yet	\$5/mo/yr of svc up to \$150
Washington Co.	\$762.75	\$762.75	\$762.75	No
Apopka	\$450.35	\$450.35	\$450.35	100% single premium with 25 or more years of service; eliminated subsidy for hires after 1/1/11
Cocoa Bch	Requires retirees to convert to Group Medicare Supplement Plans once Medicare eligible			
Hollywood	Varies based on hire date and retirement date.			
Lakeland	\$355.96	\$547.80	\$547.80	\$5/mo/yr of svc up to \$150
Mt. Dora	Varies based on hire date and retirement date.			
Ocala	\$372.00	\$372.00	\$372.00	No
Ormond Bch	\$471.43	\$471.43	\$471.43	No
Titusville	\$364.07	\$364.07	\$364.07	For hires pre 10/1/03 \$8/mo/yr of svc up to \$500 after 10/1/03 up to \$200/month.
Winter Park	\$445.25	\$556.57	\$556.57	No

OPTION 1

Retiree Premiums based on 35% increase							
Coverage Tier	HRA		% Inc	PPO		% Inc	EPO 2015 Rate
	2014 Rates	2015 Rates		2014 Rates	2015 Rates		
Retiree < 65	\$449.02	\$569.03	26.7%	\$559.34	\$682.24	22.0%	\$449.02
Retiree < 65 + Spouse < 65	\$775.70	\$1,047.20	35.0%	\$1,067.78	\$1,441.50	35.0%	\$775.70
Retiree < 65 + Spouse > 65	\$650.80	\$878.58	35.0%	\$846.02	\$1,142.13	35.0%	N/A
Retiree < 65 + Spouse > 65 (HFHP Med HMO)	\$683.03	\$922.09	35.0%	\$786.36	\$1,061.59	35.0%	N/A
Retiree < 65 + Spouse > 65 (HFHP Med POS)	\$541.09	\$730.47	35.0%	\$644.42	\$869.97	35.0%	N/A
Retiree < 65 + Child(ren)	\$608.96	\$822.10	35.0%	\$719.28	\$971.03	35.0%	\$608.96
Retiree < 65 + Spouse < 65 + Child(ren)	\$935.64	\$1,263.11	35.0%	\$1,227.72	\$1,657.42	35.0%	\$935.64
Retiree < 65 + Spouse > 65 + Child(ren)	\$810.74	\$1,094.50	35.0%	\$1,005.94	\$1,358.02	35.0%	N/A
Retiree > 65	\$252.72	\$341.17	35.0%	\$337.58	\$455.73	35.0%	N/A
Retiree > 65 + Spouse < 65	\$579.42	\$782.22	35.0%	\$846.02	\$1,142.13	35.0%	N/A
Retiree > 65 + Spouse > 65	\$454.52	\$613.60	35.0%	\$624.24	\$842.73	35.0%	N/A
Retiree > 65 + Child(ren)	\$412.66	\$557.09	35.0%	\$497.54	\$671.68	35.0%	N/A
Retiree > 65 + Spouse < 65 + Child(ren)	\$739.36	\$998.14	35.0%	\$1,005.94	\$1,358.02	35.0%	N/A
Retiree > 65 + Spouse > 65 + Child(ren)	\$614.46	\$829.52	35.0%	\$784.20	\$1,058.67	35.0%	N/A

Full Premium Rates (vested) Based on Option 1 (14% Board / 30% active employee increase)						
Coverage Tier	HRA		% Inc	PPO		% Inc
	2014 Rates	2015 Rates		2014 Rates	2015 Rates	
Employee Only	\$493.08	\$569.03	15.4%	\$591.18	\$682.24	15.4%
EE & Spouse	\$1,154.24	\$1,332.03	15.4%	\$1,448.94	\$1,672.13	15.4%
EE & Child(ren)	\$932.84	\$1,076.53	15.4%	\$1,169.52	\$1,349.66	15.4%
Full Family	\$1,626.56	\$1,877.10	15.4%	\$1,960.46	\$2,262.44	15.4%

OPTION 1a

Retiree Premiums based on 30% increase									
Coverage Tier	HRA		% Inc	PPO		% Inc	EPO		
	2014 Rates	2015 Rates		2014 Rates	2015 Rates		2014 Rates	2015 Rates	
Retiree < 65	\$449.02	\$569.03	26.7%	\$559.34	\$682.24	22.0%	\$449.02	\$449.02	
Retiree < 65 + Spouse < 65	\$775.70	\$1,008.41	30.0%	\$1,067.78	\$1,388.11	30.0%	\$775.70	\$775.70	
Retiree < 65 + Spouse > 65	\$650.80	\$846.04	30.0%	\$846.02	\$1,099.83	30.0%	N/A	N/A	
Retiree < 65 + Spouse > 65 (HFHP Med HMO)	\$683.03	\$887.94	30.0%	\$786.36	\$1,022.27	30.0%	N/A	N/A	
Retiree < 65 + Spouse > 65 (HFHP Med POS)	\$541.09	\$703.42	30.0%	\$644.42	\$837.75	30.0%	N/A	N/A	
Retiree < 65 + Child(ren)	\$608.96	\$791.65	30.0%	\$719.28	\$935.06	30.0%	\$608.96	\$608.96	
Retiree < 65 + Spouse < 65 + Child(ren)	\$935.64	\$1,216.33	30.0%	\$1,227.72	\$1,596.04	30.0%	\$935.64	\$935.64	
Retiree < 65 + Spouse > 65 + Child(ren)	\$810.74	\$1,053.96	30.0%	\$1,005.94	\$1,307.72	30.0%	N/A	N/A	
Retiree > 65	\$252.72	\$328.54	30.0%	\$337.58	\$438.85	30.0%	N/A	N/A	
Retiree > 65 + Spouse < 65	\$579.42	\$753.25	30.0%	\$846.02	\$1,099.82	30.0%	N/A	N/A	
Retiree > 65 + Spouse > 65	\$454.52	\$590.88	30.0%	\$624.24	\$811.51	30.0%	N/A	N/A	
Retiree > 65 + Child(ren)	\$412.66	\$536.46	30.0%	\$497.54	\$646.80	30.0%	N/A	N/A	
Retiree > 65 + Spouse < 65 + Child(ren)	\$739.36	\$961.17	30.0%	\$1,005.94	\$1,307.72	30.0%	N/A	N/A	
Retiree > 65 + Spouse > 65 + Child(ren)	\$614.46	\$798.79	30.0%	\$784.20	\$1,019.46	30.0%	N/A	N/A	

Full Premium Rates (vested) Based on Option 2 (14% Board / 20% active employee increase)									
Coverage Tier	HRA		% Inc	PPO		% Inc			
	2014 Rates	2015 Rates		2014 Rates	2015 Rates				
Employee Only	\$493.08	\$569.03	15.4%	\$591.18	\$682.24	15.4%			
EE & Spouse	\$1,154.24	\$1,332.03	15.4%	\$1,448.94	\$1,672.13	15.4%			
EE & Child(ren)	\$932.84	\$1,076.53	15.4%	\$1,169.52	\$1,349.66	15.4%			
Full Family	\$1,626.56	\$1,877.10	15.4%	\$1,960.46	\$2,262.44	15.4%			

OPTION 2

Retiree Premiums based on Option 2 Full Premium Rates									
Coverage Tier	HRA		% Inc	PPO		% Inc	EPO		
	2014 Rates	2015 Rates		2014 Rates	2015 Rates		2014 Rates	2015 Rates	
Retiree < 65	\$449.02	\$564.58	25.7%	\$559.34	\$676.90	21.0%	\$449.02	\$449.02	
Retiree < 65 + Spouse < 65	\$775.70	\$1,321.60	70.4%	\$1,067.78	\$1,659.04	55.4%	\$775.70	\$775.70	
Retiree < 65 + Spouse > 65	\$650.80	\$1,321.60	103.1%	\$846.02	\$1,659.04	96.1%	\$775.70	\$775.70	
Retiree < 65 + Child(ren)	\$608.96	\$1,068.10	75.4%	\$719.28	\$1,339.10	86.2%	\$608.96	\$608.96	
Retiree < 65 + Spouse < 65 + Child(ren)	\$935.64	\$1,862.41	99.1%	\$1,227.72	\$2,244.73	82.8%	\$935.64	\$935.64	
Retiree < 65 + Spouse > 65 + Child(ren)	\$810.74	\$1,862.41	129.7%	\$1,005.94	\$2,244.73	123.1%	\$935.64	\$935.64	
Retiree > 65	\$252.72	\$564.58	123.4%	\$337.58	\$676.90	100.5%	\$449.02	\$449.02	
Retiree > 65 + Spouse < 65	\$579.42	\$1,321.60	128.1%	\$846.02	\$1,659.04	96.1%	\$775.70	\$775.70	
Retiree > 65 + Spouse > 65	\$454.52	\$1,321.60	190.8%	\$624.24	\$1,659.04	165.8%	\$775.70	\$775.70	
Retiree > 65 + Child(ren)	\$412.66	\$1,068.10	158.8%	\$497.54	\$1,339.10	169.1%	\$608.96	\$608.96	
Retiree > 65 + Spouse < 65 + Child(ren)	\$739.36	\$1,862.41	151.9%	\$1,005.94	\$2,244.73	123.1%	\$935.64	\$935.64	
Retiree > 65 + Spouse > 65 + Child(ren)	\$614.46	\$1,862.41	203.1%	\$784.20	\$2,244.73	186.2%	\$935.64	\$935.64	

Full Premium Rates (vested) Based on Option 2 (14% Board / 20% active employee increase)									
Coverage Tier	HRA		% Inc	PPO		% Inc	EPO		
	2014 Rates	2015 Rates		2014 Rates	2015 Rates		2014 Rates	2015 Rates	
Employee Only	\$493.08	\$564.58	14.5%	\$591.18	\$676.90	14.5%	\$449.02	\$449.02	
EE & Spouse	\$1,154.24	\$1,321.60	14.5%	\$1,448.94	\$1,659.04	14.5%	\$775.70	\$775.70	
EE & Child(ren)	\$932.84	\$1,068.10	14.5%	\$1,169.52	\$1,339.10	14.5%	\$608.96	\$608.96	
Full Family	\$1,626.56	\$1,862.41	14.5%	\$1,960.46	\$2,244.73	14.5%	\$935.64	\$935.64	

FY 2014-2015 RECOMMENDED BUDGET

July 10, 2014



Overview



2

- **FY 2014-2015 Recommended Budget**
- **The General Revenue Budget**
- **The Budget Over Time**

FY 2014-15 Recommended Budget Fact Sheet



- ❑ The recommended budget of \$1,003,743,884 represents a reduction of \$8.6 million from the current FY 2013-2014 budget
- ❑ The aggregate operating millage rate is proposed at 6.9571, a 1.37% decrease below the FY 2013-14 aggregate operating millage rate
- ❑ Most tax rates are set to Charter maximums as approved by the voters of Brevard County
- ❑ Those tax rates that were previously approved by the voters are set within the Voter approved limits

Charter Cap



- ❖ The Board shall not impose any ad valorem tax for county purposes or within any municipal services taxing unit, or district
 - At a millage rate which causes the budgeted revenue to increase over the budgeted ad valorem revenue for the previous fiscal year
 - By more than the lesser of: (1) three percent, or (2) the change CPI
 - Excluding revenue change associated with new construction

FY 2014-15 Recommended Budget Fact Sheet



5

- General Government Operating Revenues increase overall by \$5,911,799.
- General Government Expenditures increase by \$7,910,145:
 - Increase transfers to Charter Officers, \$5,256,552 (offset by the Animal Services reduction: \$2,291,291)
 - Increased CRA Payments (including NBEDZ), \$3,451,826
 - Increase transfers to Court Operations, \$503,873
 - Increase Expenses to support State Mandates, \$374,144
 - Increase to General Fund support of Employer Health Insurance, \$615,041

FY 2014-15 Recommended Budget Fact Sheet



6

- Animal Services is transferred to the BCSO
- Service levels have been maintained
- Country Acres closure
- Elimination of First Responder funding
- The budget includes no merit or COLA salary increases for BOCC employees
- The County's Health Insurance rates for FY 2014-15 have increased by 14%



7

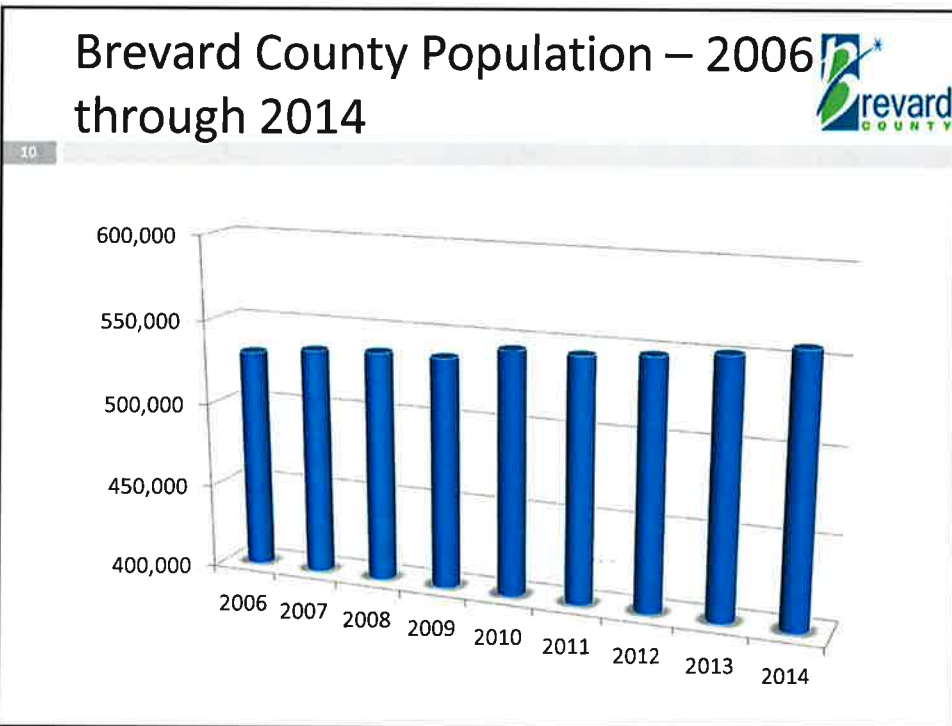
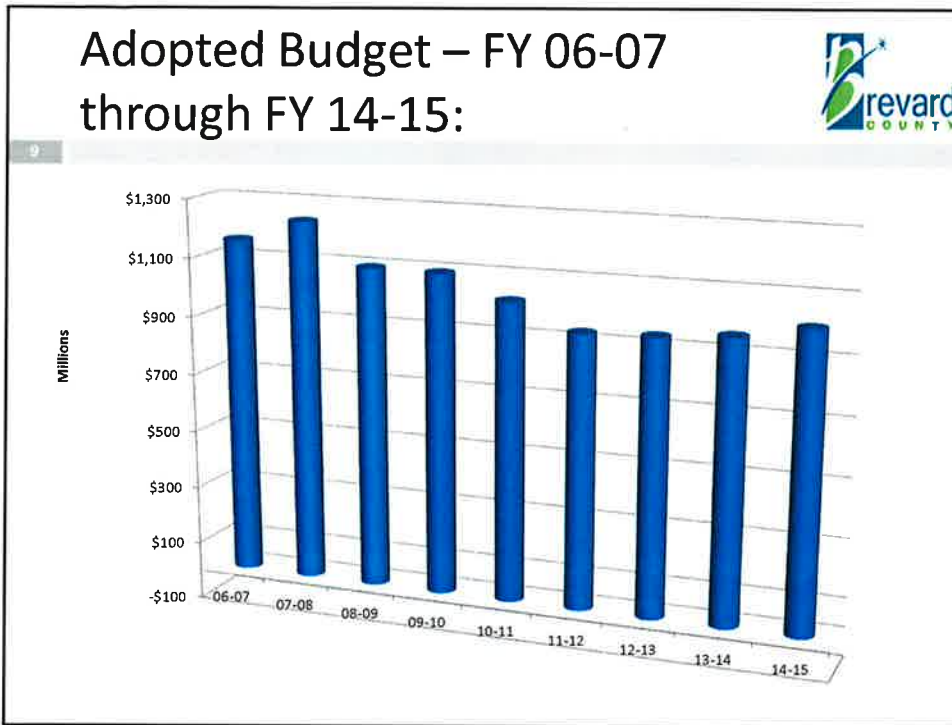
THE FY 2014-2015 RECOMMENDED BUDGET

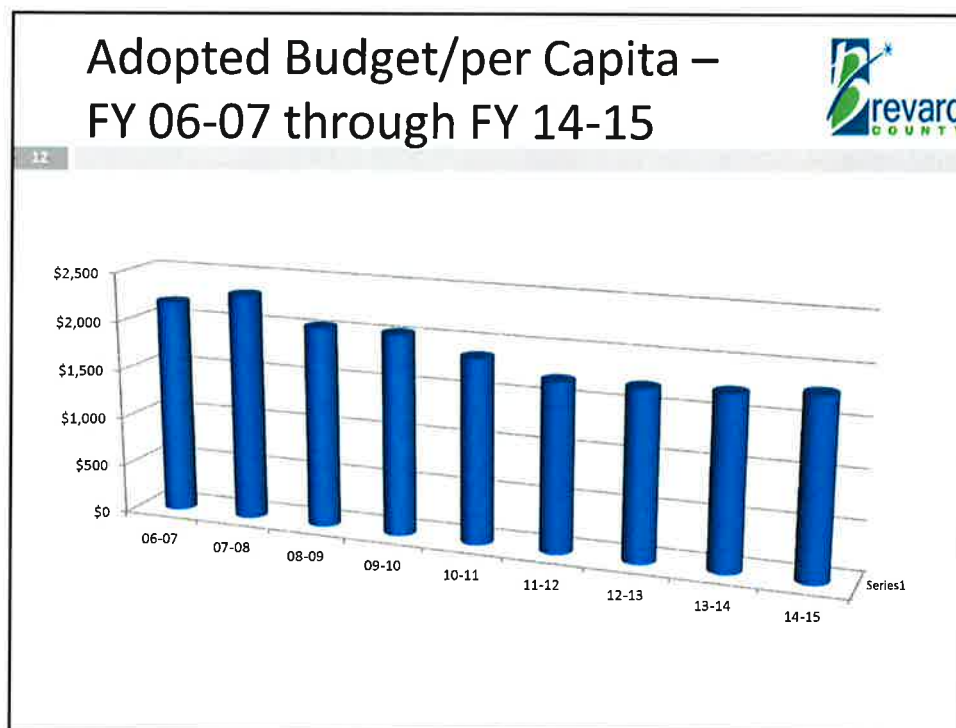
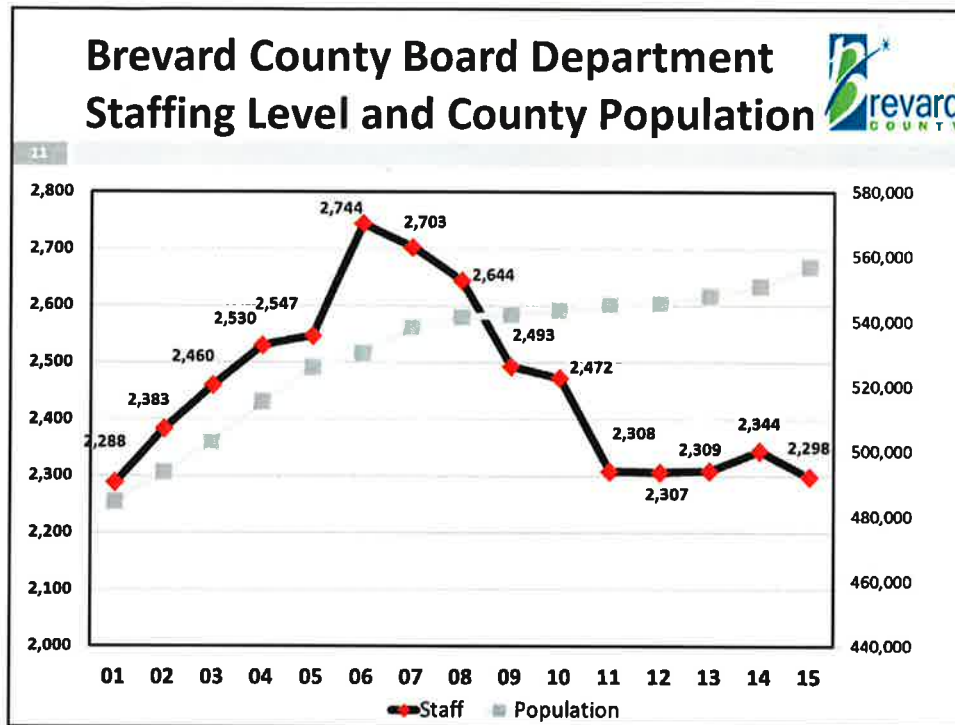
8

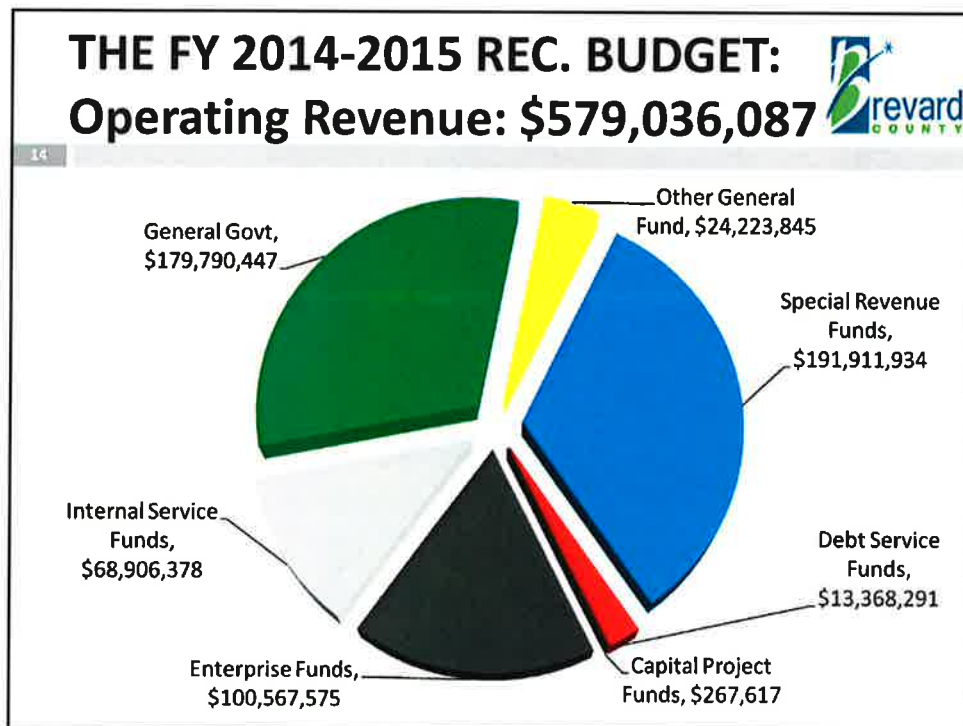
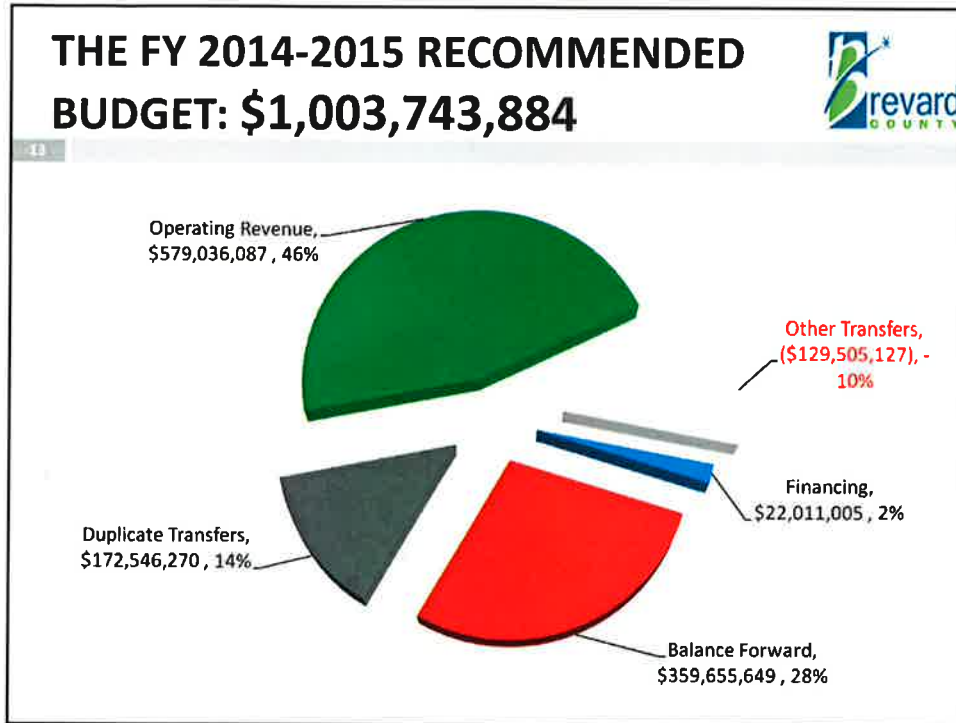
FY 2014-15 Recommended Budget



Expenditure Categories	Current Budget Fiscal Year 2013-14	Recommended Budget Fiscal Year 2014-15	\$ Change	% Change
Operating Expenses	\$419,596,362	\$409,216,757	(\$10,379,605)	-2.47%
Capital	\$159,262,981	\$134,991,228	(\$24,271,753)	15.24%
Debt Service	\$33,713,343	\$32,372,202	(\$1,341,141)	-3.98%
Transfers	\$164,183,439	\$172,546,270	\$8,362,831	5.09%
Reserves	\$235,556,781	\$254,617,427	\$19,060,646	8.09%
Total Budget	\$1,012,312,906	\$1,003,743,884	(\$8,569,022)	-0.85%







Restricted Uses of Revenue



Other General Fund	Special Revenue		Debt Service
Emergency Mgmt	Courts	Parks & Rec	General Gov't
Parks & Rec	Fire Rescue	Planning	Parks & Rec
Public Works	Grants	Public Works	
	Housing	Sheriff's Office	
	Libraries	Tourism	
	Natural Resources Mgmt		


Capital Projects	Enterprise		Internal
Emergency Mgmt	Golf Courses	TICO	Info Syst
Facilities	Melbourne-Tillman	Transit Svcs	Risk Mgmt
Parks & Rec	Solid Waste	Utilities	Group Health

Declining Budgeted Operating Property Taxes FY 07 to FY 15 (\$ in Millions)

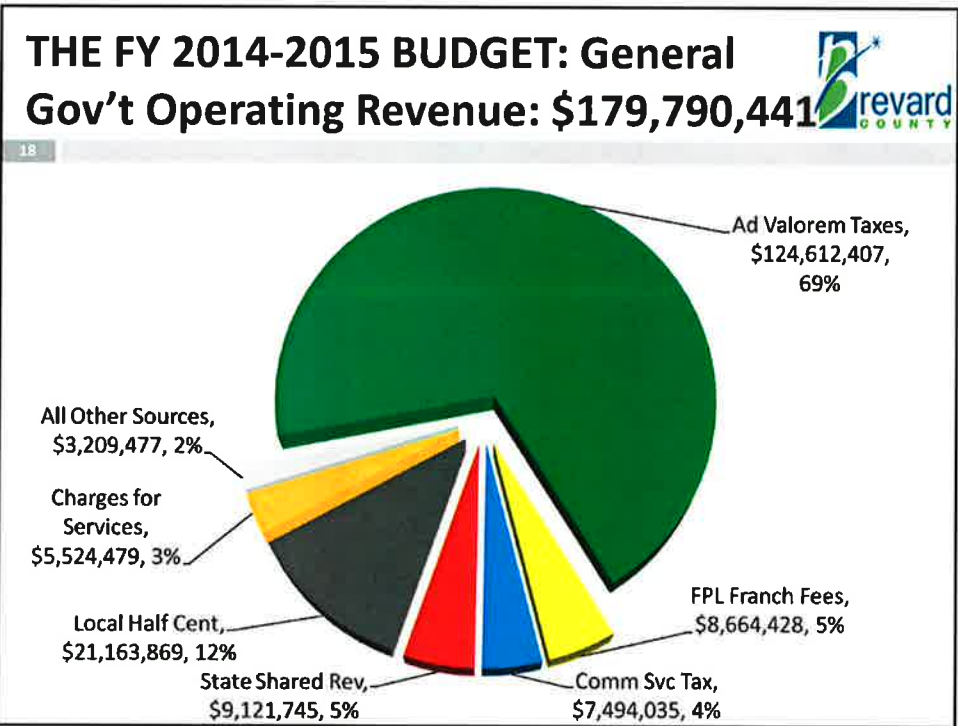


Tax District	Budgeted FY 06/07	Proposed Budget FY 14/15	Difference
General Fund	\$150.96	\$131.17	(\$19.79)
Library	\$21.60	\$16.15	(\$5.45)
Mosquito Control	\$7.07	\$5.80	(\$1.27)
Fire Control MSTU (Voted)	\$11.59	\$10.78	(\$0.81)
Law Enforcement MSTU	\$14.26	\$16.86	\$2.60
Road & Bridge MSTUs	\$5.44	\$4.67	(\$0.77)
Parks & Rec. Districts	\$17.35	\$7.92	(\$9.43)
EELS (Voted)	\$3.42	\$1.57	(\$1.85)
TOTAL	\$231.70	\$194.93	(\$36.77)

17



THE FY 2014-2015 GENERAL REVENUE BUDGET



General Revenue Supports



19

- The Sheriff's Office
- Unfunded Mandates
- Parks and Recreation
- Fire Rescue/Emergency Medical Services
- Facilities
- Property Appraiser
- Tax Collector
- Public Works
- Housing and Human Services
- Courts

- **More than \$161 Million**

Unfunded Mandates:



20

Medicaid	\$6,931,310
Baker Act	\$1,748,507
Pre-trial Detention of Juveniles	\$1,414,718
Medical Examiner	\$1,355,653
Comprehensive Plan	\$982,307
Legal Aid	\$256,500
Other	\$394,400

That Leaves About \$19 Million To Support:



21

More than 150 additional programs and services within:

- Asset Management
- Budget Office
- Clerk of Courts Board Finance and Board Minutes
- Code Enforcement
- County Attorney
- County Commissioners
- County Manager's Office
- General Fund Debt Payments

That Leaves About \$19 Million To Support:



22

- Human Resource
- Information Technology
- Natural Resources Management
- Planning and Zoning
- Purchasing Services
- UF Extension Services
- Site Plan and Subdivision Review
- SCGTV

Budget Challenges



23

- Merit and Cost of Living Pay Raises
- Deferred Road Maintenance and Capacity
- Facilities Improvements and Repairs
- Health Insurance Increases
- Technology Improvements
- General Fund Reserve Investment

Next Steps



24

- **July 22nd - Tentative Millage Hearing**
- **August 12th – Melbourne Tillman Rate Hearing**
- **September 9th – 1st Budget Hearing**
- **September 23rd – Final Budget Hearing**

FY07 Actual vs. FY15 Recomm



25

	FY 2006-2007		FY 2014-2015
	Adopted Budget	Assigned	Recommended Budget
Operating Expenses	\$457,956,422	\$407,609,849	\$409,216,757
Capital	\$244,123,552	\$119,756,589	\$134,991,228
Debt Service	\$50,279,881	\$56,407,192	\$32,372,202
Transfers	\$175,921,069	\$184,325,771	\$172,546,270
Reserves	\$232,026,846	N/A	\$254,617,427
Total	\$1,160,307,770	\$768,099,401	\$1,003,743,884
Total w/o Reserves	\$928,280,924	\$768,099,401	\$749,126,457

