


# Judicial Support

January 22, 2015

Presented by:  
Tom Rosenberg, Budget Office



## Overview




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- ✓ Mission and Organization
- ✓ Florida Statute 29.008
- ✓ Funding Sources
- ✓ Revenue Trends



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# MISSION & ORGANIZATION



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## Mission

- **Provide services to the 18th Judicial Circuit mandated by Article V of Florida Statutes**
  - **Information Technology**
  - **Facilities**
  - **Local Requirements/Initiatives**
  - **Juvenile Alternatives**

## Organization - I



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- **Organized by Service Provided**
  - **Information Technology**
    - **Equipment**
    - **Personnel**
    - **Network Support**
    - **Case Management System**

## Organization - II



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- **Facilities**
  - **Building Services**
  - **Phone Services**
- **Local Requirements**
  - **Court Innovations**
  - **Mental Health Court**
  - **State Attorney and Public Defender**
  - **Local Contracts**

## Organization - III



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- Juvenile Alternatives
  - Juvenile Alternative Sanctions Coordinator
  - Juvenile Assessment Center



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## FLORIDA STATUTES 29.008

*County is required to fund*

## County Funding of Court Related Functions



- **Counties are required to fund the cost of:**
  - **Communications Services**
  - **Radio Systems**
  - **Criminal Justice Information Systems**
  - **Construction/lease, maintenance, utilities and security of facilities**
    - **Circuit and County Courts**
    - **Public Defender offices**
    - **State Attorney's offices**

## County Funding of Court Related Functions (Continued)



- **Guardian Ad Litem offices**
- **Clerks of the Circuit and County Courts performing court-related functions.**
- **Law Libraries**
- **Legal Aid and Alternative Sanction Coordinators**

## Local Requirements



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- **Counties shall pay:**
  - **Reasonable and necessary salaries, costs and expenses of state court systems to meet local requirements**
  - **Specialized programs, nonjudicial staff, other expenses**
    - **Specialized court programs**
    - **Specialized prosecution needs**
    - **Specialized defense needs**
    - **Other special factors**

## Annual expenditure increase



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- **Most years county must ensure that expenditures under this article must increase 1.5% from the prior year**
  - **However, for FY 2014-2015 counties are exempt from this provision**
    - **Must maintain but need not increase**
    - **Provision will be reinstated for FY 2015-2016**

# County Funded Positions



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Court IT	Other
Judicial Technology Specialist (PD)	(4) Senior Secretary (LCI)
Judicial Technology Specialist (PD)	Court Program Specialist II (JA)
Senior Network Administrator (SA)	
Information Systems Technician III (SA)	
Dis Systems Network Coord (Admin)	
Information Systems Consultant I (Admin)	
Trial Court Technology Officer (Admin)	



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# FUNDING SOURCES

## Funding Sources



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- **Court Information Technology**
  - Clerk of Courts recording fee - \$2 service charge
  - General Fund Transfers
  - Miscellaneous (sale of surplus/interest earned)
- **Court Facilities**
  - Non-criminal traffic infraction \$30 surcharge
  - General Fund Transfers
  - Balance Forward (when available)
  - Miscellaneous (rent)

## Funding Sources



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- **Local Court Mandates/Initiatives**
  - 25% of \$65 additional court costs (felony, misdemeanor, delinquent act or criminal traffic offense)
  - General Fund Transfers
- **Juvenile Alternatives**
  - 25% of \$65 additional court costs
  - General Fund Transfers
  - Transfers out to Juvenile Assessment Center (H&HS)

# Charter Officer Budgets



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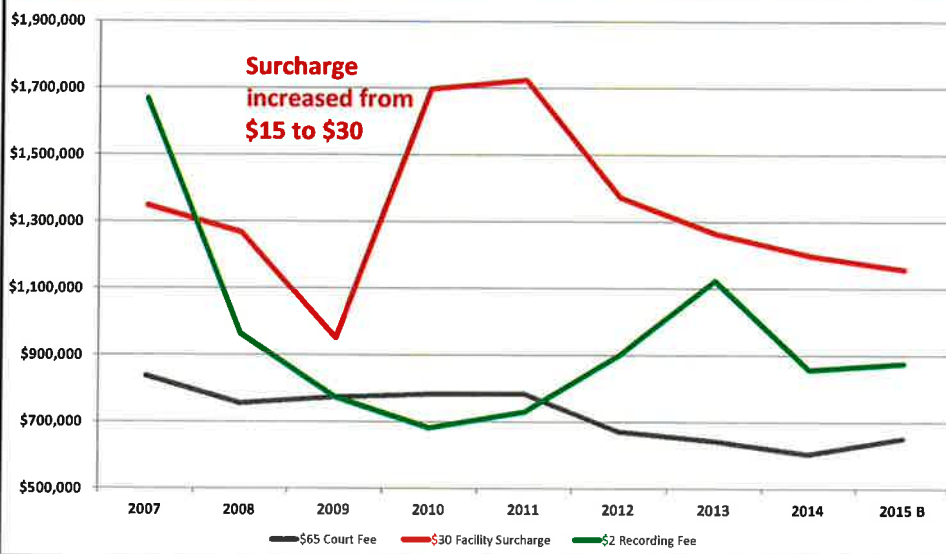
## JUDICIAL SUPPORT ADOPTED REVENUE BUDGET FY 2014-2015

3411505	\$2 Recording Fee for Court IS (28.24.12.e.1, f.s)	-\$921,857
3489210	Local Req Court Cost (939.185.1.a.1)	-\$338,990
3489310	Court Facilty Surcharge \$15 (318.18.13.a)	-\$1,218,013
<b>CHARGES FOR SERVICE</b>		<b>-\$2,478,860</b>
3612000	Int Earn Consd Inv	-\$1,500
3620004	Rent Central Op Fac	\$0
3699000	<b>OTHER MISC REVENUES</b>	<b>-\$3,680</b>
<b>MISCELLANEOUS REVENUE</b>		<b>-\$5,180</b>
3021000	LESS 5 PERCENT OF ANTICIPATED	\$124,203
<b>STATUTORY REDUCTION (LESS 5%)</b>		<b>\$124,203</b>
<b>BALANCE FORWARD</b>		<b>-\$315,000</b>
<b>TRANSFERS - GENERAL FUND</b>		<b>-\$2,591,720</b>
<b>TRANSFERS - OTHER</b>		<b>\$208,815</b>
<b>Total Revenue Items</b>		<b>-\$5,057,742</b>

# Revenue Source Trending



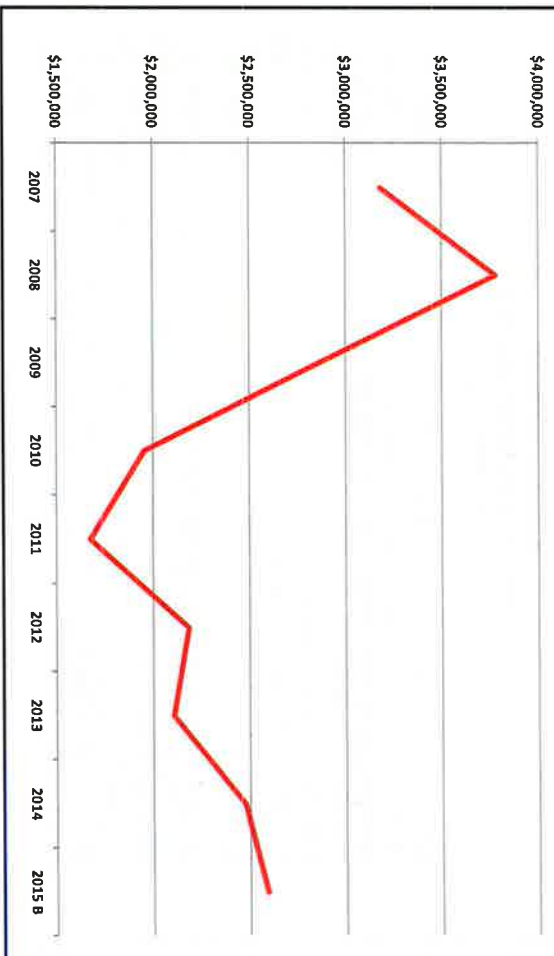
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# GF Transfers Trending



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**Office of the State Attorney  
Eighteenth Judicial Circuit**

**The Honorable Phil Archer  
State Attorney**

# Authority

- **Article V, Section 17, Florida Constitution**
- **Title V, Chapter 27, Florida Statutes**

# **Mission Statement**

**To pursue vigorous and fair  
prosecution of criminal cases, with a  
commitment to serve as an advocate  
for the rights of all victims, and  
promote the safety and well-being of  
the public.**

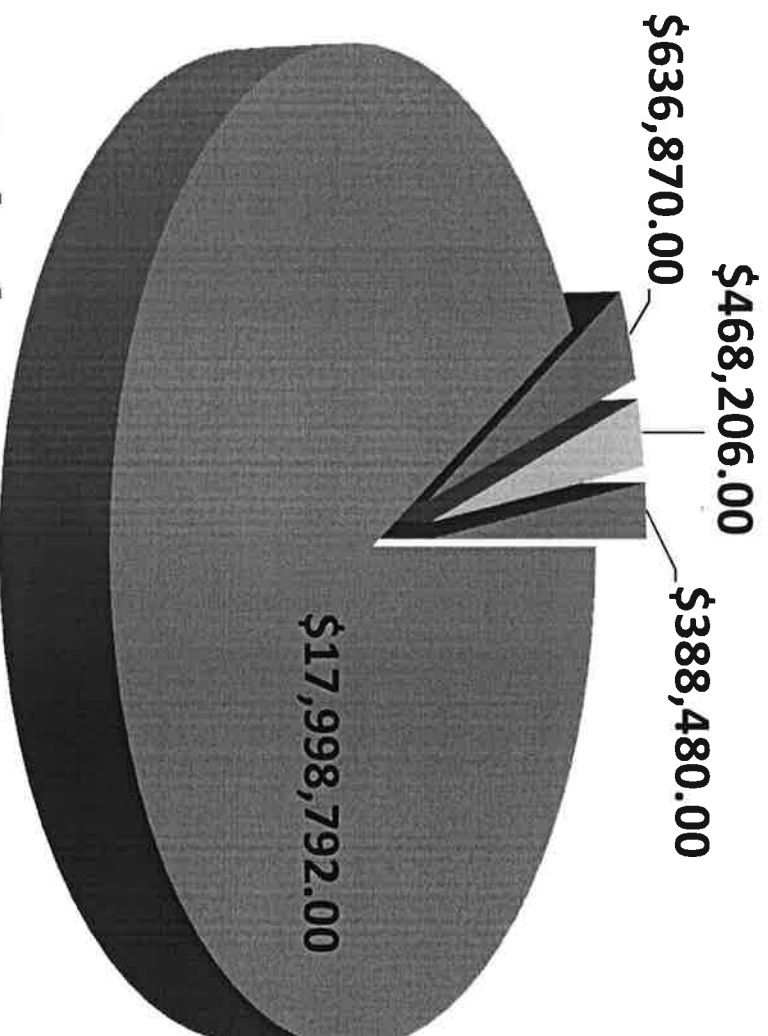
# **18<sup>th</sup> Circuit Programs & Services**

- **Prosecution of Criminal Cases**
- **Victim/Witness Support**
- **Diversionary programs**
- **Investigations**
- **Law Enforcement Training Series**
- **Elder Services & Economic Crimes**

# **State Attorney 18<sup>th</sup> Circuit**

- **20 Florida Judicial Circuits**
- **300 Employees in Brevard & Seminole**
- **23 Local Law Enforcement Partners**
- **Total Budget of \$19 Million (FY 2014-15)**

# FY 2014/2015 Budget



- State
- Brevard Court Technology & Communications
- Brevard SAVS & Subpoena Services
- Seminole County

# Article V Mandate

- **Communication Services**
- **Criminal Justice Information Systems**
- **Facilities**
- **Security**

# **Court Technology**

- **Computer & Network Support Staff**
- **Trial Module for Imaging System**
- **Host for Virtual Servers**
- **Electronic Filing**
- **Paperless Initiative**

## **Sexual Assault Victims Services (SAVS)**

- **Certified Rape Crisis Program**
- **24-Hour Hotline**
- **2014 Primary, Secondary, and System Coordination Calls: 400**
- **Crimes Compensation Claims**
- **Navigation of the Court System**
- **Victim Advocacy, Examination Assistance**
- **Education & Awareness**

# **Witness Coordination**

- **Work with Prosecutors & Investigators**
- **Generated 49,000+ subpoenas**
- **Called 6,519 witness to appear**
- **Exploring potential for electronic delivery**

# Budget Development

- Meetings with Division Chiefs
- Evaluation of budget items based on past performance, need and cost
- Prioritize and fund to achieve objectives

# **New Initiatives**

- **Electronic Service via the Florida Courts E-Filing Portal (AOSC13-49)**
- **Paperless Intake – January 5, 2015**

# Trends & Issues

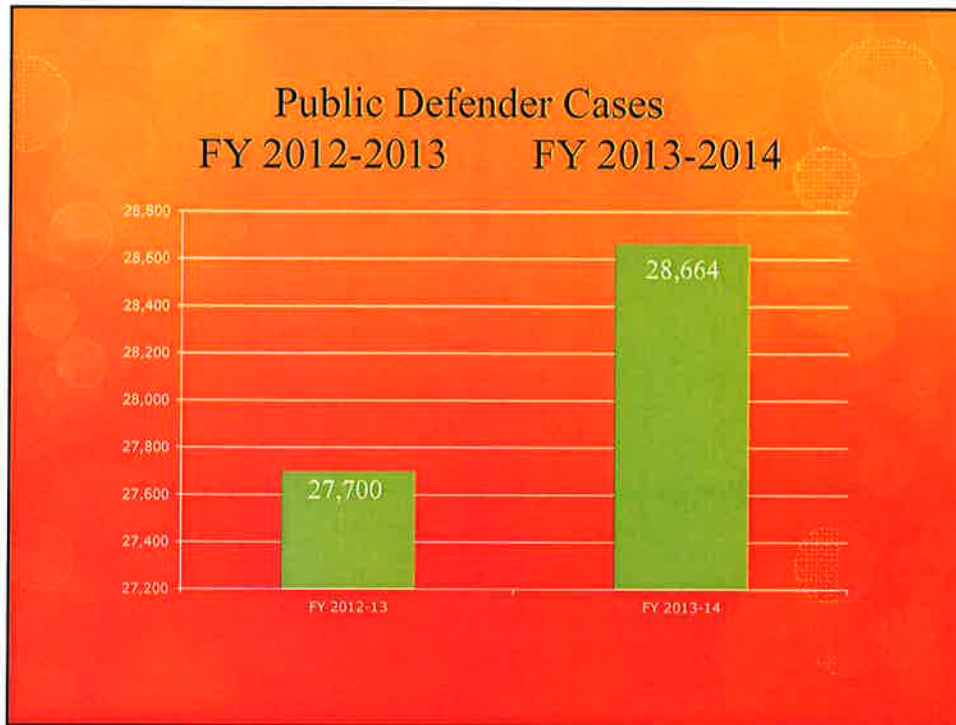
- Decline in Court Revenue
- VOCA & VAWA Funding
- FDLE/CJIS Security Requirements
- Police Body Cams

## Office of the Public Defender, Eighteenth Judicial Circuit

Serving Brevard and Seminole Counties

### 50 Years Later: The Legacy of *Gideon v. Wainwright*

- "If an obscure Florida convict named Clarence Earl Gideon had not sat down in his prison cell with a pencil and paper to write a letter to the Supreme Court, and if the Court had not taken the trouble to look for merit in that one crude petition ... the vast machinery of American law would have gone on functioning undisturbed. But Gideon did write that letter, the Court did look into his case ... and the whole course of American legal history has been changed."
- Attorney General Robert F. Kennedy  
Speech Before the New England Conference on the  
Defense of Indigent Persons Accused of Crime  
November 1, 1963



### COST PER CASE

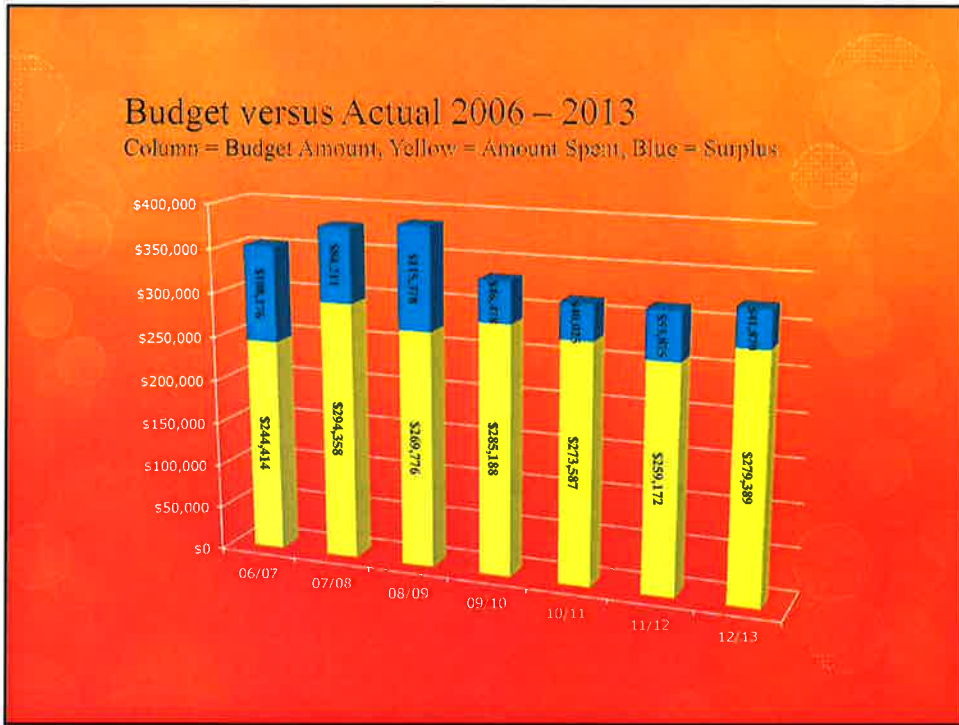
- The average cost for Public Defender representation in the Eighteenth Circuit is \$216.69. This includes all Capital Murder, Felony, and Misdemeanor cases.

## County Obligations under State Constitution


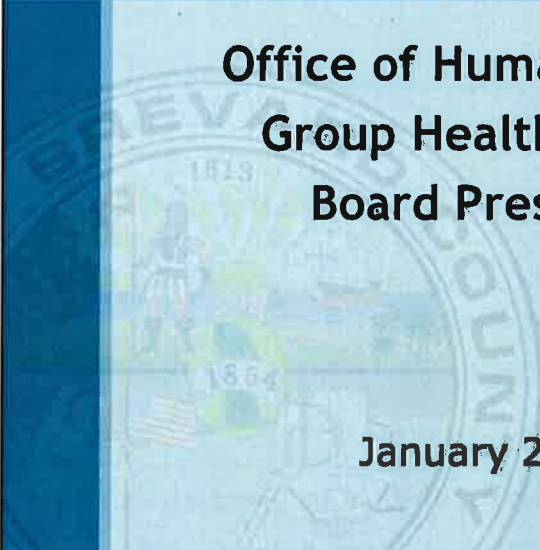
- **29.008 County funding of court-related functions.—(1) Counties are required by s. 14, Art. V of the State Constitution to fund the cost of communications services, existing radio systems, existing multiagency criminal justice information systems, and the cost of construction or lease, maintenance, utilities, and security of facilities for the circuit and county courts, public defenders' offices, state attorneys' offices, guardian ad litem offices, and the offices of the clerks of the circuit and county courts performing court-related functions.**

## Funding from Users

- Chapter 27.52 f.s. -- \$50 application fee
- Chapter 938.29 f.s. -- \$50-\$100 Cost of Defense
  - Together collected \$1,066,598 in FY2013-14
- Chapter 28.24(12)(e)(1) f.s. \$2 Technology Fund
  - Collected \$856,466 last calendar year
  - Our Brevard Budget \$296,717



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# Office of Human Resources Group Health Insurance Board Presentation

January 22, 2015



## Group Health Insurance Program Presentation Outline

- **Historical Reflection**
  - Demographics
    - ❖ Interlocal Agreements
    - ❖ EBIAC
  - Plan Design
    - ❖ Evolution
  - Financial Position
    - ❖ Medical Trend & Contribution History
    - ❖ Plan Revenue vs. Expenses
    - ❖ OPEB Liability (GASB 45)
- **Where are we today**
  - Plan Design
  - Financial Position

## Participating Employer Groups



	<u>Membership:</u>	
	<u>Beginning</u>	<u>Ending</u>
BOCC	1967	
Sup. of Elections	1967	
TPO	10/1/10	
Court Admin.	1/1/73	
TICO	1/1/73	
Clerk of Courts	1/1/78 (1/1/14)	1/1/12
Sheriff	12/1/80	
Tax Collector	10/1/83	
Property Appraiser	11/1/83	
Melbourne-Tillman	7/1/90	
Sebastian Inlet Tax	7/1/90	
EDC	1/1/91	1/1/15
Port Canaveral	8/1/67	1/1/10

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## Group Health Plan Demographics Overview (as of 1/15)



	<u>Employees</u>	<u>Dependents</u>	<u>Total Enrolled</u>
BOCC	1789	1965	3754
Sheriff	1110	1369	2479
Clerk of Courts	305	286	591
Tax Collector	143	127	270
Property Appraiser	92	130	222
Court Admin.	9	7	16
Supervisor of Elections	16	21	37
Melbourne-Tillman	22	28	50
TICO	13	11	24
Sebastian Inlet Tax	3	1	4
Retirees	809	371	1180
Surviving Dependent	74	4	78
UHC	33	0	33
COBRA	6	3	9
Vested	2	3	5
<b>TOTAL</b>	<b>4,426</b>	<b>4,306</b>	<b>8,732</b>

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## Group Health Plan Interlocal Agreements



- **Executed by all participating entities**
  - Approved by BOCC 9/30/08
- **Interlocal agreement highlights:**
  - Agency obligations and responsibilities
  - Employer Funding Methodology
  - Terms and Conditions for entity participation and termination from the program
  - Addresses plan financial obligations including GASB and individual employer obligations for their retirees

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## Group Health Plan Interlocal Agreements



- **The Interlocal Agreement provides that the EBIAAC:**
  - Will participate in benefit vendor selections
  - Will review benefit plan designs / premium and make recommendations to the BOCC
  - All final decision making authority with respect to the program shall remain with the Board of County Commissioners.

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## Group Health Plan Interlocal Agreements



- The Interlocal Agreement contractually establishes EBIAC Voting membership:
  - One representative from HR serving as Chairperson;
  - One representative appointed by each BOCC District Office;
  - One representative from each participating employer group (alternates may be appointed at the participants discretion);
  - One representative from each of the following Offices:
    - CMO / Budget / EAC / IAFF / Retiree

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## Employee Benefits Insurance Advisory Committee (as of 1/1/15)



<u>Representative</u>	<u>Department/Office</u>	<u>Alternate</u>	<u>Department/Office</u>
Frank Abbate	Chairman, Human Resources		
Marcia Newell	District 1 Commissioners Ofc		
Liz Alward	District 2 Commissioners Ofc		
Linda Mannier	District 3 Commissioners Ofc		
Molly Tice	District 4 Commissioners Ofc		
Danielle Stern	District 5 Commissioners Ofc		
Tom Rosenberg	Budget Office		
Darcie Mcgee	EAC Representative	Amanda Elmore	EAC Representative
Chris Disciascio	IAFF Representative		
Sharon Luba	Retiree Appointee	Charlie Burton	Retiree Appointee
Cecilia Burk	Clerk of Court Office	Lynn Grissinger	Clerk of Court Office
Steve Salvo	Sheriff's Ofc	Greg Pelham	Sheriff's Ofc
Milo Zonka	Property Appraiser Ofc	Bonnie Urbano	Property Appraiser
Ginny Jacobsen	Supervisor of Elections Ofc		
Hirschmiller, Karen	Tax Collector Ofc	Dee Dee Causey	Tax Collector

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# Plan Evolution



- Indemnity (Self Insured)
  - HMO /PPO (Fully Insured)
    - HMO/ PPO / POS (Self Insured)
      - HMO / EPO / PPO (BPP / Self Insured)
        - High Deductible/Consumer Driven HRA & Traditional PPO (Self Insured)
          - High Deductible / Consumer Driven HRA / EPO & Traditional PPO (Self Insured)

# Plan Evolution



YEAR	Carrier / Plan Type	Deductible	Office Visit	In-Patient Hospital	Co-Insurance	Annual OOP Max	Lifetime Max
1989-94	Gallagher Basset Indemnity	\$150 Individual \$350 Family	80%/20%	\$80/20%	80%/20%	\$800/yr Individual \$2,400/yr Family (In-network)	\$500,000
	Humana HMO	None	\$6 PCP \$15 Specialist	None	None	None	None
1995-96	Humana PPO	100.00 indiv 300.00 family	90%/10% (in network)	90%/10% (in network)	90%/10% (in network)	\$700 ind \$2100 Family	\$1 million
	Aetna HMO	None	\$5	None	None	\$1500/ \$3000	None
1997-99	Aetna PPO	In-network: 150.00 indiv, 300.00 family; out-of-network: 250.00 indiv, 500.00 family	\$10	\$0	90%/10%	\$1000/\$2000 (in network) \$2000/\$4000 (OON)	None
	United POS	500.00 indiv 1,000.00 family	\$5	\$0	70%/30%	\$3000/\$6000	\$2 million

# Plan Evolution



YEAR	Carrier / Plan Type	Deductible	Office Visit	In-Patient Hospital	Co-Insurance	Annual OOP Max	Lifetime Max
2000	BPP, Aetna & HFHP EPO/HMO	None	\$15 PCP \$15 Specialist	None	None	\$1500/yr Individual \$3,000/yr Family (In-Network)	\$1 million
	BPP PPO	\$300/yr. Indiv \$600/yr. Family	\$20 PCP or Specialist	85% after deductible (In-network)	85%/15% (In-network)	\$2000/yr Individual \$4,000/yr. Family (In-Network)	\$1 million
2010	Cigna & HFHP HRA Plan	\$1,500/yr Individual, \$3,000/yr Family (In-network)	80%, after deductible (In-network)	80%, after deductible (In-network)	80%/20% (In-network)	\$3,000/yr Individual, \$6,000/yr Family (In-network)	\$1 million (An Max)
	Cigna & HFHP PPO	\$500/yr Individual, \$1,000/yr Family (In-network)	\$30 PCP or Specialist	80%, after deductible (In-network)	80%/20% (In-network)	\$2,000/yr Individual, \$4,000/yr Family (In-network)	\$1 million (An Max)
	Cigna HRA & HFHP HRA / EPO Plans	\$1,500/yr Individual, \$3,000/yr Family (In-network)	80%, after deductible (In-network)	80%, after deductible (In-network)	80%/20% (In-network)	\$3,000/yr Individual, \$6,000/yr Family (In-network)	None
2015	Cigna & HFHP PPO	\$600/yr Individual, \$1,200/yr Family (In-network)	\$30 PCP or Specialist	80%, after deductible (In-network)	80%/20% (In-network)	\$2,000/yr Individual, \$4,000/yr Family (In-network)	None

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# Adopted Strategic Initiatives:



## FY 2000-2006

- Partnership with Brevard County School Board
- Initiated retiree premium year of service model:
  - Retiree health insurance premiums for employees hired after 01/01/06 based upon years of service
  - 4% of any employer subsidy provided earned for each year of service up to 25 years of service

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## Adopted Strategic Initiatives:



### FY 2006-2010

- Health and wellness initiatives:
  - Worksite biometric screenings
  - Health and wellness communications
  - Health fairs
  - Weight management/smoking cessation programs
- Implemented incremental retiree premium increases @1.5X medical trend
- Plan design/co-pay increases adopted

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## Adopted Strategic Initiatives:



### FY 2006-2010

- Initiated Working Spouse Premium Surcharge
- Implemented High Deductible Consumer Driven Plan
- Eliminated Stop Loss Insurance beginning PY 2010
  - Saved approximately \$400,000 (premiums compared to eligible reimbursements) in 2010

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## Adopted Strategic Initiatives:



### FY 2010

• Pharmacy Cost Containment Strategies Approved by the Board on August 4, 2009	\$1,275,635
• Pharmacy RFP Impact	\$1,200,000
• Additional Pharmacy Co-Pay Changes	\$697, 950
• HRA/PPO Net Savings	\$6,561,808
<hr/>	
Total Achieved Cost Containment / Cost Shift	\$9,735,393

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## Employer Contribution Rate History



Plan Year	Employer Paid Contribution Rate (PEPM)	% Change From Prior Year	Plan / National Trend	Plan Year	Employer Paid Contribution Rate (PEPM)	% Change From Prior Year	Plan / National Trend
2001	\$447.55	11.00%		2009	\$907.08	6.00%	3.8% /10%
2002	\$495.71	10.76%	16% /11.1%	2010	\$783.59	-13.61%	-9.4% /10.97%
2003	\$555.20	12.00%	13%/13.1%	2011	\$822.77	5.00%	-1.6% /10.5%
2004	\$587.12	5.75%	5%/13.7%	2012	\$822.77	0.00%	7.4% /9.8%
2005	\$633.02	7.82%	9.4%/12.4%	2013	\$822.77	0.00%	13.1% / 8.6%
2006	\$708.98	12.00%	7.8%/12%	2014	\$859.80	4.50%	8.2% /8.1%
2007	\$790.52	11.50%	11.3%/11.3%	2015	\$980.17	14%	8.1% / 8.1%
2008	\$855.72	8.25%	6.7%/10.7%				
AVG		9.85%	8.65% / 11.44%	AVG		2.27%	4.23% / 9.43%

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## History of Health Plan Expense & Membership



PLAN YEAR	PLAN EXPENSE	EMPLOYEE MEMBERSHIP	RETIREE MEMBERSHIP
2003	\$27,884,416	4,122	631 (15.3%)
2004	\$30,450,939	4,272	626 (14.6%)
2005	\$35,842,121	4,384	654 (14.9%)
2006	\$39,749,113	4,560	749 (16.4%)
2007	\$45,090,211	4,757	778 (16.4%)
2008	\$48,793,767	4,852	861 (17.7%)
2009	\$50,740,856	4,854	899 (18.5%)
2010	\$45,650,235	4,727	933 (19.7%)
2011	\$45,490,537	4,452	945 (21.2%)
2012	\$43,330,360	4,008	867 (21.6%)
2013	\$47,628,650	4,089	722 (17.6%)
2014	\$54,350,268	4,472	858 (19.1%)
2015 (Projected)	\$56,898,289	4,426	809 (18.3%)

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## 2015 Projected Revenue



Employer Premium	\$46,154,244.96
Employee Premium	\$923,940.00
Employee + Dep	\$3,876,012.00
Employee's with Surcharge	\$246,000.00
Retiree Premium	\$5,148,600.00
Vested/COBRA Premium	\$84,684.00
<b>Total Revenue</b>	<b>\$56,433,480.96</b>

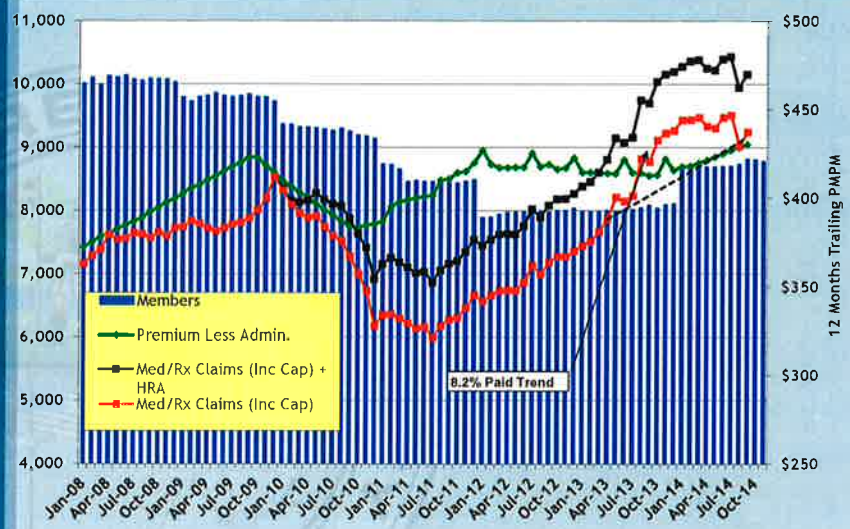
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## Overview County Health Plans (as of 1/15)



Plan	Subscribers	%
Cigna HRA	2,153	48.7%
Cigna PPO	907	20.5%
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	3,060	69.2%
HFHP EPO	213	4.8%
HFHP HRA	673	15.2%
HFHP PPO	225	5.1%
HFHP Medicare	216	4.9%
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	1,327	30%
COBRA	6	0.1%
United Medicare Sup	33	0.7%
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Total	4426	100% <sup>19</sup>

## Claims Trend Graph



## Group Health Plan Financial Summary



	CY 2014	CY 2015 (Projected)	CY 2016 (Projected with no changes)	CY 2016 (with 8% ER/EE and 12% Ret increases)
Beginning Reserve Balance	14.9 M	11.4 M	9.5 M	9.5 M
Required Reserve (60 day claims + IBNR)	7.9 M	8.3 M	9 M	9 M
Annual Plan Rev. vs. Exp.	(3.5 M)	(1.9 M)	(6.4 M)	(840 K)
Ending Reserve Balance	11.4 M	9.5 M	3.1 M	9.6 M
Assumed Medical Trend	8.2%	8.1%	8.1%	8.1%

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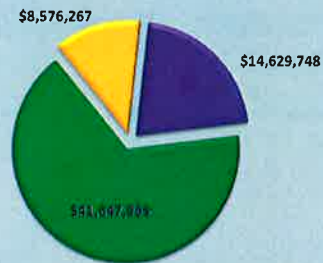
## Plan Cost Allocation



2009 Allocation  
 Employer: \$48.4M (80.5%)  
 Member/COB: \$11.7 (19.5%)

Total \$60.1M

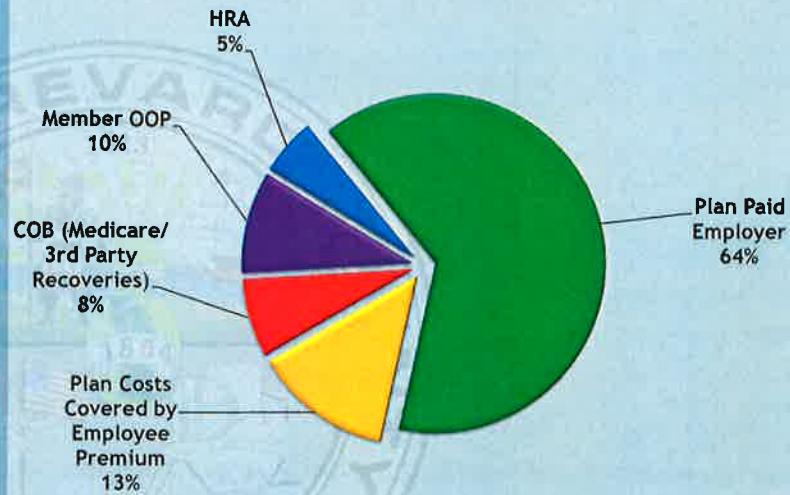
- Member Premium
- Member OOP/COB
- Employer Contribution



2014 Allocation  
 Employer: \$41.7M (64.2%)  
 Member/COB: \$23.2 (35.8%)  
 Total \$64.9M

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## Plan Cost Distribution PY2014 (Est)



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## HRA Strategy



Employee Salary	HRA Credit per year		Member Count		2015 Employer Funding
	Individual	Family	Individual	Family	
<\$35k	\$1000	\$2000	517	525	\$1,595,750
\$35-\$70k	\$750	\$1500	477	910	\$1,786,500
>\$70k	\$500	\$1000	28	83	\$98,500
Retiree	\$500	\$1000	299	200	\$349,500
<b>TOTALS</b>			<b>1,321</b>	<b>1,718</b>	<b>\$3,830,250</b>

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## HRA Overview



HRA	Cigna	Health First	Total
2012 Rollover	\$1,323,313	\$411,347	\$1,734,660
2013 Funding	\$2,641,381	\$1,080,500	\$3,721,881
2013 Expenses	\$2,270,253	\$970,628	\$3,240,881
12/31/2013 Balance	\$1,694,441	\$521,219	\$2,215,660

## 2015 Premium and Plan Design Changes



### Premium Contributions:

- Employers 14% increase \$5.7 million
- Active EE/Dep increase 30% \$800,000
- Retiree/Dep increase 30% \$500,000

### Plan Design Changes :

- PBM RFP - savings from enhanced discounts \$1.45 million
- PBM medical/Rx integration @ \$4.90 PMPM \$350,000
- Increase PPO deductible to \$600/\$1,200 \$155,000
- Increase Rx copays and add 10% coinsurance to brands, Specialty copay to \$150 \$925,000
- \$100 Deductible Brand Rx \$512,000
- \$250/\$500 deductible then HRA \$940,000
- Add HFHP EPO (HRA in-network only plan) keeping the current 2014 premium structure.

# Prescription Drug Plan Design



	2014	2015
Generic Medications (30 day/90 day supply)	\$10 / \$20	\$10 / \$20
Calendar Year Deductible - Applies to Brand medications only (Employee / Family)	N/A	\$100 / \$200
Retail Preferred Brand (Non-Specialty)	\$30 Copay	\$30 Copay + 10% Coinsurance (Max of \$60)
Retail Non-Preferred Brand (Non-Specialty)	\$45 Copay	\$50 Copay + 10% Coinsurance (Max of \$100)
Retail 90/Mail Preferred Brand (Non-Specialty)	\$60 Copay	\$75 Copay
Retail 90/Mail Non-Preferred Brand (Non-Specialty)	\$90 Copay	\$125 Copay
Specialty Medications (Max 30 days supply per Rx)	Copays Listed Above	10% Coinsurance Maximum \$150 <sup>27</sup>

# 2015 Retiree Premiums



RETIREE RATES		
Retiree Medicare Eligible (ME)	HRA	PPO
Retiree Medicare Eligible (ME)	328.00	438.00
Ret ME + Spouse ME	590.00	811.00
Ret ME + Family w/ Spouse ME	798.00	1,019.00

RETIREE RATES			
Retiree Not Medicare Eligible (NME)	HRA	HFHP EPO	PPO
Retiree Not Medicare Eligible (NME)	569.00	449.00	682.00
Ret NME + Spouse NME	1,008.00	775.00	1,388.00
Ret NME + Child(ren)	791.00	608.00	935.00
Ret NME + Family w/Spouse NME	1,216.00	935.00	1,596.00

## GASB Statement No. 45



- Issued by Government Accounting Standards Board (GASB) June 2004
- Requires Accrual Accounting for Other Post Employment Benefits (OPEB)
  - Health Plan Benefits
  - Life and Disability Benefits
- Calculation of Present Employer Liability for Current and Future OPEB Obligations
- Disclosure Requirements

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## GASB 45 Issues



### Current Board policy:

- Pay as you go; Individual employers may elect alternative funding mechanisms.
- Address increased plan expenses through premium contributions and plan design changes annually.

### Future strategic considerations:

- Continue monitoring reactions from the Bond market.
- Consider rate increases for retiree and/or retiree dependent premium at a rate greater than medical inflation.

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## GASB Valuation As of September 30, 2014



	2010	2012	2014
<b>BOCC only:</b>			
• ARC	\$3,758,852	\$3,898,983	\$2,028,207
• AAL	\$57,478,399	\$67,732,875	\$35,395,845
<b>Total Plan Liability:</b>			
• ARC	\$6,451,164	\$6,188,220	\$3,702,078
• AAL	\$96,612,239	\$112,105,850	\$63,128,399

ARC - Annual Required Contribution

AAL - Actuarial Accrued Liability

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## 2015 Employee Premiums



### 2015 Monthly Medical Premiums

MEDICAL PLANS (Enrollment)	HFHP HRA (673)	CIGNA HRA (2,153)	HFHP EPO (213)	HFHP PPO (225)	Cigna PPO (907)
Employee (EE) only	\$38.00	\$38.00	\$29.00	\$71.00	\$71.00
EE + Spouse	\$117.00	\$117.00	\$90.00	\$278.00	\$278.00
EE + Child(ren)	\$93.00	\$93.00	\$71.00	\$221.00	\$221.00
EE+ Family	\$194.00	\$194.00	\$149.00	\$321.00	\$321.00

## Employee Salary History



Category	Oct-07 (actual)	Oct-08 *	Oct-09 *	Oct-10 *	Oct-11 *	Oct-12 †	Oct-13 *	Oct-14 (actual)	Oct-15 †	% Change (Est)
Avg. Full-Time Salary	\$39,628	\$39,628	\$39,628	\$39,628	\$40,619	\$40,619	\$41,431	\$39,927	\$39,927	0.8%
<b>Additional Cost Shifted to Employees</b>										
Avg. Premium Contribution	-768	-828	-816	-948	-1,176	-1,164	-1,128	-1,120	-1,392	81%
Avg. Out of Pocket Expenses	-1,022	-1,054	-1,164	-2,119	-2,465	-3,067	-3,067	-3,305	-3,877	279%
Salary Adjustment (2.5%)	0	0	0	0	991	0	829	0	0	
Furlough Impact (2.5%)	0	0	0	-991	0	0	0	0	0	
FRS Contribution (3.0%)	0	0	0	0	-1,219	-1,219	-1,243	-1,198	-1,198	
Social Security Payroll Tax Cut (e)	0	0	0	0	812	812	0	0	0	
<b>Total Additional Cost Shifted to Employees</b>	<b>-1,790</b>	<b>-1,882</b>	<b>-1,980</b>	<b>-4,058</b>	<b>-4,047</b>	<b>-4,637</b>	<b>-5,438</b>	<b>-5,624</b>	<b>-6,467</b>	<b>261%</b>
<b>Net Average Salary</b>	<b>\$37,838</b>	<b>\$37,746</b>	<b>\$37,648</b>	<b>\$35,570</b>	<b>\$36,572</b>	<b>\$35,982</b>	<b>\$35,993</b>	<b>\$34,303</b>	<b>\$33,460</b>	<b>-12%</b>
Consumer Price Index (CPI)	2.85%	3.84%	6.33%	7.97%	11.13%	13.20%	14.66%	16.36%	18.06%	14.66%
	(1,129.40)	(2,651.11)	(2,508.45)	(3,158.35)	(4,520.86)	(5,361.71)	(6,073.78)	(6,532.02)	(7,210.78)	
<b>Total Impact on Salary</b>	<b>\$36,709</b>	<b>\$35,095</b>	<b>\$35,140</b>	<b>\$32,412</b>	<b>\$32,051</b>	<b>\$30,620</b>	<b>\$29,919</b>	<b>\$27,771</b>	<b>\$26,249</b>	<b>-28%</b>

## Employee Salary History



- The Board's general and blue collar bargaining unit employees have not received pay increases in five of the last seven fiscal years.
- During the last seven fiscal years, salary adjustments have totaled 4.5% for the average employee.
- The average employee's contribution towards their health insurance has increased by approximately \$ 3,116 during the past seven fiscal years.
- Employees were required to begin contributing 3% of their salaries as mandatory employee FRS contributions beginning in July 2011.
- Board of County Commissioners retirees (1,400+) average pension is \$15,658 for 18.0 years of service

## Projections for CY 2016



- IF Medical Trend is 8.1%;
- AND Premiums Increase:

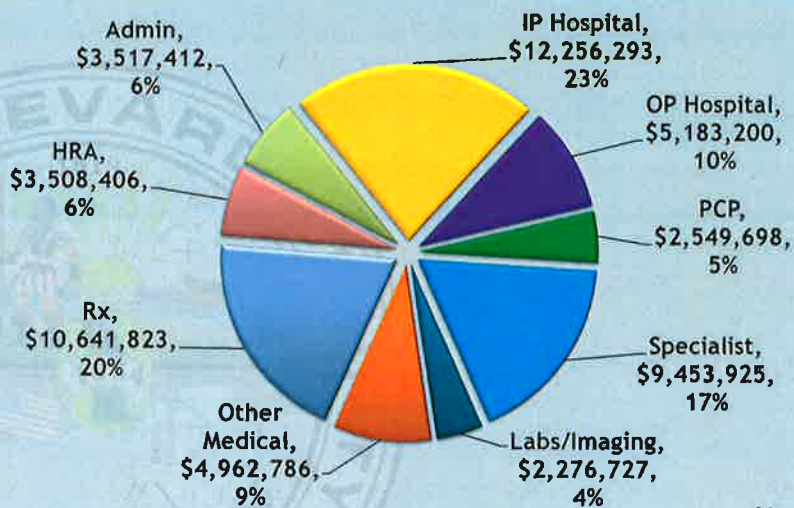
	<u>Example A</u>	<u>Example B</u>
- Employer	14%	8%
- EE/Dep	14%	8%
- Retiree	14%	12%

- THEN the Impact on Revenue would be:

	<u>Example A</u>	<u>Example B</u>
	(+)3.2M rev/exp	(-)\$840k rev/exp

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## Allocation of Plan Costs PY 2014



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