

**PRESENTATIONS**  
**I. ITEM A.**



**AGENDA REPORT**  
**February 21, 2019**

**Budget Presentation (1:00 p.m.)**

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**SUBJECT:**

Jill Hayes, Budget Director

**DEPT/OFFICE:**

County Manager

**ATTACHMENTS:**

**Description**

No Attachments Available

# Budget Workshop Presentation

Brevard County, Florida  
February 21, 2019

## Presentation Outline

- FY 2018-2019 Adopted Budget
- Consumer Price Index Change
- Roadway Improvements
- Facility Infrastructure
- Utility Services Sanitary Sewer System
- Drainage and Flood Modeling
- Transit Services
- Human Resources

# FY 2018-2019 Budget Highlights

## **Top Priority:**

Organizational leadership to effectively and efficiently implement Board of County Commissioners' policies and directives

## **Organizational Initiatives:**

- Promoting inclusiveness and responsiveness
- Nurturing and providing a transparent environment
- Maintenance, drainage, and reconstruction of the County's road system
- Addressing critical countywide infrastructure maintenance and repair
- Accelerating Indian River Lagoon restoration
- Employee compensation as it relates to recruitment and retention
- Employee development, succession planning, and Lean Six Sigma

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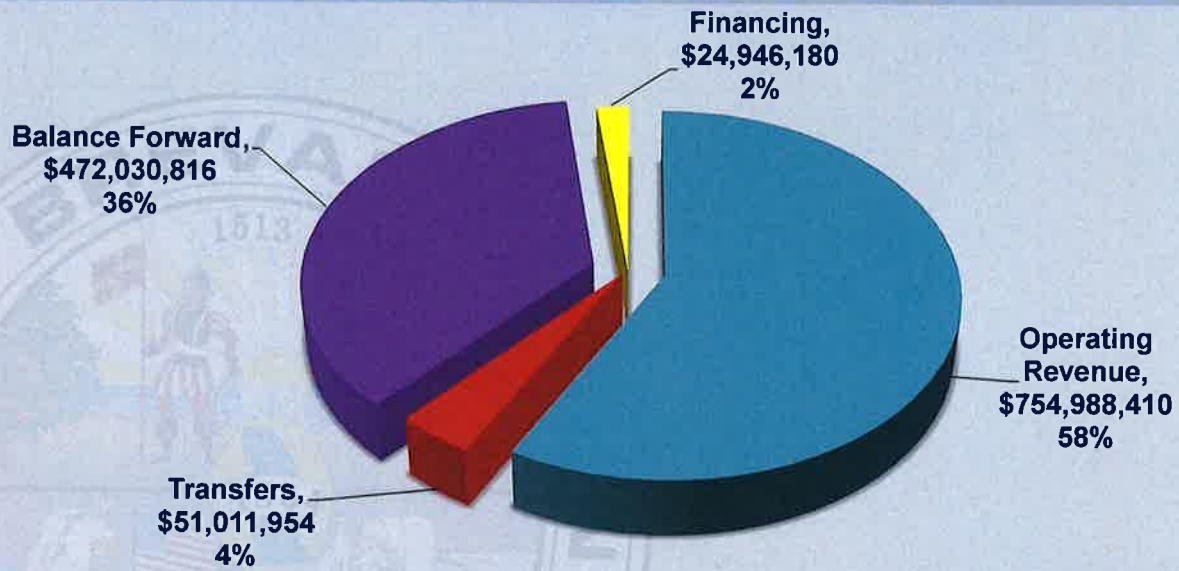
# FY 2018-2019 Adopted Budget Significant Funding Priorities

- **Road Infrastructure** – Five-Year Plan, 55 Miles of Road Resurfacing Per Year
- **Drainage Improvements** – Address Countywide Funding for Flooding
- **Facilities Management** – Replace Deteriorating Building Components
- **Parks & Recreation** – Safety and Building Needs, Boardwalks and Ramps
- **Technology Upgrades** – ADA Compliance and Security Enhancements
- **Additional Critical Needs Funding** – Infrastructure and Capital
- **Maintaining Programs and Services**
- **Cost of Living Adjustment for Employees** – 1.5% Increase
- **General Government Reserves** – \$1.2M Increase for Emergency Sheltering

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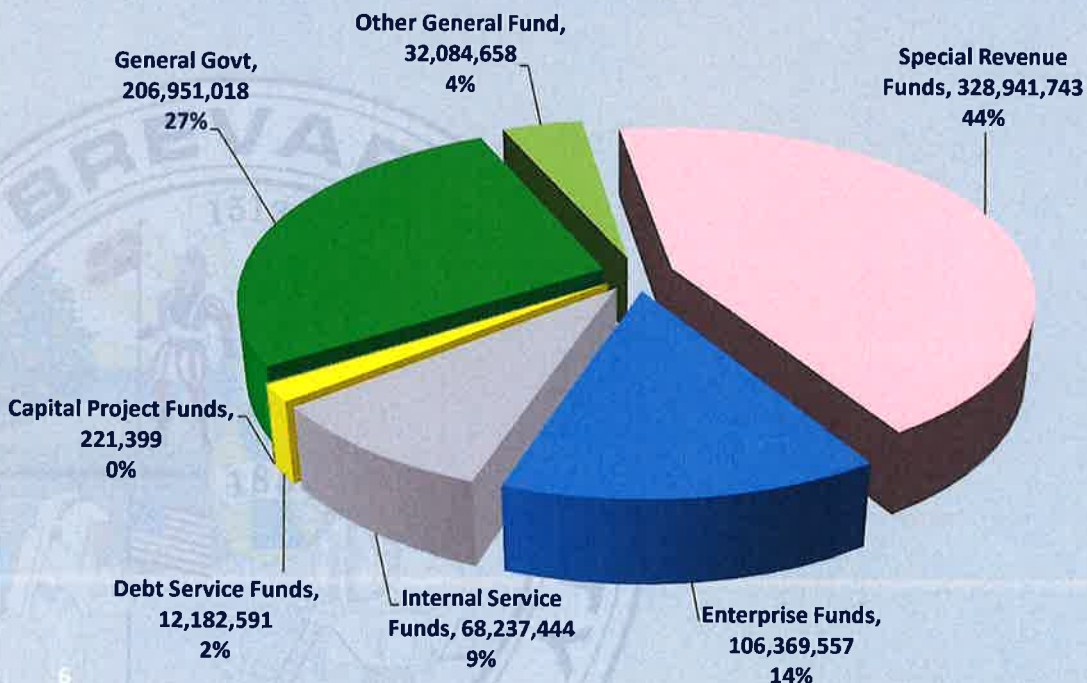


## The FY 2018-2019 Adopted Budget: \$1,302,977,360



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## FY 2018-2019 Sources of Operating Revenues by Fund Group, \$754,988,410



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# Fund Definitions (GASB 54)

- **General Funds** – account for/report all financial resources not accounted for and reported in another fund
- **Special Revenue Funds** – account for/report the proceeds of revenue sources *restricted to expenditures for specific purposes*
- **Debt Service Funds** – account for/report financial resources *restricted for principal and interest*
- **Capital Project Funds** – account for/report financial resources *restricted to capital outlay*
- **Enterprise Funds** – Proprietary fund type used for an activity for which a fee is paid for goods or services
- **Internal Service Funds** – Proprietary fund type used for an activity that provides goods or services to other depts/agencies, etc. on a cost reimbursement basis

## FY 2018-2019 Fund Allocation of Department by Operating Revenues

### GF Revenue Sources:

Current Ad Valorem	\$141,177,851
Prior Year Ad Valorem	\$285,000
Communication Svc Tax	\$5,556,331
FPL Franchise Fees	\$10,326,423
State Shared Revenue	\$12,205,402
Local Half Cent Sales Tax	\$28,296,414
All Other Operating Revenue	\$9,103,597
<b>Total General Fund Sources:</b>	<b>\$206,951,018</b>

\*Does not include Balance Forward & Non-Operating Revenue

### User/Services Fees

Sheriff's Office	\$11,466,413
Public Works	\$6,620,987
Central Services	\$3,983,101
Parks and Recreation	\$3,268,363
Natural Resources	\$1,983,721
Planning and Development	\$2,243,331
Emergency Management	\$1,323,233
Valkaria Airport	\$625,090
Other Other GF	\$570,419
<b>Total Dept User Fee Funds</b>	<b>\$32,084,658</b>



## FY 2018-2019 Fund Allocation of Department by Operating Revenues

### Enterprise Funds

Utility Services	\$43,814,579
Solid Waste	\$38,491,665
Transit Services	\$19,155,610
TICO	\$2,578,890
Melbourne-Tillman	\$2,204,587
Parks & Recreation	\$124,226
<b>Total Enterprise Funds</b>	<b>\$106,369,557</b>

### Internal Service Funds

Employee Benefits	\$55,150,961
Risk Management	\$9,391,407
IT Communications	\$3,695,076
<b>Total Internal Service Funds</b>	<b>\$68,237,444</b>

### Capital Project Funds

Parks and Recreation	<b>\$221,399</b>
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### Debt Services Funds

Parks and Recreation	<b>\$12,182,591</b>
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### Special Revenue Funds

Natural Resources	\$77,553,934
Public Works	\$62,633,134
Fire Rescue	\$53,567,678
Tourism	\$26,350,010
Planning and Development	\$22,779,198
Sheriff	\$20,668,851
Library Services	\$18,365,790
Parks and Recreation	\$19,718,235
Housing/Human Svcs	\$6,971,544
Valkaria Airport	\$1,115,698
Mosquito Control	\$6,904,463
Emergency Management	\$2,912,229
North Brevard Economic Dvlp	\$2,915,351
Court Operations	\$2,501,039
Space Coast Transp Planning	\$2,363,380
Other Special Revenue Funds	\$1,621,209
<b>Total Special Revenue Funds</b>	<b>\$328,941,743</b>

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## FY 2018-2019 General Revenue Sources & Uses

### GF Revenue Sources:

Current Ad Valorem	\$141,177,851
Prior Year Ad Valorem	\$285,000
Communication Svc Tax	\$5,556,331
FPL Franchise Fees	\$10,326,423
State Shared Revenue	\$12,205,402
Local Half Cent Sales Tax	\$28,296,414
All Other Operating Revenue	\$9,103,597
Balance Forward	\$26,129,369
Non-Operating Revenue	\$6,975,364
<b>Total General Fund Sources:</b>	<b>\$240,055,751</b>

### GF Uses:

Charter Officers	\$108,488,135
Court Operations	\$2,792,266
Mandates	\$21,518,560
Reserves	\$22,249,961
TIF Payments	\$8,520,907
Debt Service	\$4,156,673
<b>Total General Fund Obligations:</b>	<b>\$167,726,502</b>
BOCC GF Supported Departments	
Public Safety, Infrastructure	\$35,602,171
General Fund Programs & Services	\$36,727,078
<b>Total General Fund Uses:</b>	<b>\$240,055,751</b>

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## General Revenue Supports

### MANDATES

MEDICAID	7,070,566
SCHOOL BOARD/CITY COMMISSION, PROPERTY APPRAISER	5,517,978
SCHOOL BOARD COMMISSION, TAX COLLECTOR	5,181,411
COURT OPERATIONS	2,792,266
BAKER ACT	1,785,750
PRE-TRIAL DETENTION OF JUVENILES	1,366,212
OTHER MANDATES	596,643
<b>TOTAL</b>	<b><u>\$ 24,310,826</u></b>

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## General Revenue Supports

### CHARTER OFFICERS

SHERIFF'S OFFICE	96,227,951
SUPERVISOR OF ELECTIONS	5,182,564
TAX COLLECTOR	2,929,244
PROPERTY APPRAISER	2,078,367
CLERK TO THE BOARD	<u>2,070,000</u>
<b>TOTAL</b>	<b><u>\$ 108,488,135</u></b>

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## General Revenue Supports

### OTHER OBLIGATIONS

RESERVES	22,249,961
CRA PAYMENTS	5,702,117
GENERAL GOVT DEBT	4,156,673
NORTH BREVARD ECONOMIC DVLP ZONE	2,818,790
<b>TOTAL</b>	<b><u>\$34,927,541</u></b>

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## General Revenue Supports

### PUBLIC SAFETY AND FACILITIES INFRASTRUCTURE

PUBLIC WORKS	11,651,583
FACILITIES	10,300,953
FIRE RESCUE - EMERGENCY MEDICAL SERVICES	9,858,856
PUBLIC SAFETY SERVICES	3,108,598
EMERGENCY MANAGEMENT	682,181
<b>TOTAL</b>	<b><u>\$ 35,602,171</u></b>

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## Discretionary General Revenue Allocations

PARKS & RECREATION	13,937,515
GENERAL GOVERNMENT	6,853,119
HOUSING AND HUMAN SERVICES	2,755,968
INFORMATION TECHNOLOGY	2,557,765
TRANSIT SERVICES	1,938,280
BOCC OFFICES	1,669,583
COUNTY ATTORNEY OFFICE	1,620,440
CENTRAL SERVICES	1,061,018
COUNTY MANAGER OFFICE	1,029,612
UF/AG EXTENSION	861,328
HUMAN RESOURCES	708,804
BUDGET OFFICE	605,625
SPACE COAST GOV TV	553,910
NATURAL RESOURCES	374,117
PLANNING AND DEVELOPMENT	<u>199,995</u>
<b>TOTAL</b>	<b><u>\$ 36,727,078</u></b>

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## Impact of the Change in CPI on Budget Development

➤ <b>Consumer Price Index (2018)</b>	<b>2.44%</b>
➤ <b>Municipal Cost Index (2018)*</b>	<b>2.63%</b>
➤ <b>Construction Cost Index (2018)*</b>	<b>3.00%</b>

\*Source:

<https://www.americancityandcounty.com/municipal-cost-index/>

# General Fund Revenue Projections

- General Countywide Ad Valorem Revenue

FY 2018-19 General Countywide AV Tax Revenue	\$	148,608,264
x Change in Consumer Price Index		<u>2.443%</u>

<b>Projected Increase in General Ad Valorem Revenue*</b>	<b>\$</b>	<b>3,630,500</b>
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\*Based on Adopting Charter Cap Rate, Excludes New Construction

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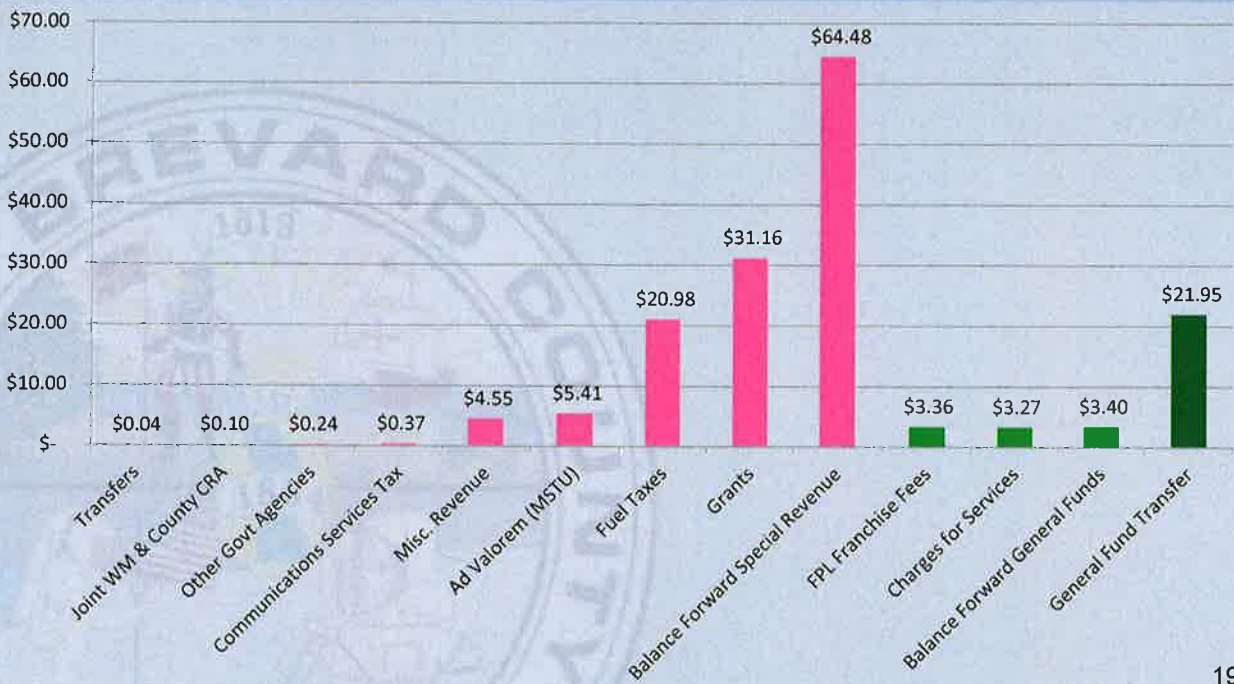
## Examples of Recent Cost Increases

<u>Description</u>	<u>2018</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Fire Engines	\$ 475,000	\$ 500,000	\$ 25,000	5.26%
Rescue Ambulances	\$ 151,000	\$ 157,000	\$ 6,000	3.97%
Solid Waste Tires	\$ 92	\$ 147	\$ 55	59.78%
Solid Waste Mulch	\$ 9	\$ 20	\$ 11	128.23%

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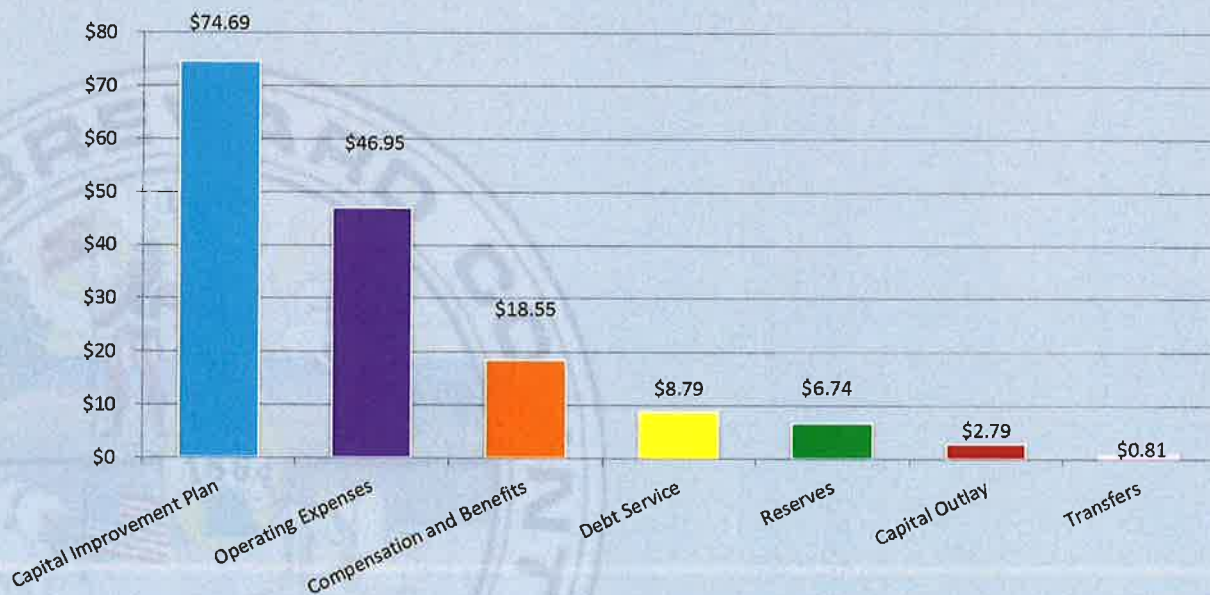


## Public Works FY 18-19 Revenue (in millions)



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## Public Works FY 18-19 Expenses (in millions)



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# Cost Increase of Commodities

- **Asphalt Per Ton** cost increase of **15%** annualized impact **\$614,848**
- **Asphalt FC Per Ton** cost increase of **21%** annualized impact **\$546,461**
- **Milling Cost** increase of **33%** annualized impact **\$228,218**
- **Culvert Cost Per Foot** cost increase of **16%** annualized impact **\$52,579**
- **Roofing** costs have increased an average of **4.3%** a year since 2007  
from **\$15 per (2007) sqft** to **\$23 per sqft (2019)**
- **HVAC** costs have increased **4.5%** per year in the last 12 years  
from **\$567 per ton** to **\$875 per ton**
- **Building construction** costs increased **4%** per year, in the last 3 years  
from **\$213 per sqft (2015)** to **\$239 per sqft (2018)**

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## Resurfacing Plan (CPI = 2.5%)

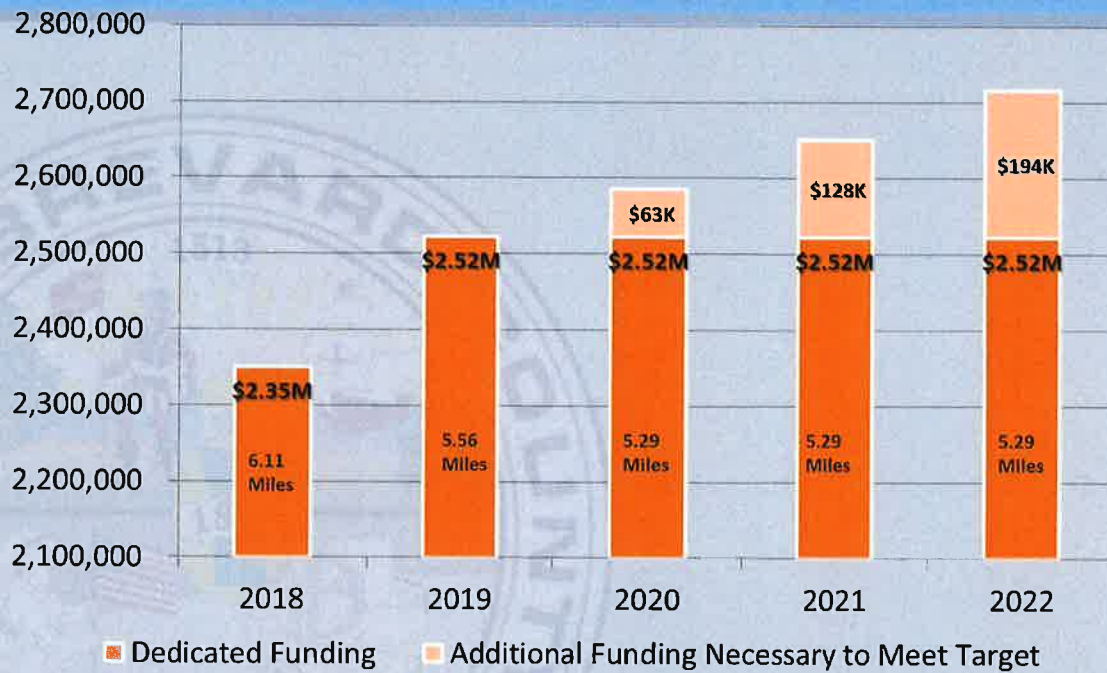


- Funds Required to stay out of Reconstruction (63 miles resurfaced)
- Unidentified Funding to meet 55 mile target
- Board Approved Insurance Loan
- Current Proposed Funding

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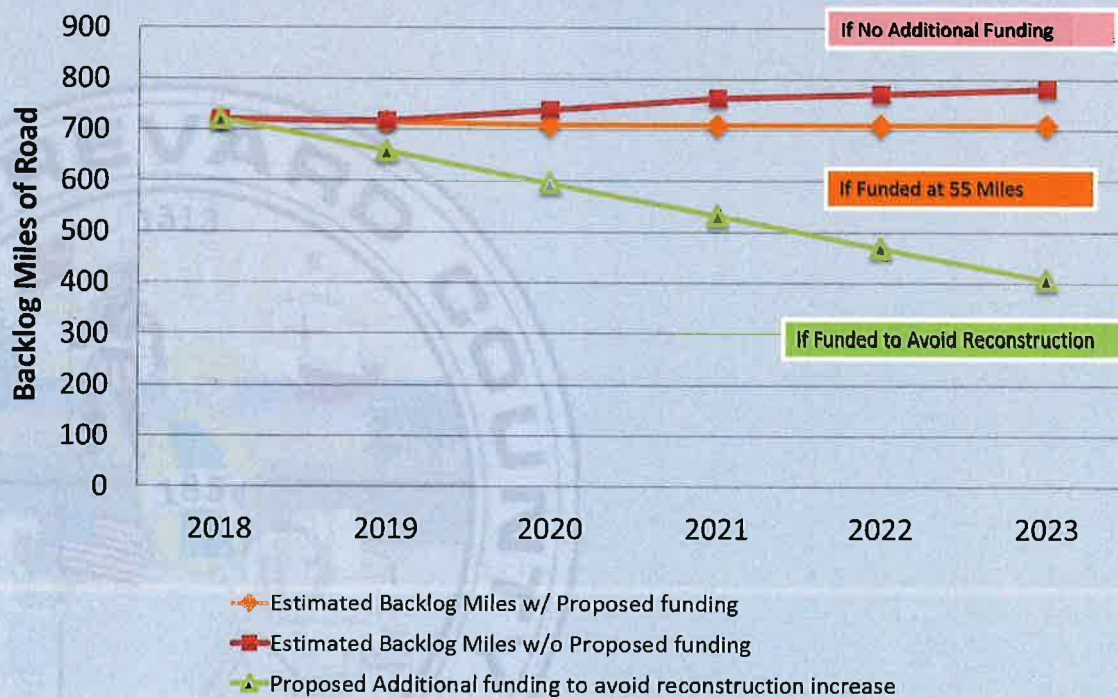


## Five Year Reconstruction Plan (CPI =2.5%)



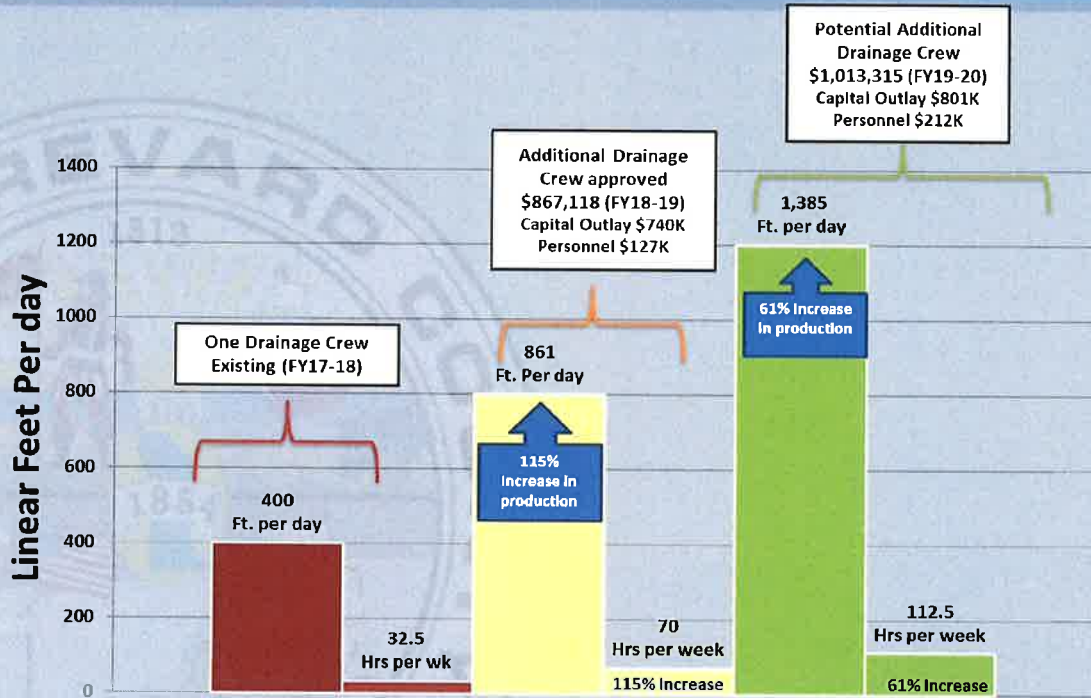
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## Funding Impact on Roadway Backlog



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## Drainage Crew Cost Benefit



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## Additional Infrastructure Impact on Facilities

FY 17-18 & FY 18-19 Additional Funding	
BCGC-N Elevator Upgrades	\$ 108,555
BCGC-N Generator Replacement	\$ 200,000
Moore Justice Center Window Seal Replacement	\$ 133,000
Detention Center Replace Electronic Cell Doors Controls	\$ 850,000
Air Handling Unit, Pneumatic Controls, and Fresh Air Duct Work	\$ 250,000
Capital Equipment	\$ 63,000
<b>Total Additional Infrastructure Funds</b>	<b>\$ 1,604,555</b>
FY 19-20 Proposed Projects	
Moore Justice Center Roof Replacement	\$ 1,700,000
FY 20-21 Anticipated Critical Needs Funding	
Detention Center Inmate Shower Refurbishment	\$ 210,000
CSC Melbourne Replace Site Drainage Pipe	\$ 120,000
Rockledge Health Department Demolition	\$ 200,000
Moore Justice Center Elevator Equipment Retrofit	\$ 560,000
<b>Total FY 20-21 Anticipated Critical Needs Funding</b>	<b>\$ 1,090,000</b>

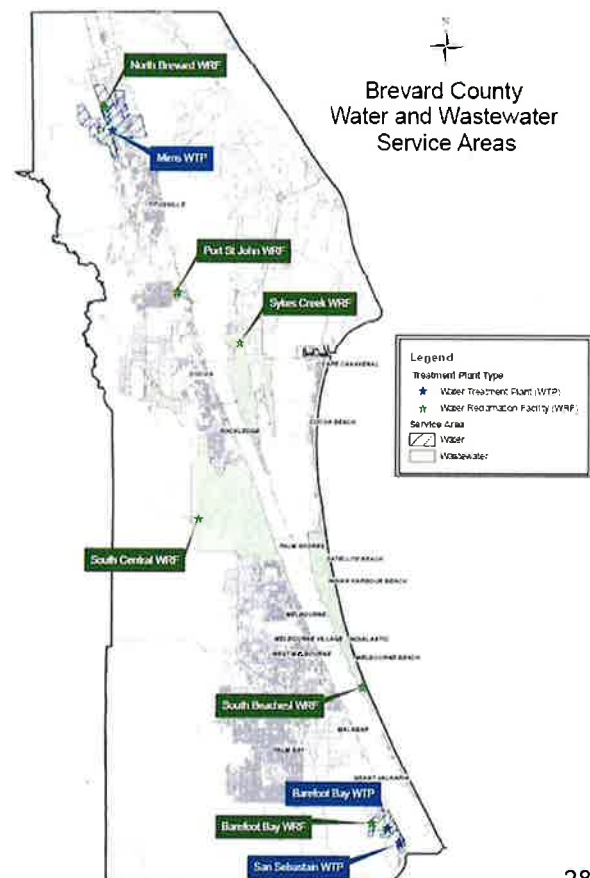


# Facilities Unfunded Infrastructure Needs

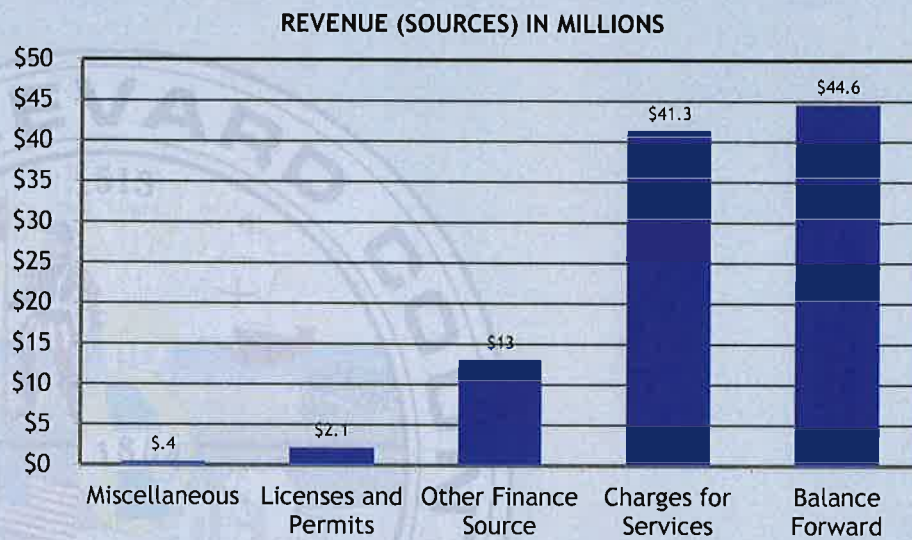
Unfunded Capital Improvement Plan	
Countywide Architectural Modifications	\$ 6,650,000
Countywide Electrical Modifications	\$ 3,785,500
Countywide Fire Suppression Modifications	\$ 390,000
Countywide HVAC Modifications	\$ 6,354,000
Pavement and Grounds Modifications	\$ 5,769,000
Countywide Plumbing Modifications	\$ 1,016,000
Countywide Roof Modifications	\$ 1,670,000
Countywide Structural Modifications	\$ 290,000
<b>Total Unfunded Capital Improvement Plan</b>	<b>\$ 25,924,500</b>

## Water and Wastewater Service Areas

- 62,000 Sewer Customers
- 8,400 Water Customers
- 296 Lift Stations
- 877 Miles of Force Main, Gravity Sewer & Water Mains

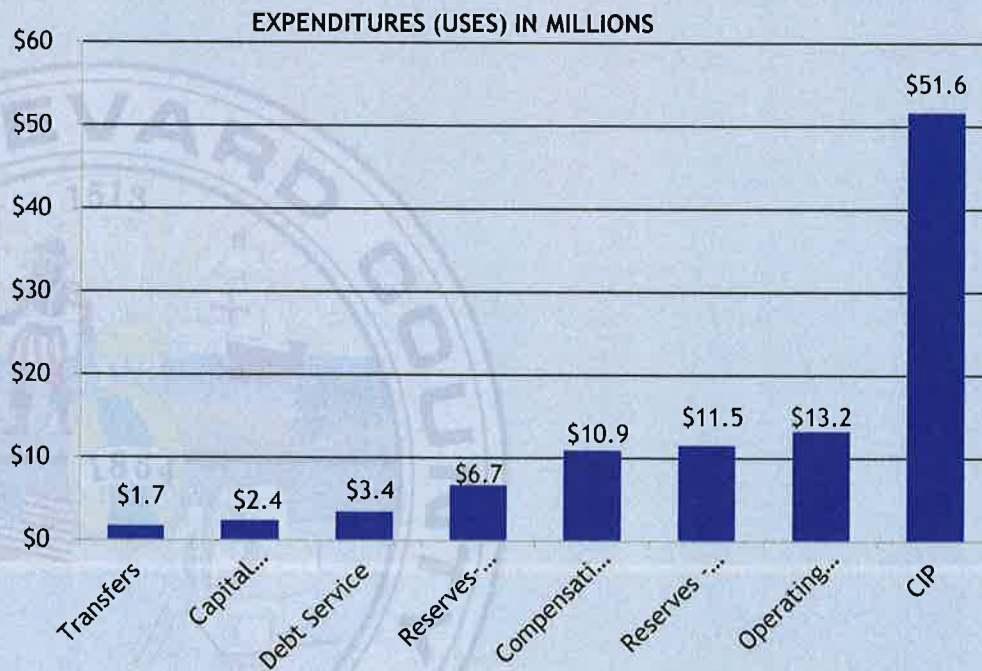


## FY 18/19 Revenue



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## FY 18/19 Expenditures

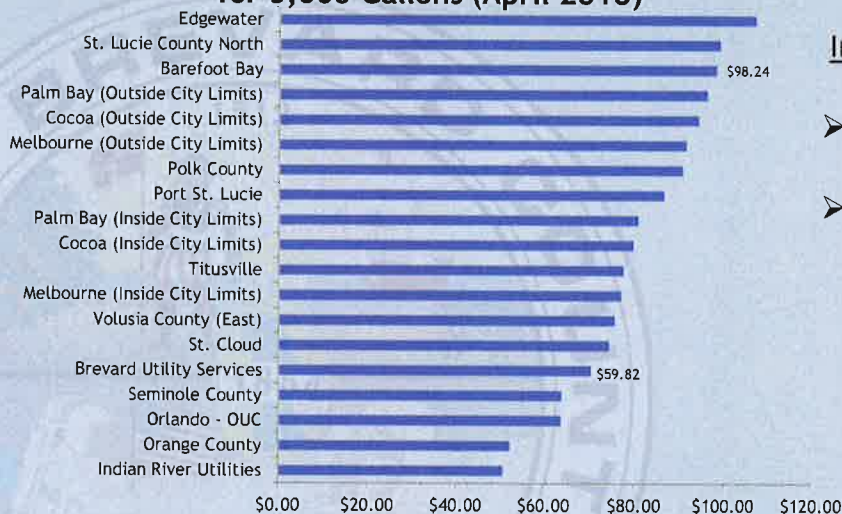


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## User Rates Comparison

**Total Monthly Residential Water & Sewer Bill  
for 5,000 Gallons (April 2018)**



### Impact of Rate Adjustments

- Every 1% increase equals approximately \$350,000
- 1% increase to single family customer equals 45 cents more per month

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## Infrastructure Asset Evaluation

- In 2013 an internal audit indicated department revenue was insufficient to maintain the infrastructure
- Assets were reaching their life expectancy
- Rate adjustments approved FY 13/14 to address aging infrastructure

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## Summary of Projects Completed Since 10 Year Plan Implemented (FY13/14)

	Original Plan	FY18-19 Budget	Projects Completed	FY20-23 Projects
NEW LIFT STATIONS	70	6	11	10
REHABILITATED LIFT STATIONS	89	39	40	52
TREATMENT PLANT PROJECTS	130	34	58	27
WATER MAIN & SEWER REPLACEMENT	22 miles	5.03 miles	16 miles	100 miles
SEWER LINING	78 miles	10.5 miles	82 miles	40.7 miles

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## Utility Services FY 18/19 Initiatives to Address Discharge

- Contracting with vendor to perform sewer assessment in South Beaches and Barefoot Bay (FY19-20 - \$750,000)
- Update internal sewer assessment software to utilize nationally recognized standards (FY19-20 - \$50,000)
- Smoke tested Satellite Beach and Indian Harbour Beach to locate cracked sewer laterals (FY17-18 - \$400,000)
- Five septic-to-sewer projects (SOIRL) in design phase
- Hydraulic analysis (FY19-21 - \$600,000)
- \$1.6M purchase order issued for sewer lining (FY18-19)

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## **FY 19/20 and Beyond Vision**

- **Hire additional employees over three years to increase focus on preventive maintenance program**
  - **Valve exercise program**
  - **Fats, Oils & Grease (FOG) program**
- **Construction of major projects:**
  - **North Courtenay force main extension**
  - **West Cocoa collection system improvements**
  - **Riverside Drive force main replacement**
- **Continue to work with SOIRL on septic to sewer conversion**
- **Continue sewer lining program**

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## **FY 19/20 and Beyond Vision (continued)**

- **Continue sewer assessment program in: Merritt Island, Central Area, Mims & Port St. John**
- **Begin comprehensive manhole assessment program to identify and repair manholes with leaks**
- **Continue lift station rehabilitation program**
- **Additional Treatment Plant Capacity / Utility Expansion**
  - **Needed for future septic to sewer connections**
  - **Needed to provide water & sewer in future growth areas of the County**
- **Assessment of additional nitrogen and phosphorus reduction of County treatment facilities with potential funding from SOIRL projects**

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## **Status and Timeline of Utility Services Initiatives**

- **Currently in year six of ten-year infrastructure rehabilitation plan approved by BOCC in FY 13/14**
- **Sewer assessments to be completed by FY 20/21**
  - **This effort will be basis of future sewer lining program/needs**
- **Valve exercise program to be permanent**
- **Manhole assessment program to be over seven years based on 11,500 manholes to inspect**
  - **This effort will be basis of future manhole repair/replacement**

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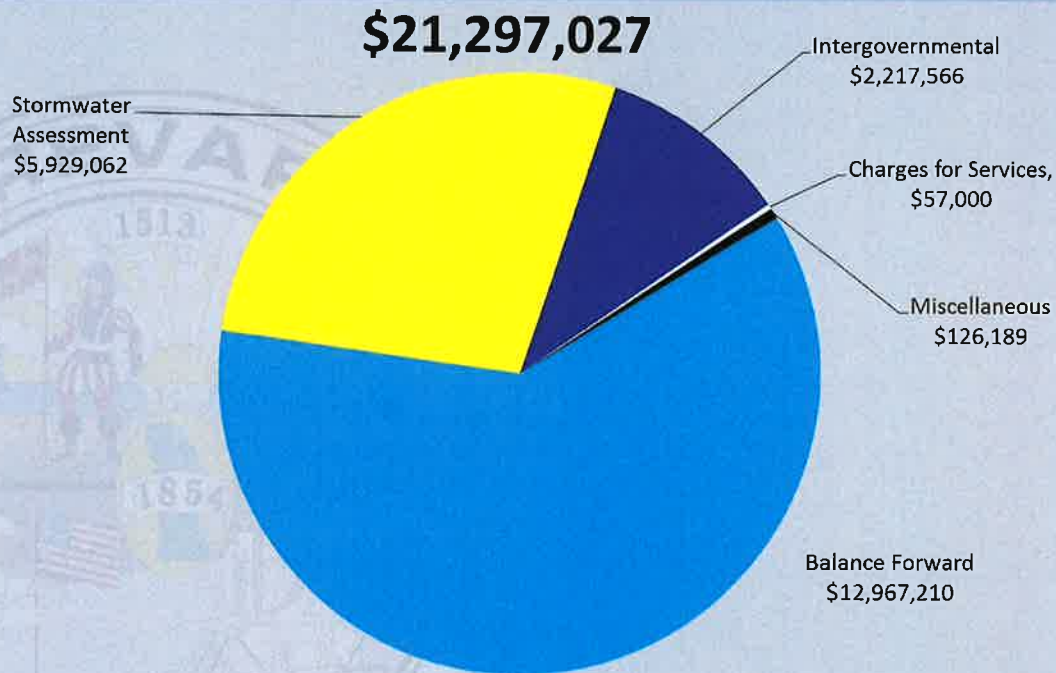
## **Status and Timeline of Utility Services Initiatives (continued)**

- **Remaining lift stations requiring rehabilitation or replacement to be completed by FY 24/25**
- **Utility Services & Natural Resources Department collaborating on further septic-to-sewer areas**
- **Undergo population project analysis for the benefit of determining treatment capacity expansion**

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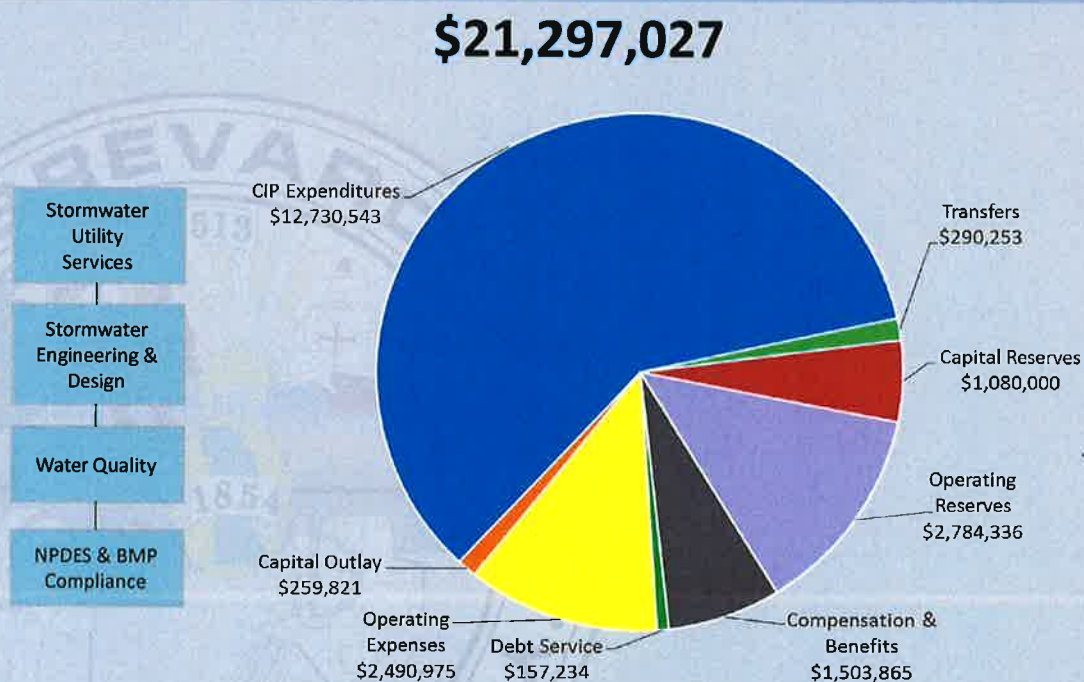


# Stormwater Utility Revenues 2018-19



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# Stormwater Utility Expenses 2018-19



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## Drainage & Flood Abatement Projects Completed Since 2007

Project	Stormwater Assessments	Grant	Gas Tax	Total Costs FY 2007 to Current	Flood Reduction Houses
Area 1 Watershed (partnership with Titusville)	\$ 242,385	\$ -		\$ 242,385	879
Chase Hammock/Lake George, NMI	\$ 443,275	\$ 150,000		\$ 593,275	230
Indialantic (Stormdrains Replacement)	\$ 359,193	\$ -		\$ 359,193	270
Kingsmill/Aurora	\$ 1,319,289	\$ 1,127,041		\$ 2,446,330	300
Lamplighter Phases I & II	\$ 1,317,036	\$ 3,914,782		\$ 5,231,818	3,334
Pine Island Phases 1 & 2, NMI	\$ 2,569,711	\$ 1,677,079		\$ 4,246,790	1,993
Sarno Lakes Phase II	\$ 2,696,618	\$ 3,502,944		\$ 6,199,562	1,859
Upper Eau Gallie/Lake Washington Rd	\$ 1,186,664	\$ 425,083	\$ 2,182,822	\$ 3,794,569	1,419
Valkaria Lakes (partnership with Grant-Valkaria)	\$ 63,137	\$ 121,820		\$ 184,957	53
West Cocoa, 5 projects	\$ 2,311,444	\$ 6,647,009	\$ 862,199	\$ 9,820,653	1,741
<b>Total Expenditures</b>	<b>\$ 12,508,752</b>	<b>\$ 17,565,758</b>		<b>\$ 33,119,531</b>	<b>12,078</b>

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## 5 Year CIP Drainage & Flood Abatement

District	Project	Description	Total Cost	Status
1	520-Pluckebaum	SW Channel	\$1,650,000	Land Acquisition Underway
1	Breezeway Drive	Road Infiltration Project	\$150,000	Under Design
1	Cox Rd	Road Culverts and Channel	\$1,500,000	Under Design
1	Fay Lake	SW Channel, Culverts, & Controls	\$175,000	Under Design
1	W Cocoa FEMA Buyout	Flood Prone Property Acquisition	\$1,450,000	Awaiting FEMA Grant Response
2	D2 FEMA Buyout	Flood Prone Property Acquisition	\$1,070,000	Awaiting FEMA Grant Response
2	NASA-Hall Rd	Hall Road Pump Station	\$1,857,000	Land Acquisition Underway
2	NMI Modeling	NMI Stormwater Modeling	\$450,000	Surveying Underway
2	Pine Island Phase 3	Pine Island Emergency Discharge Weir	\$360,000	Awaiting Funding for Design
2	W Crisafulli-Church Rd	SW Culverts & Channels	\$1,300,000	Under Design
3	Micco Central	SW Pond & Culverts	\$620,000	Under Design
5	Atlantic Ave	Road Infiltration Project	\$40,000	Under Design
5	Hoover & Ocean Park	Hoover/Ocean Park SW Pond & Culverts	\$360,000	Under Design
		<b>5 Year Total</b>	<b>\$10,982,000</b>	

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# Unscheduled Needs

42 Project Areas ~\$76,000,000

## Potential Issues

- Fewer Homes/Businesses per project
- Diminishing ROI with Smaller Projects:
  - Cost to Document vs Grant Received
  - Land Acquisition & Surveying
  - Project Design
  - Construction Supervision

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## Annual Capital Improvement Funds for Drainage by District

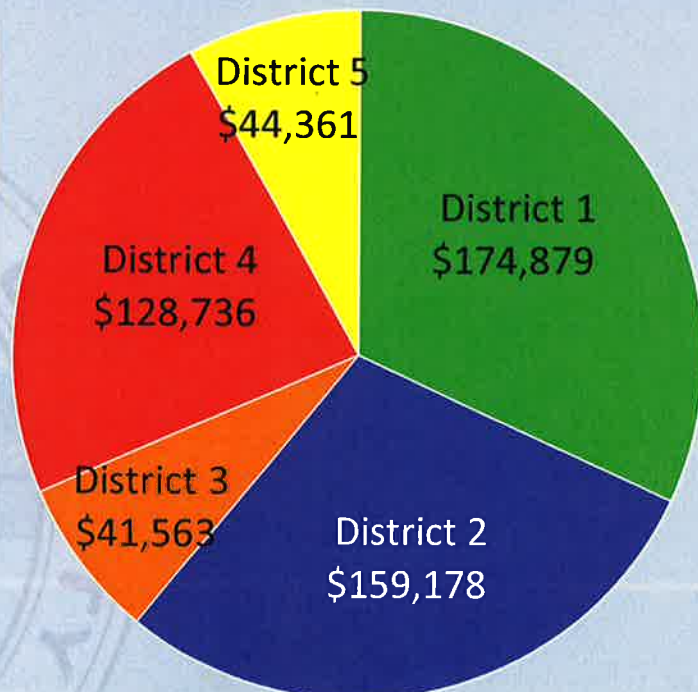
### Available Funds

\$6,112,251 SW Revenues  
- \$4,254,661 SW O&M Expenses  
\$1,857,590 Allocated for Projects

Flood Projects (28%) of Assessments

### Funds By District

\$ 174,879 District 1 (32%)  
\$ 159,178 District 2 (29%)  
\$ 41,563 District 3 (8%)  
\$ 128,736 District 4 (23%)  
\$ 44,361 District 5 (8%)



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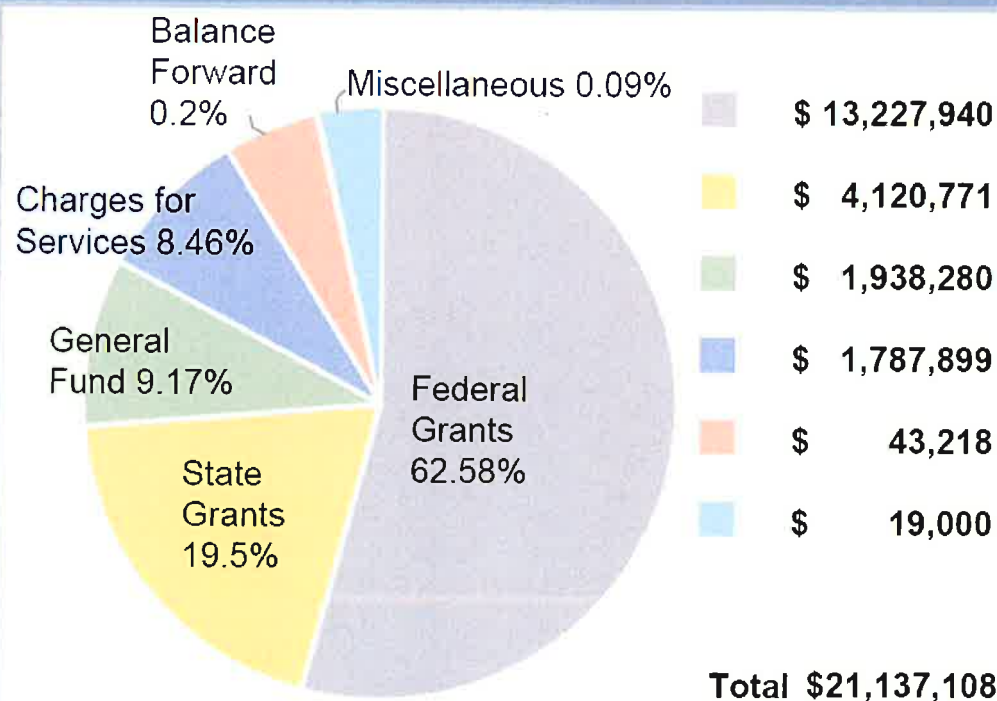
# Stormwater Modeling & Project Design

District	Projects	Design & Modeling	CIP Funded	Explanation
1	Breezeway	\$ -	N	Modeling and design performed in-house.
1	Cox Road	\$ 150,000	Y	Modeling Performed Previously - Some updates during design may be needed
1	Fay Lake	\$ 55,000	Y	Modeling Performed Previously - Some updates during design may be needed
1	520-Pluckebaum	\$ 260,775	Y	Modeling Performed Previously - Some updates during design may be needed
1	Windover Farms - Titusville	\$ 50,000	N	Surveying to begin after NMI surveying completed.
2	Nasa - Hall Rd	\$ 159,055	Y	Modeling Performed Previously
2	North Merritt Island Study	\$ 450,000	N	Surveying Underway.
2	Pine Island Phase 3	\$ 60,000	Y	Modeling Performed Previously - Additional modeling post NMI study may be necessary.
2	W Crisafulli-Church Rd	\$ 131,536	Y	Surveying underway. Modeling incorporating NMI Study will be necessary.
3	Micco Central	\$ 70,000	Y	Surveying & Modeling Beginning FY18-19
5	Atlantic Ave	\$ -	N	Modeling and design performed in-house.
5	Hoover & Ocean Park	\$ 30,000	Partial	Modeling and design performed in-house. Funds allocated for soils testing, surveying, etc. Additional funding may be necessary depending on modeling results.

\*Stormwater modeling and associated surveying and soils testing usually budgeted with the CIP projects. Modeling for smaller projects may be performed in-house or outsourced. Large area studies, such as the NMI Study Update and the Upper Eau Gallie Master Plan, are usually outsourced due to staffing constraints.

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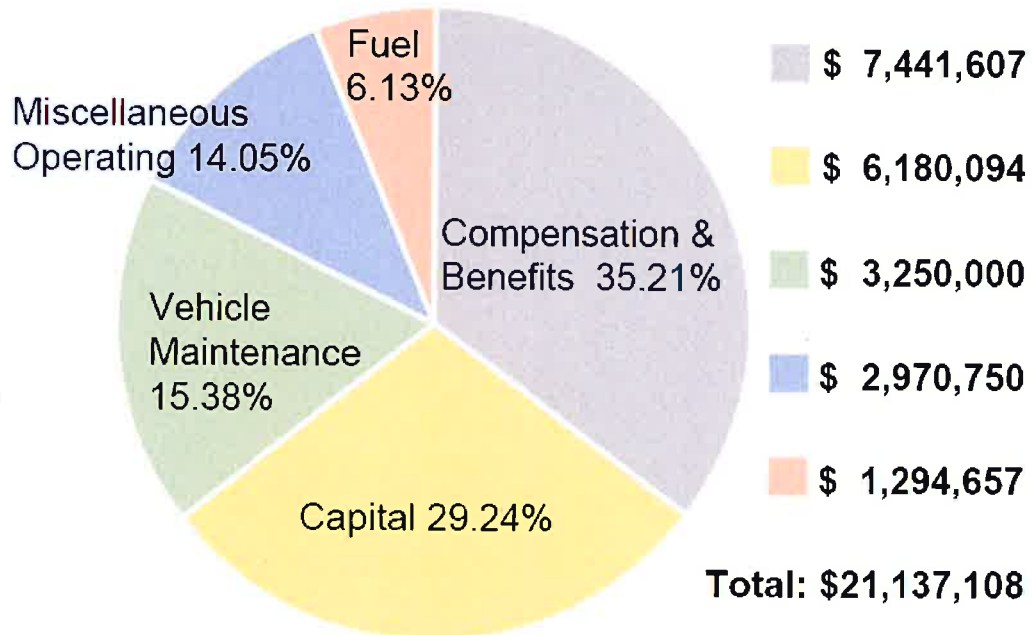
## Space Coast Area Transit FY 18-19 Funding



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## Space Coast Area Transit FY 18-19 Expenditures



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## Demand Response Request

- **PARATRANSIT**
  - **TRANSPORTATION FOR VISUALLY IMPAIRED**
  - **AMERICANS WITH DISABILITIES ACT REQUIRED PARATRANSIT**
  - **EVENINGS**
  - **VIERA**
  - **CENTRAL AND SOUTH COUNTY**
- **CONTRACT ROUTE DISABLED TRANSPORTATION**
  - **TRAINING CENTERS DEMAND**
  - **NORTH COUNTY CAPACITY ISSUES**
    - **ROUTE 41 TITUSVILLE**
    - **ROUTE 44 PORT ST. JOHN**

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# Transportation Improvements

## Demand Response

- **DECEMBER 2016:**
  - **STARTED NEW FULL TIME ROUTE 59**
    - Evenings, South/West Melbourne and Palm Bay
  - **CONVERTED PART TIME ROUTE 89 TO FULL TIME**
    - Evenings, Titusville and Central Brevard
  - **EXPANDED ROUTE 60 FROM 8 TO 10 HOURS DAILY**
    - Evenings and Saturdays, Viera and North Melbourne
- **APRIL 2018:**
  - **STARTED NEW CONTRACT ROUTE 49**
    - Rockledge, Viera, Suntree, BAC and Bridges, Dialysis Centers at Spyglass Hill Road, Viera and Barnes Blvd, Rockledge
    - Ended Route 1C
- **JANUARY 2019:**
  - **STARTED CONTRACT ROUTE 49 EARLIER AT 6:05 AM**
    - To accommodate early ADA work trip

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## Cost of Additional DemandResponse Service

**–8 hour shift/day, M-F**

**•One route \$150,000/year**

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## Current Status

- Commissioners recommended – TPO Follow Up, Mobility Fee Study 2019
- Board voted to add increase in funding for public transportation to list of 2019 Legislative Priorities
- TPO Mobility Fee Study funding now uncertain
- Space Coast Area Transit is trying to access as many operating grants as possible, however these grants require a local funding match from the County/Cities

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## FY 18/19 Funding Sources by HR Program

	Balance Fwd.	Charges for Svc	GF Transfers	Misc.*
Property / Casualty	26,000,000	8,797,454	0	851,000
Employee Benefits	42,748,086	54,120,914	0	773,000
Employee Relations	0	7,600	191,887	0
Pers. Tech. Svc.	0	760	516,917	0
<b>FY18/19 Budget</b>	<b>68,748,086</b>	<b>62,926,728</b>	<b>708,804</b>	<b>1,624,000</b>

\* Miscellaneous is primarily interest income

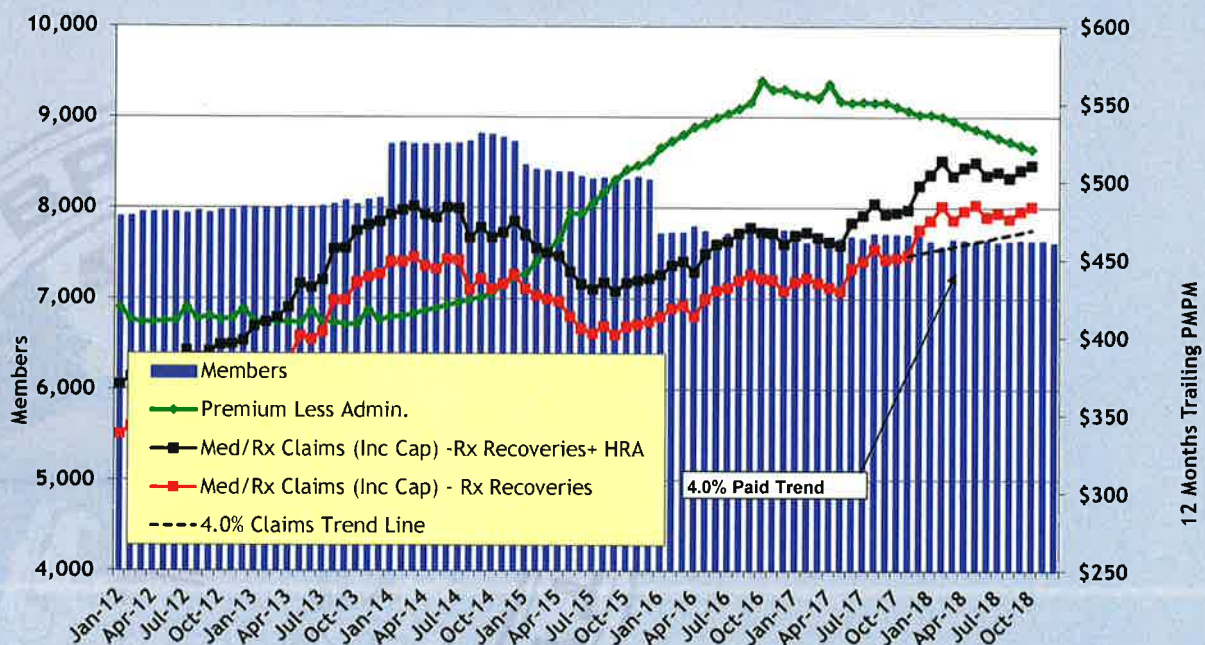
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# Group Health Plan

## Financial Overview (Cash Basis)

	CY 2017	CY 2018	CY 2019 (projected)
Revenue	\$56,192,579	\$53,940,941	\$51,676,500
Expenses	\$50,368,002	\$52,537,335	\$56,477,635
Rev/Exp	\$5,824,577	\$1,402,566	(-\$4,801,135)
Accumulated Reserves	\$35,706,587	\$37,109,153	\$32,308,018
Medical Trend : Actuary Projections as of 10/17	4%	7.3% (4.3% actual)	7.5%
Premium Adjustments:			
Employer	(-4%)	(-8%)	0
Employee/Dependent	0	0	0

## Medical & Prescription Less Recoveries/Rebates





## Group Health Plan Financial Summary (Incurred Claims Basis)

	CY 2018	Projected CY 2019	Projected CY 2020
CY Expenses	\$49,767,016	\$55,684,427	\$59,549,823
Annual Plan Rev. vs. Exp.	\$634,712	(-\$5,318,013)	(-\$9,183,409)
Required Reserve (60 days claims + IBNR)	\$11.71M	\$12.29M	\$12.97M
GASB 75 Liability	\$18.2M	No Longer Reported	
Ending Reserve Balance	\$37.01M	\$31.7M	\$22.5M
Ending Reserve Minus Required Reserve	\$29.03M	\$23.13M	\$13.27M

## Group Health Plan Issues

- GHP medical agreements expire at the end of 2020
- A reset of plan designs and/or significant premium adjustments for 2021 will be needed
- RFP in 2020 for the 2021 plan year and explore plan design options
- Entertain marketplace alternatives to the current group plans to offset the increases projected in claims expense

# Loans from Insurance Reserves

## **Loans from Property/Casualty Reserves:**

- \$12M loan to Park & Rec to fund repairs from hurricane loss in advance of FEMA recoveries
- \$1.2M Line of Credit for Savannah's Golf HOA (when secured by bond)

## **Loans from GHP Reserves:**

- \$2.25M loan to Public Works (\$750K x 3yrs) for increased road work repaid from gas tax

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## **Board Discussion/Direction**

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