

(1C003)

Org Unit No: 1950, 1996, WP480, Various
Org. Name: Employee Fringe Benefits, Sales Tax Revenues,
Estabrook Dam Removal and Various Departments
Date: October 29, 2014

**AMENDMENT TO THE COUNTY EXECUTIVE'S
2015 RECOMMENDED BUDGET**

By Supervisor Cullen

Amend Org. Unit No. 1950 – Employee Fringe Benefits as follows:

The 2015 Budget authorizes the ~~Department of Human Resources to design and implement health and dental benefit plans, including the following items, within total appropriations of \$99,980,849: County healthcare plan, as compared to the plans proposed by the City of Milwaukee and State of Wisconsin for its employees:~~

Comparison of 2015 Healthcare Plans			
	Milwaukee County	State of Wisconsin	City of Milwaukee
Deductibles			
Employee Only Deductible	\$1,000	\$0	\$750
Emp. + Child(ren)	\$1,250	\$0	\$1,500
Emp. + Spouse	\$2,000	\$0	\$1,500
Family Deductible	\$2,250	\$0	\$1,500
Copayments/Coinsurance			
Office Copay	\$30	\$0*	\$0*
Outpatient coinsurance	20%	10%	10%
Inpatient consinsurance	20%	10%	10%
Emergency Room	\$200	\$75	\$200
Single Out-of-Pocket Max	\$3,000	\$500	\$1,500
Family Out-of-Pocket Max	\$6,000	\$1,000	\$3,000
Prescription (Rx) Drugs			
Generic RX Copay	\$10	\$5	20% with
Preferred Brand Rx	\$30	\$15	\$4 min and
Non-Preferred Brand Rx	\$50	\$35	\$75 max.
Mail Generic (90-day supply)	\$25	\$5	20% with
Mail Preferred	\$75	\$15	\$8 min and
Mail Non-Preferred	\$125	\$35	\$150 max.
Single Out-of-Pocket Rx Max	\$2,000	\$410	\$3,600
Family Out-of-Pocket Max	\$4,000	\$820	\$3,600
Monthly Premiums			
Single Premium	\$130	\$92	\$75
EE + Child(ren) Premium	\$160	\$230	\$112
EE + Spouse Premium	\$230	\$230	\$149
EE + Family Premium	\$250	\$230	\$224
Wellness Participation Credit	\$50 per month \$40/Mo. Single	\$0	\$0
Flexible Spending Account			
(FSA) Contributions	\$2,000 (Emp. Must match)	\$150/single \$300/family	\$250/single \$500/family
Notes:			
1) *State and City Plans apply ten percent coinsurance up to out-of-pocket limit.			
2) City Charges participants between \$10 to \$60 per month if they fail to participate in Wellness Program. 90% of employees fully comply. Employees must be in Wellness Program and earn points to qualify for FSA contrib.			
3) State provides \$150 (\$300 w/spouse) Wellness Rewards FSA Contribution			
4) Wellness credit is limited by ACA rules to 30% of employee premium.			

The Flexible Spending Account (FSA) Employer contribution for 2015 is a maximum of \$2,000. Employees eligible for an FSA must provide a dollar-for-dollar match to receive the maximum contribution. The average employer contribution in 2014 was approximately \$675.

The monthly employee premiums for dental insurance increase \$5 to \$10 as shown below.

Monthly Employee Dental Premium Contributions				
	Delta Dental (traditional plan)		Dental Associates (DMO)	
	2014	2015	2014	2015
Single	\$10	\$15	\$10	\$15
EE + Child(ren)	\$25	\$35	\$25	\$35
EE + Spouse	\$25	\$35	\$25	\$35
Family	\$25	\$35	\$25	\$35

Expenditures in Org. 1950 – Employee Fringe Benefits include:

- Health and dental insurance benefits.
- Third-party administrative costs for health insurance, prescription drugs, dental insurance, and wellness.
- Stop loss insurance.
- Fees required by the Affordable Care Act.

This total budget assumes the following factors:

- Net prescription drug costs are anticipated to decline by 22 percent, from \$29.7 million to \$23.2 million. The decline is mainly due to favorable results from issuing a request for proposals, in collaboration with the City of Milwaukee, Milwaukee Public Schools, and Milwaukee County Transit Services, inc. for a new prescription drug program administrator that includes improved reimbursements, and due to full-year implementation of the EGWP program.

- Savings of \$2.6 million are projected by providing retirees age 65 and over with a voluntary Medicare Advantage plan option for Medical Coverage. ~~The plans to be designed will also achieve employee and retiree premium revenues of \$10,999,062, an increase of \$3.3 million over the 2014 Adopted Budget.~~

~~This premium revenue amount charged to employees is below 20% of the active health benefit cost. This amount remains below benchmark comparisons for US Large Employers. For example, the 2014 Kaiser Family Foundation Health Benefits Report establishes the national average contribution for large employers at 19% for single coverage and 26% percent for family coverage. Similarly, other major health care surveys find single premiums for large employers at 22% single, 31% family. Regionally, the data is similar at 22% single and 29% family. Finally, across sectors, the government sector is indicated at 14% and 28% for single and family coverage, respectively.~~

In addition to the health plan design above, appropriations of \$7,790,000 are provided for:

- Medicare Part B premium reimbursements for retirees (\$7,200,000)
- Actuarial and consulting costs (\$400,000)
- Opt-out payments to employees who decline health insurance benefits (\$150,000)
- Employee flu shots (\$40,000)

Amend Org. Unit No. 1800-1996 County Sales Tax Revenues as follows:

- Increase sales tax revenues by \$750,000 based on updated projections for 2014 receipts.

Amend Capital Improvement Project WP480, Estabrook Dam Removal to delete the project.

WP48001—Estabrook Dam Removal

An appropriation of \$1,674,000 is budgeted for the removal of the Estabrook Dam. Financing of \$1,674,000 is provided from sales tax revenue.

Estabrook Dam was constructed during the late 1930's by the Civilian Conservation Corps (CCC) and Civil Works Administration (CWA). The dam was constructed with gates and a fixed crest spillway. The gated section of the dam extends from County owned parkland on the left (north) bank of the river to a central island under the jurisdiction of the (Bureau of Land Management) BLM. A fixed crest spillway then extends from the island to private lands on the right (south) bank of the river.

The WDNR Administrative Order dated July 28, 2009, requires the County to either repair or abandon the dam within established timelines and also requires the County to maintain the dam under a drawdown condition until the repairs are completed. Milwaukee County retained a consultant (AECOM) to investigate the dam condition in 2010, to assess sediment quality and quantity upstream of the dam, and to design improvements to the dam to meet the WDNR's Administrative Order. Milwaukee County is proceeding with the Environmental Assessment to address Estabrook Dam and alternatives with the objective to provide the public with detailed information about the array of alternatives to be considered in the decision making process. The need for the Environmental Assessment is to obtain WDNR approval for a dam operational plan or for dam removal. Secondly, the BLM indicates it has jurisdiction of the island which the dam is connected, so the County would need a BLM easement to either repair or remove the dam.

A series of Technical Advisory Team meetings have taken place with representatives from Milwaukee County, Southeastern Wisconsin Regional Planning Commission (SEWRPC), Bureau of Land Management (BLM), WDNR, US Fish and Wildlife Service, US Army Corps of Engineers, Himalayan Consultants, and AECOM from 2012 to the present. The representatives provided input on Estabrook Dam and alternatives to the dam. The alternatives included a no-action alternative; rehabilitate the dam; rehabilitate the dam and provide fish passage; removal of the dam, a new dam, and remove the dam while installing a "rock ramp" to develop a pool upstream similar to a dam but would also allow fish passage.

The Environmental Assessment has included two public information meetings and conducted surveys to obtain public input. A draft Environmental Assessment report is on record. The most cost effective alternative is Alternative 2 Remove the Dam at \$1,674,000. Grants are available to partially fund the project. There are no operation and maintenance costs associated with Alternative 2. Milwaukee County Parks has recommended Alternative 2 Dam Removal for the following reasons:

- ~~Most cost effective alternative.~~
- ~~No operation and maintenance costs.~~
- ~~Most environmentally protective of the three feasible alternatives.~~
- ~~Provide recreation for canoeing and kayaking.~~
- ~~Allows for a free flowing river.~~
- ~~Provides fish passage.~~
- ~~The scope of the project includes the following actions:~~
- ~~General (erosion control, site restoration, etc.)~~
- ~~Gated spillway removal~~
- ~~Ice Breakers removal~~
- ~~Overflow spillway removal~~
- ~~Slope protection~~
- ~~Debris removal~~
- ~~Engineering and contingencies~~

Amend Org. Unit No. 3400-Register of Deeds as follows:

- Increase Real Estate Transfer Fee revenue \$100,000 based on recommendation of the Register of Deeds

Amend Org. Unit No. 9960 - General Debt Service Fund as follows:

- Increase contribution from the Reserve for County Bonds by \$1,327,873.

Reserve for County Bonds (4703)

A contribution of ~~\$5,000,000~~ \$6,327,873 from the Reserve for County Bonds is included for 2015. The \$6,327,873 includes net surplus bonds of \$1,327,873 (\$784,800 in premium and \$543,073 in unallocated proceeds) from the 2014A General Obligation Corporate Purpose Bond Issuance.

- Decrease 2015 debt service payment by \$789,231.

C	TBD	XX/XX/14	TBD	40,495,000	3,270,000	1,247,704
	2.60%	<u>11/6/2014</u>	<u>12/1/2029</u>	<u>39,240,000</u>	<u>2,620,000</u>	<u>1,108,473</u>

*The 2014 Corporate Purpose sale occurred on October 23, 2014 ~~Issuance has not yet been issued.~~ The 2015 Requirements in the table above for the 2014 issuance include a total of \$3,728,473 in related debt service costs are estimates.

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This amendment would decrease the tax levy by \$1,523,730.

Org. No.	Department (or Capital Project)	Expenditure	Revenue (or Bonds*)	Tax Levy
1950	Employee Fringe Benefits	\$1,685,392	\$1,685,392	\$0
Various	Various departments	\$3,755,872	\$638,498	\$3,117,374
WP480	Estabrook Dam	(\$1,674,000)	(\$1,674,000)	\$0
3400	Register of Deeds	\$0	\$100,000	(\$100,000)
1996	Sales Tax Revenue	\$0	\$2,424,000	(\$2,424,000)
9960	Debt Service	(\$789,231)	\$1,327,873	(\$2,117,104)
TOTALS:		\$2,978,033	\$4,501,763	(\$1,523,730)

If approved, the Adopted Budget narrative shall be modified as needed to reflect this amendment.

Note: The reduction of the 2015 debt service payment by \$789,231 results in a reduction of \$789,231 to the County's total additional allowable levy. The total estimated additional allowable levy amount for 2015, including the debt service change, decreases from \$10,480,339 to \$9,691,108.

FINANCE, PERSONNEL AND AUDIT COMMITTEE ROLL CALL		
	AYES	NOES
Haas		X
Mayo	X	
Schmitt	X	
Romo West		X
Jursik	X	
Lipscomb		X
Bowen		X
Co-Chair Cullen	X	
Co-Chair Johnson		X
TOTALS:	4	5

Amendment fails 4-5