

Facilities & Waterfront Management
FY19 Budget Highlights

4/24/2018

Total Expenditure Request

FY19 City Manager Rec	\$5,019,804
Fy 18 Expenditures	\$5,257,863
\$ Change	(\$238,059)
% Change:	-4.50%
Payroll % of Budget	26.90%

Total Revenue Budget

FY19 City Manager Rec	\$3,459,596
FY18 Budget	\$3,316,518
\$ Change	\$143,078
% Change	4.30%

Total Budget-Net

FY19 City Manager Rec	\$1,559,488
FY18 Budget-Net	\$1,941,345
\$ Change	(\$381,857)
% Change	-19.70% *

***Combined Net with Parks, Rec & Public Assembly is - \$267,621 (-4.8%)**

Revenue Highlights (see attachment for revenue detail)

As of 1/2019 a \$2.00 Infrastructure fee will apply to all passengers*	\$47,800
As of 1/2019 a .50 head tax increase will apply **	\$11,950

* Revenue will go to a reserve fund for pier/facility maintenance

** Based on 23,900 pax Jan/June

Personnel Changes

Added Project Manager with focus on Fire Stations (Change made during current Fiscal Year)	\$57,275
Added 2 MW III to Waterfront (offset by Rev)	\$95,014
Added Waterfront Foreman (offset by Rev)	40,820

Expenditure Highlights

Admin	Will share admin functions with Parks, Rec & Facilities
Buildings	Flat funded, no projects or renovations budgeted Reductions reflect the shift of Custodial Workers & supplies to Parks, Rec & PAF

Public Buildings & Waterfront-Major Sources of Revenue

	FY18 Budget	FY19 CM Rec
Hadlock Stadium (35-05)		
Rent	125,000	150,000
Utility Reimbursements	186,000	186,000
	<u>311,000</u>	<u>336,000</u>
		25,000
Waterfront (35-09)		
Rent	185,000	209,000
Utility Reimbursements	130,000	155,000
Cruise Ships	1,376,000	1,734,000
Ferry Service	97,000	195,000
Misc Berthing	108,000	121,000
IMT Lease	96,000	118,000
	<u>1,992,000</u>	<u>2,532,000</u>
		540,000
School HVAC (35-12)		
Reimbursement	522,000	522,000
		-

**Human Resources Department
FY19 Budget Request Highlights**

Total Expenditure Request

**Payroll % of Budget:
82.3%**

FY19 Expenditure Request	\$1,063,158
FY18 Expenditure Request	\$1,035,380
\$ Change	\$ 27,778
% Change	2.68%
Payroll	4.03%
Other Expenses	3.14%-

Total Revenue Budget

FY19 Budget	\$ 76,056-
FY18 Budget	\$ 118,043-
\$ Change	\$ 41,987
% Change	35.57-%

Total Budget - Net

FY19 Budget - Net	\$ 987,102
FY18 Budget - Net	\$ 917,337
\$ Change	\$ 69,765
% Change	7.61%

Expenditure Change Highlights

Personnel Changes

-1.0	WC & Safety Program Manager	\$ 77,493-
1.0	Director of Occupational Health & Safety	\$ 75,992

Revenue Change Highlights - N/A

Health Insurance (12% increase effective July 1, 2018-June 30, 2019)

Full-Time 30+ Hrs

<u>Plan</u>	<u>Current Deduction</u>	<u>New Deduction</u>	<u>Weekly Increase</u>	<u>Monthly Rates*</u>
Employee Only	\$ 0.00	\$ 0.00	\$ 0.00	\$ 791.81
Employee & Child(ren)	\$ 53.67	\$ 60.11	\$ 6.44	\$1,346.03
Employee & Adult	\$ 76.67	\$ 85.87	\$ 9.20	\$1,583.56
Employee, Adult & Child(ren)	\$130.35	\$145.99	\$15.64	\$2,137.83

Part-Time < 30 Hrs (must work minimum 18.75 hours to be benefit eligible)

<u>Plan</u>	<u>Current Deduction</u>	<u>New Deduction</u>	<u>Weekly Increase</u>	<u>Monthly Rates*</u>
Employee Only	\$ 53.84	\$ 60.30	\$ 6.46	\$ 791.81
Employee & Child(ren)	\$145.19	\$162.32	\$17.43	\$1,346.03
Employee & Adult	\$184.34	\$206.46	\$22.12	\$1,583.56
Employee, Adult & Child(ren)	\$275.71	\$308.79	\$33.08	\$2,137.83

*Monthly rates are the combination of the City's and employee's contributions.

Completion of Wellness Activities (impacts employee only portion of rate)

Complete 5 of 5 activities	\$ 0.00	\$ 0.00
Complete 4 of 5 activities	\$ 4.89	\$ 5.44
Complete 3 of 5 activities	\$ 9.76	\$10.96
Complete 2 of 5 activities	\$14.67	\$16.44
Complete 1 of 5 activities	\$19.56	\$21.92
Complete 0 of 5 activities	\$24.47	\$27.41

Dental Insurance (0% increase for July 1, 2018 – June 30, 2019 – second year rate hold)

<u>Current Plan</u>	<u>Weekly Deduction</u>	<u>Monthly Rates</u>
Single	\$ 8.44	\$ 36.56
Two-Person	\$ 20.45	\$ 88.60
Family	\$ 25.20	\$109.21

Prepared for April 9, 2018

Aetna Reporting – FY18 to FY17 (7/1/17-2/28/18 to 7/1/16-2/28/17):

Current Demographics: 1,343 employees/COBRAs, 2,581 members (includes employees/COBRAs and covered dependents), 51% male, 49% female, average age = 35.3

Total Medical & Rx Paid Amounts - \$12,834,736 to \$9,566,837 – increase of \$2,817,899

Medical Paid Amounts - \$10,564,272 to \$8,325,962 – increase of \$2,238,310

2,493 filing medical claims

Admissions/1,000 members – 52 to 41 – increase of 11

Days of care/1,000 members – 262 to 150 – increase of 112

Average length of stay – 5.0 to 3.6 – increase of 1.4

Inpatient paid amount per member - \$1,448 to \$776 – increase of \$672 paid amount per member – 86.6% increase over prior period

Inpatient costs major driver for increase in medical paid amount FY18 to FY17 – average paid amount per admission increased 49.0% from \$18,718 to \$27,893

Aging workforce – age 45 & above members represent 38% of the health plan's population and account for 53% of the medical paid amounts

Impact of medical catastrophic claimant experience (viewed on 2 thresholds):

Claimants exceeding \$100,000

FY18 – 12 members with total medical paid amount of \$2,163,141; \$1,724,271 inpatient paid amount and \$438,871 ambulatory paid amount

Compared to

FY17 – 5 members with total medical paid amount of \$712,492; \$368,474 inpatient paid amount and \$344,018 ambulatory paid amount

Claimants exceeding \$75,000

FY18 – 17 members with total medical paid amount of \$2,616,230; \$1,995,344 inpatient paid amount and \$620,886 ambulatory paid amount

Compared to

FY17 – 16 members with total medical paid amount of \$1,671,663; \$839,857 inpatient paid amount and \$831,806 ambulatory paid amount

For FY18 claimants exceeding \$75,000 in medical costs, 17 members (less than 1%) are driving close to 25% of medical paid amount for current FY18 - \$2,616,230 out of \$10,564,272 medical paid dollars

Rx Paid Amounts - \$1,584,359 to \$1,065,519 – increase of \$518,840

Note: FY18 Rx costs include 2 members with 3 months each of high cost hepatitis C medications – 1 member @ \$95,000 paid amount and another member @ \$75,000 paid amount (total for 2 members of \$170,000)

Rx & Medical Rx % of Total Claims - \$2,665,606 (21.5%) to \$1,906,952 (19.9%) – groups are seeing Rx & Medical Rx % of total claims at 25%

Generic Rx Paid Amount = \$535,431

Brand Single Source Paid Amount = \$1,235,883

Brand Multi-Source Paid Amount = \$49,150

1,834 members utilizing Rx

Generic utilization = 84.9%

Generic substitution = 98.9%

Brand utilization = 15.1%

Prepared for 4/9/2018

FY 18 MONTHLY HEALTH INSURANCE EXPERIENCE

MONTH	EXPENDITURES	REVENUES	**NET EXPENDED	***VARIANCE
July 2017	\$1,474,724.36	\$251,704.94	\$1,223,019.42	\$20,104.00
August 2017	\$1,966,774.64	\$259,320.84	\$1,707,453.80	(\$464,330.38)
September 2017	\$1,384,659.67	\$323,767.15	\$1,060,892.52	\$182,230.90
October 2017	\$1,359,474.75	\$263,026.98	\$1,096,447.77	\$146,675.65
November 2017	\$1,900,964.80	\$258,423.23	\$1,642,541.57	(\$399,418.15)
December 2017	\$1,338,404.74	\$131,449.56	\$1,206,955.18	\$36,168.24
January 2018	\$2,293,030.24	\$248,135.71	\$2,044,894.53	(\$801,771.11)
February 2018	\$1,526,885.66	\$253,172.91	\$1,273,712.75	(\$30,589.33)
March 2018	\$1,414,118.68	\$312,272.56	\$1,101,846.12	\$141,277.30
April 2018				
May 2018				
June 2018				
TOTALS:	\$14,659,037.54	\$2,301,273.88	\$12,357,763.66	(\$1,169,652.88)

**Net Expended = expenditures - revenues
 ***Variance = net budgeted - net expended

Net Expended average per month \$1,373,084.85
 ****Net Budgeted per month \$1,243,123.42
 Net Average Monthly Variance (\$129,961.43)

****Net Budgeted = Medical Budget of \$18,056,340
 - budgeted revenues of \$3,138,859 divided by 12 mos.

*Note: Revenues for December 2017 less than normal reflect no employee deductions for 3 pay days (health insurance reserve).



Permitting and Inspections Department
Michael A. Russell, MS, Director

Permitting & Inspections Department FY19 Budget

Finance Committee Budget Review

Total Expenditure Request:

FY19 Expenditure Request	\$ 1,759,712
FY18 Expenditure Request	\$ 1,644,152
\$ Change	\$ 115,560
% Change	7.03%
Payroll*	4.52%
Other Expenses	2.51%

Total Revenue Request:

FY19 Revenue Request	\$ 4,440,336
FY18 Revenue Request	\$ 4,365,465
\$ Change	\$ 74,901
% Change	1.7%

Total Budget - Net:

FY19 Net	\$ 2,680,624
FY18 Net	\$ 2,721,313
\$ Change	(\$ 40,689)
% Change	(1.49%)

Significant expenditure factors:

- Salary increases, 2% COLA's and Step increases only, no FTE change (\$67,635)
- Addition of contractual temp services for Microfiche conversion project, not included in salaries (\$19,000)
- Contracted short term rental monitoring service (\$29,995)
- *Note: Payroll is 89.3% of overall budget

Significant revenue factors:

- Increase in Business License application fees in FY19 (\$14,970)
- Implementation of delegated fire plan review from State Fire Marshal's office (\$10,000)
- Increase in Business License activity (\$49,181)