

Adjustments to Recommended FY 2015-16 General Fund Budget

Reduction in Employee Health Insurance Costs: \$89,077

The original quote from BC/BS would have resulted in a 14.9% increase in our overall health insurance costs. By increasing employee prescription co-pays we were able to reduce the increase to 6.2%, which is the funding level that was included in the recommended budget. We asked BC/BS to review the proposed rate increase once again based on more recent claims data. Following this most recent review, BC/BS was able to adjust the rate increase to only 2.2%, which is \$89,077 less than the amount in the recommended budget.

Refinancing of Jail Debt and Financing of Community College Improvements: \$30,608

With the refinancing of the jail debt, which lowered the interest rate on that borrowing from 3.93% to 1.59%, the projected FY 2015-16 debt service for these two projects is reduced by \$30,608.

Budgeted Fund Balance: \$741,382

The staff included \$741,382 from General Fund fund balance to balance the budget. The amount is included with strong confidence that none of it will be spent during the fiscal year. Additional fund balance can be budgeted with the understanding that our confidence in not spending some portion of the fund balance diminishes as the amount budgeted increases.

Please note that the recommended budget includes an additional \$200,000 in budgeted fund balance that will be used to address some very much needed public building improvements and repairs.

Recommendation for possible revisions to FY 2015-16 Budget recommendation

2% Pay Plan Adjustment for county employees: \$172,197

It is recommended that the pay plan be adjusted by 2% effective October 1, 2015. Effectively, the pay plan has not been adjusted since 2012 when a 2% adjustment was made following a three year period of no adjustments. The pay plan has fallen well below the market for most positions. Additionally, several local jurisdictions have given raises in past years and will consider pay adjustments for next year as well. The county does not want to fall so far behind that we cannot attract and keep qualified employees.

Additional operational funds for the Granville- Vance District Health Department: \$50,000

Each of you have received communication from the health director noting the impact that reduced program revenues has had on the department, with the department being at the point it cannot effectively operate with the level operational funding included in the recommended budget. The director has asked for an additional \$50,000 in operational funds. Granville County has approved a \$50,000 increase in operational funding.

Additional Capital outlay funding for the Granville-Vance District Health Department

The department has requested an additional \$50,000 for certain capital outlay expenses, the most important of which appears to be the health department's roof. It is recommended that the board not approve a specific amount for the health department capital outlay, but include the health department's projects in the \$200,000 fund balance appropriation for capital outlay.

Summary :

Expense adjustment:

\$222,197- combined cost of additional health department and pay plan adjustment

Revenue Adjustment:

\$89,077- Health insurance

\$30,608- Refinancing

\$102,512- Additional fund balance (\$843,894 budgeted fund balance)