

**TO:** MAYOR THOMPSON & FINANCE, INSURANCE & PERSONNEL COMMITTEE  
**FROM:** CLERK/TREASURER  
**SUBJECT:** PROJECTED MUNICIPAL EXPENSE FOR EMPLOYEE HEALTH INSURANCE BENEFITS  
**DATE:** SEPTEMBER 20, 2017

**2018 PROJECTED MUNICIPAL EXPENSE FOR EMPLOYEE HEALTH INSURANCE BENEFITS**

Mike Kawula has compiled 2018 health insurance premium information. This memo compares 2017 budgeted expenses with 2017 & 2018 projected expenses based upon known department information.

Projected 2018 municipal expense is an increase of **\$50,710** over the projected 2017 expenditure.

Total Premiums:	2017	2018	Percent Change	
	Projected	Projected	P17 vs P18	P18 - P17
Cable	9,232	9,313	0.9%	82
Clerk	61,525	65,454	6.4%	3,929
DPW	77,093	73,504	-4.7%	-3,589
Fire	28,244	29,527	4.5%	1,284
Library	70,058	72,025	2.8%	1,967
Parks	21,939	21,003	-4.3%	-936
Utility (c)	148,176	152,082	2.6%	3,907
Police Patrol	84,891	116,298	37.0%	31,407
Police Admin	58,072	66,951	15.3%	8,879
Retiree	11,554	28,000	142.3%	16,446
<b>Grand Total</b>	<b>570,783</b>	<b>634,157</b>	<b>11.1%</b>	<b>63,374</b>

Employee Portion:	2017	2018	Percent Change	
	Projected	Projected	P17 vs P18	P18 - P17
Cable	4,616	4,657	0.9%	41
Clerk	654	4,084	524.7%	3,430
DPW	2,349	3,617	54.0%	1,268
Fire	0	546	0.0%	546
Library	3,302	3,475	5.2%	173
Parks	1,499	546	-63.6%	-953
Utility (c)	4,841	5,114	5.6%	273
Police Patrol	2,542	5,114	101.2%	2,572
Police Admin	3,915	5,596	42.9%	1,681
Retiree	0	0	0.0%	0
<b>Grand Total</b>	<b>23,718</b>	<b>32,749</b>	<b>38.1%</b>	<b>9,030</b>

Employer Portion:	2017 Budget	2017 Projected	2018 Projected	Percent Change P17 vs P18	P18 - P17	Notes
Cable	8,278	4,616	4,657	0.9%	41	Burgos pays 50%, part-time; budget # high
Clerk	64,826	60,871	61,370	0.8%	499	transition back to 3 FT; shift to retiree
DPW	80,713	74,744	69,887	-6.5%	-4,857	transition back to 4 FT; shift to retiree; budget # high
Fire	28,244	28,244	28,981	2.6%	737	
Library	66,756	66,756	68,550	2.7%	1,794	
Parks	20,440	20,440	20,457	0.1%	17	
Utility (c)						
Police Patrol	82,349	82,349	111,184	35.0%	28,836	2 positions from single to family
Police Admin	61,319	54,157	61,355	13.3%	7,198	transition after Chief's deployment
Retiree	11,554	11,554	28,000	142.3%	16,446	payout of SL benefit (Yerges/Baird)
<b>Grand Total</b>	<b>424,479</b>	<b>403,730</b>	<b>454,440</b>	<b>12.6%</b>	<b>50,710</b>	

**Assumptions:**

(a) Addition of a 2018 dental benefit (employee's option) would be paid entirely by employee. Dental premiums are not shown here.

(b) Because dental is at the employee's discretion and employee's cost, the 88% employer contribution of the average premium cost of the qualified Tier 1 health plan as outlined as the Maximum Employer Share by the DETF is taken from the P12 chart (Local Traditional No Dental) rather than the P2 chart (Local Traditional With Dental). This needs to be clearly stated in the Police Contract.

(c) No budget information provided for Waterloo Utilities employer/employee expenses.

**An incomplete list of policy options to consider:**

- Reduce municipal expenditures.
  - Staffing reductions and/or merging staff positions generating a total overall reduction.
  - Reduce/contract services.
    - Reduce the cleaning contract; bid auditing services and garbage/trash services.
  - Create a monetary incentivize to encourage employees to voluntarily waive receipt of the offered health insurance benefit (a 50% direct payment of the eligible premium amount in exchange for a signed voluntary waiver).
  - Reduce/modify employee benefits.
    - Reduce Employer Portion of health insurance premiums from 88% to a lower percentage.
    - Shrink the number of sick leave hours an employee can accumulate, currently 1,080.
    - Reduce uniform allowances and/or mileage reimbursement amounts.

- Generate new revenue to cover expense increase.
  - Institute a wheel tax (2,827 eligible vehicles at \$20.17 would generate \$56,540 annually).
  - Charge the CATV station an annual facility surcharge to cover electricity and space use (est. \$2,500 annually)
  - Increase garbage & trash charges; operator's license fees; building permit fees; land use and subdivision fees; dog license tax and dog park fees (est. \$15,000 annually)
  - Sell parkland for in-fill residential development (est. \$20,000 one-time; future new property tax)
  - Lease space on elevated Water Utility storage units benefiting the Water Utility (est. \$10,000 annually)