

TO: MAYOR THOMPSON AND FINANCE, INSURANCE & PERSONNEL COMMITTEE
FROM: CLERK/TREASURER
SUBJECT: 2018 BUDGET- BUDGET RECOMMENDATIONS
DATE: OCTOBER 4, 2017

2018 BUDGET – RESOLUTION #2017-39 AND POLICY RECOMMENDATIONS

Adopting a 2018 health insurance benefit details is a time sensitive matter because open enrollment for employees runs until October 31st.

1. Modify the Employer Premium Portion from current policy (88%) to (85%). Currently the City pays 88% of the average premium cost of the qualified Tier 1 health plans within Jefferson County through the Wisconsin Department of Employee Trust Funds (ETF) Group Health Insurance Plan. Finance Committee members have asked for figures showing what the shift from employer to employee would be changing the policy from 88% to 80%.

I am recommending 85% rather than 80% because it is in the City’s best interest to continue to demonstrate that it values its municipal employees.

Premium shift from Employer to Employee			<i>difference</i>		<i>difference</i>
	88%	85%	88%-85%	80%	88%-80%
Cable	4,657	4,657	0	4,657	0
Clerk	61,370	59,277	2,092	55,791	5,579
DPW	69,661	67,286	2,375	63,328	6,333
Fire	28,748	27,768	980	26,135	2,613
Library	67,939	66,262	1,677	63,328	4,611
Parks	20,457	19,759	697	18,597	1,860
Utility	145,891	141,556	4,335	134,194	11,697
Retiree	27,259	27,259	0	27,259	0
Police Patrol	110,574	106,804	3,770	100,522	10,052
Police Admin	61,370	59,277	2,092	55,791	5,579
Grand Total	597,925	579,906	18,019	549,602	48,323

2. Authorize a voluntary Health Insurance Opt-Out option for employees. Since 2016 the state has allow municipalities in the ETF program to offer such an option. I am recommending that employees opting out be eligible for taxable compensation equal to 45% of the total benefit 2018, or an estimated \$9,205. The employee would have to demonstrate proof of insurance and other ETF guidelines would be implemented. To further encourage future year opt-outs a rate of 50% would apply to the 2nd and consecutive years thereafter.

3. Institute A Wheel Tax. I am recommending a creating a \$25 per vehicle wheel tax. Seventeen municipalities and five counties current add municipal tax to the vehicle license registration fee amount collected the Wisconsin DOT. The state agency receives \$0.17 per registration. Wisconsin DOT is identified 2,827 vehicles eligible for tax in Waterloo. \$25 per vehicle would generate net new revenue of \$70,194 annually. The municipality must use all revenue from the wheel tax for transportation related purposes. I am recommending dedicating the revenue to the Capital Fund for interior street improvements. Dedicating this tax and General Transportation Aid (2018 amount: \$209,000) provides a recurring foundation of revenue for future road construction and road maintenance projects. LEARN MORE: [Wheel Tax.](#)

4. Charge the Cable TV station a facility charge. I am recommending a recurring charge by the General Fund to Fund 200 equivalent to \$600 per month, or \$7,200 annually.

5. Increase Trash/Recycling fees such that a net increase in \$10,000 in new revenue is generated in 2018. The rate adjustment would factor in any increase to which we are contractually bound and add \$10,000 in new net revenue.

6. Create a new Operational Emergency contingency reserve in the General Fund. This purpose of this reserve is enable a department facing an operational emergency, to request and be granted by the City Council, reserve dollars for said emergency. In 2018 \$45,000 would be designated and reserved in the General Fund. In future years all funds including Waterloo Utilities would make contributions to the reserve. Examples of operational emergencies:

- Property damage to a municipal building. The reserved would be used to cover the \$25,000 deductible.
- Vehicle damage. The reserve would be used to cover vehicle deductible amounts.
- Fuel prices triple due to catastrophic events elsewhere.
- Public Safety overtime budgets are expended due to unforeseen emergency events.