

Low-deductible insurance in county budget proposal

By Amy Smith, Union staff writer | Posted: Monday, September 15, 2014 9:02 am

JEFFERSON — Changes to Jefferson County employees' healthcare plans could save up to \$95,000 in a budget forwarded to the county board of supervisors Friday.

The board's Finance Committee is recommending an overall 2015 property tax levy of \$28,398,206, up from this year's \$27,004,367.

If adopted, the proposed budget would result in a countywide property tax rate of \$4.3917 per \$1,000 equalized valuation, resulting in a 13-cent hike from this year. The increase is a result of the \$15 million debt the county took on to build the new highway shop facility. Without the addition of the debt — about a 2-cent increase in the mill or tax rate — the county's overall tax levy actually had decreased from this year.

“The day-to-day taxes have gone down,” Finance Committee Chair Richard Jones noted. “The operational taxes have actually gone down, but the project of the highway shop, we've got to pay for that.”

Although the county will see an increased tax rate from last year, the potential 2015 amount actually dropped with the recent sale of bonds carrying an interest rate of 1.18 percent, which ultimately will result in a savings of about \$600,000.

The predicted mill rate with the addition of the debt originally was about 10 cents higher. Previously, the county had said each taxpayer would pay about \$30 for the construction of the highway shop, but now it's about \$18, Jones added.

“We're glad to hear you reaffirm we're in a good position with debt and the fund balance is strong, so let's keep it that way, Board Chairperson Jim Schroeder said.

The proposed change in the healthcare plan would switch county employees from a no-deductible plan to a low-deductible plan. The savings would allow the county to address several capital items, including an air conditioner in the Workforce Development building, a back-up generator for the Lueder Haus and funds for a comprehensive facilities assessment.

The switch to a low-deductible plan would not only save the county money, but also would lower employees' premium and allow the county to contribute 25 percent for a flex spending account that employees could use for various medical expenses.

According to County Administrator Ben Wehmeier, about 90 percent of employees are enrolled in the county's healthcare plan.

“It's a change ... but with the difference in rates, I think it's a good change,” Supervisor Jennifer Hanneman said.

The initial proposal did not include the county's sworn deputies who are represented by a union, although the committee recommended extending the change to those employees, as well.

The union-represented deputies, who recently renegotiated their wages with the county, are the last bargaining unit left to do so. Discussion of moving to a low-deductible plan was mentioned during negotiations, but including them in the change is giving them “more than what they bargained for,” Wehmeier said.

The addition of the sworn deputies to the low-deductible plan would decrease the county’s overall savings to about \$79,000.

Discussion of the proposed insurance changes will continue by the Human Resources Committee on Sept. 30 before the overall budget is presented to the entire board of supervisors in October.

Meanwhile, the committee discussed other cost-saving measures the county might implement in the upcoming budget, including the suggestion of charging a fee for parking at the Jefferson County Fair Park by Supervisor Blain Poulson.

Poulson estimated that during fair week, the county could collect about \$100,000 if it charged \$5 per car to be applied to the county’s general fund.

However, several committee members voiced concern that fair-goers would park on the streets and neighborhoods near the fairgrounds instead of paying a fee to park in the lots.

Jones also said he has heard from taxpayers that their tax dollars already are paying for the Fair Park services, so they shouldn’t be charged again to park there.

Supervisor Hanneman said she was concerned that the additional fee might push the cost of attending the fair over the top for families, possibly ending up turning away potential fair goers.

No action was taken on the issue Friday, but Jones suggested the county try the fee on a one-year trial basis. Poulson plans to bring the topic back to the entire board for more discussion.