

Board of Supervisors
Gary F. Snellings, Chairman
Mark Dudenhefer, Vice Chairman
Meg Bohmke
Jack R. Cavalier
Thomas C. Coen
Wendy E. Maurer
Cindy C. Shelton

Thomas C. Foley
County Administrator

Finance, Audit & Budget Committee Meeting Agenda

January 22, 2019 - 1:30 p.m.
Conference Room A/B/C - Second Floor

**Committee Members: Chairman Mark Dudenhefer, Jack Cavalier
and Wendy Maurer**

	Agenda Item	
1.	Mid-Year Financial Review	Andrea Light
2.	Update on FLSA Audit and Class and Compensation Study	Shannon Wagner
3.	Discussion on Medicare/retiree health insurance payments	Shannon Wagner
	Next FAB meeting TBD	

FAB/2019



FY2019 Mid Year Review

January 22, 2019

General Fund Revenue

- At midyear, total General Fund revenues are projected to be slightly below the adopted budget.
- Real Estate and Personal Property revenues are slightly lower as a percentage of the budget than the same time last year.
- Sales, meals and transient occupancy tax remain strong revenue generators.
- Building permits and fee revenues are projected under FY18 actuals. The apartments in FY18 and FY17 provided an unusual increase in one-time permits and fees. All other work outputs indicate slow, steady growth.

Expenditures

- Health insurance costs are projected to be under budget. This continues the trend of stable and slightly declining health insurance costs since the adoption of the new insurance program.
- Vacancy savings is budgeted at \$500,000 and are projecting savings slightly above this target.
- Costs for the Rappahannock Juvenile Detention Center are projecting to be below budget as Stafford's percentage of participation is currently under the budget assumptions.
- Debt service savings is projected to be \$600,000 due to timing of the borrow and favorable rates.

CSA – Private Day School

- Private Day School Costs are projected to be under budget.

	FY19 Budget Assumptions	Projections
Students	93	79
Per Student Annual Cost	\$72,000	\$69,620
	\$6,696,000	\$5,500,000

- Based on the projected savings for CSA private day, Proposed Resolution R19-40 5% Appropriation Hold, does not appropriate this savings. Rather, staff will monitor revenues and expenditures and bring changes to the Board if necessary.
- This savings in expenditures is offset by a projected reduction in revenue of \$665,096

Social Services

- Through turnover, vacancy savings, and being good stewards of public funds, the Social Services department is projected to come under budget by \$579,044 in FY2018.
 - Based on the projected savings, Proposed Resolution R19-40, 5% Appropriation Hold, does not appropriate this savings. Rather, staff will monitor revenues and expenditures and bring changes to the Board if necessary.
- 

Fund Balance

- All fund balance policy requirements have been met and we project to be compliant with the Board's policies at year end;
 - The Capital Projects Reserve has approximately \$1.6M in funding that can be programmed into the FY2020 CIP;
- 

Utilities Fund

- Utilities Fund user fee revenues are slightly above budget.
 - Pro-Rata revenues are exceeding budget projections.
 - Expenditures are slightly under budget.
 - Overall, the Utilities Fund continues steady, modest growth.
- 

Transportation Fund

- Gas Tax reporting at the state level is behind, only three months are provided, however, the gas tax floor appears to be stabilizing revenues and providing funding beyond the budget projection.
 - Interest revenue is projecting above budget.
 - Operating expenditures are in line with the budget.
- 

Schools

- ADM (a collective measure through March 31) is tracking with budget, hence revenues are projected to be in line with the budget.
- Expenditures:
 - Only 4 teacher salaries have been recorded, 8 more for the fiscal year based on accrual
 - Third Quarter projections will provide more accuracy on expenditure projections
 - Health insurance continues the same trend as the County.

In Conclusion

- General Fund revenues are projecting to be slightly under budget, they do continue a steady growth over FY2018 actuals.
 - Proposed resolution R19-40 withholds appropriation of projected savings for both CSA and Social Services, and staff will continue to monitor.
 - Expenditure savings in health insurance, vacancy savings and debt service will favorably balance the budget.
 - It is anticipated the expenditure savings will provide a sufficient source of funding for the projected year end \$1M commitment to Transportation.
- 



Stafford County, VA

FLSA REVIEW REPORT

FINAL
December 19, 2018

Methodology

In collaboration with Stafford County Human Resources department, Segal Waters conducted an audit of forty-two (42) County positions for review and verification of exemption status under the Fair Labor Standards Act (FLSA).

To collect information needed for the review, supervisors and managers completed a customized questionnaire on behalf of the current incumbent(s) in each position.

Segal Waters reviewed the completed questionnaires (along with current job descriptions and similar documentation) and applied the current FLSA exemption tests (described below) to determine whether the U.S. Department of Labor (DOL) would likely view each position as Exempt or Non-Exempt from the FLSA overtime regulations. We conducted follow-up interviews with selected individuals to clarify the position's roles and responsibilities, as appropriate.

The current federal FLSA exemption tests are summarized below.

Salary Test

The current U.S. Department of Labor regulations regarding overtime state that to qualify for exemption, employees must be paid a rate not less than \$455 per week (\$23,660 per year) on a salary basis. To be exempt from the overtime regulations, employees must meet the salary test and one of the following tests.

Highly Compensated Employee Exemption Test

Highly compensated employees performing office or non-manual work and paid total annual compensation of \$100,000 or more (which must include at least \$455 per week paid on a salary or fee basis) are exempt from the FLSA if they customarily and regularly perform at least one of the duties of an exempt executive, administrative or professional employee (defined below).

Executive Exemption Test

To qualify for the executive exemption, all of the following tests must be met:

- The employee must be compensated on a salary basis at a rate not less than \$455 per week;
- The employee's primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise;
- The employee must customarily and regularly direct the work of at least two other full-time employees or their equivalent; and
- The employee must have the authority to hire or fire other employees, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees must be given particular weight.

Administrative Exemption Test

To qualify for the administrative employee exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

Professional Exemption Test

To qualify for the learned professional exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be the performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgment;
- The advanced knowledge must be in a field of science or learning; and
- The advanced knowledge must be customarily acquired by a prolonged course of specialized intellectual instruction.

To qualify for the creative professional exemption, all of the following tests must be met:

- The employee must be compensated on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week;
- The employee's primary duty must be the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor.

Computer Employee Exemption Test

To qualify for the computer employee exemption, the following tests must be met:

- The employee must be compensated either on a salary or fee basis (as defined in the regulations) at a rate not less than \$455 per week or, if compensated on an hourly basis, at a rate not less than \$27.63 an hour;
- The employee must be employed as a computer systems analyst, computer programmer, software engineer or other similarly skilled worker in the computer field performing the duties described below;
- The employee's primary duty must consist of:
 - 1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;
 - 2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
 - 3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
 - 4) A combination of the aforementioned duties, the performance of which requires the same level of skills.

Please remember that our firm does not provide legal advice to our clients and our recommendations regarding FLSA exemptions do not constitute a legal opinion. You may wish to have our recommendations reviewed by independent legal counsel.

Summary of Findings

We reviewed the exemption status of forty-two (42) position within Stafford County, which are a combination of exempt and non-exempt positions. Based on a strict, conservative interpretation of the exemption tests, we think the Department of Labor is likely to view some of these positions as non-exempt, as shown in the table below.

Grade and Title	Current FLSA Status	Recommended FLSA Status	Applicable Test(s), if Exempt
Grade A07			
Administrative Manager, Marketing	Non-Exempt	Exempt	Administrative
Assistant Landfill Superintendent	Exempt	Exempt	Administrative
Budget and Management Analyst	Exempt	Exempt	Administrative
Citizen Action Officer	Exempt	Exempt	Professional
Coordinator of Facilities Maintenance	Exempt	Non-Exempt	We did not receive a questionnaire for this position, but the duties described in the job description suggest the position is non-exempt
Environmental Manager	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate that this role is likely to meet the Learned Professional exemption.
Parks Maintenance & Turfgrass Specialist	Exempt	Non-Exempt	Does not meet any exemption test
Recreation Program Supervisor	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate this role is likely to meet the Learned Professional or Executive exemptions.
Recycling Coordinator	Exempt	Exempt	Administrative

Grade and Title	Current FLSA Status	Recommended FLSA Status	Applicable Test(s), if Exempt
Grade A08			
Analyst	Exempt	Exempt	Administrative
Benefit Programs Supervisor	Exempt	Exempt	Executive
Deputy Clerk to Board of Supervisors	Non-Exempt	Non-Exempt	Does not meet any exemption test
Facilities Superintendent	Exempt	Exempt	Administrative
General Accountant	Exempt	Exempt	Administrative
Human Resources Analyst	Exempt	Exempt	Administrative
Office Manager	Non-Exempt	Non-Exempt	We did not receive a questionnaire for this position, but the duties described in the job description suggest the position is non-exempt
Planner	Exempt	Exempt	Administrative
Planner - Environmental	Exempt	Exempt	Administrative
Public Information Officer	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate this role may meet the Professional or Administrative exemption.
Recreation Manager	Exempt	Exempt	Executive

Grade and Title	Current FLSA Status	Recommended FLSA Status	Applicable Test(s), if Exempt
Grade A09			
Environmental Inspections Supervisor	Exempt	Exempt	Executive
Geographic Info System Programmer/Analyst	Exempt	Exempt	Computer
Manager of Citizens Assistance	Exempt	Exempt	Administrative
Maintenance and Operations Manager	Exempt	Exempt	Administrative
Network Analyst	Exempt	Exempt	Computer
Programmer/Analyst	Exempt	Exempt	Computer
Programmer/Analyst - CAD	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate the role may meet the Computer exemption.
Programmer/Analyst - Fire And Rescue	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate this role may meet the Computer exemption.
Senior Geographic Information System Analyst	Exempt	Exempt	Computer
Senior Human Resources Analyst	Exempt	Exempt	Administrative
Senior Recreation Manager	Exempt	Exempt	Executive

Grade and Title	Current FLSA Status	Recommended FLSA Status	Applicable Test(s), if Exempt
Grade A10			
Customer Service Manager	Exempt	Exempt	Executive
Family Services Supervisor	Exempt	Exempt	Executive
Human Services Manager	Non-Exempt	Exempt	Administrative
Landfill Superintendent	Exempt	Exempt	Executive
Manager of Facilities Maintenance	Exempt	Exempt	Executive
Manager of Field Operations	Exempt	Exempt	Executive
Professional Standards Inspector	Exempt	Exempt	Administrative
Purchasing Manager	Exempt	Exempt	Administrative
Real Estate Appraiser IV	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate the role may meet the Professional exemption.
Systems Analyst I	Exempt	Exempt	Computer
Grade B10			
Fire Lieutenant – Admin	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate the role may meet the Administrative exemption.
Grade A11			
Public Works Budget & Finance Manager	Exempt	Exempt	Administrative
Senior Planner	Exempt	Exempt	We did not receive a questionnaire for this position, but the duties and requirements in the job description indicate the role may meet the Administrative exemption.

The following pages provides details regarding our findings and recommendations for positions where we recommend a change in FLSA status.

Administrative Manager, Marketing (A07)

The Administrative Manager, Marketing develops, executes, manages and coordinates the marketing efforts and initiatives on behalf of the Parks, Recreation, and Community Facilities department. This position is responsible for developing strategies to effectively promote programs, activities, events, and facilities. This position develops and monitors an annual budget of approximately \$90,000, and negotiates contracts with external vendors for printed materials. The Administrative Manager, Marketing develops departmental policies and procedures related to marketing and communications, and provides training for department employees.

It is our opinion that this job meets the Administrative exemption test because:

- All incumbents are paid on a salary basis at a rate not less than \$455 per week
- The primary duty involves the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers.
- The primary duty includes the exercise of discretion and independent judgment with respect to matters of significance, such as those duties described above.

Consequently, we think the DOL would likely regard the Administrative Manager, Marketing as **Exempt** from the FLSA overtime regulations under the administrative test.

Coordinator of Facilities Maintenance (A07)

The Coordinator of Facilities Maintenance supervises the operation, installation, maintenance, and repair of water and wastewater pump stations, water tanks, and related appurtenances. This position evaluates pump stations and tanks, makes recommendations for improvements, and performs technical troubleshooting, maintenance, and repair. The Coordinator of Facilities Maintenance supervises work crews to ensure that tasks are completely safely and properly. This position maintains work orders, equipment, and vehicles to obtain maximum effectiveness and economy of department resources.

This position oversees the work of maintenance employees, but does not have supervisory authority for a defined unit or department, thus the Executive Exemption is not applicable.

We think this position would not meet the Professional Exemption test, as it does not require a specialized professional degree. We also think this position does not meet the Administration Exemption test, as it is not performing non-manual work related to general business operations.

While we did not receive an FLSA questionnaire for this position, we think the DOL would likely regard the Coordinator of Facilities Maintenance position as **Non-Exempt** from the FLSA overtime regulations.

Parks Maintenance and Turfgrass Specialist (A07)

The Parks Maintenance and Turfgrass Specialist oversees the maintenance of the parks, grounds areas, facilities, and equipment of the County. The Parks Maintenance and Turfgrass Specialist inspects facilities and park areas in conformance with safety standards, and serves as the County expert on Turfgrass maintenance. This position oversees the work of crews performing maintenance and repair of equipment and facilities at multiple sites. This position develops turf grass maintenance programs and recommends the application of fertilizer and herbicide for new park facilities. The Parks Maintenance and Turfgrass Specialist performs site inspections and prepares soil analysis and reports.

There are currently three incumbents in this position, each of whom are assigned to a designated area. This position oversees the work of small work crews, but does not have supervisory authority for a defined unit or department, thus the Executive Exemption is not applicable.

We think this position would not meet the Professional Exemption test, as it does not require a specialized professional degree. We also think this position does not meet the Administration Exemption test, as it is not performing non-manual work related to general business operations.

Consequently, we think the DOL would likely regard the Parks Maintenance and Turfgrass Specialist position as **Non-Exempt** from the FLSA overtime regulations.

Environmental Inspections Supervisor (A09)

The Environmental Inspections Supervisor oversees the inspection and construction of stormwater facilities for land development projects. This position conducts pre-construction conferences, and performs final inspections and post-construction review of as-built plans. The Environmental Inspections Supervisor investigate complaints, and prepares reports of construction and inspection findings.

This position is responsible for the Environmental Inspection division within Stafford County. The Environmental Inspections Supervisor supervises five (5) Environmental Inspectors, including scheduling, training, coordination of assigned tasks, and performance management. Supervisory responsibilities are the primary duty of the position.

It is our opinion that this job meets the Executive exemption test because:

- All incumbents are paid on a salary basis at a rate not less than \$455 per week;
- The primary duty involves managing a customarily recognized subdivision of the enterprise
- All incumbents customarily and regularly direct the work of at least two other employees; and
- All incumbents have the authority to hire or fire other employees, or the employee's suggestions and recommendations on those matters are given particular weight.

Consequently, we think the DOL would likely regard the Environmental Inspections Supervisor position as **Exempt** from the FLSA overtime regulations.

Manager of Citizen's Assistance (A09)

The Citizen's Assistance Manager oversees the volunteer program for Stafford County, including the recruitment, training, and scheduling of volunteers. This position supervises the daily operations of the Citizen Assistance and Volunteer program, including collecting and tracking program outcome data. The Citizen's Assistance Manager also oversees the implementation of the 311 Service Center, and serves as a partner with other County agencies and external organizations to assist with outreach programs for community residents. The Citizen's Assistance Manager investigates and resolves complaints, and participates in the formation of department policies.

It is our opinion that this job meets the Administrative exemption test because:

- All incumbents are paid on a salary basis at a rate not less than \$455 per week
- The primary duty involves the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers.
- The primary duty includes the exercise of discretion and independent judgment with respect to matters of significance, such as those duties described above.

Consequently, we think the DOL would likely regard the Citizen's Assistance Manager as **Exempt** from the FLSA overtime regulations under the administrative test.

Human Services Manager (A10)

The Human Services Manager oversees the daily operations of the Children's Services Act program, including programmatic oversight and development of the Best Buds Mentoring program. This position manages and executes financial processes related to the Children's Service Act, including allocation of funds for services. This position manages and oversees revenue collection, and prepares monthly reports. The Human Services Manager oversees the Utilization Management and Review for all cases with access to funding for compliance with state/local requirements. This position investigates and resolves complaints, and participates in the formation of department policies.

It is our opinion that this job meets the Administrative exemption test because:

- All incumbents are paid on a salary basis at a rate not less than \$455 per week
- The primary duty involves the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers.
- The primary duty includes the exercise of discretion and independent judgment with respect to matters of significance, such as those duties described above.

Consequently, we think the DOL would likely regard the Human Services Manager as **Exempt** from the FLSA overtime regulations under the administrative test.

Fire Lieutenant-Admin (B11)

The Fire & Rescue Lieutenant, Administration oversees instructional personnel in the training division of field personnel involved in emergency operations. This position teaches classes for Firefighter and Emergency Services personnel, including supervising students and assisting instructors. This position instructs subordinate Fire & Rescue personnel and civilians as to work assignments and procedures in EMS, firefighter operations. The Fire & Rescue Lieutenant, Administration receives complaints or reports of emergencies, determines need for action, and directs or assists subordinates in handling difficult problems. This position assists in fire investigations and inspections, works with the Stafford Sheriff's office during related investigations, and testifies in court as required. The Fire & Rescue Lieutenant, Administration oversees all activities of the training center, and ensures all logs, incident reports and paperwork are completed accurately.

This position requires an Associate's degree in Fire Science, Public Administration, or a closely related field. This position also requires successful completion of the Emergency Vehicle Operator's Course. Possession of Virginia EMT-Paramedic, Virginia DFP Firefighter II, HAZMAT Operations, and Driver Aerial Operator, Fire Officer I and Inspector II are preferred.

It is our opinion that this job meets the Administrative exemption test because:

- All incumbents are paid on a salary basis at a rate not less than \$455 per week
- The primary duty involves the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers.
- The primary duty includes the exercise of discretion and independent judgment with respect to matters of significance, such as those duties described above.

Consequently, we think the DOL would likely regard the Fire & Rescue Lieutenant, Administration as **Exempt** from the FLSA overtime regulations under the administrative exemption.

Memorandum
Human Resources

To: Finance, Audit and Budget Committee

From: Shannon Wagner
Director of Human Resources

Subject: Update on Classification and Compensation Project and FLSA Audit

Date: January 22, 2019

CC: Thomas Foley

Classification and Compensation Project

The Classification and Compensation Project began in September 2018. The goal of this project is to review the classification of individual positions, the compensation plan overall, and Stafford County's competitiveness with the market. The outcome of this project will be a systematic approach to compensation that is both market competitive and internally equitable. Segal Waters Consulting was selected through a Request for Proposal to complete this project in conjunction with County staff.

After initial project meetings were completed, all employees received a request to complete a Job Description Questionnaire (JDQ) to provide details of primary responsibilities and working conditions for all positions. Over 800 employees and supervisors completed and submitted a JDQ. This information is being reviewed by the consultants.

A market survey was sent to a select group of peer employers in November with 95 benchmark jobs identified for comparison. Staff have received preliminary data based on the market and a draft report is expected at the end of January. The information gained from the JDQs and the market survey will be combined to ultimately create a proposed compensation structure.

The project is currently expected to be completed in March or April 2019.

Fair Labor Standards Act (FLSA) Audit

The Human Resources Department kicked off a Fair Labor Standards Act (FLSA) Audit with Segal Waters Consulting in July of 2018. This project was jointly procured with the Stafford County Public Schools as a shared services initiative. The purpose of this project was to ensure compliance with the Act through a third

party review specifically in the area of exemption from the Act based on the responsibility of the position. 42 positions were included in the project as identified based on discussions between staff and Segal Waters.

This project was completed in December 2018. The final report is included for your reference. Four positions were identified to be reclassified and those changes have been implemented.



Memorandum Human Resources

To: Finance, Audit and Budget Committee

From: Shannon Wagner
Director of Human Resources

Subject: Medicare Retiree Health Insurance Contributions

Date: January 22, 2019

CC: Thomas Foley

Medicare Retiree Health Insurance Contributions

Stafford County has roughly 175 retirees who have elected to be covered under our group retiree health insurance plans. These retirees are divided into one of two groups of eligibility as determined by his/her Medicare eligibility. Retirees who are not yet eligible for Medicare continue to be covered under the Anthem health insurance plans as offered to current employees. Retirees who are eligible for Medicare are transitioned to a Medicare Supplement plan offered by the County.

While working on the new 2019 contribution rates for the Medicare eligible retiree group, staff did some research on the history of the plan and the contribution strategy that has been utilized. It has been determined that we have one standard policy that designates the parameters of eligibility and the amount of contributions toward the cost of the health insurance plan. The retiree contributions for the Medicare Supplement plan are out of compliance with this policy.

Our policy states that, if an employee has at least 15 years of consecutive County service and also is at least age 50 (50/15 provision), he/she is eligible to pay the same rate that employees pay for single coverage. The retiree is responsible for the full premium amount for any dependents covered under the policy.

On July 1, 2009 when Stafford County first transitioned to offering a Medicare Advantage plan, existing Medicare eligible retirees were moved into this plan and were required to pay for Medicare Part A and Part B if they weren't doing so already. The monthly premium for those under the 50/15 provision changed from \$45/month to \$24.10 if the retiree elected to keep dental coverage or \$0 if the retiree declined dental coverage.

The chart below show the contribution rates for Medicare and non-Medicare retirees in FY2010 and in FY2019. As you can see, the non-Medicare retirees have seen a significant increase in contributions whereas Medicare retirees are essentially flat over the same period.

Rates Under 50/15 Provision	Non-Medicare Retirees		Medicare Retirees	
	FY2010	FY2019	FY2010	FY2019
Medical + Prescription	N/A	\$98/\$32	\$0	\$0
Med. + Pres. + Dental	\$23	\$103/\$37	\$24.10	\$30

It is staff's recommendation to phase in changes to the Medicare eligible plan contribution amounts over three years, beginning on March 1, 2019, in order to meet the standards set forth in our policy. The recommended schedule of changes is referenced in the chart below.

	Medical and Prescription	Medical/Prescription and Anthem Low Option Dental
2018	\$0	\$30
2019	\$45	\$50
2020	\$70	\$80
2021	\$98*	\$108

* Since the policy ties the contribution strategy to the same rate of an active employee, and we do not yet know those rates beyond FY2019, the final target is based on current rates.

Alternatively, the current policy could be modified to establish a different contribution strategy for the Medicare Supplement plan or for all retiree plans.

We currently have 118 retirees on the Medicare supplement plan.

- 99 of those retirees have Retiree Only coverage.
- 19 have Retiree + Spouse coverage.
- 5 additional policies cover just a spouse either due to death of the retiree, or because the spouse turned 65 and the retiree is still covered under the Anthem plan.
- 5 of these retirees do not qualify under the 50/15 provision and as such pay the full cost of the coverage.

The vast majority of the Medicare eligible retirees would see a net increase of \$20 and the maximum increase would be \$55 based on the recommendation above. Since this recommendation is simply to move toward compliance with our existing policy, no formal Board action is required. If this committee prefers to make changes to our current policy, staff would bring draft policy language for the Committee and the full Board to review at a future meeting.

In addition to the proposed contribution changes referenced above, it is pertinent to point out that Stafford County and Stafford County Public Schools plan to complete a Request for Proposal for our Medicare eligible health insurance plan to ensure our plan is competitive and sustainable. You will be updated about this process periodically throughout the coming year.

