



FY19 Q2 Update and FY20 Preview

February 14, 2019

Summary Recap of Information Originally
presented on May 8, 2018



FY19 Budget Planning Factors

- Pension
 - CERS rates in FY19 and beyond
 - GASB #67/#68 implemented (Allocation of unfunded liability by KRS to member participants)
 - GASB #75 to be implemented (OPEB—Other Post-Employment Benefits)
 - Affect on state budget, partner agencies, and Water Company dividend



FY19 Budget Planning Factors

- Health Care Costs
 - Holding employee premiums flat to FY18 for recruitment/retention purposes in a tight labor market
 - Pharmacy costs
 - Chronic health conditions such as asthma, diabetes, obesity, COPD
 - Ability to modify plan design for items such as formulary changes and differentiation of premiums based on tobacco use (both subject to collective bargaining process)



FY19 Budget Planning Factors

- State budget
 - 6.25% Cabinet level reductions are not currently known and may impact Metro programs
 - Ancillary effect of the state's increased pension costs
- Federal budget and tax reform
 - Increased domestic spending in programs such as CDBG and HOME
 - Tax reform's short-term impact
 - Tax reform's long-term impact to be determined



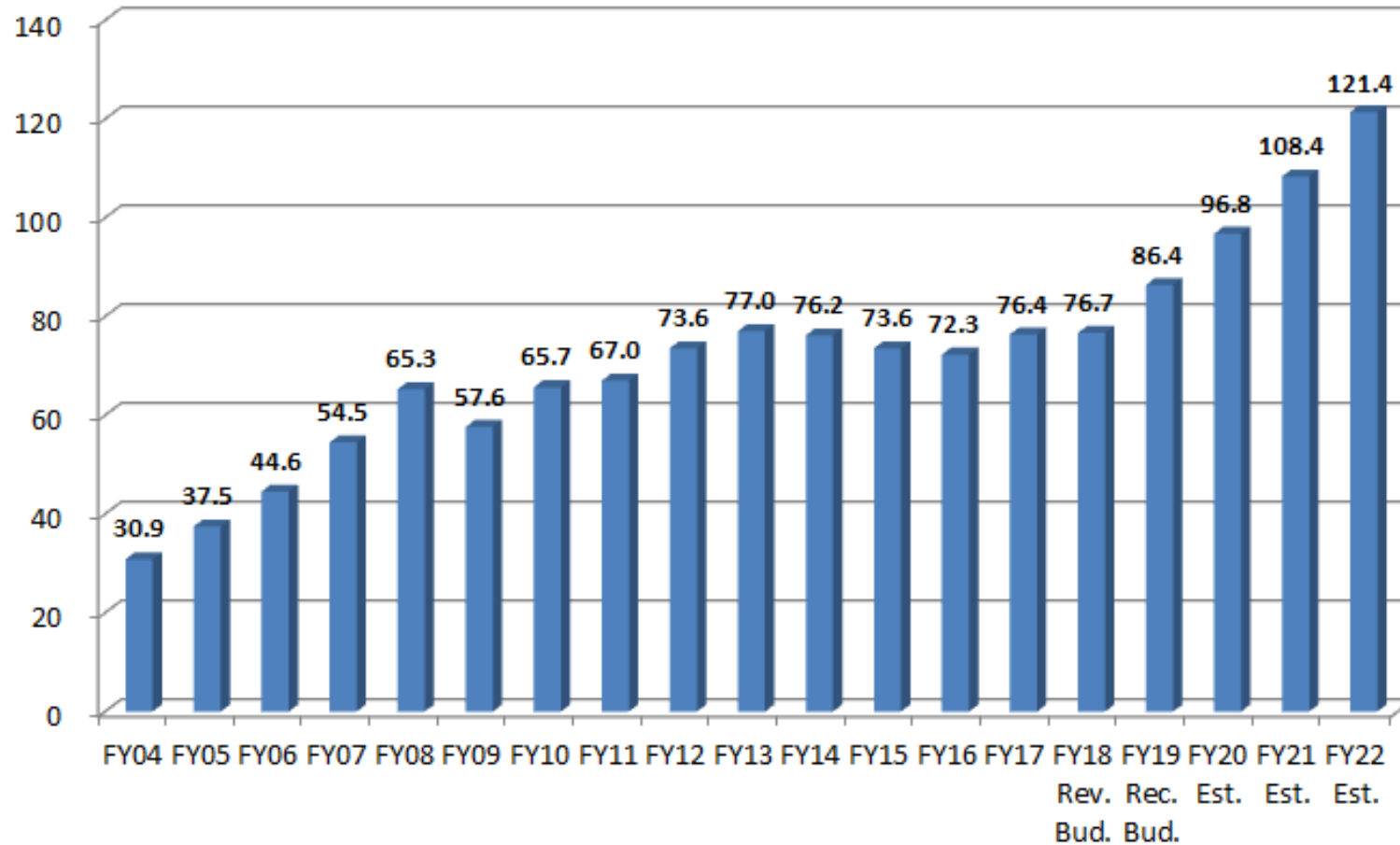
Recommended Executive Budget FY2018-2019

CERS Rate History:

<u>Hazardous Duty</u>				<u>Non-Hazardous Duty</u>			
<u>Year</u>	<u>Rate</u>	<u>% Change from Prior Year</u>	<u>Cumulative % Change since FY03-04</u>	<u>Year</u>	<u>Rate</u>	<u>% Change from Prior Year</u>	<u>Cumulative % Change since FY03-04</u>
FY 2003-04	18.51	13.7%		FY 2003-04	7.34	15.8%	
FY 2004-05	22.08	19.3%	19%	FY 2004-05	8.48	15.5%	16%
FY 2005-06	25.01	13.3%	35%	FY 2005-06	10.98	29.5%	50%
FY 2006-07	28.21	12.8%	52%	FY 2006-07	13.19	20.1%	80%
FY 2007-08	33.87	20.1%	83%	FY 2007-08	16.17	22.6%	120%
FY 2008-09	29.50	(12.9%)	59%	FY 2008-09	13.50	(16.5%)	84%
FY 2009-10	32.97	11.8%	78%	FY 2009-10	16.16	19.7%	120%
FY 2010-11	33.25	0.8%	80%	FY 2010-11	16.93	4.8%	131%
FY 2011-12	35.76	7.5%	93%	FY 2011-12	18.96	12.0%	158%
FY 2012-13	37.60	5.1%	103%	FY 2012-13	19.55	3.1%	166%
FY 2013-14	35.70	(5.1%)	93%	FY 2013-14	18.89	(3.4%)	157%
FY 2014-15	34.31	(3.9%)	85%	FY 2014-15	17.67	(6.5%)	141%
FY 2015-16	32.95	(4.0%)	78%	FY 2015-16	17.06	(3.5%)	132%
FY 2016-17	31.06	(5.7%)	68%	FY 2016-17	18.68	9.5%	154%
FY 2017-18	31.55	1.6%	70%	FY 2017-18	19.18	2.7%	161%
FY 2018-19	35.34	12.0%	91%	FY 2018-19	21.48	12.0%	193%
FY 2019-20	39.58	12.0%	114%	FY 2019-20	24.06	12.0%	228%
FY 2020-21	44.33	12.0%	139%	FY 2020-21	26.95	12.0%	267%
FY 2021-22	49.64	12.0%	168%	FY 2021-22	30.18	12.0%	311%



Metro CERS Contribution History (in millions)



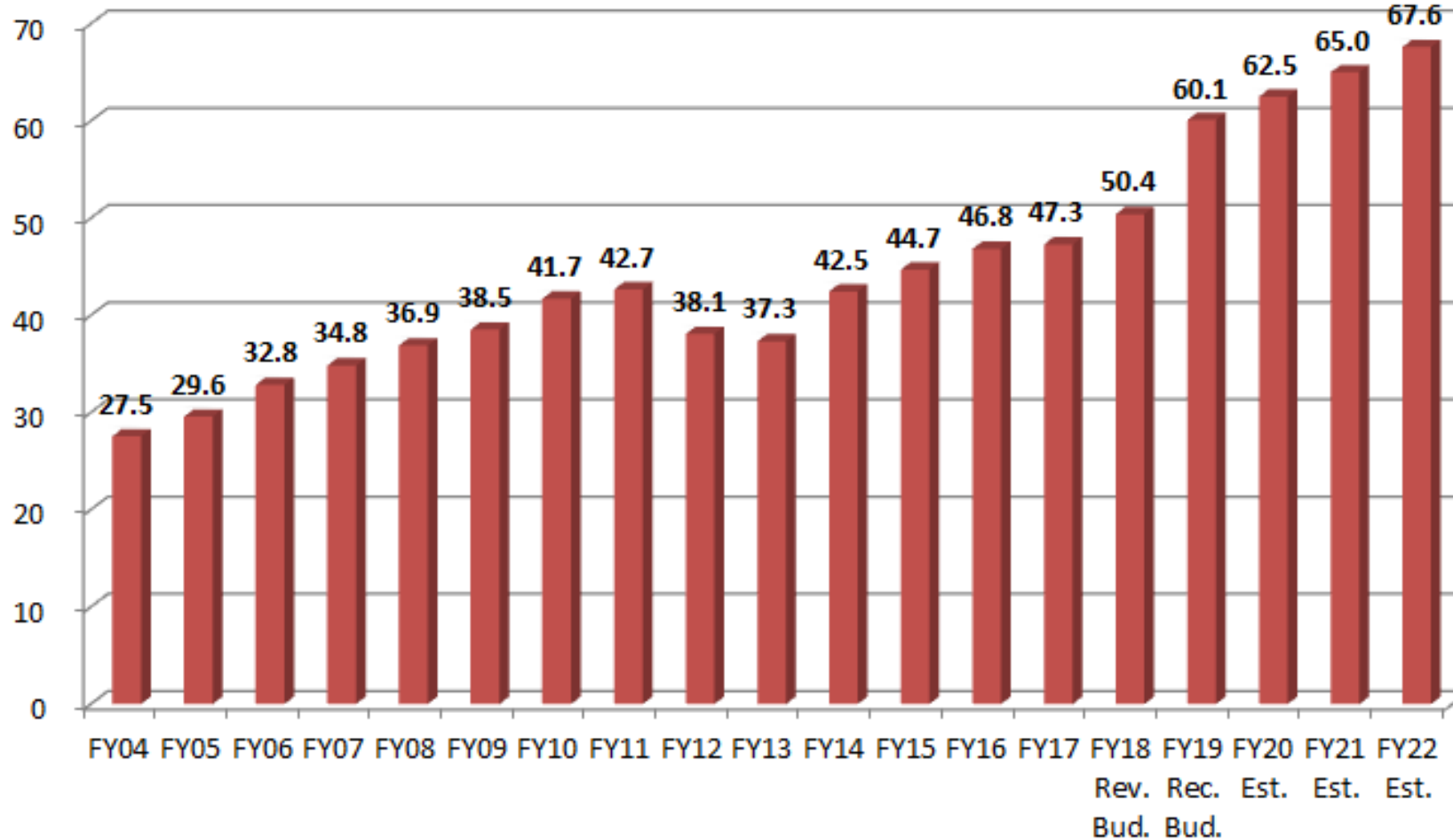
Note: estimated 12% CERS annual rate increase assumed for FY20-FY22



Recommended Executive Budget FY2018-2019

Metro Health Insurance Costs

(All Funding Sources/in millions)



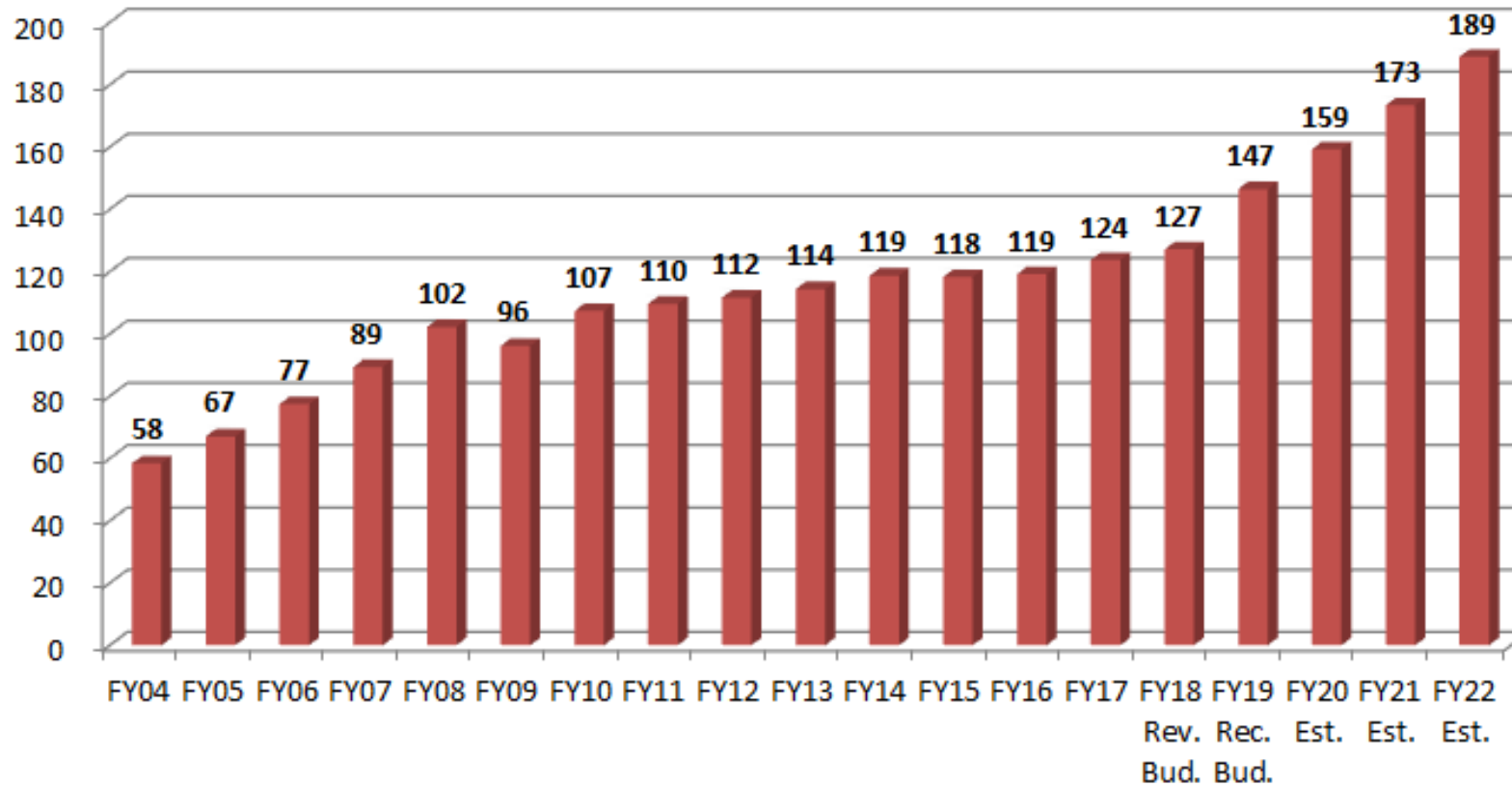
Note: estimated 4% health insurance annual rate increase assumed for FY20-FY22



Recommended Executive Budget FY2018-2019

Metro CERS & Health Insurance Costs

(All Funding Sources/in millions)



Note: estimated 12% CERS rate annual increase and 4% health insurance rate annual increase assumed for FY20-FY22