



FINANCIAL PRESENTATION

FOR 2019-2020 BUDGET WITH REGARD TO VEBA & RETIREE HEALTHCARE
By Commissioner Mark Young



Current Actuarial Determined Contributions (ADC)

1 Anticipated County Contribution	2 Additional Contribution needed to cover Retiree	3 Additional Recommended ADC to Increase Funding Levels of VEBA	4 Total Recommended ADC
\$9,000,000	9,000,000	9,000,000	\$27,000,000

1 Anticipated County Contribution

ADC	Proposed Recommendation
\$9,000,000	\$9,000,000 (plus #2 – next slide)

2 Additional Contribution Needed To Cover Retiree

ADC	Proposed Recommendation	Source of Recommendation
\$9,000,000	\$5,000,000	Anticipated addition to Fund Balance at end of year – Based on previous years cycle *
	\$4,000,000	Phase-In Reductions (similar to what was done in 2012 through 2014)**
\$9,000,000	\$9,000,000	TOTAL

- *** WE CANNOT SPEND THIS IN ADVANCE AS WE DID THIS PAST YEAR – MUST BE DEDICATED TO THIS RECOMMENDATION.**
- **** RECOMMENDATIONS FOR PHASE-IN REDUCTIONS AMOUNT TO APPROXIMATELY 1.24% OF THE COUNTY'S TOTAL BUDGET (AT \$325,000,000) OR 4% OF THE COUNTY'S OPERATIONS BUDGET (AT \$100,000,000).**

3 Recommendations To Increase VEBA Funding Levels

Year	Recommended by Nyhart	Proposed Recommendations	Source
2019/2020	\$9,000,000	\$3,000,000	Fund Balance **
2020/2021	\$9,000,000	\$3,000,000	Fund Balance **
2021/2022	\$9,000,000	7,200,000 – 7,400,000 *	Budgeted
2022/2023	\$9,000,000	7,200,000 – 7,400,000	Budgeted
2023/2024	\$9,000,000	7,200,000 – 7,400,000	Budgeted

- * Numbers recommended by Controller
- ** Recommend use of Fund Balance for a period not to exceed 2 years. This will ensure that the County shall maintain enough funds for 3-4 months of operations. Doing this for the purpose of resolving and determining a long term strategy to deal with the existing VEBA deficiencies while maintaining a “healthy” fund balance as outlined above, should not result in any detriment to current bond ratings.

ADDITIONAL NOTES

- **IT SHOULD ALSO BE NOTED THAT WHEN THE COUNTY WENT THROUGH THE RECENT FINANCIAL CRISIS (THAT RESULTED FROM THE REAL ESTATE BUBBLE FIASCO - 2009 TO PRESENT) THAT THE COUNTY DID NOT ATTEMPT TO REDUCE RETIREE HEALTH-CARE**
- **ALTHOUGH IT WILL STILL BE SEVERAL YEARS BEFORE THE COUNTY ACHIEVES THE PRE-REAL ESTATE BUBBLE TAX BASE, THE FINANCIAL OUTLOOK FOR GENESEE COUNTY CONTINUES TO IMPROVE EVERY YEAR**
- **THIS PLAN WILL HELP TO RESTORE THE VEBA SYSTEM TO HEALTHY FUNDING LEVELS AND START US ON A VIABLE PATH TOWARD PA-202 COMPLIANCE**
- **THIS PLAN WILL REQUIRE CONTINUED VIGILANCE BY THE BOARD FOR CONTINUED FISCAL ACCOUNTABILITY**