

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Regular Work Session
September 11, 2014
Meeting – 7:00 p.m.
Southern Human Services Center
2501 Homestead Road
Chapel Hill, NC

- | | | |
|----------------|----|---|
| (7:00 – 7:40) | 1. | Central and Rural Orange County Five-Year Bus Service Expansion Concepts – Orange Public Transportation |
| (7:40 – 8:20) | 2. | Employee Benefits Updates and Preliminary Recommendations Regarding Benefits Effective January 1, 2015 |
| (8:20 – 8:50) | 3. | Analysis of Non-Permanent Employees (Temporary Employees) |
| (8:50 – 9:20) | 4. | Update on Strategic Communications Plan (SCP) |
| (9:20 – 10:00) | 5. | Potential Bond Issuance and Debt Capacity |

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: September 11, 2014**

**Action Agenda
Item No. 1**

SUBJECT: Central and Rural Orange County Five-Year Bus Service Expansion Concepts
– Orange Public Transportation

DEPARTMENT: Planning and Inspections

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

INFORMATION CONTACT:

- A) Staff-Recommended Bus Service Expansion Program Summary – Option #1
- B) Staff-Recommended Bus Service Expansion Program Summary – Option #2

Craig Benedict, Planning Director, 919-245-2592
 Bret Martin, Transportation Planner, 919-245-2582
 Tom Altieri, Comprehensive Planning Supervisor, 919-245-2579
 Peter Murphy, Transportation Administrator, 919-245-2002

PURPOSE: To receive a presentation and review staff-recommended Orange Public Transportation (OPT) bus service expansion concepts proposed for central and rural Orange County over the next five (5) years and provide feedback to staff on the BOCC’s preferred option.

BACKGROUND: The Orange County Bus and Rail Investment Plan (OCBRIP) was approved by the BOCC in June 2012. The OCBRIP provides local and regional transit opportunities including expanded bus service and proposed light rail. Voters in November 2012 approved a one-half cent sales tax and vehicle registration fee increase to fund the local financial contribution to projects recommended in the Plan, and collection of these revenues began on April 1, 2013.

Additional background documents such as the adopted OCBRIP can be found via the following link, listed under Transportation Documents:

<http://www.co.orange.nc.us/planning/transportation.asp>

At its May 8, 2014 and June 17, 2014 meetings, the BOCC received presentations on concepts for expanding OPT and Triangle Transit (TTA) bus operations in central and rural Orange County over the next five years, as well as the results of public outreach conducted by both OPT and Triangle Transit staff to advertise and receive feedback on the proposed concepts. The BOCC also endorsed the Orange-Durham Express (ODX) service proposed by Triangle Transit. Triangle Transit initiated Phase I (Hillsborough to Durham) of this service on August 18, 2014, and Phase II (extension to Mebane) is expected to commence in early 2015.

Orange Public Transportation Bus Service Expansion Guiding Principles

The bus service expansion concepts proposed for operation by OPT in central and rural Orange County involve:

- Incremental increases in new or expanded financially sustainable bus service over the next five (5) years;
- Complementary services to transit services provided by other transit agencies (Triangle Transit, Chapel Hill Transit, Piedmont Authority for Regional Transportation, and eventually the City of Burlington's transit system) and expansion of services to provide connections among them;
- Augmentation of transportation services provided by other County Departments such as Aging, Health and Social Services;
- Maintenance and expansion of OPT's slant toward human services and local fixed-route transportation in underserved areas of Orange County while other transit agencies focus on regional commuter services; and
- The advancement of the goals of the OCBRIP, including:
 - Improve overall mobility and transportation options in the region
 - Provide geographic equity
 - Support improved capital facilities
 - Support transit supportive land use
 - Provide positive impact on air quality

General Service Concepts

The general service concepts presented for OPT at the May 8, 2014 and June 17, 2014 BOCC regular meetings included:

- Expanded dial-a-ride, rural general public demand response service;
- Expanded senior center transportation;
- Initiation of a midday (10am-3pm) local fixed-route service connecting Mebane, Efland, Hillsborough and Durham;
- Extension of the existing Route 420 midday service (currently connecting Hillsborough and Chapel Hill) to Cedar Grove with more frequent service; and
- Continuation of the existing Hillsborough Circulator service and expansion to an additional hour of service.

These concepts were developed by Orange County staff based on the OCBRIP goals, OPT's general service expansion goals, public input collected during outreach meetings (last summer and in May and August 2014), input collected from inter-departmental collaboration, demographic data, and survey data. For this item, OPT is requesting that the BOCC receive a presentation, pose questions, discuss the two bus service expansion program options as reflected in Attachments A and B and provide feedback to staff as to a preferred option for implementation.

It is important to note that the development of Option #2 was a response to the public input Orange County staff received upon presenting the concepts associated with Option #1 and that service concepts from both options can be mixed and matched to form additional service program alternatives. **The primary differences between Options #1 and #2 are:**

- Option #2 provides two-day per week service to the rural, low-density northern and southern areas of the County while Option #1 provides one-day per week service to only the rural northern areas;

- Option #2 involves one-hour directional headways for the U.S. 70 midday service and provides a fixed-route connection among Mebane, Hillsborough and Efland, whereas Option #1 involves two-hour directional headways and an extended connection to Durham; and
- Option #2 does not provide the Efland-Hillsborough commuter loop service, whereas Option #1 does.

The presentation will also include follow-up information to specific questions asked by Board members at the June 17, 2014 meeting in response to the original presentation of the draft bus service expansion program options. Other policy decisions that must be made as part of the program, such as the collection of fares and minimum service standards, will also be discussed.

Bus Capital Availability

It has become apparent from the North Carolina Department of Transportation, Public Transportation Division (NCDOT-PTD) that OPT will not be able to make use of the new buses it has requested that are essential to providing these expanded services until winter 2015. Consequently, the County and OPT have more time than originally anticipated to finalize the bus service expansion program before implementation. However, certain steps in the transit service planning process that must be undertaken before program execution cannot be completed until a bus service expansion program is endorsed.

Next Steps for BOCC

If the BOCC chooses to indicate a preference for an option for OPT's expansion concepts, Orange County planning staff will develop and draft more detailed service design characteristics (i.e., service times, stop locations, bus capital programming, etc.) for inclusion in OPT's Community Transportation Service Plan (CTSP), which will return for the BOCC's consideration and approval at a future regular meeting.

Public outreach, education, and marketing of these new routes will be ongoing over the next several months prior to and during the initiation of service. Results of prior public outreach conducted by both Orange County and Triangle Transit staff are accessible using the following link:

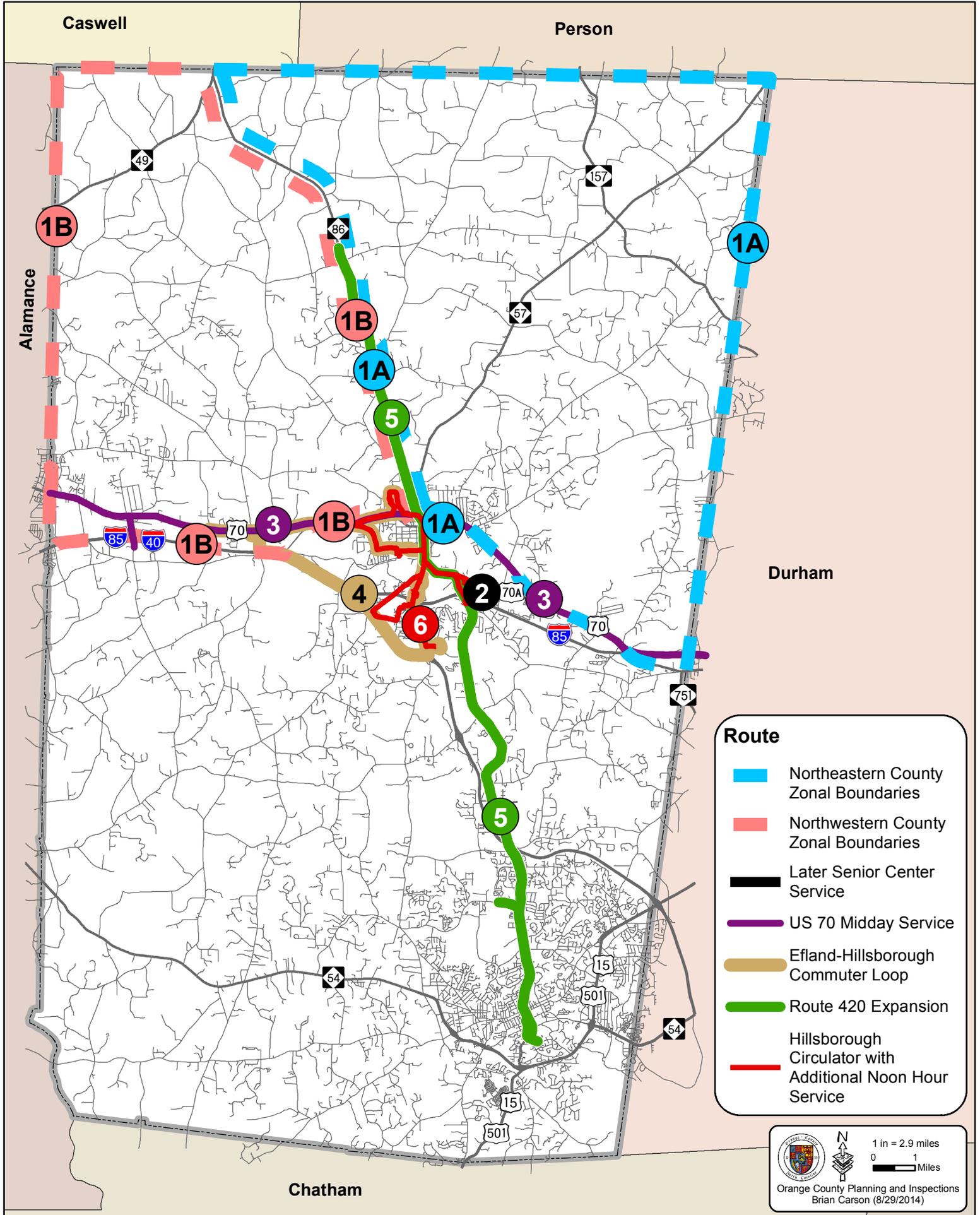
<http://www.co.orange.nc.us/occlerks/140617.pdf>

FINANCIAL IMPACT: Although this item does not have an immediate financial impact, the associated activity relates to the process to expend half-cent transit sales tax revenue and the \$7 county vehicle registration fees. The expansion of the proposed OPT services is to be financially supported in full by these revenue sources. The \$3 increase to the TTA regional tag fee will begin affecting residents in October 2014.

RECOMMENDATION(S): The Manager recommends the Board:

1. Receive the presentation; and
2. Discuss as necessary the proposed program Options #1 and #2 (Attachments A and B) and consider providing feedback indicating a preference for one of the options, or a combination thereof, if deemed appropriate.

ATTACHMENT A: Staff-Recommended Bus Service Expansion Program Summary - Option 1 ⁴ Five -Year Bus Service Expansion Recommendations Map - Option 1



ATTACHMENT A: Staff-Recommended Bus Service Expansion Program Summary - Option #1**Option #1 - OPT 5-Year Bus Service Expansion Recommendation Notes**

- 1) Northeastern and Northwestern County Zonal Routes – Route would tentatively come online early 2015, would be one (1) day per week on a Tuesday or Thursday running up to five (5) hours per day with one (1)-to two (2)-hour headways during off-peak periods, and would run a fixed-route or deviated fixed-route schedule. The results of additional public outreach conducted in August 2014 indicated a demand among rural residents for a more certain fixed-route schedule as opposed to a demand-response method. The route would connect residents in northern Orange County to destinations and additional transit connections in Mebane and Hillsborough. The service would involve a nominal fare for general public riders with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services.
- 2) Later Senior Center Service – Route would tentatively come online in early 2015, would be a daily weekday service running approximately three (3) hours per day (two, up to 1.5-hour run time structured routes), and would run a deviated fixed route or point-deviated demand response schedule. The route would provide later service from Orange County senior centers (with an emphasis on the Central Orange Senior Center) beyond times the service is currently provided. The service would be fare-free. Orange County Planning and Inspections and Department on Aging staff have secured grant funding to cover this service for FY 2016 from another source and will continue to pursue the same grant funding for this service in subsequent years.
- 3) US 70 Midday Service – Route would tentatively come online January 2015, would be a daily weekday fixed-route service running approximately five (5) hours per day during off-peak periods with two (2)-hour headways per direction and a total one (1)-hour directional run time. The route would connect Mebane/Buckhorn and Efland with destinations and additional transit connections in Hillsborough and Durham (Duke/VA Hospital). The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services. This service is being designed to correspond with and complement Triangle Transit's proposed peak period Orange-Durham Express (ODX) service.
- 4) Efland-Hillsborough Commuter Loop – When Phase II of Triangle Transit's Orange-Durham Express commences in early 2015, OPT will run an Efland-Hillsborough commuter loop to provide peak-period and peak-direction service from Efland to link into the Triangle Transit Orange-Durham Express service in Hillsborough. After providing the short Efland to Hillsborough run, the route would then be run to provide an employment commuting-oriented, pre-Hillsborough Circulator service to connect transit-dependent residential origins in northern Hillsborough to service sector employment destinations in southern Hillsborough before heading back to Efland to provide the next Efland to Hillsborough commuter link service run. The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services.
- 5) Route 420 Expansion – Route would tentatively come online in early 2015, would be a daily weekday service running up to an additional six (6) hours per day (three [3] hours each northbound and southbound) with one (1)-hour headways, and would run a fixed-route schedule. This is in addition to the existing three (3) service hours per day currently run by the midday Route 420; the full service schedule would involve a total of nine (9) midday service hours. This assumes a one (1)-hour run time each way. The existing Route 420 would be expanded to connect Cedar Grove with destinations and additional transit connections in Hillsborough and would continue on to destinations and additional transit connections in Chapel Hill. The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services.
- 6) Hillsborough Circulator with Additional Noon Hour Service – Route would begin using OPT OCBRIP funding July 2015 and would continue the existing Hillsborough Circulator service with an additional hour added for 12pm-1pm. The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services.

ATTACHMENT A: Staff-Recommended Bus Service Expansion Program Summary - Option #1

Option #1 - Bus Service Expansion Program Budget Summary*

Route/Service Concept	Map ID*	Start Date***	Estimated Weekday Service Hours	Estimated Annual Weekdays	Estimated Annual Service Hours	Estimated Total Annual Operating Cost
FY 2014						\$88,350 Made Available
No service implementation programmed for FY 2014	N/A	N/A	N/A	N/A	N/A	N/A
FY 2015						\$211,000 Made Available
NE Zonal Route (1 day/week)	1A	1/1/2015	5	26	130	\$6,080
NW Zonal Route (1 day/week)	1B	1/1/2015	5	26	130	\$6,080
Later Senior Center Routes	2	1/1/2015	3	125	375	\$17,539
U.S. 70 Midday Route	3	1/1/2015	5	125	625	\$29,231
Efland-Hillsborough Commuter Loop	4	1/1/2015	5	125	625	\$29,231
Route 420 expansion	5	1/1/2015	6	125	750	\$35,078
FY 2015 Anticipated Operating Expenditures**	--	--	--	--	2,635	\$123,239
FY 2016						\$315,000 Made Available
NE Zonal route (1 day/week)	1A	1/1/2015	5	52	260	\$12,537
NW Zonal Route (1 day/week)	1B	1/1/2015	5	52	260	\$12,537
Later Senior Center Routes	2	1/1/2015	3	250	750	\$0
US 70 Midday Route	3	1/1/2015	5	250	1,250	\$60,275
Efland-Hillsborough Commuter Loop	4	1/1/2015	5	250	1,250	\$60,275
Route 420 expansion	5	1/1/2015	6	250	1,500	\$72,330
Hillsborough Circulator (add 1 hour/day)	6	7/1/2015	9	250	2,250	\$108,495
FY 2016 Anticipated Operating Expenditures**	--	--	--	--	7,520	\$326,449
FY 2017						\$372,000 Made Available
NE Zonal route (1 day/week)	1A	1/1/2015	5	52	260	\$12,926
NW Zonal Route (1 day/week)	1B	1/1/2015	5	52	260	\$12,926
Later Senior Center Routes	2	1/1/2015	3	250	750	\$37,286
US 70 Midday Route	3	1/1/2015	5	250	1,250	\$62,144
Efland-Hillsborough Commuter Loop	4	1/1/2015	5	250	1,250	\$62,144
Route 420 expansion	5	1/1/2015	6	250	1,500	\$74,572
Hillsborough Circulator (add 1 hour/day)	6	7/1/2015	9	250	2,250	\$111,859
FY 2017 Anticipated Operating Expenditures**	--	---	--	--	7,520	\$373,857
FY 2018						\$382,000 Made Available
NE Zonal Route (1 day/week)	1A	1/1/2015	5	52	260	\$13,327
NW Zonal Route (1 day/week)	1B	1/1/2015	5	52	260	\$13,327
Later Senior Center Routes	2	1/1/2015	3	250	750	\$38,442
US 70 Midday Route	3	1/1/2015	5	250	1,250	\$64,070
Efland-Hillsborough Commuter Loop	4	1/1/2015	5	250	1,250	\$64,070
Route 420 expansion	5	1/1/2015	6	250	1,500	\$76,884
Hillsborough Circulator (add 1 hour/day)	6	7/1/2015	9	250	2,250	\$115,326
FY 2018 Anticipated Operating Expenditures**	--	--	--	--	7,520	\$385,446
FY 2019 and Beyond						\$388,000 Made Available
All previously implemented services carried forward	--	--	--	--	7,520	\$397,394

Notes: *See attached map depicting locations of service concepts and attached notes for explanation and more information on service concepts;

Assumes no leveraging of Federal or State grants for operations and assumes operational cost of \$44/hour in FY 2013 dollars with cost escalation of 3.1% per year; *Exact schedule of route concept implementation depends on availability of eligible bus capital and staffing.

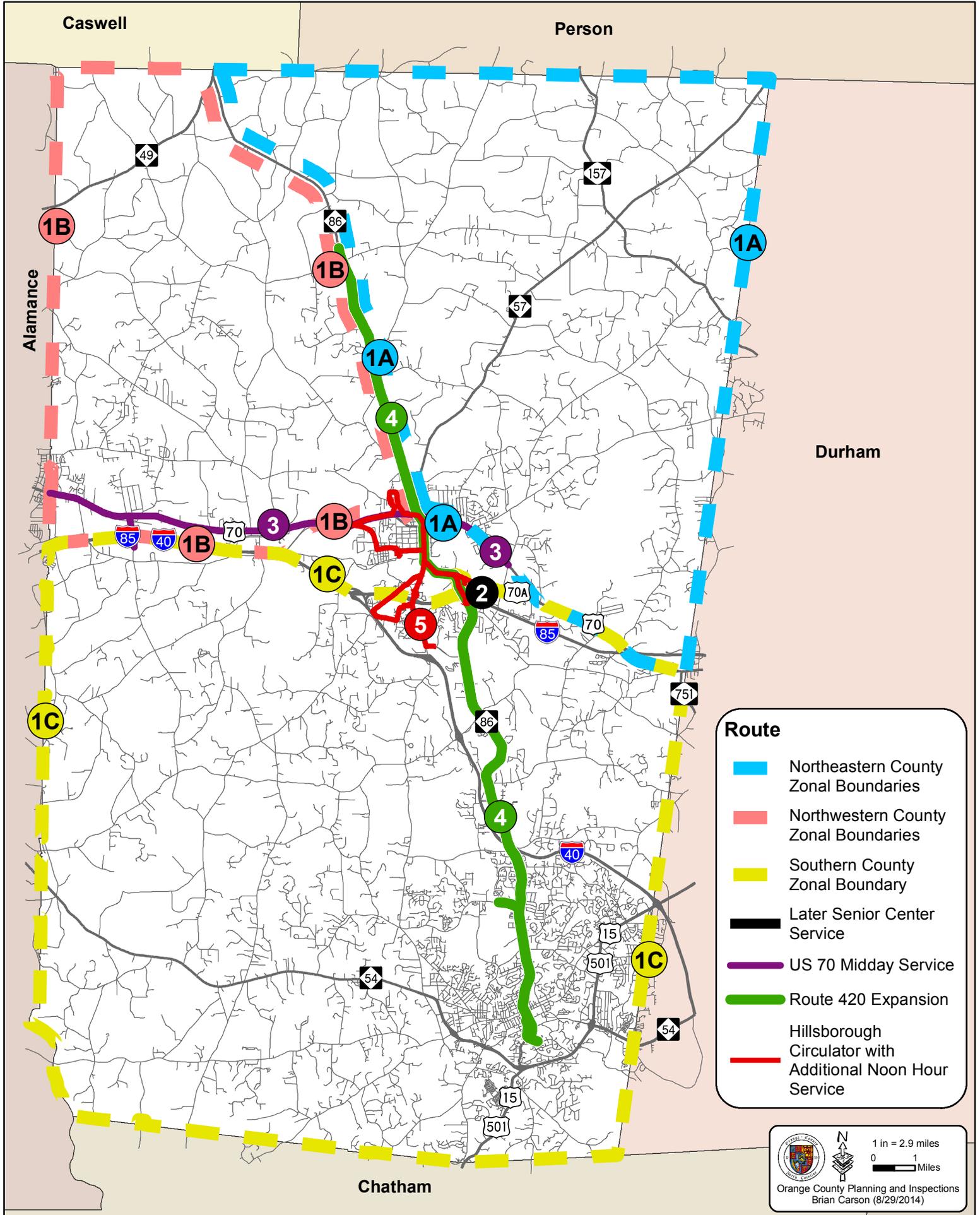
ATTACHMENT A: Staff-Recommended Bus Service Expansion Program Summary - Option #1

Option #1 - Recommended Unfunded Service Concepts In Priority Order

Route/Service	Estimated Weekday/Weekend Service Hours	Estimated Annual Weekdays/Weekend Days	Estimated Annual Service Hours	Estimated Total Annual Operating Cost in FY 2015 Dollars
Expand U.S. 70 midday service to provide hourly headways	5	250	1,250	\$58,463
Expand Route 420 midday service to a total of 12 service hours	3	250	750	\$35,078
Hillsborough Circulator early morning/evening service	3	250	750	\$35,078
Southern Orange County Curb to Curb Demand Response Service	variable	250	variable	Variable
Hillsborough Circulator Weekend Service	6	52	312	\$14,592
Expansion of Route 420 Peak Service to Cedar Grove	4	250	1,000	\$46,770
Saturday Cross-County Service (same as U.S. 70 midday service)	5	52	260	\$12,160
Expand Hillsborough Circulator to provide half-hour headways	Up to 9	250	Up to 2,250	Up to \$105,233

ATTACHMENT B: Staff-Recommended Bus Service Expansion Program Summary - Option 2 8

Five -Year Bus Service Expansion Recommendations Map - Option 2



ATTACHMENT B: Staff-Recommended Bus Service Expansion Program Summary - Option #2**Option #2 - OPT 5-Year Bus Service Expansion Recommendation Notes**

- 1) Northeastern, Northwestern and Southern County Zonal Routes – Routes would tentatively come online early 2015, would be two (2) days per week on a Monday and Thursday or Tuesday and Friday schedule for each respective zone running up to five (5) hours per day with one (1)- to two (2)-hour headways during off-peak periods, and would run a fixed-route or deviated fixed-route schedule. The results of additional public outreach conducted in August 2014 indicated a demand among rural residents for a more certain fixed-route schedule as opposed to a demand-response method. The route would connect rural residents in northern and southern Orange County to destinations and additional transit connections in Mebane, Hillsborough, Chapel Hill and Durham. The service would involve a nominal fare for general public riders (with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services).
- 2) Later Senior Center Service – Route would tentatively come online in early 2015, would be a daily weekday service running approximately three (3) hours per day (two, 1.5-hour run time structured routes), and would run a deviated fixed route or point-deviated demand response schedule. The route would provide later service from Orange County senior centers (with an emphasis on the Central Orange Senior Center) beyond times the service is currently provided. The service would be fare-free. Orange County Planning and Inspections and Department on Aging staff have secured grant funding to cover this service for FY 2016 from another source and will continue to pursue the same grant funding for this service in subsequent years.
- 3) US 70 Midday Service – Route would tentatively come online in early 2015, would be a daily weekday fixed-route service running approximately five (5) hours per day during off-peak periods with one (1)-hour headways per direction and a total 30-minute directional run time. The route would connect Mebane/Buckhorn and Efland with destinations and additional transit connections in Hillsborough. This concept would not connect to Duke/VA Hospital in Durham. The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services. This service is being designed to correspond with and complement Triangle Transit's proposed peak period Orange-Durham Express (ODX) service.
- 4) Route 420 Expansion – Route would tentatively come online in early 2015, would be a daily weekday service running up to an additional six (6) hours per day (three [3] hours each northbound and southbound) with one (1)-hour headways, and would run a fixed-route schedule. This is in addition to the existing three (3) service hours per day currently run by the midday Route 420; the full service schedule would involve a total of nine (9) midday service hours. This assumes a one (1)-hour run time each way. The existing Route 420 would be expanded to connect Cedar Grove with destinations and additional transit connections in Hillsborough and would continue on to destinations and additional transit connections in Chapel Hill. The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services.
- 5) Hillsborough Circulator with Additional Noon Hour Service – Route would begin using OPT OCBRIP funding July 2015 and would continue the existing Hillsborough Circulator service with an additional hour added for 12pm-1pm. The service would involve a nominal fare if OPT is able to position itself to accept fare cards used by Triangle Transit customers with the possibility of vouchers issued to low-income riders who qualify for other services with the Department of Social Services.

ATTACHMENT B: Staff-Recommended Bus Service Expansion Program Summary - Option #2

Option #2 - Bus Service Expansion Program Budget Summary*

Route/Service Concept	Map ID*	Start Date***	Estimated Weekday Service Hours	Estimated Annual Weekdays	Estimated Annual Service Hours	Estimated Total Annual Operating Cost
FY 2014						\$88,350 Made Available
No service implementation programmed for FY 2014	N/A	N/A	N/A	N/A	N/A	N/A
FY 2015						\$211,000 Made Available
NE Zonal Route (2 days/week)	1A	1/1/2015	5	52	260	\$12,160
NW Zonal Route (2 days/week)	1B	1/1/2015	5	52	260	\$12,160
Southern Zonal Route (2 days/week)	1C	1/1/2015	5	52	260	\$12,160
Later Senior Center Routes	2	1/1/2015	3	125	375	\$17,539
U.S. 70 Midday Route	3	1/1/2015	5	125	625	\$29,231
Route 420 expansion	4	1/1/2015	6	125	750	\$35,078
FY 2015 Anticipated Operating Expenditures**	--	--	--	--	2,530	\$118,328
FY 2016						\$315,000 Made Available
NE Zonal Route (2 days/week)	1A	1/1/2015	5	104	520	\$25,074
NW Zonal Route (2 days/week)	1B	1/1/2015	5	104	520	\$25,074
Southern Zonal Route (2 days/week)	1C	1/1/2015	5	104	520	\$25,074
Later Senior Center Routes	2	1/1/2015	3	250	750	\$0
US 70 Midday Route	3	1/1/2015	5	250	1,250	\$60,275
Route 420 expansion	4	1/1/2015	6	250	1,500	\$72,330
Hillsborough Circulator (add 1 hour/day)	5	7/1/2015	9	250	2,250	\$108,495
FY 2016 Anticipated Operating Expenditures**	--	--	--	--	7,310	\$316,322
FY 2017						\$372,000 Made Available
NE Zonal Route (2 days/week)	1A	1/1/2015	5	104	520	\$25,852
NW Zonal Route (2 days/week)	1B	1/1/2015	5	104	520	\$25,852
Southern Zonal Route (2days/week)	1C	1/1/2015	5	104	520	\$25,852
Later Senior Center Routes	2	1/1/2015	3	250	750	\$37,286
US 70 Midday Route	3	1/1/2015	5	250	1,250	\$62,144
Route 420 expansion	4	1/1/2015	6	250	1,500	\$74,572
Hillsborough Circulator (add 1 hour/day)	5	7/1/2015	9	250	2,250	\$111,859
FY 2017 Anticipated Operating Expenditures**	--	---	--	--	7,310	\$363,417
FY 2018						\$382,000 Made Available
NE Zonal Route (2 days/week)	1A	1/1/2015	5	104	520	\$26,653
NW Zonal Route (2 days/week)	1B	1/1/2015	5	104	520	\$26,653
Southern Zonal Route (2 days/week)	1C	1/1/2015	5	104	520	\$26,653
Later Senior Center Routes	2	1/1/2015	3	250	750	\$38,442
US 70 Midday Route	3	1/1/2015	5	250	1,250	\$64,070
Route 420 expansion	4	1/1/2015	6	250	1,500	\$76,884
Hillsborough Circulator (add 1 hour/day)	5	7/1/2015	9	250	2,250	\$115,326
FY 2018 Anticipated Operating Expenditures**	--	--	--	--	7,310	\$374,681
FY 2019 and Beyond						\$388,000 Made Available
All previously implemented services carried forward	--	--	--	--	7,310	\$386,296

Notes: *See attached map depicting locations of service concepts and attached notes for explanation and more information on service concepts;

Assumes no leveraging of Federal or State grants for operations and assumes operational cost of \$44/hour in FY 2013 dollars with cost escalation of 3.1% per year; *Exact schedule of route concept implementation depends on availability of eligible bus capital and staffing.

ATTACHMENT B: Staff-Recommended Bus Service Expansion Program Summary - Option #2

Option #2 - Recommended Unfunded Service Concepts In Priority Order

Route/Service	Estimated Weekday/Weekend Service Hours	Estimated Annual Weekdays/Weekend Days	Estimated Annual Service Hours	Estimated Total Annual Operating Cost in FY 2015 Dollars
Expand Route 420 service to a total of 12 service hours	3	250	750	\$35,078
Expand U.S. 70 midday service to Durham and provide hourly headways	5	250	1,250	\$58,463
Provide peak direction and peak period link from Efland to Hillsborough to connect to TTA Route ODX	5	250	1,250	\$58,463
Hillsborough Circulator early morning/evening service	3	250	750	\$35,078
Hillsborough Circulator Weekend Service	6	52	312	\$14,592
Expansion of Route 420 Peak Service to Cedar Grove	4	250	1,000	\$46,770
Saturday Cross-County Service (same as U.S. 70 midday service)	5	52	260	\$12,160
Expand Hillsborough Circulator to provide half-hour headways	Up to 9	250	Up to 2,250	Up to \$105,233

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 11, 2014

**Action Agenda
Item No. 2**

SUBJECT: Employee Benefits Updates and Preliminary Recommendations Regarding Benefits Effective January 1, 2015

DEPARTMENT: Human Resources

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

- A. Benefits Report
- B. Mark III Presentation (Claims Information and Renewal Options)

INFORMATION CONTACT:

Brenda Bartholomew, Human Resources Director, 919-245-2552
Diane Shepherd, Benefits Manager, 919-245-2558

PURPOSE: To receive information and provide feedback to staff on employee pay and benefits effective January 1, 2015.

BACKGROUND: The County provides employees with a comprehensive benefits plan including County-paid health, dental and life insurance, an employee assistance program, flexible compensation plan and paid leave for permanent employees. Additionally, the County contributes to the Local Governmental Employees' Retirement System and a supplemental retirement plan.

Staff provided information regarding employee benefits at the May 13, 2014 BOCC work session and during the FY 2014-15 budget process. The FY 2014-15 Approved Budget includes funds for a health insurance cost increase of up to 14.35% (\$423,446) effective January 1, 2015. An overview of current benefits and renewal options for health benefits are discussed in Attachment A. Mark III Employee Benefits has provided claims information and renewal options for the 2015 employee health insurance benefits in Attachment B.

An abstract outlining the Manager's recommendation will be presented at the September 16, 2014 Board of County Commissioners' Regular Meeting.

FINANCIAL IMPACT: Attachments A and B include the estimated costs of the health and dental insurance renewal options.

RECOMMENDATION(S): The Manager recommends that the Board:

- 1) Discuss employee insurance and other benefits effective January 1, 2015; and
- 2) Provide feedback and direction to staff regarding employee health insurance and other benefits in anticipation of Board action at the September 16, 2014 Board of County Commissioners' Regular Meeting.

BENEFITS REPORT

The County benefits package helps attract and retain employees as evidenced by comments from employees at orientations, exit interviews and surveys. Benefits are a key component of total compensation, providing approximately 40% of a permanent employee's total compensation package.

Open Enrollment dates are scheduled for October 20 – November 2, 2014 and changes will be effective January 1, 2015. Communications to employees and affected retirees include presentations at the Employee Relations Consortium and departments. Written and email correspondence will be sent to employees describing the 2015 plan designs, and there will be multiple enrollment meetings.

The following pages describe recent activities and considerations for 2015.

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Supplemental Retirement Benefits	A-7
Flexible Compensation Plan and Health Savings Accounts	A-8
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Employee Assistance Program (EAP)	A-11
Proposed Timeline of Renewal and Open Enrollment Activities	A-12

HEALTH INSURANCE

Currently the County offers two fully insured health insurance plans contracted through UnitedHealthcare. Over 75% of employees participate in the Point of Service (POS) Choice Plus plan, which is frequently referred to as a traditional plan. The second plan is a High Deductible Health Plan paired with a Health Savings Account. Both plans allow services in and out of network and have the same health care services.

Both plans provide coverage for health care services as well as some additional programs that help employees and the County save money. These include the UnitedHealthcare 24 hour nurse referral, which has helped employees get the most appropriate type of care while saving money.

The 2014 plan options available are a) Point of Service Plan (POS), referred to as a traditional plan because of its co-pays, deductible and co-insurance, and b) a High Deductible Plan (HDP) which is paired with a Health Savings Account (HSA). Health Savings Accounts provide a way to pay for medical expenses during the plan year, and in the future with portable, tax-advantaged funds. The premium for the POS is more expensive than the HDP. In 2012 and 2013, the County contributed \$1,237.20 (\$103.10/month) to the HSA. In 2014, the contribution increased to \$1,416 (\$118/month) so that the total County contribution for both plans was comparable.

The County currently pays the cost of coverage for employees and retirees for both the HDP and POS plans. The plan funding provides the same County contribution regardless of the plan an employee selects. Each plan offers advantages and disadvantages to employees, depending on the individual or family health care needs. Employees' semi-monthly premiums are higher for the POS.

The County's contribution of \$1,416 to a health savings account for each employee who enrolled in the High Deductible Plan is a significant factor in the success of the High Deductible Plan, (24% of employees participate in the HDP). When paired with the lower premiums, this plan becomes more attractive to employees with dependents.

The following chart provides additional information regarding the two plans.

Comparison of 2014 Orange County Health Plans

	Point of Service Plan	High Deductible Plan
100% covered preventive care	Yes	Yes
Co-Pays for Office Visits and Prescriptions	Yes, \$20 primary care and \$40 specialist	No; 100% co-insurance until the deductible is met
Deductible	\$500/individual, \$1,500/family, exclusive of prescriptions and office visit co-pays	\$1,500/individual, \$3,000/family
County contribution to deductible and co-insurance	No	In 2014, employees received \$1,416 Health Savings Account contribution
Co-Insurance (20% of charges after the deductible is met)	\$1,000 individual, \$3,000 family, exclusive of prescriptions and office visit co-pays	Yes, \$2,000 for individual and family
Maximum Out of Pocket (includes deductible and all co-pays/co-insurance)	\$1,500 individual \$4,500 family	\$3,500 individual \$5000 family
Flexible Spending Account (FSA)	Medical FSA (\$2,500 maximum) and Child/dependent care FSA (\$5,000 maximum)	Child/dependent care FSA (\$5,000 maximum) No Medical FSA
Health Savings Account	Not available	\$3,300 maximum/individual \$6,550 maximum/family

Dependent Coverage

In addition to the cost of employee/retiree coverage, the County has also subsidized the premium cost for the employee's and pre-65 retiree's dependent coverage at 52%, based on the lower priced plan (currently the HDP plan). This subsidy is approved each year when the health renewal package is approved. The percentage of dependent subsidy has remained the same for over ten years. When premiums increase, employees and retirees with dependent coverage also have higher costs because they pay 48% of the cost of dependent coverage.

Employee cost for dependent coverage is directly tied to the total cost of the lower-priced plan, currently the HDP. While all employees must weigh the risks associated with each plan by comparing their potential out of pocket costs, employees with dependents must also factor in the cost of premiums for their family members' coverage.

Transition from a Calendar Health Coverage Plan Year to a Fiscal Plan Year

Currently, all Orange County's benefits plans are administered on a calendar year basis, from January 1 to December 31. The County's Fiscal Year is July 1 to June 30. As such, budgeting for health insurance is currently divided between two fiscal years. The January 1 through December 31, 2014 health care rates were determined in September 2013 even though the timeframe crosses two fiscal years. When the budget is approved in June, the actual rates for the up-coming January renewal are projected and the BOCC does not determine the rates for the upcoming Plan Year until September. The Plan Year may be changed to correspond with the County's Fiscal Year. This transition to a fiscal year structure may be implemented by a six-month renewal, effective January 1 to June 30, 2015. A 12-month renewal period would begin on July 1, 2015.

The cost of health coverage would be determined in Spring 2015, prior to the start of FY 2015-16, in preparation for inclusion in the Annual Budget for FY 2015-16. Open Enrollment for the Plan Year of July 1, 2015 - June 30, 2016 would be held in the Spring after rate approval by the BOCC.

All vendor contracts would be changed to align with the Fiscal Year. Staff will work closely with Mark III Employee Benefits to implement any required changes.

2015 Options

The adopted budget for FY 2014 – 2015 included a maximum 14.35% increase in health care premiums. The following options for the health insurance renewal administered by UnitedHealthcare are for a six-month renewal period from January to June 30, 2015.

Option 1: Renewal of the current two plans, the Point of Service Plan (POS) and the High Deductible Plan (HDP), without any change to plan design for six-months. Employees will continue to pay 2014 rates for dependent coverage. The County will bear the increased cost for dependent coverage for the six-month renewal period.

Option 2: Renewal of the two current plans with plan design changes to the Point of Service Plan, with a 9% increase for both plans. The change in plan design for the POS plan increases co-pays for office visits and prescription coverage. Employees will continue to pay 2014 rates and for dependent coverage. The County will bear the increased cost for dependent coverage for the six-month renewal period.

WELLNESS ACTIVITIES 2013-2014

Research has shown that every dollar spent on wellness activities generates at least \$3 in return. Fewer sick days, increased productivity, and greater ability to deal with stress are all common results of wellness programs. A healthier workforce results in greater productivity and employee satisfaction as well as lower health insurance costs.

Investing in preventive screenings for high blood pressure and cholesterol can reduce health care costs. Employees have shown their willingness to engage in healthy, or healthier, activities to keep health insurance benefits at current levels and minimize both their costs and County costs.

Below is a list of wellness activities and programs between October 2013 and August 2014.

1. Flu Clinics

The Human Resources Department again partnered with the Health Department to provide two flu clinics in 2013. The immunizations are no cost to employees as part of their preventive health benefit. 207 employees were immunized at the 2013 Flu Clinics, an 8% decrease over 2012. This decrease may be due to the easy availability of immunizations through primary care doctors and pharmacies. Two employee flu clinics will be held in Fall 2014, with one in Chapel Hill and one in Hillsborough.

Annual Employee Flu Shot Clinic Participants

2010	2011	2012	2013
204	169	225	207

2. Biometric Screenings

This year, Orange County partnered with the University of North Carolina's Wellness @Work program to provide health screenings that assessed employee risks related to cholesterol, blood pressure, blood sugar, and body mass. 153 employees participated in the screenings in June 2014.

3. SportsPlex Membership

Highly discounted membership rates for the Orange County SportsPlex continue to be a popular wellness benefit for employees. Currently 227 employees are members, a 2% increase over 2013's membership of 212.

All employees are reminded annually about the Orange County SportsPlex discount, and periodic postings are placed on the employee intranet homepage. New employees are informed about the discount at employee orientation, and the SportsPlex rates and schedules are on the County's Wellness Web page. SportsPlex representatives attend the Employee Wellness Lunch (below), assist with National Nutrition Month activities and provide occasional onsite classes. This is one of the most popular fringe benefits offered.

4. Employee Appreciation and Wellness Lunch – June 2014
Over 300 employees attended and approximately 200 participated in activities such as yoga, corn hole toss, line dancing, and disc golf. Representatives from Orange County SportsPlex, UnitedHealthcare, UNC Wellness @ Work and Orange County nutritionists were on hand to answer questions from employees. 775 lunches were served to employees eating in and dining out.
5. Walk4Life – One Step at a Time walking challenge
Over 133 employees registered to walk for a walking program that encourages physical activity and encourages participation in the Aging in Stride 5K Run/Walk supporting the Department on Aging's Aging in Place fund.
6. National Nutrition Month Activities and Challenges
The Health Department sponsored a health challenge focusing on healthy eating/drinking habits during March 2014.
7. Nutritional Counseling
The County Health Department and Human Resources Department continue to publicize nutritional counseling and diabetes self-management program to employees. Employees can use funds from either their Health Savings Account or Medical Spending Account for these services. In FY 2013-14, 12 employees received services.
8. Mini-Grants
In FY 2013-14, seven mini-grants were awarded in support of 61 employees participating in healthy activities. Two grants have been submitted as of August 21, 2014 for twelve employees.

SUPPLEMENTAL RETIREMENT CONTRIBUTIONS

Orange County contributes \$715 per year (\$27.50 per pay period) to either a 401(k) or a 457(b) Supplemental Retirement Account for each permanent employee. Employees can designate one of three Plans: Prudential 401(k), ICMA-RC 457, or Nationwide 457 for the County's contribution and may elect to make a payroll deduction up to legal limits. The \$715 per employee is approximately \$543,000 over twelve months. The County does not pay any Social Security/Medicare taxes on these contributions, for a payroll savings of \$41,500 over twelve months.

Beginning July 1, 2013, the County matched employee contributions for up to an additional \$1,200 per year (\$50 semi-monthly). This had a significant impact on employee contributions as many employees recognized the value in doubling their investment. Effective July 1, 2014, the County increased its matching contribution to \$1,512 per year (\$63 semi-monthly).

The chart below shows employee contributions to all supplemental retirement plans from 2010 (when the contribution was suspended) to present.

	Monthly Employee Contribution to All Plans	Annualized Employee Contribution to Pre-Tax Plans
2010	\$32,203	\$386,436
2011	\$37,638	\$451,656
2012	\$38,360	\$460,320
2013	\$73,678	\$884,136
2014	\$96,087	\$1,153,043

Because the County does not pay Social Security or Medicare tax on the majority of these contributions, there is a savings of approximately \$88,208 annually in payroll taxes. Employee contributions to the Roth 401(k), totaling \$135,240 annually, are taxed at the time of the payroll deduction, and do not provide any tax savings to either the employee or the County.

The amount the County matched on the first payday of August 2014 was \$38,193 compared to \$23,585 in the first pay day of August 2013.

FLEXIBLE COMPENSATION PLAN AND HEALTH SAVINGS ACCOUNTS

The County provides a Section 125 Flexible Compensation Plan administered by Tucker Administrators, with a plan year from January 1 to December 31. This Plan consists of a) tax sheltering of health and dental premiums and b) two Flexible Spending Accounts (a medical spending account and dependent/child care spending account). Federal IRS regulations only allow a twelve-month plan year, and a special six-month transition plan year. The Plan Year is not required to be a calendar year. If the County changes to a fiscal year health plan, the Flexible Spending Account plan would be adjusted to ensure compliance with IRS regulations.

The Spending Accounts enable employees to contribute money on a pre-tax basis to a separate account to be used for certain medical expenses or dependent care. Employees and the County save money because no income or Social Security taxes are deducted from contributions made to the Flexible Spending Account(s). Employees may contribute a maximum of \$2,500 to the Medical Spending Account and \$5,000 to the Dependent/Child Care Spending Account in a calendar year.

As part of the High Deductible Plan, employees may contribute to a Health Savings Account at either the Local Government Federal Credit Union or the State Employees' Credit Union. The federal government limits the annual amount contributed on an employee's behalf. In 2015, the maximum contributions are \$3,350 (individual) or \$6,650 (family). In 2014, the County contributed \$1,416 for each employee participating in the High Deductible Health plan for the full Plan Year. This amount is pro-rated for new employees based on their hire date, at the rate of \$118 for each month remaining in the year. The County contribution counts towards the maximum contributions above.

Every \$100 an employee contributes to a Flexible Spending Account or Health Savings Account saves the County \$7.65 in Social Security taxes. In 2014, employees' expected contributions of \$309,000 to these accounts will result in approximately \$23,650 tax savings for both the County and employees.

Number of Employees Contributing to Accounts

Type of Account	2008	2009	2010	2011	2012	2013	2014
Child Care Spending Account	12	12	12	10	13	16	14
Medical Spending Account	95	138	178	214	170	132	142
Health Savings Account	n/a	n/a	n/a	n/a	83	89	73

DENTAL INSURANCE

The County provides a self-insured dental plan through Delta Dental of North Carolina. The County pays all costs for employee coverage (claims and an administrative fee to Delta Dental). Dental claims are paid according Delta Dental's standard reimbursement rates and the County pays Delta Dental an administrative fee for this service.

Employee Dental Insurance is budgeted as part of departmental personnel costs. The current \$24.30 per employee cost includes a monthly administrative fee of \$3.12/month per employee and a projected premium to cover claims. Employees pay the full cost of any dependent coverage. The employee premiums have not changed since 2007.

At the end of FY 2012-13, the dental plan's fund balance was approximately \$128,000. At the end of FY 2013-14, the fund balance is \$77,600 (pre-audit).

VISION BENEFITS

UnitedHealthcare covers one routine eye exam every other year. Members in the traditional Choice Plus plan pay a \$20 co-pay. Vision services for those in the High Deductible plan are subject to the deductible and co-insurance.

Since January 2012, employees have been able to enroll in a vision plan with Community Eye Care. Employees who enroll pay approximately \$10 a month on a pre-tax basis and may enroll family members. Benefits include an annual eye exam (\$20 co-pay) and an \$150 allowance for eyeglasses or lenses.

461 employees are currently enrolled in the vision plan. There are no changes anticipated for 2015. The County does not contribute to the cost of this plan.

OTHER INSURANCE BENEFITS

The County continues to provide term life insurance for all permanent employees at no cost to the individual employee. MetLife has provided this coverage with no premium increase since 2007. The monthly rate of \$.225 per \$1,000 of coverage (up to \$50,000) was renewed until December 31, 2015. Employees may purchase group discounted term life insurance for themselves, spouse/domestic partner and/or children.

Employees may elect additional income protection paid through payroll deductions. Employees benefit from group purchasing if they wish to purchase whole life insurance, Accident Insurance, Critical Illness (including cancer), and/or Short Term Disability. In 2011, the County changed its provider from Colonial Insurance for all products to Mark III recommended providers.

Participants in each of the supplemental benefits are shown below.

Number of Supplemental Benefits Policies

Product	Current Carrier	2009	2010	2011	2012	2013	2014
Short Term Disability	AUL (American United Life)	62	91	136	199	214	226
Critical Illness/Cancer Insurance	Aflac (formerly Continental American)	17	21	92	150	162	182
Life Insurance (Whole Life)	Boston Mutual	4	2	53	95	101	101
Accident Insurance	Aflac (formerly Continental American)	9	16	45	142	181	196
Total Policies		110	141	326	586	658	705

A change to Short Term Disability plan in 2013 allowed employees enrolling for the first time to have a benefit of \$1,000/month (increased from \$500) of coverage without an extensive review process.

There are no changes to these benefits effective January 1, 2015.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Magellan Behavioral Health provides the County's EAP for County employees and their dependents. The EAP provides confidential assessment and counseling services, 24/7 emergency services, and legal consultation. It also serves as a complement to services provided through the County Health Plan at no cost to employees or their dependents.

The current contract ends December 31, 2014. The County has budgeted \$20,279 for the Employee Assistance Program in Fiscal Year 2014-15.

As part of its health insurance plans, UnitedHealthcare provides an employee assistance program, Care24®, as part of the administrative fee. Services include three counseling sessions, legal and financial telephone consultations, and six hours of employee training programs. Care24® services are only available to employees enrolled in the UnitedHealthcare plans.

Mark III conducted a review of other available Employee Assistance Programs to determine if another provider would offer similar services with a broader network at a comparable cost. After reviewing the results, staff sees no benefit in changing providers because there was no significant improvement in the network with different providers.

PROPOSED TIMELINE OF RENEWAL AND OPEN ENROLLMENT ACTIVITIES

Action	Date
Initial presentation of health insurance renewal to Commissioners	September 11
Commissioners' decision regarding renewal of health insurance	September 16
Employee Relations Consortium meeting (discussion of renewal)	September 17
Mandatory mailing to all employees to include details of Open Enrollment, Affordable Care Act, and Medicare Part D	September 26
Open Enrollment, includes online access and in-person meetings	October 20-November 2
Employee/Retiree Flu Clinics	October 15 and 24
Breast Cancer Awareness Days	October 30 and November 6
Employee Financial Health Day	tbd
New 2014 benefits payroll deductions begin	December 5



MEDICAL PLAN UPDATE

2015 Renewal



September 11, 2014

2014 Self-funded Quotes



	UHC Insured		Renewal: UHC Self-funded ¹⁵	
	2013		2014	
	Current POS	Current HSA	Current POS	Current HSA
	In-Network	In-Network	In-Network	In-Network
Primary Care Physician Visits	\$20	Deduct/20%	\$20	Deduct/20%
Specialist Physician Visits	\$40	Deduct/20%	\$40	Deduct/20%
Preventive Care	100%	100%	100%	100%
Deductible	\$500	\$1,500	\$500	\$1,500
Deductible - Family Maximum	\$1,500	\$3,000	\$1,500	\$3,000
Out of Pocket Limit (includes deductible)	\$1,500	\$3,500	\$1,500	\$3,500
Out of Pocket Limit - Family Max	\$4,500	\$5,000	\$4,500	\$5,000
Radiology	Deduct/20%	Deduct/20%	Deduct/20%	Deduct/20%
Minor Surgery in Office	Office Copay	Deduct/20%	Office Copay	Deduct/20%
Hospital Services	Deduct/20%	Deduct/20%	Deduct/20%	Deduct/20%
Urgent Care	\$50	Deduct/20%	\$50	Deduct/20%
Emergency Room	\$150	Deduct/20%	\$150	Deduct/20%
Pharmacy	\$4/\$25/\$45	Deduct/20%	\$4/\$25/\$45	Deduct/20%
Vision Hardware	Not covered	Not covered	Not covered	Not covered
HSA		\$1,237.20		\$1,237.20
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Difference			0%	

2014 Plan Experience



PPO Plan

Date	Subs	Medical	Pharmacy	Combined Medical Claims	Claims Per Sub Per Month	Total Administration	Total Cost	Stop-loss Credits	Net Costs	County Budgeted
January-14	778	\$141,278.45	\$68,599.76	\$209,878.21	\$269.77	\$104,360.92	\$314,239.13	\$0.00	\$314,239.13	\$634,038.88
February-14	776	\$291,097.08	\$102,181.31	\$393,278.39	\$506.80	\$104,092.64	\$497,371.03	\$0.00	\$497,371.03	\$632,408.96
March-14	776	\$625,686.29	\$136,454.90	\$762,141.19	\$982.14	\$104,092.64	\$866,233.83	\$134,831.00	\$731,402.83	\$632,408.96
April-14	777	\$419,131.65	\$154,741.65	\$573,873.30	\$738.58	\$104,226.78	\$678,100.08	\$125,351.00	\$552,749.08	\$633,223.92
May-14	779	\$401,845.21	\$152,229.33	\$554,074.54	\$711.26	\$104,495.06	\$658,569.60	\$13,128.00	\$645,441.60	\$634,853.84
June-14	780	\$460,061.79	\$151,610.53	\$611,672.32	\$784.20	\$104,629.20	\$716,301.52	\$44,024.00	\$672,277.52	\$635,668.80
July-14	776	\$544,000.00	\$280,000.00	\$824,000.00	\$1,061.86	\$104,092.64	\$928,092.64	\$10,944.00	\$917,148.64	\$632,408.96
Total	5,442	\$2,883,100.47	\$1,045,817.48	\$3,928,917.95	\$721.96	\$729,989.88	\$4,658,907.83	\$328,278.00	\$4,330,629.83	\$4,435,012.32

HSA Plan

Date	Subs	Medical	Pharmacy	Combined Medical Claims	Claims Per Sub Per Month	Total Administration	Total Cost	Stop-loss Credits	Net Costs	County Budgeted
January-14	201	\$17,241.99	\$265.02	\$17,507.01	\$87.10	\$26,962.14	\$68,187.15	\$0.00	\$68,187.15	\$181,308.03
February-14	204	\$73,040.73	\$1,773.57	\$74,814.30	\$366.74	\$27,364.56	\$126,250.86	\$0.00	\$126,250.86	\$184,014.12
March-14	198	\$232,234.95	\$1,114.45	\$233,349.40	\$1,178.53	\$26,559.72	\$283,273.12	\$0.00	\$283,273.12	\$178,601.94
April-14	208	\$31,793.11	\$2,077.61	\$33,870.72	\$162.84	\$27,901.12	\$86,315.84	\$0.00	\$86,315.84	\$187,622.24
May-14	206	\$79,143.40	\$2,603.32	\$81,746.72	\$396.83	\$27,632.84	\$133,687.56	\$0.00	\$133,687.56	\$185,818.18
June-14	204	\$37,252.57	\$2,929.53	\$40,182.10	\$196.97	\$27,364.56	\$91,618.66	\$0.00	\$91,618.66	\$184,014.12
July-14	205	\$80,909.00	\$3,891.00	\$84,800.00	\$413.66	\$27,498.70	\$136,488.70	\$0.00	\$136,488.70	\$184,916.15
Total	1,426	\$551,615.75	\$14,654.50	\$566,270.25	\$397.10	\$191,283.64	\$925,821.89	\$0.00	\$925,821.89	\$1,286,294.78

Combined

Date	Subs	Medical	Pharmacy	Combined Medical Claims	Claims Per Sub Per Month	Total Administration	Total Cost	Stop-loss Credits	Net Costs	County Budgeted
January-14	979	\$158,520.44	\$68,864.78	\$227,385.22	\$232.26	\$131,323.06	\$382,426.28	\$0.00	\$382,426.28	\$815,346.91
February-14	980	\$364,137.81	\$103,954.88	\$468,092.69	\$477.65	\$131,457.20	\$623,621.89	\$0.00	\$623,621.89	\$816,423.08
March-14	974	\$857,921.24	\$137,569.35	\$995,490.59	\$1,022.06	\$130,652.36	\$1,149,506.95	\$134,831.00	\$1,014,675.95	\$811,010.90
April-14	985	\$450,924.76	\$156,819.26	\$607,744.02	\$617.00	\$132,127.90	\$764,415.92	\$125,351.00	\$639,064.92	\$820,846.16
May-14	985	\$480,988.61	\$154,832.65	\$635,821.26	\$645.50	\$132,127.90	\$792,257.16	\$13,128.00	\$779,129.16	\$820,672.02
June-14	984	\$497,314.36	\$154,540.06	\$651,854.42	\$662.45	\$131,993.76	\$807,920.18	\$44,024.00	\$763,896.18	\$819,682.92
July-14	981	\$624,909.00	\$283,891.00	\$908,800.00	\$926.40	\$131,591.34	\$1,064,581.34	\$10,944.00	\$1,053,637.34	\$817,325.11
August-14										
September-14										
October-14										
November-14										
December-14										
Total	6,868	\$3,434,716.22	\$1,060,471.98	\$4,495,188.20	\$654.51	\$921,273.52	\$5,584,729.72	\$328,278.00	\$5,256,451.72	\$5,721,307.10
				Change	101.08%					\$464,855.38

2015 Renewal Expectation



Orange County Government	Subscribers	Total Claims	Stop Loss Credits	Net Claims	17 HSA
August-13	1,012	\$609,311.64	\$0	\$609,311.64	\$21,341.70
September-13	1,006	\$494,158.67	\$0	\$494,158.67	\$21,341.70
October-13	1,013	\$636,751.28	\$0	\$636,751.28	\$21,754.10
November-13	1,016	\$946,271.22	\$0	\$946,271.22	\$21,857.20
December-13	1,015	\$631,855.00	\$0	\$631,855.00	\$21,857.20
January-14	979	\$614,054.44	\$0	\$614,054.44	\$23,718.00
February-14	980	\$685,672.00	\$0	\$685,672.00	\$24,072.00
March-14	974	\$995,490.59	\$134,831	\$860,659.59	\$23,364.00
April-14	985	\$607,744.02	\$125,351	\$482,393.02	\$24,544.00
May-14	985	\$635,821.26	\$13,128	\$622,693.26	\$24,308.00
June-14	984	\$651,854.42	\$44,024	\$607,830.42	\$24,072.00
July-14	981	\$908,800.00	\$10,944	\$897,856.00	\$24,190.00
Total	11,930	\$8,417,784.53	\$328,278.00	\$8,089,506.53	\$252,229.90

Self-funded Calculation

Current PPO Plan Design	2015 Renewal
Claims - Without Benefit Change	\$8,089,507
Trend 2015 - 8%	111.30%
Trended 2015 Claims	\$9,003,621
Administration	\$495,095
Stop Loss Insurance	\$1,276,868
PPACA - Fee for Comparative Effectiveness Research Agency	\$3,188.00
PPACA - Transitional Reinsurance Fee - 2014 - 2016	\$72,621.96
Copays Accumulate to Out of Pocket Maximum - 5%	\$450,181.04
HSA Cost - \$1,416	\$288,864.00
Clinic Costs	\$0.00
2015 Cost	\$11,590,439
Current Contribution	\$9,938,644
HSA Contribution Budget - \$1,416	\$288,864
Total Contribution for 2014	\$10,227,508
Percentage Change over 2014	113.33%

Of the 13% increase, Health Care Reform is responsible for 5%.



	UnitedHealthcare 100K/12/12/120% 2014				UnitedHealthcare 125K/Paid/12/120% 2015 - 6 Month Renewal			
	Current				Renewal: Option 1			
	Current POS		Current HSA		Current POS		Current HSA	
	In-Network		In-Network		In-Network		In-Network	
Primary Care Physician Visits	\$20		Deduct/20%		\$20		Deduct/20%	
Specialist Physician Visits	\$40		Deduct/20%		\$40		Deduct/20%	
Preventive Care	100%		100%		100%		100%	
Deductible	\$500		\$1,500		\$500		\$1,500	
Deductible - Family Maximum	\$1,500		\$3,000		\$1,500		\$3,000	
Out of Pocket Limit (includes deductible)	\$1,500		\$3,500		\$1,500		\$3,500	
Out of Pocket Limit - Family Max	\$4,500		\$5,000		\$4,500		\$5,000	
Radiology	Deduct/20%		Deduct/20%		Deduct/20%		Deduct/20%	
Minor Surgery in Office	Office Copay		Deduct/20%		Office Copay		Deduct/20%	
Hospital Services	Deduct/20%		Deduct/20%		Deduct/20%		Deduct/20%	
Urgent Care	\$50		Deduct/20%		\$50		Deduct/20%	
Emergency Room	\$150		Deduct/20%		\$150		Deduct/20%	
Pharmacy	\$4/\$25/\$45		Deduct/20%		\$4/\$25/\$45		Deduct/20%	
Vision Hardware	Not covered		Not covered		Not covered		Not covered	
HSA			\$1,416.00				\$1,416.00	
Lifetime Maximum	Unlimited		Unlimited		Unlimited		Unlimited	
Change	N/A				13%			
	POS		HSA		POS		HSA	
	County	Employee	County	Employee	County	Employee	County	Employee
Change					115.50%	100.00%	115.50%	100.00%
Employee Only	\$631.18	\$0.00	\$628.15	\$0.00	\$729.01	\$0.00	\$725.51	\$0.00
Employee and Spouse	\$922.61	\$409.19	\$922.61	\$271.80	\$1,065.61	\$409.19	\$1,065.61	\$271.80
Employee and Children	\$792.62	\$229.90	\$792.62	\$151.82	\$915.48	\$229.90	\$915.48	\$151.82
Employee and Family	\$1,158.71	\$734.83	\$1,158.71	\$489.74	\$1,338.31	\$734.83	\$1,338.31	\$489.74



	UnitedHealthcare 100K/12/12/120% 2014				UnitedHealthcare 125K/Paid/12/120% 2015 - 6 Month Renewal			
	Current				Renewal: Option 2			
	Current POS		Current HSA		Current POS		Current HSA	
	In-Network		In-Network		In-Network		In-Network	
Primary Care Physician Visits	\$20		Deduct/20%		\$25		Deduct/20%	
Specialist Physician Visits	\$40		Deduct/20%		\$50		Deduct/20%	
Preventive Care	100%		100%		100%		100%	
Deductible	\$500		\$1,500		\$500		\$1,500	
Deductible - Family Maximum	\$1,500		\$3,000		\$1,500		\$3,000	
Out of Pocket Limit (includes deductible)	\$1,500		\$3,500		\$1,500		\$3,500	
Out of Pocket Limit - Family Max	\$4,500		\$5,000		\$4,500		\$5,000	
Radiology	Deduct/20%		Deduct/20%		Deduct/20%		Deduct/20%	
Minor Surgery in Office	Office Copay		Deduct/20%		Office Copay		Deduct/20%	
Hospital Services	Deduct/20%		Deduct/20%		Deduct/20%		Deduct/20%	
Urgent Care	\$50		Deduct/20%		\$50		Deduct/20%	
Emergency Room	\$150		Deduct/20%		\$150		Deduct/20%	
Pharmacy	\$4/\$25/\$45		Deduct/20%		\$4/\$45/\$60		Deduct/20%	
Vision Hardware	Not covered		Not covered		Not covered		Not covered	
HSA			\$1,416.00				\$1,416.00	
Lifetime Maximum	Unlimited		Unlimited		Unlimited		Unlimited	
Change	N/A				9%			
	POS		HSA		POS		HSA	
	County	Employee	County	Employee	County	Employee	County	Employee
Change					111.00%	100.00%	111.00%	100.00%
Employee Only	\$631.18	\$0.00	\$628.15	\$0.00	\$700.61	\$0.00	\$697.25	\$0.00
Employee and Spouse	\$922.61	\$409.19	\$922.61	\$271.80	\$1,024.10	\$409.19	\$1,024.10	\$271.80
Employee and Children	\$792.62	\$229.90	\$792.62	\$151.82	\$879.81	\$229.90	\$879.81	\$151.82
Employee and Family	\$1,158.71	\$734.83	\$1,158.71	\$489.74	\$1,286.17	\$734.83	\$1,286.17	\$489.74



The 2015 Plan Year renewal options:

- Allow the County to transition to a fiscal year plan, which aligns with budget planning.
- The options ensure that the employees don't have a premium increase for the first 6 months of the plan year.
- Gives the County six additional month of claims to review in preparation for the new 2015 – 2016 plan year.



**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 11, 2014

**Action Agenda
Item No. 3**

SUBJECT: Analysis of Non-Permanent Employees (Temporary Employees)

DEPARTMENT: Human Resources

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

- A – Relevant County Ordinance
- B – 2013/2014 Analysis of Temporary Employees Including Average Wage, Total Hours Worked, Number of Temporary Employees and Average Hours

INFORMATION CONTACT:

Brenda Bartholomew, Human Resources Director, (919) 245-2552

PURPOSE: To receive information regarding how Orange County is currently employing non-permanent temporary employees.

BACKGROUND: The Board of County Commissioners requested follow up information regarding temporary employees at the June 10, 2014 budget work session. Board members expressed a desire that Orange County appropriately employ temporary employees and not hire temporary employees to avoid paying health insurance or other benefits.

CURRENT SITUATION: Within this abstract, the following has been outlined:

Section 1 – Definition of a non-permanent temporary employee

Section 2 – Rights of non-permanent temporary employee

Section 3 – General overview of work assignments of non-permanent temporary employees

Section 4 – Overall summary of temporary employment

Section 1: Definition of a Temporary Employee

Subject to the provisions of the County Code of Ordinances Section 28-15 (b) a new temporary appointment may be made for up to six months and may be extended for six additional months, not to exceed a total of one year, except as provided in Subsection 28-15(b)(3).

Subsection 28-15(b) (3) states that the County Manager may approve the extension of a temporary appointment beyond one year:

- When the employee regularly works 15 hours or less each workweek (as averaged on a monthly basis). In urgent circumstances where additional hours are necessary to

continue critical services, the County Manager may approve additional hours in writing. For this purpose, critical services include such services as public safety and top priority goals of the County.

- When the employee is working under an established academic internship program or work study program.

ATTACHMENT A provides the referenced Ordinance and the Non-Temporary categories.

Section 2: Rights of Temporary Employees

Under Section 28-36 of the Code of Ordinances, it is the policy of Orange County to provide permanent employees both full-time and part-time (regularly scheduled at least 20 hours each workweek) with group health insurance. Temporary employees are considered non-permanent and are not eligible for health insurance.

Section 3: Current Work Assignments of Temporary Employees

There are varying uses of temporary employees, summarized as follows:

- Employees work a regular work schedule for periods longer than six months to a year
- Employees work within the duration of a grant time period
- Employees work a defined time period, considered seasonal, may return year after year
- Employees work on as needed basis or per diem (called when needed)
- Employees are filling a position vacated because an employee is on leave
- Employees are filling a need during the time period to process the filling of vacancies
- Employees in the Workforce Investment Act (WIA) (DSS youth employment grant)
- Employees in the Work First Program, which services parents of children with little or no income

Section 4: Findings of the Analysis

ATTACHMENT B provides an overview by department. The following table represents an overview of Hours Worked by Current Temporary Employees.

Average Wage	Total Hours Worked	# of Temp Employees	Average # of Hours Worked
\$13.83	121,139	300	401 or approximately 15 hours per pay period

There are 22 employees of the 300 temporary employees that worked more than 1,040 hours in FY 2013 - 2014, which represents 7.33% of the temporary population. Five of these temporary employees are County retirees from the BOCC (1), Health (1), Solid Waste (1), and the Sheriff's Office (2).

FINANCIAL IMPACT: Under the Affordable Care Act (ACA), employers with 50 or more full-time employees (including full-time equivalents) must offer all employees working an average of

30 hours per week or more in a month a health insurance coverage or pay penalties, effective January 1, 2015.

The ACA measures full time status month by month. A seasonal employee who works an average of 30 hours per week during any month must be offered health care coverage for the month worked unless the employer takes certain actions.

Employers subject to the employer mandate may adopt a “measurement period” longer than a month to measure the full time status of employees. This provides an average of hours worked recognizing seasonal and temporary employees.

Additionally, the North Carolina Local Governmental Employees’ Retirement System defines an “employee” as any person who is regularly employed in a regular position, the duties of which require not less than 1,000 hours or more in a twelve-month period. Such employees are subject to membership in the retirement system and would be required to contribute 6% of all earnings to the Retirement System, and the County would contribute the required employer amount (currently 7.41%).

RECOMMENDATION(S): The Manager recommends that the Board discuss and provide feedback to staff.

The Board may want to consider implementing a policy that determines the full time status of any non-permanent (temporary) employee over a 12-month measurement period as suggested under the Affordable Care Act.

ATTACHMENT A

ARTICLE II. RECRUITMENT AND EMPLOYMENT

Sec. 28-15. Appointments.

Types of Appointments

(a)

Probationary Appointment. A probationary appointment is the initial appointment of an employee made to a permanent position or the re-employment of probationary status of a former permanent employee otherwise eligible for reinstatement. This also applies to part-time permanent positions with an established 20 hour work week.

(b)

Temporary Appointments.

(1)

General. Subject to the provisions in this Ordinance, a new temporary appointment may be made for up to six months and may be extended for six additional months, not to exceed a total of one year, except as provided in Subsection 28-15(b)(3).

(2)

Approval.

a.

The department head may make a temporary appointment or extend a temporary appointment for the following without prior approval:

1.

To provide coverage for a vacant permanent position or for the absence of a permanent employee.

2.

To work one month or less with no extension.

3.

Precinct officials.

b.

The advance approval of the Personnel Director is required for any other temporary appointment or extension. The Personnel Director's approval is for the purpose of assuring that temporary appointments are used to meet temporary work needs. The Personnel Director refers any request

involving an on-going work need to the County Manager for the Manager's review.

(3)

The County Manager may approve the extension of a temporary appointment beyond one year:

a.

When the employee regularly works 15 hours or less each workweek (as averaged on a monthly basis). In urgent circumstances where additional hours are necessary to continue critical services, the County Manager may approve additional hours in writing. For this purpose, critical services include such services as public safety and top priority goals of the County.

b.

When the employee is working under an established academic internship program or work study program.

(c)

Trainee Appointment.

(1)

A trainee appointment may be made to a permanent position in any class for which the specification includes special provisions for a trainee progression leading to regular appointment.

(2)

An employee may not remain on a trainee appointment beyond the time when the minimum qualification requirements for the class are met. After the employee has successfully completed all minimum qualification requirements, the employee will be granted permanent status or probationary status if the employee has not yet satisfied the probationary period requirement.

(3)

If the period of trainee appointment equals or exceeds the maximum probationary period, permanent status is given immediately upon completion of the minimum qualification requirements for the class. If the employee fails to satisfactorily meet the minimum qualification requirements for the class during the established trainee appointment period, the employee is terminated.

(4)

If an employee with permanent status in a position in one class accepts a trainee appointment to a position in another class, the employee waives permanent status for the duration of the trainee

appointment. The employee may regain permanent status either through successful completion of the trainee appointment or transfer to a position in another class for which he or she meets the minimum qualification requirements.

(d)

Permanent Appointment. Permanent appointments follow the satisfactory completion of a probationary and/or trainee appointment, or may be made upon reinstatement of an eligible employee, when the incumbent is expected to be retained in the position on a permanent basis.

(e)

Appointment of Incumbents in Newly-Covered Programs/Agencies.

(1)

Upon extension of competitive service to a program, position or group of positions, incumbent(s) may be appointed with permanent status in the classification under the following conditions:

a.

The employee is eligible for reinstatement on the basis of previous permanent status in competitive service in a comparable position, or

b.

The employee has at least three months of satisfactory service in the program/agency as certified by the County Manager, and the County Manager recommends that the employee be granted permanent status.

c.

If the agency fails to grant permanent status within nine months from the initial appointment then the incumbent must be terminated. Incumbents cannot be required to work more than nine months with no status.

d.

Incumbents who have less than three months of service within the agency shall be continued with no status until granted permanent status or terminated as outlined above. Employees with more than three months but less than nine months service to the agency may be continued with no status until nine months have elapsed. At the end of nine months, however, the incumbent must be granted permanent status or be terminated.

(2)

Employees transferred to the County in this category will:

- a. Transfer original date of employment with the agency and be eligible for longevity on the basis of full-time aggregate service;
 - b. Transfer vacation and sick leave balance and be eligible to accumulate leave based on full-time aggregate service;
 - c. Be eligible to join the County's group health insurance plan;
 - d. Be eligible to transfer or join the County's Local Government Employee's Retirement Plan;
 - e. Be eligible for all benefits extended to County employees;
 - f. Come under the provisions of this Ordinance.
- (f)

Acting Appointment and Position Coverage.

(1)

When a department or division head position becomes vacant or the department head or division head is absent on leave for more than one month, the County Manager (or in the case of the Health Director or Social Services Director, the Health or Social Services Board) assesses the position coverage needs and may make an acting appointment or other position coverage assignments to provide for coverage of essential duties.

(2)

In making an acting appointment, the County Manager (or in the case of the Health Director or Social Services Director, the appropriate Board) may designate internal staff, or hire an external candidate to provide the acting coverage. The Acting Department or Division Head may be asked to serve up to six months. This may be extended up to six additional months with the County Manager's (or Health or Social Services Board, as appropriate) approval.

(3)

In lieu of or in addition to making an acting appointment, the County Manager (or in the case of the Health or Social Services Director, the appropriate Board) also may choose to distribute duties and coverage

assignments among internal staff and/or hire external staff or contractors to enable services to continue.

(4)

If a current permanent employee is designated as acting for a position at a higher salary grade than his or her current position, the salary paid to the employee selected to serve shall be adjusted to the hiring rate of the new range assigned, or to a salary within the range that provides a minimum of five percent increase in pay.

(5)

If a department head or division head continues on leave beyond six months, the County Manager or designee (or in the case of the Health or Social Services Director, the appropriate Board) initiates discussions with the department head or division head on leave as to long term outlook for return to work and seeks to develop a more definitive long term coverage plan based on this information.

(g)

Appointment of Incumbents and Others to Vacant Positions. When a vacancy exists in a position within County government and the County Manager determines that a bona fide need exists such as:

(1)

To reduce the budget;

(2)

Avoid a reduction in force;

(3)

Disciplinary transfers or demotions;

(4)

Transfer of an employee to avoid the threat of bodily harm;

(5)

To prevent work stoppage in constant demand situations;

(6)

A legally binding settlement agreement; or

(7)

To protect the public health, safety, or security

The County Manager (or in the case of the Health Director or Social Services Director, the appropriate Board) may appoint either an incumbent person staffing the position or another employee within the County to the position provided they meet the minimum qualification required for the position. In the case of incumbent person staffing a key position the person must also have served in the position satisfactorily for at least a six month period.

(Ord. of 06-07-1976, eff. 08-01-1976; Amend. of 10-18-1994, Art. III § 6.0, eff. 12-01-1994; Amend. of 03-21-1995, eff. 04-01-1995; Amend. of 01-18-2001, eff. 01-18-2001; Amend. of 06-23-2003, eff. 07-01-2003; Amend. of 09-02-2010, eff. 09-02-2010)

Further, the temporary position is designated with an object code and is defined as follows:

- Temporary (object code: 511000) – employed for a special project/task or other work of a temporary nature; performs temporary duties or fills permanent position vacancy on a temporary basis; can be part time or full time, paid by hours worked
- Time-limited temporary (object code: 511001) – employed for a special project/task for a pre-determined time beyond 12 months; employment contingent upon continuation of project/task, including funding, beyond 12 month period; paid by hours worked.
- Seasonal (object code: 511002) – employed for a defined period of time ranging from two to eight months per year, performs duties interrupted by the seasons; positions filled from year-to-year on seasonal basis and vacant during off-season; can be part-time or full-time
- Student Interns (object code: 511003) – employee qualifies as student because he/she has been accepted in or is currently enrolled in an accredited school, college, or university; performs duties on a part-time basis in order to gain practical knowledge in their field of study; usually works less than 20 hours per week.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 11, 2014

**Action Agenda
Item No. 4**

SUBJECT: Update on Strategic Communications Plan (SCP)

DEPARTMENT: County Manager

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S)

INFORMATION CONTACT:

Cheryl Young, 245-2307

- A) SCP Draft Outline - 9/02/14
- B) Template for BOCC Roles - 9/02/14
- C) BOCC Goals and Role from
Commissioner Gordon - 9/02/14
- D) Sample Tools Appendix

PURPOSE: To receive an update on the work of the Strategic Communications Work Group to develop a proposed Strategic Communications Plan for Orange County.

BACKGROUND: At the January 31, 2014 Retreat, the Board discussed the need for an Orange County Strategic Communications Plan. The Board requested that the Manager provide a recommended strategy for a Strategic Communications Plan.

A Three Phase approach was recommended by the County Manager to move the process of developing a Strategic Communications Plan toward a successful conclusion.

Three Phase Approach

Phase One

Identify and share with the Board individual department public information strategies, outlining the dedicated resources, communications tools, target audiences and how the department interacts with the Public Affairs Office.

Phase Two

Rod Visser was engaged to gather internal information by interviewing the Board and County staff and present a summary to the Board.

Phase Three

Appoint a Strategic Communications Work Group who, with the assistance of Rod Visser, is to draft a Strategic Communications Plan to be presented to the Board in the fall of 2014.

Mr. Visser has convened and facilitated a series of meetings with the County's designated Strategic Communications Work Group and will provide an update to the Board.

Several samples of work done so far by the Communications Work Group are provided as attachments to this abstract. These are working papers that do not yet reflect specific recommendations, but are illustrative of the group's approach and thought process to date.

FINANCIAL IMPACT: There is no financial impact associated with receiving the update.

RECOMMENDATION(S): The Manager recommends that the Board receive the update and provide feedback.

Strategic Communications Plan Outline- Version 1

DRAFT

I. General Purpose

A. Sub-goals

B. Brief Introduction or Background

II. Tools

A. Existing

B. Future

III. Message Types

A. Regular Information and News

a. Goals and Objectives

b. Messengers

i. BOCC

ii. County Departments

iii. County Manager

iv. Public Information Officer

c. Audiences

i. Residents

1. English speaking

2. Non-english speaking

3. Other

ii. County Departments/Employees

iii. BOCC

iv. Municipalities and partnering agencies

d. Messages

e. Strategy/delivery

B. Non-Emergency Breaking News

a. Goals & Objectives

b. Messengers

i. BOCC

ii. County Departments

- iii. County Manager
 - iv. Public Information Officer
 - c. Audiences
 - i. Residents
 - 1. English speaking
 - 2. Non-english speaking
 - 3. Other
 - ii. County Departments/Employees
 - iii. BOCC
 - iv. Municipalities and partnering agencies
 - d. Messages
 - e. Strategy/delivery
- C. Emergency Information
 - a. Goals & Objectives
 - b. Messengers
 - i. BOCC
 - ii. Emergency Services
 - iii. County Departments
 - iv. County Manager
 - v. Public Information Officer
 - c. Audiences
 - i. Residents
 - 1. English speaking
 - 2. Non-english speaking
 - 3. Other
 - ii. County Departments/Employees
 - iii. BOCC
 - iv. Municipalities and partnering agencies
 - d. Messages
 - e. Strategy/delivery

IV. Evaluation

- A. Measures of Success
- B. Maintaining Flexibility
- C. Public as a messenger

Attachment B

Strategic Communications Plan DRAFT**General Purpose of the Orange County Strategic Communications Plan:**

To establish a set of guidelines and best practices for organizing and executing communication efforts for Orange County Government.

Sub-goals or purposes of the plan:

- To get information out to the public (& other audiences) in a clear, transparent, helpful, timely, proactive and consistently professional manner
- To establish the role of the Board of County Commissioners
- To establish the role of departments/staff/county management
- To establish the role of the Public Affairs Office/ Public Information Officer
- To establish the way in which government entities receive, process and respond to the public
- To develop a protocol for crisis management and the handling of critical or sensitive issues

* Note: What we mean by Evaluation

Is it working/measuring results/ review process?

Maintaining flexibility/ adaptability?

Messenger: BOCC

Goal: To promote more effective communication between and among the BOCC and the residents (and other audiences) of Orange County, and simplify access to the Board and other government workings.

Objective 1: Enhance communications between the Board and audiences

Objective 2: Establish guidelines, policies and vehicles for accomplishing the Board's goals, including best practices for organizing and executing communication efforts

Objective 3: Enhance the ability of the Board and residents to access information

Audience	Message	Tools	Strategy/Delivery	Staffing (Roles)	Timeline (Priorities)	Evaluation
Public	<p>Ongoing information about important events and milestones</p> <p>Information about upcoming agendas for meetings and hearings</p> <p>Methods for the public to access information</p> <p>Methods to promote 2-way communication between the BOCC and public</p>	Utilize the widest possible variety of communications methods/ vehicles (Appendix A)	<p>An objective unified voice representing the BOCC</p> <p>Public Meetings</p>	Public Information Officer or member of Communications Team		
Departments	<p>Important information that affects the departments</p> <p>Relevant information about policies and major issues facing county government</p>		Through manager's office?	Through department heads		
Partnering Organizations						
Media						

Attachment C

STRATEGIC COMMUNICATIONS PLAN

Submitted by Commissioner Alice Gordon - August 26, 2014 (PLAN)
and September 2, 2014 (BACKGROUND)

BACKGROUND

At today's Strategic Communications Plan meeting, the Communications Team requested that the document I sent to the Team on August 26 be included in the agenda materials for the BOCC September 11 work session. Therefore i volunteered to send it again, in order to eliminate the changes in format that were introduced when I sent the document by email. While I was at it, I also added the explanation below which sets the document in context.

For the meeting of the Team on August 26, 2014, the group had asked me to fill in the "BOCC as Messenger" communications template with which they were currently working. This template was a work sheet which was to be completed (1) by stating the goal and objectives for the BOCC, and (2) by filling out a 7 x 3 matrix which had the following seven headings: Audience, Message, Tools, Strategy/Delivery, Staffing (Roles), Timeline (Priorities), Evaluation. The three audience categories were Residents, Departments, Employees. (The audience categories were subsequently revised by the Team.)

 ORANGE COUNTY STRATEGIC COMMUNICATIONS PLAN ("Plan")

NOTE: The format of this document will utilize the major categories of the communications template, but the presentation will be from top to bottom, instead of left to right.

I. OVERALL GOALS AND ROLE OF THE BOCC

A. Purpose

The purpose of the Board of County Commissioners' Strategic Communications Plan is to promote more effective communication between and among the Board of County Commissioners (BOCC) and the residents of Orange County. Public access to government and freely shared information are cornerstones of the democratic process and thus the plan should simplify access to the Board and to the workings of Orange County government. The plan should also establish guidelines, policies and vehicles for accomplishing the Board's goals for effective communication, including best practices for organizing and executing communication efforts for Orange County government.

B. Principles and Goals

The Plan should include the following goals/ objectives:

Enhance communications between the Board and residents

- Enhance communications between Board members and the rest of County government, including employees
- Enhance the ability of the Board and residents to access information
- Provide information to the public (and other audiences) clearly, concisely, and in a timely, proactive, reliable, helpful, and consistently professional manner
- Utilize the widest possible variety of communications methods and vehicles

As part of the Strategic Communications Plan, there should be developed an individual plan for coordinating information during emergencies or crises, and a plan for handling fast-breaking, complicated, or controversial issues

The Board should have a role in the development, approval, and oversight of the Plan, including ongoing evaluation and a means for the Board to contribute to the shaping of the County's message. There should be an emphasis on promoting two-way communication between the Board and the public.

II. ROLE OF THE BOCC AS A MESSENGER

AUDIENCES AND MESSAGES

(Primary Target Audiences - Residents, Departments, Employees)

(Secondary Target Audiences - Media, Community Groups, Businesses, Visitors)

A. Audience - Residents

- Message - Ongoing information about important events and milestones (e.g. events and openings, achievements and awards, major hirings)
 - Information about upcoming agendas for meetings and hearings
 - Methods for the public to access information
 - Methods to promote two-way communication between the Board and the public (and other audiences)
- Message - Information about emergencies or crises
- Message - Information about fast-breaking, controversial, or complicated issues
- Message - Expanded information about important issues, stories, or messages (e.g. particularly successful programs or particularly important and positive messages)

B. Audience - Departments

- Message - Important information that affects the departments

C. Audience - Employees

Message - Relevant information to make sure employees are knowledgeable about Orange County policies and the major issues facing Orange County government. Employees are ambassadors for the County and can only do their job if they have the relevant information.

COMMUNICATIONS TOOLS - TBD

Guidelines - Utilize the widest possible variety of communications methods and vehicles.

Tailor the communication tools to the target audience

List of Tools - TBD, but the list provided by David Hunt could be a starting point.

STRATEGY/ DELIVERY - TBD

Guidelines - Provide for three categories

Strategies for ongoing communications

Strategies for crises or emergencies

Strategies for fast-breaking, controversial or complicated issues

STAFFING (ROLES) - TBD

TIMELINE (PRIORITIES) - TBD

EVALUATION - TBD

ORANGE COUNTY STRATEGIC COMMUNICATIONS PLAN INVENTORY OF POTENTIAL TOOLS

- County Website
- County Newsletter (printed, e-mailed)
- Digital Message Monitors
- Social Media (Facebook, Twitter, Flickr, YouTube)
- County Intranet
- County Connection E-Mail
- Citizen Comment (website link for citizen inquiry & complaint with BOCC/departmental follow up)
- CodeRED Alert System
- Annual Report
- News Releases
- Public Forums/Speakers' Bureau
- Brochures, Guide Booklets, and Postcards
- News Releases
- Public Service Announcements
- Calendars/Events
 - Public meetings
 - Public events
 - Classes
- Photography
- Purchased print ads (newspapers and magazines)
- Purchased Radio spots
- Purchased TV spots
- Listservs (allows users to add or remove automatically)
- Dedicated Orange County cable TV channel - Government Access Channel 1301
 - Time Warner Cable
 - AT&T, U-Verse
 - Video programming (currently outsourced)
 - Video tools, hardware and software (cameras, tripods, lights, wireless sound/microphones, video editing software, graphic generator, etc.)
 - Video camera/tools check-out process for departmental staff
- Streaming video
 - BOCC meetings
 - County generated content, public service announcements (PSAs), service highlights, weekly TV show, etc.
- Orange County Government radio station
- Designated employees available for crisis/emergency communications
- Guided tours
- County Government 101 sessions (Citizen Academy)
- Town Hall meetings
- County expo
- Active engagement with other communicators within Orange County (Town of Chapel Hill, Town of Carrboro, Town of Hillsborough, UNC, OWASA, etc.)

- Branding – use of a county wide graphic or logo (indicating this is a service of Orange County provided with your tax dollars)
 - Creating graphics standards (including business cards and stationary)
- Coordinated communicators team of County PIO type staff
- Rich Site Summary (RSS)
- Blogs (County or posting to an independent site such as Orange Politics)
- Monitor Orange County sanctioned social media tools for content and currency
- Membership with regional and national communication organizations
- Employee newsletter
- Yard signs (like small campaign signs)
- Billboard
- Burn/duplicate CD/DVDs of Orange County content for public distribution
- Multimedia
- Newspapers
- Direct Mail
- Special Events
- Translation for any of the above

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: September 11, 2014

**Action Agenda
Item No.** 5

SUBJECT: Potential Bond Issuance and Debt Capacity

DEPARTMENT: Finance and Administrative
Services

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):
A) County Debt Capacity Schedule

INFORMATION CONTACT:
Clarence Grier, 919-245-2453

PURPOSE: To receive a report on a potential bond referendum and related debt capacity of a future debt issuance for Orange County.

BACKGROUND: Over the past fiscal year, the Board of County Commissioners has discussed the need for a future bond referendum to fund some County and school long-range capital needs.

The County maintains excellent bond ratings.

S&P - AAA

Fitch - AAA

Moody's - Aa1 positive outlook

The issuance of debt for two of the County's largest projects most recently discussed – New County Jail Facility and Middle School #5 for the Chapel Hill - Carrboro City School District – total a combined \$73.2 million dollars, and both projects are included in the current County Capital Investment Plan for the fiscal years 2015 - 2020. It is not anticipated that the new jail project will be included in a potential general obligation bond referendum, but would be financed with alternative financing. Orange County Schools has indicated the need for a new Elementary #8. That project is not scheduled until FY 2021-2022, but could be a potential project for inclusion in a potential bond referendum.

Additionally, in order to afford additional debt, the County would potentially have to increase the property tax rate 2.82 cents for the new debt service. This projected tax increase would not include 1) any future other operating expenditure increases or 2) any future operating expenditure increases related directly to the new facilities and schools being built.

Based on current projects included in the County's Capital Investment Plan and future debt service, the County could afford additional debt of the following after FY2018 – 19:

<u>Fiscal Year</u>	<u>Capacity</u>
2016	\$34,762,073
2017	21,359,811
2018	29,089,027
2019	11,405,556
2020	17,808,611
Total	<u>\$114,425,078</u>

The Board of County Commissioners will need to finalize its decisions regarding outstanding issues such as the need for a future jail and school, and any other potential projects that would be financed with alternative financing and an approved bond referendum. Furthermore, the decision to start an educational campaign and appoint a Capital Needs Advisory Task Force will need to be completed as soon as possible.

FINANCIAL IMPACT: There is not a financial impact with the information being provided. There will be a financial impact in future years as decisions are made to proceed with a bond referendum and issuing debt for future County and School projects. All projects that are being considered are currently in the County's Capital Investment Plan.

It is currently expected that projects totaling \$100 million will be financed with the issuance of general obligation or limited obligation bonds over a period not to exceed 20 years. At current municipal bond interest rates, the total combined debt service is estimated to be \$6.1 million annually. This would represent 4.00 cents on the current property tax rate. Based on the County current budget and budgeted revenues, the County could afford an additional \$25,000,000 of additional general obligation debt capacity for a potential bond referendum if General Fund revenues remain consistent. At current municipal bond interest rates, the total combined debt service for \$125 million is estimated to be \$ 7.6 million annually. This would represent 4.67 cents on the current property tax rate.

RECOMMENDATION(S): The Manager recommends that the Board receive the information and provide feedback and direction to staff.

Orange County, NC

Debt Capacity for a Potential Bond Referendum

FY	Existing Debt Service	FY 2013-19 CIP Debt Service	New County Jail Debt Service	Total Debt Service	Debt Service Bond Issuance	A	Projected General Fund Revenues	B	B-A	Additional Capacity
						Total Debt Service With GO Bond		Debt Policy Debt Service	Debt Service Available	
2 2015	25,372,369	1,156,937	-	26,529,306	-	26,529,306	199,570,350	29,935,553	3,406,247	22,708,313
3 2016	22,873,042	1,651,168	-	24,524,210	-	24,524,210	201,566,054	30,234,908	5,710,698	38,071,320
4 2017	21,757,731	2,525,254	-	24,282,985	2,548,949	26,831,934	203,581,715	30,537,257	3,705,323	24,702,151
5 2018	22,348,509	1,075,453	-	23,423,962	2,548,949	25,972,911	205,617,532	30,842,630	4,869,719	32,464,793
6 2019	21,597,233	552,282	2,000,000	24,149,515	4,779,280	28,928,795	207,673,707	31,151,056	2,222,261	14,815,076
7 2020	20,946,777	548,675	2,000,000	23,495,452	4,779,280	28,274,732	209,750,444	31,462,567	3,187,835	21,252,231
8 2021	20,341,251	543,941	2,000,000	22,885,192	7,009,611	29,894,803	211,847,948	31,777,192	1,882,389	12,549,260
9 2022	19,601,039	539,101	2,000,000	22,140,140	7,009,611	29,149,750	213,966,427	32,094,964	2,945,214	19,634,757
10 2023	15,081,427	534,153	2,000,000	17,615,580	7,009,611	24,625,191	216,106,091	32,415,914	7,790,723	51,938,151
11 2024	10,569,721	530,100	2,000,000	13,099,821	7,009,611	20,109,432	218,267,152	32,740,073	12,630,641	84,204,275
12 2025	7,090,542	525,918	2,000,000	9,616,460	7,009,611	16,626,071	220,449,824	33,067,474	16,441,403	109,609,351
13 2026	4,753,048	520,609	2,000,000	7,273,657	7,009,611	14,283,268	222,654,322	33,398,148	19,114,880	127,432,533
14 2027	6,386,169	516,194	2,000,000	8,902,363	7,009,611	15,911,973	224,880,865	33,732,130	17,820,157	118,801,044
15 2028	1,568,129	510,650	2,000,000	4,078,779	7,009,611	11,088,390	227,129,674	34,069,451	22,981,061	153,207,074
16 2029	1,308,491	-	2,000,000	3,308,491	7,009,611	10,318,102	229,400,971	34,410,146	24,092,044	160,613,627
17 2030	1,257,283	-	2,000,000	3,257,283	7,009,611	10,266,894	231,694,981	34,754,247	24,487,353	163,249,021
18 2031	1,206,075	-	2,000,000	3,206,075	7,009,611	10,215,686	234,011,931	35,101,790	24,886,104	165,907,361
19 2032	1,154,868	-	2,000,000	3,154,868	7,009,611	10,164,479	236,352,050	35,452,808	25,288,329	168,588,861
20 2033	814,253	-	2,000,000	2,814,253	7,009,611	9,823,864	238,715,571	35,807,336	25,983,472	173,223,147
21 2034	-	-	2,000,000	2,000,000	7,009,611	9,009,611	241,102,727	36,165,409	27,155,798	181,038,654
22 2035	-	-	2,000,000	2,000,000	7,009,611	9,009,611	243,513,754	36,527,063	27,517,452	183,449,681
23 2036	-	-	2,000,000	2,000,000	7,009,611	9,009,611	245,948,892	36,892,334	27,882,723	185,884,821
24 2037	-	-	2,000,000	2,000,000	4,460,661	6,460,661	248,408,381	37,261,257	30,800,596	205,337,303
25 2038	-	-	2,000,000	2,000,000	4,460,661	6,460,661	250,892,465	37,633,870	31,173,209	207,821,390
26 2039	-	-	2,000,000	2,000,000	2,230,331	4,230,331	253,401,390	38,010,209	33,779,878	225,199,188
27 2040	-	-	-	-	2,230,331	2,230,331	255,935,404	38,390,311	36,159,980	241,066,535
	-	-	-	-	-	-	258,494,758	38,774,214	38,774,214	258,494,760
Totals	\$ 226,027,957	\$ 11,730,434	\$ 42,000,000	\$ 279,758,391	\$ 140,192,218	\$ 419,950,609	\$ 6,150,935,380	\$ 922,640,311	\$ 502,689,702	\$ 3,351,264,678

Assumptions

#1 \$40,000,000 in Fiscal year 2015-2016

#2 \$35,000,000 in Fiscal year 2017-2018

#3 \$35,000,000 in fiscal year 2019-2020