

2006 Amended Budget **Budget Summary**

MILLAGE RATE

For the fifth consecutive year, Cobb County has maintained its Property Tax millage rate at 9.72. Cobb County, under current leadership, continues to maintain the lowest millage rate in the Metro-Atlanta area.

FLUCTUATING HOMESTEAD EXEMPTIONS

In addition to the standard exemptions, Cobb County residents will enjoy the benefits of the fluctuating Homestead Exemption law. Effective in January 2001, the new Cobb County Homestead exemption was created to keep certain property taxes from increasing as a result of property reassessments. If a homeowner's property taxes increased as a result of a reassessment, then the homeowner's homestead exemption would increase by the same amount in order to offset the property tax increase.

The fluctuating homestead exemption only affects the county's general fund property taxes and applies to the incorporated cities in Cobb. Taxes for schools, bond indebtedness and fire protection are not affected. The exemption is limited to properties otherwise qualified for and currently receiving homestead exemption. This benefit is in addition to all other homestead exemptions applicable to county taxes.

The exemption automatically renews annually as long as the homeowner continues to occupy the residence. It terminates when the property is sold or no longer qualifies for homestead exemption. As a result of this fluctuating homestead exemption, Cobb County tax payers will save approximately \$17.8 million in the 2005 tax year.

SUMMARY

The table below includes changes to the Operating and Capital Funds in the FY 06 Amended Budget.

Following the budget summary is a brief list of the major changes between the FY 06 Proposed Budget and the FY 06 Recommended Budget.

Cobb County prepares a two-year budget; however, Georgia law requires the adoption of one year at a time. Therefore, the second-year budget is initially presented as a tentative financial plan, and later amended to reflect current recommendations.

<u>Operating Fund</u>	<u>FY 06 Proposed</u>	<u>FY 06 Recommended</u>
General Fund	\$290,100,977	\$301,604,743
Claims	\$44,521,629	\$54,974,623
Compost	\$10,719,819	\$10,626,569

2006 Amended Budget Budget Summary

CSBG	\$275,671	\$275,671
Debt Service	\$8,100,211	\$8,562,476
E911	\$8,737,559	\$9,200,289
Fire	\$56,211,407	\$59,861,224
Golf Course	\$2,192,793	\$2,085,980
Grant-Child Support	\$974,878	\$1,020,251
Hotel/Motel Tax	\$3,313,638	\$3,353,638
Law Library	\$478,021	\$478,021
Mable House Barnes	\$1,615,603	\$1,579,844
Parking Deck	\$472,442	\$479,388
Senior Services	\$4,936,567	\$5,023,480
Solid Waste	\$7,137,801	\$7,711,959
Transit	\$14,022,605	\$13,441,656
Water	\$141,765,466	\$147,923,514
Sub-total Operating	\$595,577,087	\$628,203,326
<u>Capital & Grants Funds</u>	<u>FY 06 Proposed</u>	<u>FY 06 Recommended</u>
Capital Projects	\$10,954,653	\$14,433,811
CDBG & ESG Program	\$4,164,980	\$4,164,980
HOME Program	\$1,862,416	\$1,862,416
Supportive Housing	\$0	\$0
LLEBG	\$63,415	\$63,415
Transit Capital	\$0	\$0
Water RE&I	\$37,864,056	\$26,106,630
Water SDF	\$10,958,000	\$10,958,000
Sub-total Cap./Grants	\$65,867,520	\$57,589,252
TOTAL	\$661,444,607	\$685,792,578

2006 Amended Budget Budget Summary

The following table presents revenues and expenditures by category for all operating budgets combined.

COMBINED OPERATING FUND BUDGETS		
	FY 06 <u>Proposed</u>	FY 06 <u>Recommended</u>
REVENUES:		
General Property Taxes	\$221,639,880	\$227,288,362
Penalties & Interest	\$3,689,049	\$3,725,906
Other Taxes	\$33,275,014	\$34,822,464
Licenses & Permits	\$18,641,901	\$21,080,984
Intergovernmental Revenue	\$9,161,181	\$12,769,110
Charges for County Services	\$202,538,507	\$199,872,557
Fines & Forfeitures	\$18,311,991	\$18,160,137
Miscellaneous Revenue	\$13,209,808	\$14,286,914
Other Financing Sources	\$75,109,756	\$96,196,892
TOTAL REVENUES	\$595,577,087	\$628,203,326
EXPENDITURES:		
Personal Services	\$263,689,796	\$269,945,943.7
Operating	\$286,641,935	\$307,875,743
Debt Service	\$20,946,185	\$20,421,303
Capital Outlay	\$5,998,883	\$6,089,710
Contingency	\$18,300,288	\$23,870,627
Fund Balance	\$0	\$0
TOTAL EXPENDITURES	\$595,577,087	\$628,203,326

2006 Amended Budget Budget Summary

OPERATING BUDGET - AMENDMENTS

The following are highlights of new programs and amendments for the Operating budgets which represent a majority of the changes between the FY 06 Proposed Budget and the FY 06 Amended Budget.

General Fund	FY 06 Adjustments
Additional Funding for Personnel Improvements	\$1,576,040
Additional Funding for Increase in Part-Time Fringe Benefits	\$517,209
Adjustment for Full-Time Merit	\$44,508
Additional Funding for Full-Time Salaries and Fringe Benefits	\$3,248,397
Additional Funding for Public Safety Specialty Pay	\$903,623
Additional Funding for Increased Utility Costs	\$878,274
Additional Funding for Increased Fuel Costs	\$760,456
Additional Funding for Conversion to Ultra Low Sulfur Diesel Fuel	\$26,415
Additional Funding for TAN's Interest Expense	\$226,402
Adjustment to Transit Subsidy	(\$638,861)
Additional Funding for Senior Services Subsidy	(\$58,171)
Additional Funding for Solid Waste Loan Repayment	\$112,131
Additional Funding for Local Match of ADCI Grant	\$15,000
HB 489 Payment	\$400,000
Additional Funding in B.O.C. Travel and Training	\$5,000
Additional Funding for Indigent Burial Costs and Rate Increases	\$54,761
Economic Development Professional Services Legislation	\$120,000
Funding for BRASS Training and Report Modifications	\$6,570
Funding in Budget & Internal Audit for HP Color Printer Cartridge	\$1,000
Additional Funding in Communications for New TV23 Maintenance Contract	\$32,976
Additional Funding in Communications for 2 nd Annual Family Fun Festival Advertisement and Promotions	\$7,000
Additional Funding in Communications for EMA publications printing	\$5,000
Additional Funding in Community Development for (2)-Two Part-Time positions	\$26,661
Additional Funding in Community Development for Historical Markers	\$50,000
Additional Funding in Information Services for West Park Plaza Data Communications Contract	\$33,000
Additional Funding in Information Services for West Park Plaza Audio-Visual Equipment Installation	\$12,500

2006 Amended Budget Budget Summary

Adjustment in Records Management for (5)-Five-Year Capital Lease on Xerox Print Shop Equipment	(\$6,840)
Adjustment in Records Management for Copier Costs	(\$7,623)
Additional Funding in Records Management for Folding Machine	\$15,000
Additional Funding in Records Management for Cutting Machine	\$15,000
New South Cobb Regional Library Operating Costs	\$401,415
Human Resources NEOGOV-Applicant Tracking Subscription	\$28,060
Additional Funding in Human Resources for Tuition Reimbursement	\$38,600
Additional Funding in Property Management for Funding All Filled Part-Time Positions	\$55,102
800 MHz (3)-Three New Contracts	\$15,000
Additional Funding in 800MHz for Motorola Contract Cost Increase	\$222,341
Adjustment in 800MHz for reallocation of Riverwood 100 Building Rental Costs	(\$11,076)
Additional Funding in Police for Increase Demand Related to Crime Analysis and Data Entry	\$44,399
Additional Funding in Police for Positions Remaining in Grant Fund	\$48,364
Additional Funding in Police for CALEA Addendum to Agreement	\$5,130
Additional Funding in Police for CMI MPH Camera Conversion	\$6,502
Additional Funding in Police for Bullet Proof Vest Replacement	\$60,000
Police Operating and Capital Costs Related to (10)-Ten New Police Officer Positions	\$177,330
Adjustment in Police for Accountable Equipment	(\$58,170)
Additional Funding in Police for Nextel Radios, (5)-Five Additional Phone Lines and (4)-Four Wireless Cards	\$6,532
Additional Funding in Police for Operating Capital	\$72,472
Public Safety Training Citizen Academy Graduation	\$1,500
Additional Funding in Public Safety Training for Operating Capital	\$34,354
Additional Funding for Medical Examiner Overtime-Position Reclassification	\$18,243
Adjustment to Juvenile Court Local Share of CASA Grant	(\$4,592)
Adjustment to State Court Computer Lease	(\$2,100)
Adjustment to State Court Division II for New Judgeship Operating Costs	(\$18,874)
Additional Funding in County Attorney for Outside Counsel Standard Fee Increase	\$48,000
Tax Assessor (2)-Two GPS Tracking Systems	\$2,000
Public Services Over-Time	\$4,000
Additional Funding in Circuit Defender for Training	\$3,250
Additional Funding in Parks for 2 nd Annual Family Fun Festival	\$8,000
Additional Funding in Parks for Annual Maintenance Contracts	\$49,800
Parks Master Plan for Price and Bartlett Properties	\$35,000
Parks New Part-Time Positions	\$62,473
Parks Accountable Equipment on Phase I of Replacement Schedule	\$9,096

2006 Amended Budget Budget Summary

Parks Computer for New Positions in Outdoor Programs	\$2,812
Parks Computer Desks for New Positions in Outdoor Programs	\$500
Parks New South Cobb Aquatic Center Operating Costs	\$150,501
Tax Commissioner Operating Costs Related to New Full-Time Positions	\$12,000
Capital - Budget in General Fund for Transfer to Capital Fund	FY 06 Adjustments
Public Services On-Line Event Registration	\$213,000
DOT Local Share of GDOT Grant-Eastern Perimeter Fencing	\$94,000
DOT Local Share of FTA 5307 Grant-CCT Federal Formula Program	\$625,368
DOT Local Share of FTA 5309 Grant-CCT Capital Grant Match	\$77,390
AMS-Finance, Human Resources and VSS Support and Upgrades	\$228,190
Windows Servers Replacement and Consolidation	\$163,750
Parks-Capital Project	\$125,000
Maximus Equipment Shop Inventory Program for Parks	\$40,000
East Cobb Senior Center Expansion	\$339,400
DOT-Transit Local Share of FTA Grant-Buses	\$610,000
DOT-Transit Local Share of FTA Grant-Smart Card Link MARTA	\$150,000
Parks Roof Replacement Projects	\$200,000
Police In-Car Video and Radar Replacements	\$156,150
Budget & Internal Audit Patternstream Budget Book Publishing Software	\$75,100
Transit Fund	
Motor Fuel Sales Tax Exemption by State	(\$42,807)
Adjustment in Operator Service Fee Contract	(\$1,217,568)
NEOGOV-Applicant Tracking Subscription	\$64
Adjustment to Bank Service Charges	(\$317)
Additional Funding for Auditing Expenses	\$688
Additional Funding for Administrative Services Costs to General Fund	\$107,321
Additional Funding for New Lease Price of Riverwood 100 Building	\$2,311
Additional Funding for Increased Cost of Diesel Fuel	\$466,583
Additional Funding for Increased Cost of Utilities	\$35,413
Additional Funding for Conversion to Ultra Low Sulfur Diesel Fuel	\$77,482
Adjustment for Full-Time Merit	(\$341)
Adjustment for Full-Time Salaries and Fringe Benefits	(\$9,779)
Senior Services Fund	
NEOGOV-Applicant Tracking Subscription	\$659
Additional Funding for Impact of New Food Service Contract	\$34,718
Additional Funding for Bank Service Charges	\$940
Additional Funding for Auditing Expenditures	\$208
Additional Funding for Administrative Services Costs to General Fund	\$281,054
Additional Funding for Increased Cost of Utilities	\$8,377

2006 Amended Budget Budget Summary

Additional Funding for Tuition Reimbursement	\$500
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$2,874
Adjustment for Full-Time Merit	\$1,510
Additional Funding for Full-Time Salaries and Fringe Benefits	\$88,036
Fire Fund	FY 06 Adjustment
NEOGOV-Applicant Tracking Subscription	\$5,720
New Web Emergency Operations Center Contract	\$11,500
Additional Funding for New Lease Price of Riverwood 100 Building	\$10,918
Additional Funding for Administrative Services Costs to General Fund	\$93,208
Adjustment for TAN's Interest Expense	(\$336,737)
Additional Funding for Increased Fuel Costs	\$131,197
Additional Funding for Bunker Gear	\$18,860
Additional Funding for Tuition Reimbursement	\$12,500
Additional Funding for Increased Utility Costs	\$90,999
Adjustment for Rental Equipment	(\$1,880)
Adjustment for Operating Capital	(\$175,395)
Additional Funding for Training Center Operating Capital	\$10,000
Additional Funding for Training Center Accountable Equipment	\$3,255
AMS-Finance, Human Resources and VSS Support and Upgrades	\$38,760
Additional Funding for Personnel Improvements	\$42,515
Additional Funding for Conversion from Cingular to Nextel and Additional Command Units	\$14,860
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$253,085
Additional Funding for Full-Time Merit	\$13,495
Additional Funding for Full-Time Salaries and Fringe Benefits	\$1,339,894
Parking Deck Fund	FY 06 Adjustments
Adjustment for Bank Service Charges	(\$85)
Adjustment for Auditing Expenses	(\$32)
Additional Funding for Administrative Services Costs to General Fund	(\$7,094)
Additional Funding for Increased Electricity Cost	\$1,302
AMS-Finance, Human Resources and VSS Support and Upgrades	\$266
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$3,080
Adjustment for Full-Time Merit	(\$23)
Adjustment for Full-Timer Salaries and Fringe Benefits	(\$749)
Law Library Fund	FY 06 Adjustments
Additional Funding for Bank Service Charges	\$86
Adjustment for Auditing Expenditures	(\$32)
Additional Funding for Administrative Services Costs to General Fund	(\$970)
AMS-Finance, Human Resources and VSS Support and Upgrades	\$304

2006 Amended Budget Budget Summary

Adjustment for Full-Time Merit	(\$235)
Adjustment for Full-Time Salaries and Fringe Benefits	(\$19,281)
E911 Fund	FY 06 Adjustments
NEOGOV-Applicant Tracking Subscription	\$978
Additional Funding for Accountable Equipment	\$3,092
Additional Funding for Administrative Services Costs to General Fund	(\$132,645)
Additional Funding for New Lease Price of Riverwood 100 Building	\$1,817
Adjustment for New Switch Warranty Contract	(\$144,844)
AMS-Finance, Human Resources and VSS Support and Upgrades	\$6,460
Funding for Dictaphone Upgrade	\$230,000
Additional Funding for Capital	\$39,000
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$56,317
Adjustment for Full-Time Merit	\$611
Additional Funding for Full-Time Salaries and Fringe Benefits	\$261,236
Hotel-Motel Tax Fund	FY 06 Adjustments
Trade Show Program Coordinator-Cobb Convention & Visitors Bureau	\$40,000
Additional Funding for Administrative Services Costs to General Fund	\$1,513
Grant Fund	FY 06 Adjustments
AMS-Finance, Human Resources and VSS Support and Upgrades	\$912
Additional Funding for Administrative Services Costs to General Fund	(\$26,542)
Debt Service Fund	FY06 Adjustments
Adjustment for Bank Service Charges	(\$10)
Adjustment for Bond Interest Expense	(\$170,031)
Adjustment for Bond Principal Retirement	(\$10,000)
Adjustment for Fiscal Agent Fee	(\$3,753)
Adjustment for Auditing Expenditures	(\$96)
Additional Funding for Administrative Services Costs to General Fund	\$129,616
Capital Projects	FY06 Adjustments
Public Services On-Line Event Registration	\$213,000
DOT-Airport Local Share of GDOT Grant-Eastern Perimeter Fencing	\$94,000
DOT Local Share of FTA 5307 Grant-CCT Federal Formula Program	\$625,368
DOT Local Share of FTA 5309 Grant-CCT Capital Grant Match	\$77,390
AMS-Finance, Human Resources and VSS Support and Upgrades	\$380,000
Windows Servers Replacement and Consolidation	\$163,750
East Cobb Park Pedestrian Bridge	\$125,000
Maximus Equipment Shop Inventory Program for Parks	\$40,000
East Cobb Senior Center Expansion	\$339,400
DOT-Transit Local Share of FTA Grant-Buses	\$610,000

2006 Amended Budget Budget Summary

DOT-Transit Local Share of FTA Grant-Smart Card Link MARTA	\$150,000
Parks Roof Replacement Projects	\$200,000
Police In-Car Video and Radar Replacements	\$156,150
E-911 Dictaphone Upgrades	\$230,000
Patternstream Budget Book Publishing Software	\$75,100
Water Fund	FY 06 Adjustments
Adjustment for Bank Service Charges	(\$41,647)
Additional Funding for Auditing Expenses	\$1,128
Adjustment for Bond Interest Expense	(\$410,769)
Additional Funding for Administrative Services Costs to General Fund	\$595,756
Additional Funding for New Lease Price of Riverwood 100 Building	\$5,962
NEOGOV-Applicant Tracking Subscription	\$4,104
Additional Funding for Tuition Reimbursement	\$1,500
AMS-Finance, Human Resources and VSS Support and Upgrades	\$99,940
Additional Funding for Specialty Pay for Fire Tunnel Personnel	\$77,088
Interfund Transfer to General Fund-Water Transfer Policy	\$2,521,313
Additional Funding for Personnel Improvements	\$178,647
Additional Funding for Conversion to Ultra Low Sulfur Diesel Fuel	\$10,852
Additional Funding for Part-Time Fringe Benefits	\$92,348
Additional Funding for Adopt-A-Stream Operating Costs	\$59,545
Additional Funding for Over-Time Costs	\$83,000
Additional Funding for Fuel	\$101,500
Additional Funding for Utility Costs	\$694,300
Additional Funding for Chemicals	\$150,000
Additional Funding for Asphalt and Tack	\$9,000
Additional Funding for Water Testing by EPD and CMWA	\$43,500
Adjustment for Full-Time Merit	\$10,000
Additional Funding for Full-Time Salaries and Fringe Benefits	\$1,085,109
Solid Waste Fund	FY 06 Adjustments
Loan Repayment	\$112,131
Adjustment for Bank Service Charges	(\$325)
Additional Funding for Auditing Expenses	\$1,872
Additional Funding for Machinery and Equipment Depreciation	\$6,398
Additional Funding for Amortization of Bond Costs	\$10,869
Additional Funding for Administrative Services Costs to General Fund	\$405,180
NEOGOV-Applicant Tracking Subscription	\$362
Additional Funding for Increased Utility Costs	\$1,410
Additional Funding for Conversion to Ultra Low Sulfur Diesel Fuel	\$2,664
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$10,351

2006 Amended Budget Budget Summary

Adjustment for Full-Time Merit	\$505
Additional Funding for Full-Time Salaries and Fringe Benefits	\$53,026
Compost Fund	FY 06 Adjustments
Adjustment for Bank Service Charges	(\$62)
Adjustment for Auditing Expenses	(\$64)
Adjustment for Bond Interest Expense	(\$348,761)
Additional Funding for Bond Principal Expense	\$395,000
Additional Funding for Administrative Services Costs to General Fund	\$78,620
Additional Funding for Increased Utility Costs	\$14,538
Additional Funding for Conversion to Ultra Low Sulfur Diesel Fuel	\$68
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$7,189
Adjustment for Full-Time Merit	(\$1,951)
Adjustment for Full-Time Salaries and Fringe Benefits	(\$39,084)
Golf Course Fund	FY 06 Adjustments
Miscellaneous Adjustments Related to Revenue Projections	(\$90,000)
Additional Funding for Administrative Services Costs to General Fund	(\$6,308)
Additional Funding for Depreciation-Building/Structure Improvements	\$8,863
Adjustment for Depreciation-Machinery and Equipment	(\$5,519)
Additional Funding for Bond Interest Expense	\$34,815
Adjustment for Bank Service Charges	(\$8,054)
Adjustment for Auditing Expenses	(\$128)
Additional Funding for Increased Utility Costs	\$7,282
AMS-Finance, Human Resources and VSS Support and Upgrades	\$1,064
Adjustment for Full-Time Merit	(\$1,216)
Adjustment for Full-Time Salaries and Fringe Benefits	(\$53,920)
Mable House Amphitheatre Fund	FY 06 Adjustments
Additional Funding for Administrative Services Costs to General Fund	(\$10,500)
Additional Funding for Depreciation-Buildings/Structure Improvements	\$50,948
Adjustment for Depreciation-Machinery and Equipment	(\$86,873)
Additional Funding for Bank Service Charges	\$198
Adjustment for Auditing Expenses	(\$32)
Claims Funds	FY 06 Adjustments
Additional Funding for New Lease Price of Riverwood 100 Building	\$78
Additional Funding for Bank Service Charges	\$931
Adjustment for Auditing Expenses	(\$288)
Additional Funding for Administrative Services Costs to General Fund	\$16,572
AMS-Finance, Human Resources and VSS Support and Upgrades	\$1,938
Additional Funding for Part-Time and Over-Time Fringe Benefits	\$14

2006 Amended Budget Budget Summary

NEOGOV-Applicant Tracking	\$53
Adjustment for Full-Time Merit	\$23
Additional Funding for Full-Time Salaries and Fringe Benefits	\$1,885

2006 Amended Budget Budget Summary

PERSONAL SERVICES

The following is a list of Additions, New Facilities Staffing, Reclassification, and Adjustments to Personal Services for FY 06.

Additions

The following positions are included in the FY 06 budget, effective October 1, 2005 unless otherwise stated, to be allocated to:

General Fund:

Cobb Emergency Management Agency

-1 Administrative Specialist II, grade 31

Police Department

-10 Police Officer II, grade 36

-1 Property/Evidence Control Technician, grade 32

Clerk of State Court

-4 Judicial Administrative Technician III, grade 31

Sheriff's Office

-1 Deputy Sheriff II, grade 36

State Court

-1 Judicial Administrative Technician III, grade 31 (01/01/2006)

Tax Assessor

-1 Senior Appraiser, grade 38

-1 Appraiser I, grade 30

Tax Commissioner

-1 Accountant I, grade 33

-2 Public Service Technician III, grade 31

-3 Tag and Title Technician, grade 30

Fire Fund:

The Fire Department

-1 Fiscal Tech III, grade 31

Water Fund:

The Water Department

-1 Waste Water Instrumentation Technician, grade 36

-2 Maintenance Worker I, grade 25

-1 Process Control Analyst I, grade 37

2006 Amended Budget Budget Summary

There were four (4) Probation Officer I, grade 34 in FY05 and six (6) Probation Officer I, grade 34 in FY06 previously identified as expiring grant positions. These are in fact new additions to the General Fund.

Expired Grant

Eleven COPS Grant positions that were previously grant funded will expire during FY06. The positions will be transferred from the grant fund to the general fund on the effective dates listed below.

- 2 Police Officer II, grade 36 (06/09/2006)
- 2 Police Officer II, grade 36 (07/07/2006)
- 1 Police Officer II, grade 36 (07/30/2006)
- 2 Police Officer II, grade 36 (08/18/2006)
- 1 Police Officer II, grade 36 (09/11/2006)
- 2 Police Officer II, grade 36 (09/15/2006)
- 1 Police Officer II, grade 36 (09/29/2006)

New Facility

The following additions are approved to staff/support a new facility. These positions will support the South Cobb Regional Library that was approved in the FY 05/06 Biennial Budget and will be effective on the dates listed below.

- 1 Librarian IV, grade 40 (10/01/2005)
- 2 Librarian II, grade 35 (03/12/2006)
- 2 Librarian I, grade 33 (03/12/2006)
- 2 Library Assistant, grade 27 (03/12/2006)
- 3 Part-Time Information Assistant (03/12/2006)
- 5 Part-Time Technician (03/12/2006)
- 8 Part-Time Page (04/09/2006)

Reclassifications

Periodically, departmental positions are reviewed to ensure position titles and compensation are adequate for the position duties and requirements. If inequities are found, reclassifications are recommended. The following reclassification will be effective October 1, 2005.

Department	Current Title	New Title
Parks and Rec	1 Recreation Program Manager, grade 40	1 Parks and Rec Division Director, grade 43

CLAIMS FUND - AMENDMENTS

The county's self-funded Health Plan's experience was 6% better than projected in FY04/05. A reduction in catastrophic claims and a 32% increase in the PPO premiums contributed to an estimated \$2 million surplus.

Currently, the national health care costs trend is ranging from a 12% to a 12.5% increase. As health care costs continue to rise nationally, Cobb County reviews national trend factors, claims experience, and seeks the services of a consultant to provide actuarial risk assessment. With this information, recommendation for plan design changes and pricing for participant and County fringe benefit costs are determined. For FY06 the overall increase to the health plan is 4%. We reviewed national and local medical plan design surveys. This review, along with recommendations from our consultant, lead to a plan change increase to prescription co-pays. This change, shown below, will save the County 2% in claims costs or about \$500,000 annually.

2006 Amended Budget **Budget Summary**

Approximately 92% of all prescriptions with a generic substitute were filled with a generic as a result of employee education toward the choice and use of generic substitutions. This is a 9.1% increase over previous periods. The prescription drug co-pays were benchmarked with other jurisdictions. The results showed that an increase in the cost of prescription co-pays was warranted. Co-pays for prescription drug benefits will increase January 1, 2006 as follows:

Prescription	Retail	Mail Order
Generic	\$ 7 to \$10	\$10 to \$17.50
Retail Formulary	\$15 to \$20	\$20 to \$35
Non-Formulary	\$30 to \$35	\$40 to \$60

Medical Benefits

The medical fund expenses, like the rest of the nation, increased due to the rise in medical costs. Last year we made plan changes to mitigate the impact of these increases. Even with the plan changes medical expenses still continue to rise. Again this year, employees will share in the cost increases. The Employer's premium cost share will become effective October 1, 2005, while the employee will pay the increased premium rate beginning January 1, 2006:

Bi-weekly Premiums for the PPO Plan

Coverage	Effective 10/01/2005		Effective 01/01/2006	
	Employee	County	Employee	County
Single	\$ 19.08	\$184.35	\$ 20.34	\$183.09
Single + 1	\$ 68.80	\$343.18	\$ 73.74	\$338.24
Family	\$ 95.20	\$468.05	\$100.83	\$462.43

Bi-weekly Premiums for the EPO Plan

Coverage	Effective 10/01/2005		Effective 01/01/2006	
	Employee	County	Employee	County
Single	\$ 14.45	\$137.00	\$15.14	\$136.32
Single + 1	\$ 52.15	\$250.80	\$ 54.22	\$248.70
Family	\$ 72.12	\$336.82	\$ 73.20	\$335.74

In addition, to clarify current and past procedures regarding eligibility for coverage for retired employees, the eligibility for benefit requirements has been amended, effective August 1, 2005 as follows:

All retired employees if: They
retire on or after January 1, 1982; and

They have been continuously eligible for coverage for medical benefits as a full-time employee under the Cobb County Health Benefit Plan or any other policy or plan sponsored or arranged by the sponsor or the health benefit plan of a municipality that is now a participant in the Cobb County Health Benefit Plan, for ten (10) consecutive years immediately before commencement of retirement benefits from the Cobb County Government Pension Plan, the Library System Retirement Plan, or State Retirement System, or any municipality that is participating in the Cobb County Health Benefit Plan.

Dental Benefits

Currently, Cobb County has one Dental Plan option; a self-insured passive preferred provider plan. This provides cost containment of negotiated discounts with preferred providers and the benefits of fewer fees on a self-insured plan for all participants. The Dental Plan experienced costs of 8% above expected for claims in FY04/05. Following an expected trend of 5%, the premiums will be increased as follows:

2006 Amended Budget Budget Summary

Coverage	Effective 10/01/2005		Effective 01/01/2006	
	Employee	County	Employee	County
Single	\$ 0.00	\$ 12.05	\$ 0.00	\$ 12.05
Family	\$ 16.53	\$ 12.05	\$ 20.74	\$ 12.05

Retirement Benefits

The Cobb County Board of Commissioners Retirement Income Plan was renamed as of January 1, 2005 to "The Cobb County Government Employees' Pension Plan." Upon recommendation from the Board of Trustees to strengthen the long term financial growth of the Pension Plan and continue the employer/employee contribution partnership of the County's 2/3 and the Employee's 1/3 share; the following three (3) year increase to the contribution was approved:

Effective Date Beginning Fiscal Year	County %	Effective Date Upon Merit Increase	Employee %
October 01, 2005	9.57 to 10.00	February 12, 2006	4.25 to 4.50
October 01, 2006	10.00 to 10.25	February 11, 2007	4.50 to 4.75
October 01, 2007	10.25 to 10.50	February 08, 2008	4.75 to 5.00

Financial education sessions are planned throughout the year to encourage employees to develop goals for retirement planning. Milestone Retirement Income Funds were introduced in 2005 as investment options in the deferred compensation plan. The funds offer a combination of equity and fixed income funds with an investment strategy designed for when the investor is expecting to retire.

An opportunity for employees to invest in a Roth IRA will soon be available for payroll deduction contributions. As a complement to retirement savings; this special tax-advantaged account offers employees a chance to withdraw funds at any time, without tax and penalty when certain qualified conditions are met.

Issues and Trends

In 2000, Cobb County Government entered into an agreement with outside municipalities to participate in Cobb County's Health Plan. Since that time, the City of Powder Springs (December 2004) and the City of Austell (August 2005) have elected to terminate their participation in the Cobb County Health Plan. Remaining in the Plan are the City of Smyrna and the Cobb-Marietta Coliseum and Exhibit Hall Authority.

We continue to investigate ways to better manage our health benefits. This year we identified Disease Management as a way to mitigate the long term cost trends impacting our health plan. Disease Management is a proactive program to better manage the costs associated with chronic health conditions such as asthma, diabetes, heart disease, high blood pressure, etc. These programs are effective in lowering the long-term costs for members with chronic conditions. Since the County has relatively low employee turnover, we would be a prime candidate to benefit from a disease management program. We expect to put out an RFP for these services in early 2006.