

FY 2017 COMPENSATION PROPOSAL

May 3, 2016

Compensation Overview

The FY 2017 tentative budget proposes a 1.7% increase to the compensation plan which includes

- 1.0% - 2.0% Market increase
 - *1.0% Market for employees at the top of pay range*
 - *2.0% Market for employees not at the top of pay range*
- 3.0% Merit increase
- Funding of Master Officer position
- Variable Benefits savings
- 1.8% Fixed Benefits increase

Market Trends

- Projected Utah 2016 CPI = 2.1%
- Salary Survey Results
 - *10 Cities + Unified Police + Unified Fire*
 - *Sample of 51 jobs / 290 employees*

		MIN.	MAX.	ACT. AVG.
FY 2016	City-Wide Weighted Avg.	0.98	1.00	0.99
FY 2015	City-Wide Weighted Avg.	0.99	1.00	0.99
FY 2014	City-Wide Weighted Avg.	0.96	0.98	0.98

FY 2017 Market Increase

- Proposal: 1% or 2% market increase
 - 1% for employees at top of pay range / 2% for all other employees
 - Top of ranges increase by 1% / Bottom of ranges increase by 2%
 - Projected cost of \$590,000 to all funds
- Advantages of this proposal
 - Dedicates more resources to increasing range minimums which is where the salary survey shows we are the most out of line with the market.
 - Reduces the width of the City's pay ranges to be more competitive with other entities that have narrow ranges
 - Reduces the number of Police and Fire supervisor steps from 12 steps to 11 steps

FY 2017 Merit Increase

- Proposal: 3% merit increase
 - Projected cost of \$995,000 to all funds
- Additional Cost - \$180,000 to Fund Master Officer
 - 42 officers moved to Master Officer in FY 2016
- Savings to apply to FY 2017 Compensation Plan
 - Turnover savings = (\$600,000)
 - Other savings = (\$365,000)
 - 0.1 pay period = (\$132,000)

Variable Benefits

- Overall savings of \$47,000
 - Retirement
 - Long-Term Disability Insurance
 - Worker's Compensation
 - Unemployment
 - Medicare

Retirement Summary

RETIREMENT COMPARISON FOR FY 2016 AND FY 2017				
	FY 2016		FY 2017	
	Tier 1	Tier 2	Tier 1	Tier 2
Retirement				
Public	18.47%	10.08%	18.47%	10.08%
Police	32.20%	12.08%	32.20%	12.08%
Fire	23.47%	12.08%	23.37%	12.08%
401(k) Match for Tier 2 Employees	N/A	2.00%	N/A	2.00%
Appointed	17.95%	10.08%	17.95%	10.08%
Elected	8.05%	10.08%	8.05%	10.08%
Seasonal and Part-time Non-benefitted	7.50%		7.50%	

372 Tier 1 employees & 126 Tier 2 employees

Savings from Fire Retirement Tier 1 rate decrease is about **(\$4,200)**

Other Variable Benefits

VARIABLE BENEFIT COMPARISON FOR FY 2016 AND FY 2017		
	FY 2016	FY 2017
Disability Insurance (benefitted positions only)	0.47%	0.42%
Worker's Compensation	1.10%	1.00%
Unemployment Insurance (excluding elected)	0.17%	0.17%
Medicare	1.45%	1.45%

Savings from Disability Insurance rate decrease is about **(\$14,300)**
Savings from Worker's Compensation rate decrease is about **(\$28,500)**

Fixed Benefits

- Overall increase of 1.8% which equates to \$114,000
 - Health Insurance
 - Dental Insurance
 - SCOPE Onsite Clinic
 - Life Insurance
 - Employee Assistance Program (EAP)

Health Insurance Summary

- Health plan provider is PEHP
- Choice of 2 networks
- Premium rate increase of 2.0% for FY 2017

Base Renewal	3.80%
ACA Out of Pocket Enhancement	0.20%
Added Autism Benefit (<i>optional</i>)	0.50%
LTD Stipend Change (<i>optional</i>)	-2.00%
RX Coinsurance-Tiers 2/3 (<i>optional</i>)	-0.50%
Final Renewal Rate	2.00%

- Proposal: Maintain current health plan structure in FY 2017
 - Increase Benefit Allowance just enough to absorb premium increase and keep HSA contribution at \$1,500
 - Cost is projected to be \$92,300 which is a 1.7% increase

Health Insurance Summary

HEALTH INSURANCE COMPARISON FOR FY 2016 AND FY 2017		
	FY 2016	FY 2017
Health Premium (Annual Amount)		
Employee Coverage	\$4,680	\$4,770
Employee, Spouse OR Child(ren) Coverage	\$9,360	\$9,540
Employee, Spouse AND Child(ren) Coverage	\$14,040	\$14,310
Benefit Allowance (Annual Amount)		
Employee Coverage	\$6,180	\$6,270
Employee, Spouse OR Child(ren) Coverage	\$10,860	\$11,040
Employee, Spouse AND Child(ren) Coverage	\$15,540	\$15,810
Medical Waiver Credit (Annual Amount)		
Waive Employee Coverage	\$1,500	\$1,500
Waive Spouse Coverage	\$500	\$500
Waive Child(ren) Coverage	\$500	\$500
Summit Network Credit		
Employee Coverage	\$150	\$150
Employee, Spouse OR Child(ren) Coverage	\$300	\$300
Employee, Spouse AND Child(ren) Coverage	\$450	\$450
HSA Employer Match option	\$500	\$500

Dental Insurance Summary

- Dental plan provider is Dental Select
- Choice of 3 plans
- No rate increase for FY 2017

DENTAL INSURANCE COMPARISON FOR FY 2016 AND FY 2017		
	FY 2016	FY 2017
Dental Insurance Premiums (Annual Amount)		
Employee Coverage	\$60	\$60
Dental Select Silver	\$174	\$174
Dental Select Gold	\$482	\$482
Dental Select Platinum		
Employee, Spouse OR Child(ren) Coverage		
Dental Select Silver	\$84	\$84
Dental Select Gold	\$348	\$348
Dental Select Platinum	\$962	\$962
Employee, Spouse AND Child(ren) Coverage		
Dental Select Silver	\$132	\$132
Dental Select Gold	\$522	\$522
Dental Select Platinum	\$1,443	\$1,443

SCOPE Onsite Clinic

- Continued high utilization & customer satisfaction
- Proposing a 7% increase to clinic fees for FY 2017
 - *The cost of an office visit will increase from \$29 to \$31*
- Increase fixed benefit clinic charges by \$23,200 to cover increase in clinic expenses for FY 2017.
 - \$18,000 is for new PT staff to answer phones & schedule appointments
 - Additional increase covers administration fees, personnel costs, EMR, medical billing, supplies, medications, malpractice insurance



Other Fixed Benefits

FIXED BENEFIT COMPARISON FOR FY 2016 AND FY 2017		
	FY 2016	FY 2017
Employee Assistance Program (Annual Amount)	\$18	\$18
Life Insurance Premium (Annual Amount)		
Regular and Appointed	\$90.70	\$87.60
Part-time Benefitted and Elected	\$45.35	\$43.80
Life Insurance Coverage		
Regular and Appointed	\$50,000	\$50,000
Part-time Benefitted and Elected	\$25,000	\$25,000

Savings from Life Insurance rate decrease is about **(\$1,500)**

Personnel Expansions & Reclassifications in FY 2017 Budget Proposal

- Administration
 - Community Events division reclassification analysis & new FT Events Coordinator position
- Police
 - Captain converted to a Deputy Chief
 - New Police Officer position
 - New FT Victim Advocate grant position
- Fire
 - New Captain position
 - Seasonal money converted to a FT Fire Prevention / Educational Assistant
- Community Development
 - PT Zoning Technician position funded for 1 year
- Parks & Recreation
 - New FT Parks Worker
 - 3 new seasonal Parks Workers
 - Recreation Coordinator converted to a Sr. Recreation Coordinator
- Public Works
 - New seasonal PW Laborer
 - Reclassification of Supervisor positions
- Public Utilities
 - PT Receptionist converted to a PT Water Education Coordinator
 - Reclassification of Water Operators & similar positions

QUESTIONS?