

Compensation Study & Benefits Options Update

February 9, 2024



UNIONCOUNTY
north carolina

Agenda



Overview



Timeline, Methodology & Preliminary Results



Implementation Phases



Benefits Options



Questions

Overview

Recent History

- Last full compensation study conducted pre-COVID in 2018
- In-house benchmark study conducted in 2021
- Inflation rate exceeds wage growth nationally from April 2021 – January 2023
 - Average inflation rate is 7%
 - Average wage growth is 5.5%
 - County's merit pay is 3% of payroll
- Address changes in county operations and staffing since the last study
- Address economic impacts to wages over the past three years

Goals & Objectives

- Attract and retain highly qualified and motivated employees by ensuring compensation is competitive in the market;
- Clearly outline promotional opportunities and provide recognizable compensation growth; and
- Maintain competitive salaries and benefits with other regional government entities and private employers.

Timeline, Methodology & Preliminary Results

Timeline

- October 2022 – Issued RFP for Compensation & Classification Study
- February 2023 – Board approved contract with consultant to conduct the study
- March-November 2023 – Consultant worked with HR to implement the study
- December 2023 – County Manager received preliminary results
- December-January 2024 – Meetings with Departments to refine results with further input

Methodology

- Meet with Management Team and Departments
- Review current compensation system and policies
- Evaluate job classifications
- Identify benchmark positions
- Conduct survey of comparable public sector organizations
- Compare survey results with job market data
- Develop preliminary adjusted pay plan
- Calculate cost options for implementation

Comparable Organizations

Buncombe County, NC	Mecklenburg County, NC
Cabarrus County, NC	New Hanover County, NC
Charlotte Mecklenburg Schools	Orange County
City of Charlotte, NC	Rowan County, NC
City of Durham	Union County Public Schools
City of Monroe, NC	Wake County
Durham County	Utilities Only
Forsythe County	Gastonia Utilities
Gaston County, NC	Orange Water & Sewer Authority
Iredell County, NC	Raleigh Utilities
Johnston County, NC	Winston-Salem/Forsyth County Utilities
Lancaster County, SC	

Preliminary Results

- Analysis of benchmark positions
 - 72% of minimums were below the average market minimum
 - 76% of midpoints were below the average market rate
 - 68% of actual salaries were below the average market rate
- Pay ranges need significant adjustments
- Merit pay has helped offset pay range adjustments, but not much

Implementation Phases

Phase I – Sheriff's Office

- Flat Dollar per Hour Increase to Base Salary
 - \$3.50 per hour increase to all Sheriff's Office staff
 - Retroactive to January 1, 2024
 - Increase starting salary for Deputy Sheriff and Detention Officers from \$44,092 to \$51,736
- Cost for ½ year implementation with benefits
 - General Fund = \$1.55 million
 - Increase for contract deputy positions would be paid 90% by towns, and 10% by county starting in FY25

Phase I – Other County Employees

- Tiered Flat % Increase to Base Salary
 - < 70% of new relative market = 8% increase
 - Between 70-80 % of new relative market = 6% increase
 - Between 80-100% of new relative market = 4% increase
 - > 100% of new relative market = 2% increase
 - > Maximum of current pay grade = one-time payment based on their new relative market
 - Retroactive to January 1, 2024
 - Most effective way to address positions that are farthest away from newly proposed market
- Cost for ½ year implementation with benefits
 - General Fund = \$1.3 million
 - Federal DSS funding will partially offset increases
 - Enterprise Funds = \$655K (Public Works, Solid Waste)

Phase II Implementation

- July 1, 2024 – Staff would request the Board to adopt the new pay plan with new salary ranges
 - Bring all employees to new relative market and cap at 100%
 - Employees over 100% of new relative market up to the maximum of the pay grade would receive a 6% increase
 - Employees who received a one-time payment in Phase I would receive their increase on January 1, 2025
 - FY2025 Merit pool would be used to help fully fund Phase II
- Annual Cost with Benefits
 - General Fund = \$11.9 million (Revenue offsets: Contract Deputies DSS)
 - Enterprise Funds = \$2.1 million

Benefits Options

Other Post Employment Benefits (OPEB) – Health Insurance

Plan provides health insurance for retirees for the following group of employees:

1. Hired before July 1, 2008, and immediately prior to retirement earns 10 credible continuous years of service.
2. Hired on or after July 1, 2008, and has 20 credible continuous years of service.
3. Hired on or after July 1, 2013, are not eligible to participate

Current retirees = 437 (annual benefits avg of \$3.5-4.5M)

Employees that will be eligible at retirement = 345

Total membership = 782

Other Post Employment Benefits (OPEB) – Health Insurance

Net OPEB Liability as of June 30, 2023

Total OPEB Liability	\$ 99,588,248
Fiduciary Net Position	<u>61,698,125</u>
Net OPEB Liability	\$ 37,890,123

Ratio of Fiduciary Net Position to Total OPEB Liability 61.95%

Other Potential Recruitment Options

- Longevity Pay to replace holiday gift card program
 - One-time annual bonus for employee retention
 - < 1 year of service = \$50
 - > 1 year of service = \$150 for each year of service
 - Cost = \$1.85 million
- Separation Allowance
- Additional Holiday (Presidents Day)



Questions?



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