

MEMORANDUM

TO: Greenville City Council and GUC Board of Commissioners

FROM: Ann E. Wall, City Manager
Anthony C. Cannon, General Manager/CEO *ACE*

DATE: April 20, 2022

SUBJECT: Joint City/GUC Pay and Benefits Committee Recommendations for FY 2022/23

The Joint City/GUC Pay and Benefits Committee, comprised of City Council Mayor Pro Tem Rose Glover and Council Member Rick Smiley and GUC Commissioners Kelly Darden and Peter Geiger, met on March 22, 2022. The result of this meeting was the following recommendations to be considered by City Council and GUC Board of Commissioners at their upcoming Joint Meeting scheduled for Monday, April 25, 2022, at 6:00 p.m.

Pay Philosophy

In order to mitigate pay compression and attract and retain high-performing employees, the City Council and Greenville Utilities Commission's Board of Commissioners use an "at market" pay philosophy. As such, both organizations pay at market and adjust our salary structure as needed so that it is market competitive. This enhances the City's and GUC's ability to recruit and retain qualified and high-performing employees. This is especially important in today's increasingly competitive and tightening labor market.

Market Adjustment/Merit Allocation

This time last year, overall, our pay plan was considered market competitive; however, much has changed in the compensation arena since last year's Spring meeting and both the City and GUC are feeling the effects. As such, the City and GUC have engaged Segal Consulting to perform a True Up Market Study. The Study is similar in scope to the True Up Market Study that was conducted in 2015. In all of these efforts, the objective is to maintain an effective pay system for our employees that is internally equitable and compatible, and is as competitive as possible in relation to the external marketplace. The results of the Study will be available mid-summer.

The City and GUC have traditionally used the survey from Capital Associated Industries (CAI), now known as Catapult, as the primary benchmark guide for establishing the market related to wage growth. Over the past several years, staff has received requests to include data from other reputable surveys, other public sector organizations, and local employers to ensure that CAI (now Catapult) is truly representative of the market. As such, for the past several years we have also included survey data from Aon Hewitt, Korn Ferry, Mercer, Willis Towers Watson and WorldatWork. This year, staff was unable to find US data for Aon Hewitt; therefore, the Economic Research Institute and The Conference Board have been added because both are highly respected data providers that collect salary survey data from private and public sources to assist employers with compensation planning. As depicted in the chart below, 2022 wage

projections and trends among all these surveys are relatively consistent, collectively averaging 3.6%.

Survey Company	Projection
Catapult (fka CAI)*	2.8%
Economic Research Institute (ERI)	4.4%
Korn Ferry	3.4%
Mercer	3.35%
The Conference Board	3.9%
Willis Towers Watson	3.4%
WorldatWork	4.0%

**COG and GUC have traditionally used CAI (now Catapult) as the primary benchmark guide*

In addition to gathering published survey projections, COG and GUC staff also surveyed our established benchmark public sector organizations and several local private employers to determine their plans related to compensation decisions for FY 2022-2023.

- Public-sector benchmark organizations:** The public-sector benchmark organizations are comprised of 26 municipalities and utilities. Of the 24 organizations that responded, 23 gave their employees pay increases in FY 2021/22; the average actual increase was 3.9% (market and/or merit, including one organization that gave 0%). Most of the benchmark organizations are in the process of developing their FY 2022/23 budgets and have not made a decision regarding pay increases. Of the three organizations that have responded, the average pay increase projection for FY 2022/23 is 3.8% (market and/or merit).
- Local private employers:** For FY 2022/23, nineteen private-sector employers were surveyed. Of the ten employers that responded, they are projecting pay increases that average 3.0% (market and/or merit). Those same employers reported actual increases averaging 2.7% (market and/or merit) last year.

GUC/COG Combined Market and Merit Benchmark History

Fiscal Year	Private Sector	Public Sector	GUC	COG
20/21	2.1%^	2.2%^	2.0%	2.0%
21/22	2.7%	3.9%	2.0%	2.0%
22/23	3.0%*	3.8%*	TBD	TBD

*The private & public sector data represents projections collected during the Spring of each year as part of the Pay & Benefits planning process.

^Due to the Pandemic, no public or private sector data was collected in 2020; however, actuals for 2020 were collected in early 2021 as part of the Pay & Benefits planning process.

GUC/COG Combined Market and Merit Adjustment History

Fiscal Year	Annual		Combined
	Market	Merit	
15/16 (GUC) (COG)	.5% 2.0%	1.5% 0%	2.0% 2.0%
16/17 (GUC) (COG)	.5% 2.0%	1.5% 0%	2.0% 2.0%
17/18 (GUC) (COG)	1.7% 2.0%	1.5% 1.2%	3.2% 3.2%
18/19 (GUC) (COG)	1.2% 1.2%	1.5% 1.5%	2.7% 2.7%
19/20 (GUC) (COG)	1.2% 1.2%	1.5% 1.5%	2.7% 2.7%

GUC/COG Combined Market and Merit Adjustment History			
20/21 (GUC)	.5%	1.5%	2.0%
(COG)	.5%	1.5%	
21/22 (GUC)	.5%	1.5%	2.0%
(COG)	.5%	1.5%	

Recommendation

In order to maintain market competitiveness, the Joint Committee recommends that the City and GUC fund an employee pay adjustment of 4.0% for FY 2022-2023, applied as deemed appropriate by each entity. The 4.0% employee pay adjustment is recommended in order to improve market competitiveness of salaries.

Salary Structure Adjustment

WorldatWork projects salary structures to increase by 2.1% for 2022. The City and GUC have historically used WorldatWork data because their Salary Budget Survey is the largest and most trusted resource of salary and structure adjustment data used by compensation professionals nationally and internationally. City and GUC salary structures were not updated for FYs 2020/21 or 2021/22.

Recommendation

Given the current market conditions, coupled with the fact the salary structure has not been updated since FY 2019/2020, the Joint Committee recommends that the City and GUC adjust the salary structure by 2.1% for FY 2022/2023.

Compensation Study Update

Similar to other public and private sector organizations nationwide, the City and GUC are experiencing issues with the recruitment and retention of qualified staff and have, therefore, embarked upon a True Up Market Study with Segal. Over the course of the next several months, Segal will survey peer organizations to collect compensation data related to 130 positions within the City and GUC. The peer organizations and benchmark positions were collectively identified by the City and GUC. Segal will also use published survey data in order to consider relevant private sector market data. Once all data has been collected, reviewed and analyzed, Segal will prepare a report detailing their methodology, findings, and recommendations. Results from the Study are expected to be reported by mid-summer.

We look forward to seeing you at the upcoming Joint Meeting on April 25th at 6:00 p.m.

- cc: Chris Padgett, GUC Assistant General Manager/Chief Administrative Officer
 Ken Graves, COG Assistant City Manager
 Richie Shreves, GUC Director of Human Resources
 Leah Futrell, COG Director of Human Resources

Joint Greenville City Council/Greenville Utilities Commission Board Meeting

Monday, April 25, 2022

6:00 p.m.

City Council Chambers

200 West Fifth Street

1. Call Meeting to Order – Mayor Connelly
Call Meeting to Order – Chair Stoughton
2. Approval of Agenda – City Council
Approval of Agenda – Greenville Utilities Commission
 - Public Comment Period – For issues that are germane to both the City Council and the Greenville Utilities Commission Board

The Public Comment Period is a period reserved for comments by the public. Items that were or are scheduled to be the subject of public hearings conducted at the same meeting or another meeting during the same week shall not be discussed. A total of 30 minutes is allocated with each individual being allowed no more than 3 minutes. Individuals who registered with the City Clerk to speak will speak in the order registered until the allocated 30 minutes expires. If time remains after all persons who registered have spoken, individuals who did not register will have an opportunity to speak until the allocated 30 minutes expires.

3. Approval of Minutes from the September 20, 2021 Joint City Council-Greenville Utilities Commission Board Meeting
4. Consideration of Market Adjustment/Merit Allocation for FY 2022-23
5. Consideration of Salary Structure Adjustment for FY 2022-23
6. Update on Compensation Study
7. Adjournment – Greenville Utilities Commission
Adjournment – City Council

PROPOSED MINUTES
JOINT MEETING OF THE CITY COUNCIL AND GREENVILLE UTILITIES BOARD
CITY OF GREENVILLE, NORTH CAROLINA
MONDAY, SEPTEMBER 20, 2021

A Joint session of the Greenville City Council and the Greenville Utilities Commission Board of Commissioners (GUC) was held on Monday, September 20, 2021, at 6:00 p.m. in the Council Chambers located on the third floor of City Hall, 200 West Fifth Street, Greenville, NC.

Those present from the City Council:

Mayor PJ Connelly, Mayor Pro Tem Rose Glover (electronically by phone), Council Member Monica Daniels, Council Member Will Bell, Council Member Rick Smiley, Council Member Will Litchfield, and Council Member Brian Meyerhoeffer.

Those present from the GUC Board of Commissioners:

GUC Board Chair Tommy Stoughton, Commissioner Peter Geiger, Commissioner Lindsey Griffin, Commissioner Kristin Braswell, and City Manager/Commissioner Ann Wall.

Those absent from the GUC Board of Commissioners:

Commissioner Minnie Johnson Anderson and Commissioner Kelly L. Darden, Jr.

Other City officials and staff present included:

Assistant City Manager Michael Cowin, City Attorney Emanuel McGirt, City Clerk Valerie Shiuwegar, and Human Resources Director Leah Futrell.

Other GUC officials and staff present included:

General Manager/CEO Tony Cannon, Assistant General Manager/Chief Administrative Officer Chris Padgett, Director of Human Resources Richie Shreves, and Executive Assistant to the General Manager/CEO Amy Wade

I. CALL TO ORDER

City of Greenville Mayor Connelly called the meeting to order at 6:00 p.m. and ascertained that a quorum was present.

Greenville Utilities Commission Chair Stoughton called the meeting to order and ascertained that a quorum was present.

City of Greenville Attorney Emanuel McGirt asked that Mayor and Council consider adopting a motion allowing Mayor Pro-Tem Glover to participate remotely due to a family emergency requiring her to be out-of-town.

A motion was made by Council Member Smiley to allow Mayor Pro-Tem Glover to participate remotely and was seconded by Council Member Bell. The City Council unanimously approved the motion.

II. APPROVAL OF THE AGENDA

Upon motion by Council Member Bell and second by Council Member Daniels, the Greenville City Council unanimously approved the agenda as presented.

Upon motion by Commissioner Geiger and second by Commissioner Wall, GUC Board unanimously approved the motion agenda as presented.

III. PUBLIC COMMENT PERIOD

Mayor Connelly opened the public comment period at 6:06 p.m. and explained the procedures to be followed by anyone who wished to speak.

There being no one present who wished to speak, Mayor Connelly closed the public comment period at 6:07 p.m.

IV. APPROVAL OF PROPOSED MINUTES – APRIL 19, 2021

Upon a motion made by Council Member Smiley and seconded by Council Member Meyerhoeffer, the Greenville City Council unanimously approved the April 19, 2021 minutes as presented.

Upon a motion made by Commissioner Geiger and second by Commissioner Braswell, the GUC Board unanimously approved the April 19, 2021 minutes as presented.

V. JOINT PAY AND BENEFITS COMMITTEE RECOMMENDATION ON PLAN YEAR 2022 HEALTH & DENTAL BENEFITS

Mr. Steve Graybill, Partner at Mercer, provided a brief presentation explaining the renewal of three-year health plan. Mr. Graybill explained that plan performance had been excellent and credited some of that performance to strong engagement. Mr. Graybill stated a recommendation to maintain current contribution rates and did not recommend an increase in medical and dental employee contributions for the 2022 calendar year.

Council Member Smiley asked if COVID vaccines and boosters would cause an increase in price.

Mr. Graybill stated that he did not foresee any COVID related price increases.

Upon a motion made by Council Member Meyerhoeffer and seconded by Council Member Bell, the Greenville City Council unanimously approved the plan as proposed.

Upon a motion made by Commissioner Braswell and seconded by Commissioner Wall, the GUC Board unanimously approved the plan as proposed.

VI. JOINT PAY AND BENEFITS COMMITTEE RECOMMENDATION ON OBSERVANCE OF JUNETEETH HOLIDAY

City Manager Wall stated that the Joint Pay and Benefits Committee had recommended that the Juneteenth holiday be added as a holiday.

Council Member Smiley asked what the typical approach has been when assigning floating holidays.

City Manager Wall explained that floating holidays typically are matched with existing holidays.

Upon a motion made by Council Member Smiley and seconded by Council Member Daniels, the Greenville City Council unanimously approved the addition of the Juneteenth holiday as an observed holiday.

Upon motion by Commissioner Griffin and seconded by Commissioner Braswell, the GUC Board unanimously approved the addition of the Juneteenth holiday as an observed holiday.

VII. ADJOURNMENT

Hearing no further discussion, Mayor Connelly and Chair Stoughton called for motions to adjourn.

Upon motion by Council Member Meyerhoeffer and second by Council Member Daniels, the Greenville City Council unanimously approved the motion to adjourn.

Mayor Connelly declared the Greenville City Council Meeting adjourned at 6:21 p.m.

Upon motion by City Manager/GUC Commissioner Wall and second by Commissioner Geiger, the GUC Board unanimously approved the motion to adjourn.

Chair Stoughton declared the GUC Board of Commissioners Meeting adjourned at 6:21 p.m.

Prepared by:

Krystal Roebuck
Administrative Assistant, City Clerk's Office

Respectfully Submitted,

Valerie Shiuwegar
City Clerk