


MEMORANDUM

TO: Mayor and City Council
Greenville Utilities Board of Commissioners

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

DATE: September 6, 2023

SUBJECT: Joint City/GUC Pay and Benefits Committee Recommendations related to Plan Year 2024 Health/Dental Insurance Benefits

The Joint City/GUC Pay and Benefits Committee met on August 24, 2023 to develop recommendations related to Plan Year 2024 Health/Dental Insurance Benefits. The following recommendations will be considered by the City Council and GUC Board of Commissioners at their upcoming Joint Meeting scheduled for Thursday, September 14, 2023, at 5:00 p.m. at City Hall.

Joint Committee Recommendation on Plan Year 2024 Health/Dental Insurance Benefits:

At the August 24, 2023 Joint City/GUC Pay and Benefits Committee meeting, Mr. Steve Graybill, Principal with Mercer Health and Benefits LLC, led the presentation regarding health and dental insurance recommendations for the 2024 plan year. Based on the data presented, staff recommendations to the Joint City/GUC Pay and Benefits Committee were as follows:

- **Health (medical/Rx/vision):** 2023 health cost trends are 5.7% over budget; therefore, employee contributions will increase by 5% for all coverage tiers, with the remaining coverage absorbed by the City/GUC. No plan design changes, except a slight increase in the deductible for the HSA plan in accordance with IRS requirements.
- **Dental:** Increase employee and City/GUC contributions by 3.7%. No plan design changes.

The Joint City/GUC Pay and Benefits Committee unanimously recommends adoption of the proposed changes for Plan Year 2024, with the changes being effective January 1, 2024.

We look forward to seeing you at the upcoming Joint Meeting on September 14, 2023 at 5:00 p.m. in the City Council Chambers.

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

JOINT MEETING
Greenville City Council/Greenville Utilities Commission

Thursday, September 14, 2023
5:00 p.m.
City Council Chambers

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

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.

4. Approval of Minutes from the April 24, 2023 Joint City Council / Greenville Utilities Commission Board Meeting
5. Joint Pay and Benefits Committee Recommendation on Plan Year 2024 Health and Dental Benefits
6. Adjournment

**PROPOSED MINUTES
JOINT MEETING OF THE GREENVILLE CITY COUNCIL
AND GREENVILLE UTILITIES COMMISSION BOARD OF COMMISSIONERS
MONDAY, APRIL 24, 2023**

Having been properly advertised, a joint session of the Greenville City Council and the Greenville Utilities Commission Board of Commissioners (GUC Board) was held on Monday, April 24, 2023, at 6:00 p.m. in City Council Chambers located at 200 West Fifth Street, Greenville, NC.

City Council Members Present

Mayor P.J. Connelly	Council Member Rick Smiley
Council Member Monica Daniels	Council Member Les Robinson
Council Member Marion Blackburn	Council Member Will Bell

City Council Members Absent

Mayor Pro-Tem Rose Glover

City Staff Members Present

City Manager Ann Wall	Assistant City Manager Ken Graves
City Attorney Emanuel McGirt	Director of Human Resources Leah Futrell
City Clerk Valerie Shiuwegar	Communications Manager/PIO Brock Letchworth
Deputy City Manager Michael Cowin	

Greenville Utilities Commission Members Present

Chair Kelly Darden	Commissioner Marcus Jones
Commissioner Peter Geiger	Commissioner Ferrell Blount
Commissioner Lindsey Griffin	Commissioner Mark Garner
Commissioner Tommy Stoughton	City Manager Ann Wall

Greenville Utilities Commission Members Absent

None

Greenville Utilities Commission Staff Present

General Manager/CEO Tony Cannon
Assistant General Manager/CAO Chris Padgett
General Counsel Phil Dixon
Chief Financial Officer Jeff McCauley
Executive Assistant to the General Manager/CEO Amy Wade
Secretary to the General Manager/CEO Lou Norris
Director of Human Resources Richie Shreves
Communications Manager/PIO Steve Hawley
Senior Human Resources Manager Lena Preville
Collections Manager Brian Wiegand (Chamber Leadership Institute)

Others Present:

Ginger Livingston, The Daily Reflector, and Paul Gemperline, Greenville Resident.

I. Call to Order

Mayor Connelly called the meeting to order for the City Council and ascertained that a quorum was present via roll call by City Clerk Shiuwegar.

Chair Darden called the meeting to order for the GUC Board and ascertained that a quorum was present via roll call by Executive Assistant Wade.

II. Approval of the Agenda

Upon motion by Council Member Smiley and seconded by Council Member Daniels, the Greenville City Council unanimously approved the agenda as presented (5-0).

Upon motion by Commissioner Griffin and seconded by Commissioner Blount, the GUC Board unanimously approved the agenda as presented (7:0).

III. Public Comment Period

Mayor Connelly opened the Public Comment Period at 6:04 p.m.

Paul Gemperline, 405 Carnoustie Drive, Greenville, NC 27858

Mr. Paul Gemperline stated that he is speaking today to express concerns about GUC's electric rate plan for solar customers.

Mr. Gemperline encouraged the City and GUC to study financial models for residential solar rates, examine the need to include demand charges, and examine the financial model used by the NC Public Utility Commission in negotiating and setting Duke Energy's residential solar rate plans.

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

IV. Approval of the Proposed Minutes

Upon motion by Council Member Smiley and seconded by Council Member Bell, the Greenville City Council unanimously approved the September 22, 2022 Joint Minutes as presented (5-0).

Commissioner Peter Geiger arrived at 6:08

Upon motion by Commissioner Jones and seconded by Commissioner Stoughton, the GUC Board unanimously approved the September 22, 2022 Joint Minutes as presented (8-0).

V. Consideration of Market Adjustment & Merit allocation for FY 2023-24

City Manager Wall called upon City HR Director Futrell and GUC HR Director Richie Shreves, to present the next items.

Director Shreves reminded the group that the Joint Pay and Benefits Committee meets each Spring to evaluate market data and make recommendations to the GUC Board of Commissioners and the Greenville City Council. Public surveys and public and private sector benchmarks are reviewed.

Director Shreves stated 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.

Like many other public-sector organizations and private-sector employers, the City and GUC have experienced significant issues with the recruitment and retention of qualified staff. As a result, the City and GUC engaged a consultant, Segal, to perform a True Up Market Study ("Study"). The Study was similar in scope to the True Up Market Study that was conducted in 2015 with Segal surveying peer organizations to collect compensation data related to 134 positions within the City and GUC. The peer organizations and benchmark positions were collectively identified by the City and GUC. The results of the Study were implemented effective January 1, 2023.

She added, as in previous years, data is collected from various sources to provide the Committee information related to the market, so an informed decision on the merit allocation and market adjustment can be determined for the upcoming year. The information from the data collected is as follows.

Survey Groups:

This year data was collected from 7 reputable survey groups consisting of Catapult, Economic Research Institute (ERI), Korn Ferry, Mercer, The Conference Board, Willis Towers Watson and WorldatWork. The wage projections and trends of these survey groups for 2023 are relatively consistent, collectively averaging 4.1%.

Survey Company	Projection
Catapult (fka CAI)*	3.5%
Economic Research Institute (ERI)	3.78%
Korn Ferry	4-4.5%
Mercer	4.2%
The Conference Board	4.3%
Willis Towers Watson	4.6%
WorldatWork	4.1%

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

Public-sector and Private-sector benchmarks:

Staff also surveyed established public-sector benchmark organizations and local private-sector employers to determine their plans related to compensation decisions.

- Seventeen of the 26 public-sector organizations, comprised of municipalities and utilities, responded with an average increase of 5.2% (market and/or merit) in FY 2022-23. Most entities are still developing their FY 2023-24 budgets; however, four of these public-sector employers provided their projections, with an average pay increase of 5.7% (market and/or merit) for FY 2023-24.
- Ten of the 27 local private-sector employers responded and reported an average increase of 4.8% (market and/or merit) for FY 2022-23 and projections averaging 4.8% for FY 2023-24.

GUC/COG Combined Market and Merit Benchmark History:

Fiscal Year	Catapult (formerly CAI)	Private Sector	Public Sector	COG and GUC
2020-21	2.5%	2.1%^	2.2%^	2.0%
2021-22	3.1%	2.7%	3.9%	2.0%
2022-23	3.8%	4.8%	5.2%	4.0%*
2023-24	3.5%*	4.8%**	5.7%**	TBD

^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.

*These adjustments do not reflect changes from the 2022-23 True Up Study.

**Projections per Catapult’s NC Wage and Salary Survey. The private & public sector data represents projections collected during the Spring of each year as part of the Pay & Benefits planning process.

Ms. Shreves stated the recommendation of the Joint Pay and Benefits Committee from their March 21 meeting is to fund an employee pay adjustment of 2.0 % for FY 2023-24 to be applied as deemed appropriate by each entity, in order to improve market competitiveness of salaries.

Council Member Bell moved to fund an employee pay adjustment of 2.0% for FY 2023-2024, to be applied as deemed appropriate. Council Member Daniels seconded the motion, which passed by unanimous vote (5-0).

Commissioner Blount moved to fund an employee pay adjustment of 2.0% for FY 2023-2024, to be applied as deemed appropriate. Commissioner Geiger seconded the motion, which passed by unanimous vote.

VI. CONSIDERATION OF SALARY STRUCTURE ADJUSTMENT FOR FY 2023-24

Director Futrell reminded the City Council and GUC Board that Segal, the City’s and GUC’s classification and compensation consultant, recommends reviewing salary structures annually to ensure they remain competitive in the market. Segal uses and recommends WorldatWork data because their Salary Budget Survey is the largest and most trusted resource of salary structure adjustment data used by compensation professionals nationally and internationally. City and GUC general salary structures were adjusted by 8% effective January 1, 2023 as a result of the Compensation Study (2022 True-Up Study). Fire/Recue pay structures were adjusted 4.25% and police pay structures by 3.35%.

WorldatWork projects salary structures to increase 2.7% for 2023. Given the current market conditions, coupled with the recommendations from the Compensation Study, the Joint Committee recommends that the City and GUC adjust the salary structure by 2% for FY 2023-2024.

Ms. Futrell stated this means that effective July 1, 2023, the minimum and maximum ranges of each pay grade will be increased by 2.0% and the mid-point of each grade will be recalculated accordingly.

Council Member Smiley made a motion to approve a 2.0 % salary adjustment to salary structures for FY 2023-24. Council Member Bell seconded the motion, which passed by unanimous vote (5-0).

Commissioner Garner made a motion to approve a 2.0 % salary adjustment to salary structures for FY 2023-24. Commissioner Jones seconded the motion, which passed by unanimous vote.

VII. CONSIDERATION OF ANNUAL VACATION ACCRUAL

Ms. Futrell stated that vacation accrual rates for the City and GUC have not been adjusted in many years, causing our vacation accrual rates to lag the market when compared to our benchmarks. The comparison to Pitt County Government, a local benchmark, is as follows:

Annual Vacation Comparison - General Employees

{Hours Accrued Based on Years of Service}

	<u>5 years</u>	<u>10 years</u>	<u>15 years</u>	<u>20 years</u>
Greenville/GUC	120	144	144	168
Pitt County	132	156	180	204

An annual vacation comparison for general employees from other cities across the state was also provided.

To continue to effectively recruit and retain qualified and high-performing employees, staff recommends a change in the vacation accrual rates to mirror Pitt County Government's five through 20 years annual accrual rates as listed in the chart to be effective on July 1, 2023.

Council Member Bell made a motion to approve the change in the vacation accrual rates to mirror Pitt County Government’s 5 through 20 years annual accrual rates. Council Member Daniels seconded the motion, which passed by unanimous vote (5-0).

Commissioner Jones made a motion to approve the change in the vacation accrual rates to mirror Pitt County Government's 5 through 20 years annual accrual rates. Commissioner Geiger seconded the motion, which passed by unanimous vote.

VIII. Adjournment

There being no further discussion, Council Member Bell moved to adjourn the meeting, and Council Member Blackburn seconded the motion, which passed by unanimous vote (5-0). Mayor Connelly adjourned the meeting for the City Council at 6:28 p.m.

There being no further discussion, Commissioner Jones moved to adjourn the meeting, and Commissioner Garner seconded the motion, which passed by unanimous vote. Chair Darden adjourned the meeting for the GUC Board at 6:28 p.m.

Respectfully submitted,

Amy Carson Wade
Executive Secretary

APPROVED:

Lindsey Griffin
Secretary