

CITY OF POCA TELLO
BUDGET DEVELOPMENT MEETING AGENDA

March 16, 2017 · 12:00 PM
Council Chambers | 911 N 7th Avenue

1. HYBRID PAY PLAN
Human Resources Department

Documents:

[PAY-PLAN.PDF](#)

2. BUDGET DEVELOPMENT
Finance Department


Documents:

[BUDGET.PDF](#)

Hybrid Pay Plan

March 16, 2017 | Human Resources

Background

- Budget Session 1: 3/2/2017
 - Presented 6 options, narrowed scope down to 2
 - Budget Session 2: 3/9/2017
 - Presented on Wage Based Hybrid move
 - Conveyed that a Phased in approach would not work
 - Budget Session 3: 3/16/2017
 - Clarification on numbers
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Wage Based move to the new Hybrid Plan

- Employees will move into steps or pay for performance range based on their current total compensation (hourly rate + longevity)
 - Steps 1-5: 3.25% between each step
 - Steps 6-36: 0.5% between each step
- **percentages are based on the defined market value

Wage Based move to the new Hybrid Plan

- Last week we provided numbers that showed what our costs were in FY2017, and then where we would be in FY2018 on the new plan
 - Issues: we provided numbers that included benefits costs, which did not allow for an accurate understanding of the salary cost impact
 - Correction: Finance has broken the cost down into separate categories
 - Issue: we did not have a baseline of the FY2018 would cost on the existing plan for an accurate cost difference
 - Correction: Finance made a FY2018 model for costs based on the current system so we are able to compare costs directly

CURRENT PLAN COST

	FY2017 Current Plan	FY2018 Current Plan	FY 2018 Increase from FY2017
Salary	\$19,159,826	\$19,437,985	\$278,159
Comp benefits (Persi, SS, Medicare)	\$3,930,923	\$4,009,993	\$79,070
Total:	\$23,090,749	\$23,447,978	\$357,229

*Does not include retirement payoff calculations

**does not include Fire and Police Sworn

HYBRID COST

	FY2017 Current Plan	FY2018 Hybrid (year 1)	Increase from FY2017 current plan
Salary	\$19,159,826	\$19,581,864	\$422,038
Comp benefits (Persi, SS, Medicare)	\$3,930,923	\$4,035,871	\$104,948
Total:	\$23,090,749	\$23,617,735	\$526,986

*Does not include retirement payoff calculations

**does not include Fire and Police Sworn

Hybrid: Years 2-5 COST Estimates

**increase is calculated from previous year cost	FY2019 Hybrid (year 2)	FY2020 Hybrid (year 3)	FY2021 Hybrid (year 4)	FY2022 Hybrid (year 5)	Totals
Estimated Wage Increase	\$ 352,277.86	\$ 288,324.21	\$ 222,890.96	\$ 165,666.88	\$1,029,159.91
Estimated PERSI Increase	\$ 39,877.85	\$ 32,638.30	\$ 25,231.26	\$ 18,753.49	\$116,500.90
Estimated SS/Medicare Increase	\$ 26,949.26	\$ 22,056.80	\$ 17,051.16	\$ 12,673.52	\$78,703.73
	\$ 419,104.97	\$ 343,019.31	\$ 265,173.38	\$ 197,093.89	\$ 1,224,391.54

*Only includes costs of steps 1-5

**Does not include work comp figures


Feedback

- HR has meet with multiple departments and individual employees as requested around the pay grade structure and how positions were assigned.
- HR provided letters to each employee explaining a basic summary of how the scale was built and positions slotted. We also provided individual information on where employees have been placed based on the scale with a Wage Based approach.
- We have asked employees to reach out to Council, in support and in opposition, to make sure that employees are feeling represented in this process. We are happy to hear that you are hearing from both sides.
- When meeting with departments and mangers we have indicated that if they fell positions are incorrectly place in the pay grade chart a re-ealution of the position can be done, however this is not a factor unless we adopt the plan

Where do we go from here?



Benefits

- Aetna
 - Said we would have numbers at the end of next week.
 - Insurance and Benefits Consultants
 - We have submitted an RFP for our health broker services
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Budget Development

March 16, 2017

- * Guidance on the following items for initial budget development
 - * Reserve Review
 - * Inter-fund Fuel Rates
 - * 100% Fee Supported Funds (Rate Study)
 - * Property Tax
 - * One-Time Capital Contingency Monies

* Agenda

* Summary of Tax Funds - Excess Reserves
available for use on one time capital needs

* Street Fund \$1,025,542

* Cemetery Fund \$ 93,004

* Airport Fund \$ 68,552

* Library Fund \$ 167,664

* Video Services Fund \$ 109,883

* Reserve Review

* Summary Other Funds with Excess Reserves available for use on one time capital needs

* Liability Insurance Fund	\$ 362,770
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* Public Works Fund	\$ 32,558
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* Environmental Science Fund	\$ 119,697
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* Property Abatement Fund	\$ 78,582
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for abatement issues and demolition

*** Reserve Review
continued**

* Fuel Rates FY 2017

* Diesel \$2.50 per gallon

* Unleaded \$2.80 per gallon

* Fuel Rates FY 2018

* Diesel \$2.30 per gallon

* Unleaded \$2.60 per gallon

* Rates have recently increased would be prudent to maintain current rates based on the US Energy Information Administration forecast for 2018

* Guidance for Budget Build:

Diesel _____

Unleaded _____

*** Fuel Rates FY2017 vs
FY 2018**

- * Raftelis Financial Consultants Inc. completed the 5 year budget plan for the Utility Funds in the fall of 2013.
 - * A 5 year budget plan for fiscal years 2015,2016,2017,2018,2019 was created.
 - * Fee increases for FY 2018 will be as follows:
 - * Sanitation 3%
 - * Water 4%
 - * WPC 3%
 - * The increase in expenditures will be budgeted to complete expected capital projects and to meet customer demands for service.

 - * Guidance:
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* Utility Rate Study

Total Non-Exempt funds (no bond levy amount included)	27,298,988
Property Tax Replacement dollars	353,411
Total Non-Exempt plus Replacement:	27,652,399

* Property Tax 3% Calculation:

* $\$27,652,399 * 3\%$

* Additional property tax allowed based on the 3% rule is \$829,572 in fiscal year 2018

Guidance on 3%: _____

* Property Tax Review

* Foregone Tax for FY 2018 Development

* Foregone Amount \$1,719,683

* Guidance on Foregone Tax: _____

* **Property Tax Review**

- * Assumption static market valuation \$2,456,810,996
- * General Fund: .009 - available amount \$1,060,480
- * Liability Insurance Fund: no limit
- * Street Fund: no limit
- * Recreation Fund: .0006 - available amount \$199,043
- * Cemetery Fund: .0004 - available amount \$ 756,909
- * Airport Fund: .0006 - available amount \$658,398
- * Library Fund: .001 - available amount \$823,024
- * Animal Shelter Bond: no limit

* Levy Limitation
Reminder

* Fiscal Year 2017

* New Construction Value - \$19,050,035

* New Construction is calculated based on the previous year's levy rate

* New Construction additional tax dollars available for **\$203,455**

* Guidance on New Construction estimate: _____

* New Construction Tax

*** One Time Capital Contingency Budget \$1,178,272**

* General Fund Police	\$263,000
* General Fund Fire	\$254,700
* General Fund Non-Dept	\$619,187
* Street Fund	\$ 18,748
* Recreation Fund	\$ 7,574
* Cemetery Fund	\$ 2,451
* Airport Fund	\$ 4,326
* Library Fund	\$ 8,286

* Guidance on Contingency

Budget: _____

*** Contingency Capital**