



MEMORANDUM

... from the

Campbell County Compensation Committee

Compensation Philosophy: *'A Systematic, market driven compensation plan that is fair and consistent, and rewards employee performance and longevity with consideration of the economic environment.'*

Adopted by the Board of Commissioners, July 1994

TO: Campbell County Board of Commissioners

FROM: Compensation Committee: Dwayne Dillinger, Jane Glaser, Phil Harvey, Matt Olsen, Terri Lesley, Denton Knapp, Juli Pierce, Michalene Seeman, Colleen Faber, Del Shelstad, Brandy Elder, Bob Tranas, Cindy Lovelace, Melissia Kershner

DATE: February 21, 2023

SUBJECT: Compensation Recommendation for Fiscal Year 2023/2024

The members of the Campbell County Compensation Committee are presenting the following compensation recommendations for FY2023/2024. These recommendations are being proposed after a complete review of past compensation goals and outcomes, as well as evaluating current available demographic, financial and economic data.

The current fiscal year number of total budgeted FTE is 546, while current staffing levels are at 517. There are plans to fill 29 of the vacant positions. The remaining 6 will not be filled at this time. In FY21/22 the budgeted amount of FTE was 554, we have reduced the number of required positions by 14 after these positions are removed. The recommended practice of saving through attrition by not backfilling positions or filling at a lower rate of pay, continues to show a decrease in payroll/benefit costs.

Considerations

While Wyoming's economy saw minor stabilization in 2022, it is still facing an uncertain future. The inflation rate for Wyoming statewide was **10.1%** with Northeast Wyoming seeing **10.2%**, according to the most recent report dated October 31, 2022. Also, the number of available and qualified applicants has decreased significantly since 2020, with many people opting to work from home or choosing to downsize and no longer operate as dual income households. The reduction in availability of qualified labor coupled with inflation has seen upward pressure on wages in the region. This has resulted in Campbell County becoming uncompetitive in the local labor market.

The turnover rate for FY2020/2021 was **15.1%** an increase of **9.9%** from the prior fiscal year; through our efforts last year the turnover rate for FY2021/2022 was **13.8%** a decrease of **1.3%**. The number one reason for turnover is “Other Employment” followed closely by “Retirement”.

For the FY2022/2023 the County Commissioners upon the recommendation of the compensation committee, took the information gathered from the employee survey conducted in 2021 and implemented a 7% Cost-of-Living Allowance (COLA) increase, Range Placement Table adjustments, and the decompression of employee wages. This action ultimately paved the way for the County to once again be competitive in the employer market.

In looking towards the future, it will be critical that the County remain competitive in the employer market and be aware of the conditions impacting employees in regard to their pay and benefits to avoid slipping backwards and having to catch-up again.

Recommendation

After careful consideration of all elements, the Compensation Committee respectfully proposes the following for the compensation package of FY2023/2024:

- **Salary Range Adjustment:** The Range Placement table to be adjusted to reflect the COLA increase if adopted.
- **COLA in the amount of 2%:** The committee recommends giving 2% Cost of Living increase to all employees to assist them in offsetting the historical inflation rates. This would go into effect the first full pay period in July.
- **Merit Increase:** It is critical to recognize the work of high performing employees. The committee recommends a Merit based increase of 1% - 3% depending upon each employee's performance. A subcommittee will work to revise the evaluation to develop a new tool for this process. These increases will be effective in October.
- **Wyoming Retirement Pension Benefit:** The committee recommends that we continue to contribute both the employee and the employer contribution to Wyoming Retirement.
- **Health Savings Account (HSA) Employer Contributions:** The committee continues to recommend contributions to employees HSA plans of \$350 for individual tier and \$750 for Employee+1 and Family tiers.
- **Flex Employer Contribution:** The committee recommends the continuation of the annual contribution of \$100 to employees on the Low-Deductible Health Plan (LDHP) Flex account either to their medical or dependent care.
- **Sick Leave Transfers:** The committee recommends, with the success of the Short-Term Disability offering from Aflac, that we do a special enrollment in April/May 2023 to allow those who did not elect the coverage to choose it. Sick Leave donations will no longer be offered effective July 1st.

- **Health Benefits:** The committee recommends there be no adjustments to deductibles or out of pocket maximum. See Model for details.
- **Wellness Program:** While the Wellness Program is governed by the Wellness Committee, it is a benefit to the employees of Campbell County to promote physical and mental wellness. The Compensation Committee recommends continuing the program require participation in the blood draw to receive the Recreation Center pass and pass to Bell Nob Golf Course pass (Carts and other items NOT included).

This recommendation of a 2% COLA increase, a merit increase up to 3%, tax expenditures, Wyoming Retirement, and Health Premiums will cost approximately: **\$1,581,506.13**

By approving this recommendation, you will be supporting our most valuable asset to the fullest, while improving their quality of life to the best of our abilities. It is important that our employees know that we have heard their concerns and have done our best to address them.

Thank you for your involvement, support, and consideration of the Committee's recommendations.