

Joint City/GUC Pay & Benefits Committee

Tuesday, August 23, 2016

3:00 p.m.

Greenville Utilities Commission Board Room

401 South Greene Street

- I. Call to Order
- II. Approval of the Agenda
- III. Approval of Minutes – March 16, 2016
- IV. Mercer Presentation: COG/GUC 2017 Recommendations for Health/Dental Insurance
- V. Discussion of Recommendations
- VI. Mercer Presentation: Development of 2017 - 2019 Strategic Plan
- VII. Discussion of Recommendations
- VIII. Adjournment

PROPOSED MINUTES
JOINT PAY AND BENEFITS COMMITTEE
WEDNESDAY, MARCH 16, 2016

The Joint Pay and Benefits Committee of the City of Greenville (COG) and the Greenville Utilities Commission (GUC) met on Wednesday, March 16, 2016, in the Greenville City Hall, Conference Room 337.

Committee members present included Council Member Rose H. Glover, Council Member Rick Smiley and Commissioner Don Mills. Commissioner Butler had an excused absence.

Other City officials and staff present included City Manager Barbara Lipscomb, Assistant City Manager Michael Cowin, Human Resources Director Leah Futrell and Human Resources Generalist Frank Salvato.

Other GUC officials and staff present included Chairman John Minges, General Manager/CEO Tony Cannon, Chief Administrative Officer Chris Padgett, Human Resources Director Richie Shreves, Benefits Administrator Debbie Jones, Executive Assistant to the General Manager/CEO Amy Quinn, Public Information Officer/Communications Manager Steve Hawley, General Counsel Phil Dixon and Secretary to the General Manager/CEO Lou Norris.

Also in attendance was Ginger Livingston with The Daily Reflector.

CALL TO ORDER

Ms. Barbara Lipscomb called the meeting to order at 3:11 p.m.

ITEM I-APPROVAL OF THE AGENDA

Council Member Smiley motioned to adopt the agenda. Commissioner Mills seconded the motion, which passed by unanimous vote.

ITEM II-APPROVAL OF MINUTES

Council Member Smiley motioned to approve the August 27, 2015 minutes. Commissioner Mills seconded the motion, which passed by unanimous vote.

ITEM III-MARKET ADJUSTMENT AND MERIT ALLOCATION

Chris Padgett stated that as in previous years, data is collected from sources to provide the committee information to make informed decisions on the merit allocation and market adjustment for the next year.

Data was collected from 6 surveys consisting of Aon Hewitt, Capital Associated Industries (CAI), Hay Group, Mercer, Towers Watson and WorldatWork. The wage projections and trends for 2016 are relatively consistent with an average of 2.9%

Staff also surveyed established public sector benchmark organizations and several local private sector employers to determine their plans related to compensation decisions for the FY 2016-17. The 25 public sector organizations that responded reported that the average pay increase projection for FY 2016-17 is 3% (market and/or merit) and the 14 local private sector employers that responded reported an average increase of 3.05% (market and/or merit) for FY 2016-17. For budget development purposes, GUC and the City have included 3.5% and 3%, respectively, as beginning points for market and/or merit increase.

Council Member Smiley made a motion to recommend to the City Council and GUC Board of Commissioners at the Joint Meeting in April to approve a 3.0% market adjustment/merit allocation for FY 2016-17 and each entity will determine the best way to apply the funds (i.e. market/merit). Commissioner Mills seconded the motion, which passed by unanimous vote.

ITEM IV-SALARY STRUCTURE ADJUSTMENT

Mr. Padgett stated that last year Segal Waters Consulting conducted a 5-Year True Up Market Study. This study was to ensure that the compensation and compenstation structure of the two entities have remained in line and competitive with the market. Segal Waters' study noted that the salary structure should be reviewed annually.

WorldatWork projects that salary structures will increase by 2% for 2016. It is suggested that the minimum and the maximum pay range in each pay grade be increased by 2.0%. This change would have minimal effect on existing employees.

Council Member Smiley made a motion to recommend to the City Council and GUC Board of Commissioners at the Joint Meeting in April to approve a 2.0% salary structure adjustment. Commissioner Mills seconded the motion, which passed by unanimous vote.

ITEM V-UPDATE ON HEALTH/DENTAL INSURANCE TRENDS

Leah Futrell, City of Greenville Human Resources Director, stated that a Health Savings Accounts (HSA) option for employees began January 1, 2016. In order to encourage enrollment into the HSA plan, incentives were provided of \$750 to participants electing individual coverage and \$1,500 to participants electing family coverage. The Core and Enhanced plans were modified to reduce overall benefit value by 2.6% and to increase cost share for the Enhanced Plan to encourage migration to Core or HSA plans.

This chart illustrates the migration since the implementation of this strategy.

| | 2014 | | 2015 | | 2016 | |
|----------|------|-----|------|-----|------|-----|
| | COG | GUC | COG | GUC | COG | GUC |
| Enhanced | 553 | 303 | 519 | 260 | 393 | 194 |
| Core | 364 | 122 | 383 | 166 | 459 | 210 |
| HSA | n/a | n/a | n/a | n/a | 43 | 24 |

The overall goal, as part of the three-year strategy, is to move the employer cost to 80%. Currently it is 84%. Staff will present proposed changes to the plans in the fall.

ITEM VI-UPDATE ON EMPLOYEE TUITION ASSISTANCE PROGRAM (ETAP)

Richie Shreves, GUC's Human Resources Director, provided some background information on the Employee Tuition Assistance Program (ETAP). The ETAP program was established in 1989 to provide financial assistance to employees who were interested in furthering their education.

Last year, the Joint Pay and Benefits Committee recommended and the full Boards approved changes to the ETAP program. The changes included broadening eligible expenses (tuition, books and fees covered 100% up to the annual cap), allowing advance of employer funds in lieu of receiving reimbursements following completion of course(s), and increasing the annual per employee funding cap from \$800 per year to \$2,074 per year (or the cost of 5 credit hours for 2 semesters at ECU effective July 1, 2015).

These enhancements to the ETAP program have made an impact on program utilization. The City has seen a 177% increase in employee utilization and GUC has seen 73% increase in participation.

The participants are from a broad mix of salary tiers and there is a good mix of 2-year, 4-year, technical and enhanced skill classes being taken by the participants. This program is a part of GUC's succession planning. City Council Member Smiley mentioned that the cap for this program is \$50,000 per year for each entity. He suggested there be consideration in raising the cap in the future to allow for increase in users to this program.

ITEM VII-NEXT STEPS

Council Member Smiley made a motion to cancel the previously scheduled second Joint Pay and Benefits Committee meeting that was scheduled for April 18, 2016. Commissioner Mills seconded the motion, which passed by unanimous vote.

Recommendations regarding the market adjustment/merit allocation and the salary structure adjustment will be presented to the City Council and the GUC Board of Commissioners at the next Joint Meeting scheduled for April 25, 2016 at 6:00 p.m.

ITEM VIII-ADJOURNMENT

There being no further discussion, Council Member Smiley made the motion to adjourn the meeting and Commissioner Mills seconded the motion. The motion was unanimous and the meeting was adjourned at 3:41 p.m.

Respectfully submitted,

Amy Carson Quinn
Executive Secretary