

JOINT MEETING
Greenville City Council/Greenville Utilities Commission

Monday, September 23, 2024
6:00 p.m.
City Council Chambers

1. Call Meeting to Order – Mayor Connelly
– Chair Griffin
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 22, 2024 Joint City Council / Greenville Utilities Commission Board Meeting
5. Joint Staff Recommendations on Plan Year 2025 Health and Dental Benefits
6. Adjournment – Greenville Utilities Commission
Adjournment – City Council

**PROPOSED MINUTES
JOINT MEETING OF THE GREENVILLE CITY COUNCIL
AND GREENVILLE UTILITIES COMMISSION BOARD OF COMMISSIONERS
MONDAY, APRIL 22, 2024**

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 22, 2024, 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 Matthew Scully
Mayor Pro-Tem Monica Daniels	Council Member Portia Willis
Council Member Marion Blackburn	Council Member Tonya Foreman
Council Member Les Robinson	

City Council Members Absent

None

City Staff Members Present

City Manager Michael Cowin	Assistant City Manager Dene' Alexander
City Attorney Emanuel McGirt	Director of Human Resources Leah Futrell
City Clerk Valerie Shiuwegar	Communications Manager/PIO Brock Letchworth
Deputy City Manager Ken Graves	Interim Assistant City Clerk Danaille Petro

Greenville Utilities Commission Members Present

Chair Peter Geiger	Commissioner Wanda Carr
Commissioner Tommy Stoughton	Commissioner Dillon Godley
Commissioner Mark Garner	City Manager Michael Cowin

Greenville Utilities Commission Members Absent

Commissioner Lindsey Griffin
Commissioner Ferrell Blount

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
Human Resources Business Partner Leah Herring
Human Resources Business Partner Juanita Sims

Others Present:

Ginger Livingston, The Daily Reflector and Molly Holdeman, Mark Parker, and Ann Maxwell, Community members.

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 Geiger 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 Robinson and seconded by Council Member Blackburn, the Greenville City Council unanimously approved the agenda as presented (6-0).

Upon motion by Commissioner Godley and seconded by Commissioner Stoughton, the GUC Board unanimously approved the agenda as presented.

III. Public Comment Period

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.

Mayor Connelly opened the Public Comment Period up at 6:07 p.m.

Molly Holdeman:

Ms. Holdeman announced that it was Earth Day and asked City Council and GUC Board of Commissioners be environmental responsible when making decision for the community.

Mark Parker:

Mr. Parker shared his thoughts on bringing more diversity to all Boards across Greenville and Pitt County. The community should be a part of the decision making and problem solving.

Ann Maxwell:

Ms. Maxwell shared that when Hurricane Floyd occurred there was much devastation to Pitt County. This prompted her to get involved more in the community and became involved with the Environmental Advisory Commission (EAC) in Greenville.

A plan was created with action items that was adopted by citizens of the community that involved sustainability themes. She believes that none of the action items have been accomplished and in two years another long-range plan is due. She asked that the city embrace these things that the citizens asked for in the long-range plan.

After hearing from all speakers wishing to speak, Mayor Connelly closed the Public Comment Period at 6:16 p.m.

IV. Approval of the Proposed Minutes from the September 14, 2023 Joint City Council-Greenville Utilities Commission Board Meeting

Upon motion by Council Member Blackburn and seconded by Council Member Scully, the Greenville City Council unanimously approved the September 14, 2023 Joint Minutes as presented (6-0).

Upon motion by Commissioner Stoughton and seconded by Commissioner Carr, the GUC Board unanimously approved the September 14, 2023 Joint Minutes as presented.

V. Consideration of Market Adjustment & Merit allocation for FY 2024-25

City Manager Cowin called upon City Director of Human Resources Leah Futrell and GUC Director of Human Resources Richie Shreves, to present the next items.

Director Futrell reminded the group that the Joint Pay and Benefits Committee meets each Spring to evaluate market data and make recommendations to the GUC Board and the Greenville

City Council. Public surveys and public and private sector benchmarks are reviewed. Director Futrell 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.

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.

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 2024 are relatively consistent, collectively averaging 4.0%.

Survey	Projected Wage Increase
Catapult*	3.7%
Economic Research Institute (ERI)	3.9%
Korn Ferry	4%
Mercer	3.9%
The Conference Board	4.1%
Willis Towers Watson	4%
WorldatWork	4.1%
AVERAGE	4%

*COG and GUC have traditionally used Catapult (formerly CAI) as the primary benchmark.

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.

- Twenty-four of the 26 public-sector organizations, comprised of municipalities and utilities, responded with an average increase of 5.5% (market and/or merit) in FY 2023-24. Most entities are still developing their FY 2024-25 budgets; however, seven of these reported projections averaging 5.3% for FY 2024-25.
- Seven of the 29 local private-sector employers responded and reported an average increase of 3.7% (market and/or merit) for FY 2023-24 and projections averaging 3.7% for FY 2024-25.

GUC/COG Combined Market and Merit Benchmark History:

	Actual %			
Fiscal Year	Catapult	Public Sector	Private Sector	City / GUC
20/21	2.5%	2.2%	2.1%	2.0%
21/22	3.1%	3.9%	2.7%	2.0%
22/23	3.8%	5.2%	4.8%	4.0%
23/24	4.2%	5.5%	3.7%	2.0%

Projections for 2024-2025				
Fiscal Year	Catapult	Public Sector	Private Sector	City / GUC
24/25	3.7%	5.3%	3.7%	TBD

Director Futrell stated the recommendation of the Joint Pay and Benefits Committee from their March 18 meeting is to fund an employee pay adjustment of 4.0 % for FY 2024-25 to be applied as deemed appropriate by each entity.

Council Member Blackburn moved to fund an employee pay adjustment of 4.0% for FY 2024-25, to be applied as deemed appropriate. Council Member Scully seconded the motion, which passed by unanimous vote (6-0).

Commissioner Godley moved to fund an employee pay adjustment of 4.0% for FY 2024-25, to be applied as deemed appropriate by each entity. Commissioner Garner seconded the motion, which passed by unanimous vote.

VI. CONSIDERATION OF SALARY STRUCTURE ADJUSTMENT FOR FY 2024-25

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.

WorldatWork projects salary structures to increase 2.6% for 2024. 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 2.6% for FY 2024-25.

Director Futrell stated this means that effective July 1, 2024, the minimum and maximum ranges of each pay grade will be increased by 2.6% and the mid-point of each grade will be recalculated accordingly.

Council Member Scully made a motion to approve a 2.6 % salary adjustment to salary structures for FY 2024-25. Council Member Blackburn seconded the motion, which passed by unanimous vote (6-0).

Commissioner Garner made a motion to approve a 2.6 % salary adjustment to salary structures for FY 2024-25. Commissioner Carr seconded the motion, which passed by unanimous vote.

VII. CONSIDERATION OF 401(k) EMPLOYER CONTRIBUTION

Director Shreves shared that currently the City and GUC contribute \$40 per pay period (\$1,040 per year) to the 401(k) accounts of full-time and designated part-time employees, except for sworn law enforcement officers employed by the City who, pursuant to North Carolina General Statute, receive a 5% 401(k) contribution. And, in today's highly competitive labor market, it is

imperative that the City and GUC offer market competitive benefits, in addition to pay, to attract and retain talent. At the March Joint Pay and Benefits Committee meeting it was recommended to change the 401(k) employer contribution for its general employees to closely align the contribution to that of sworn law enforcement officers, which is the practice of most North Carolina municipalities. She noted that Greenville is the 12th largest municipality in North Carolina and is the only organization among the 20 largest that contribute a flat dollar amount for general employees. The remaining 19 municipalities average contributions of 3.8% in their 401(k) accounts for their employees. The committee met and reviewed the list of the 20 largest municipalities in North Carolina along with their 401(k) contributions and recommended moving from the \$40 per pay period 401(k) employer contribution to a 3% 401(k) employer contribution. In addition to those top 20 largest North Carolina 401(k) municipalities list, there are ten other local municipalities (neighboring Greenville) that provide close to 5% 401(k) employer contributions.

To continue to effectively recruit and retain qualified and high-performing employees, staff recommends a change in the 401(k) employer contribution.

After discussion, Mayor Pro-Tem Daniels made a motion to approve to change the 401(k) employer contribution as follows:

- Change 401(k) employer contribution from \$40 per pay period to 3% per pay period effective FY 2024-25 for full-time and select designated part-time employees (excluding sworn law enforcement officers who receive a 5% 401(k) contribution)
- Maintain the current 401(k) employer contribution of \$40 per pay period for designated part-time employees who would be adversely impacted by the change to 3% per pay period
- Funding permitting, increase the 401(k) employer contribution by a quarter percent each fiscal year until the 401(k) employer contribution reaches 3.75%, at which time it will be re-evaluated for market competitiveness

Council Member Blackburn seconded the motion, which passed by unanimous vote (6-0).

Commissioner Godley made a motion to approve to change the 401(k) employer contribution as follows:

- Change 401(k) employer contribution from \$40 per pay period to 3% per pay period effective FY 2024-25 for full-time and select designated part-time employees (excluding sworn law enforcement officers who receive a 5% 401(k) contribution)
- Maintain the current 401(k) employer contribution of \$40 per pay period for designated part-time employees who would be adversely impacted by the change to 3% per pay period
- Funding permitting, increase the 401(k) employer contribution by a quarter percent each fiscal year until the 401(k) employer contribution reaches 3.75%, at which time it will be re-evaluated for market competitiveness

Commissioner Carr seconded the motion, which passed by unanimous vote.

VIII. Adjournment

There being no further discussion, Council Member Robinson moved to adjourn the meeting, and Council Member Blackburn seconded the motion, which passed by unanimous vote (6-0). Mayor Connelly adjourned the meeting for the City Council at 6:34 p.m.

There being no further discussion, Chair Geiger adjourned the meeting for the GUC Board at 6:34 p.m.

Respectfully submitted,

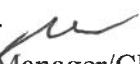

Amy Carson Wade
Executive Secretary

APPROVED:

Ferrell L. Blount III
Secretary

MEMORANDUM

TO: Mayor and City Council
Greenville Utilities Board of Commissioners

FROM: Michael Cowin, City Manager 
Anthony C. Cannon, General Manager/CEO 

DATE: September 16, 2024

SUBJECT: Joint City/GUC Pay and Benefits Committee Recommendations Related to Plan Year 2025 Health/Dental Insurance Benefits

The Joint City/GUC Pay and Benefits Managers met on August 20th to review recommendations related to Plan Year 2025 Health/Dental Insurance Benefit.

Joint Recommendation on Plan Year 2025 Health/Dental Insurance Benefits:

At the August 20, 2024, Joint City/GUC Pay and Benefits Managers meeting, Mr. Joe Harten, Partner and Office Practice Leader with Mercer Health and Benefits LLC, led the presentation regarding health and dental insurance recommendations for the 2025 plan year. Mr. Harten began the meeting by reflecting on recent plan change history:

2024 Plan Year

- Added coverage for diagnostic mammograms and colonoscopies in-network at 100%
- Cigna changed vision subcontractor from VSP to EyeMed
- Continued promotion of onsite clinics (ECU Health)

2023 Plan Year

- Slight increase to office visit co-pays on the Core plan and the Rx co-pays for both PPO plans
- Increased contributions for employees and dependents (employee contributions increased by 5% and dependents by 11%)

2022 Plan Year

- Added Cancer Expert Now as a Cancer Center of Excellence
- Enhanced the Omada offering
- Added Cigna's Condition Specific Care program

Mr. Harten shared that the stoploss proposal from Cigna is a 9.4% increase and that most plans are running between 12-20%. Based on how well our plan has been performing, Mr. Harten felt he may be able to negotiate a better rate and requested additional time to do so. On September 13, Mr. Harten reported back that he was in fact able to negotiate a rate of 5%. He recommends accepting this stoploss renewal rate.

Next Mercer Consultant Parker Cramer talked about the financials.

Based on plan performance to-date for Medical/Rx/Vision, the proposal for 2025 employee contributions is a 1.5% increase across all tiers and salary bands. A chart was provided showing the amount for employee contributions for Medical/Rx/Vision for each category. The increase dollar amount per pay period ranges from \$0.10 for the lowest tier “employee only” in the HSA plan to \$12.00 for the “employee plus family” in the highest tier of the enhanced plan. (Mr. Cramer did note that deductibles for the HSA will increase from \$1,600/\$3,200 to \$1,650/\$3,300 due to new IRS minimums.)

For Dental, costs have decreased from the 2024 budget due to favorable year-to-date 2024 claims experience. Therefore, the proposal for 2025 employee contributions is a 0% increase across all tiers.

Mr. Harten provided a summary:

Program	Carrier	Status	Notes
•Self-funded Medical & Rx	Cigna	Renews 1/1/2025	<ul style="list-style-type: none"> Renewing AS IS, no plan design changes for 2025 (with the exception of the IRS-required increase to HSA deductibles to \$1,650/\$3,300) COG/GUC moving forward with an increase to employee contributions by 1.5%
•Insured Stop Loss	Cigna	Renews 1/1/2025	<ul style="list-style-type: none"> Cigna has proposed a 5% renewal
•Self-funded Dental	Cigna	Renews 1/1/2025	<ul style="list-style-type: none"> Renewing AS IS, no plan design changes for 2025. COG/GUC moving forward with NO change to employee contributions
•Self-funded Vision	Cigna	Renews 1/1/2025	<ul style="list-style-type: none"> Renewing AS IS, no plan design changes for 2025.
•EAP	Cigna	Renews 1/1/2025	<ul style="list-style-type: none"> Renewing AS IS, no plan design changes for 2025.

Based on the data presented, staff recommendations were as follows:

- Employee medical contributions will increase 1.5% for all coverage tiers; no plan design changes.
- Employee dental contributions will not increase; no plan design changes.

Since the recommendations were very favorable and straightforward, the Managers agreed the September 5th Joint Pay and Benefits Committee meeting was not necessary. Instead, Managers from each organization subsequently reviewed the recommendations with their respective Pay

and Benefits Committee members (COG – Marion Blackburn and Portia Willis; GUC – Peter Geiger and Lindsey Griffin). Committee members unanimously agreed to the recommendations and endorse the Greenville Utilities Commission Board and City Council adopting staff recommendations regarding health and dental insurance and recommend similar actions to be taken by City Council and the GUC Board of Commissioners at the September 23, 2024, joint meeting.

Next Steps:

Recommendations from the Committee on the Health and Dental Benefits will be presented to the City Council and the GUC Board of Commissioners at the joint meeting scheduled for Monday, September 23, 2024, at 6:00 p.m. in the City Hall Council Chambers.

cc: Dene' Alexander, COG Assistant City Manager
Ken Graves, COG Deputy 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