



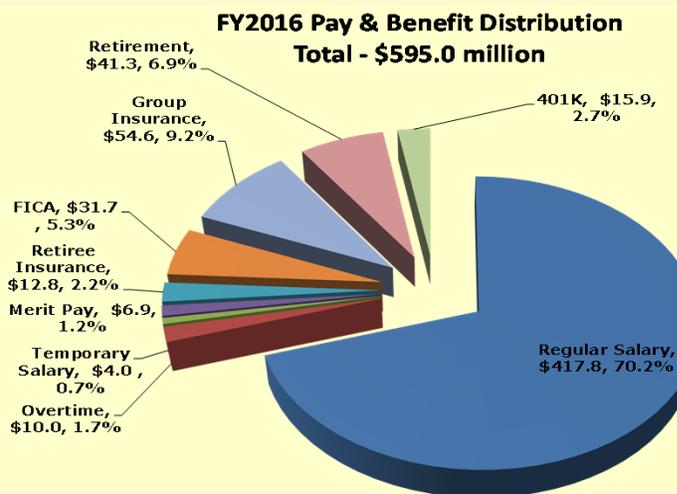
Employee Pay and Benefits

Cheryl Brown, Director of Human Resources

February 29, 2016



Current Pay and Benefit Distribution



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Preparing for March 16 - Pay

- Pay
 - Growth in total comp for employees (pay, benefits, etc.) cannot exceed revenue growth
 - Preliminary results of average market movement:

Market Movement Summary (Average Percent Change)						
Source	2013 Actual Market Movement	2014 Actual Market Movement	2015 Actual Market Movement	2016 Actual Market Movement	2017 Projected Market Movement (to date)	5 Year Average Market Movement
National Statistics Provided by World at Work, Hewitt, Mercer	3.0	2.9	3.0	3.0	3.0	3.0
National Municipalities	1.7	2.4	2.7	2.5	2.1 *	2.3
Charlotte Area Municipalities	2.8	2.6	2.6	2.8	2.4 *	2.6
Large Charlotte Employers (private sector)	2.5	2.5	2.7	2.9	TBD	2.7
The Employers Association	2.6	3.1	3.1	3.0	3.1	3.0
City of Charlotte	2.0	2.0	3.0	1.5	3.0 (Proposed)	2.3

* Limited data

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General Fund Compensation Scenarios

Projected FY2017 General Fund Compensation Scenarios				
Projected FY2017	1% merit, .05% market, steps	2% merit, 1.0% market, steps	3% merit, 1.5% market, steps	4% merit, 2.0% market, steps
Broadband Merit	\$577,089	\$1,154,177	\$1,731,266	\$2,308,354
Non-Exempt/Hourly	\$1,361,856	\$1,503,886	\$1,645,916	\$1,787,946
Public Safety Pay Plan				
Market	\$853,510	\$1,707,020	\$2,560,530	\$3,414,040
Steps	\$2,066,632	\$2,066,632	\$2,066,632	\$2,066,632
Total	\$2,920,142	\$3,773,652	\$4,627,162	\$5,480,672
Grand Total	\$4,859,087	\$6,431,715	\$8,004,344	\$9,576,972

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Preparing for March 16 - Pay

- Non-Exempt/Hourly Pay Plan Proposal
 - Net transition plus market cost in General Fund: \$0.5 million
 - Net transition plus market cost all Funds: \$1.2 million
- Transition to proposed Non-Exempt/Hourly Pay Plan in February 2017
 - Based on job class years of service, not hire date
 - Minimum pay increase to \$28,260 (60% Average Median Income)

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Non Exempt/Hourly Pay Plan

- City Council concerns related to living wage for lower paid employees
- Proposed pay plan for hourly workers
- Feedback from employees and Department Directors
- Defined pay scales and promotion pay increases will ensure employees paid consistently
- Annual scale adjustment increases = 1/2 Broadband merit – February
- Merit matrix = 1/2 Broadband merit

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Preparing for March 16 - Benefits

- Benefits

- Projected annual national trends:
 - Medical 8%
 - Prescription drug 11%
 - Specialty drug 19%
- Health insurance* cost increase projection for FY17:
 - 7% (down from 9%)

*includes medical, prescription, OurHealth, dental, short-term disability, basic life, accidental death & dismemberment, stop-loss, and administrative fees

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Preparing for March 16 - Benefits

- We are currently evaluating medical plan design options for FY17:

- Add Health Reimbursement Account Plan option (high-deductible plan)
- Premium Increases / Cost sharing ratios / Wellness incentive
- Current Plan design changes
 - Deductibles, copays, pharmacy tiers & copays, and out-of-pocket maximums

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January Clinic Utilization

Insured Status	Number Eligible	Individuals with at least one visit	Percent of Total Eligible
Employee/Pre-65 Retiree	6,370	682	10.70%
Spouse	2,820	183	6.50%
Dependent	4,486	35	0.80%
Total	13,676	900	6.60%

- Utilization above expectations for first month
- Expect increased utilization due to:
 - Clinic Presentations at all CMPD roll calls
 - Newly opened clinic – Tower Place
 - Health Screenings due by April 30
 - Targeted promotions to Pre-65 retirees

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MyClinic Update

- Four clinics are open with the fifth opening on March 9
- Clinic visits by location as of January 31, 2016:
 - Northlake (39%)
 - 4th & McDowell (38%)
 - Wilkinson (23%)
 - Tower Place – opened early February



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Next Steps

- Present at City Council Workshop: March 16
 - Pay & Benefits Presentation
- City Manager's Recommended Budget: May 2
 - Pay & Benefits Recommendation