Davis County

2024 Compensation Plan

Administrative Overview Presentation

October 2023

Summary

Market Update

Historically low unemployment continues, inflation continues, recession on the horizon?

DOL / Federal Change Proposed

Announced new overtime rule; Exempt minimum pay at $55,068 ($1,058/week)

Mid-Year Market Wage Adjustments ‘23

Provided 3% market adjustment mid-year (July) for positions below 95% of market + reclassifications

Provided 6.2% market adjustment mid-year for Attorneys; based on market & AG increases

Provided 12.1% market adjustment mid-year for Legal Investigators; based on market

Provided $2000 new-hire incentives for hard-to-fill positions in SO (Dispatch & JOS); Now substantially filled positions and discontinued the incentive payments

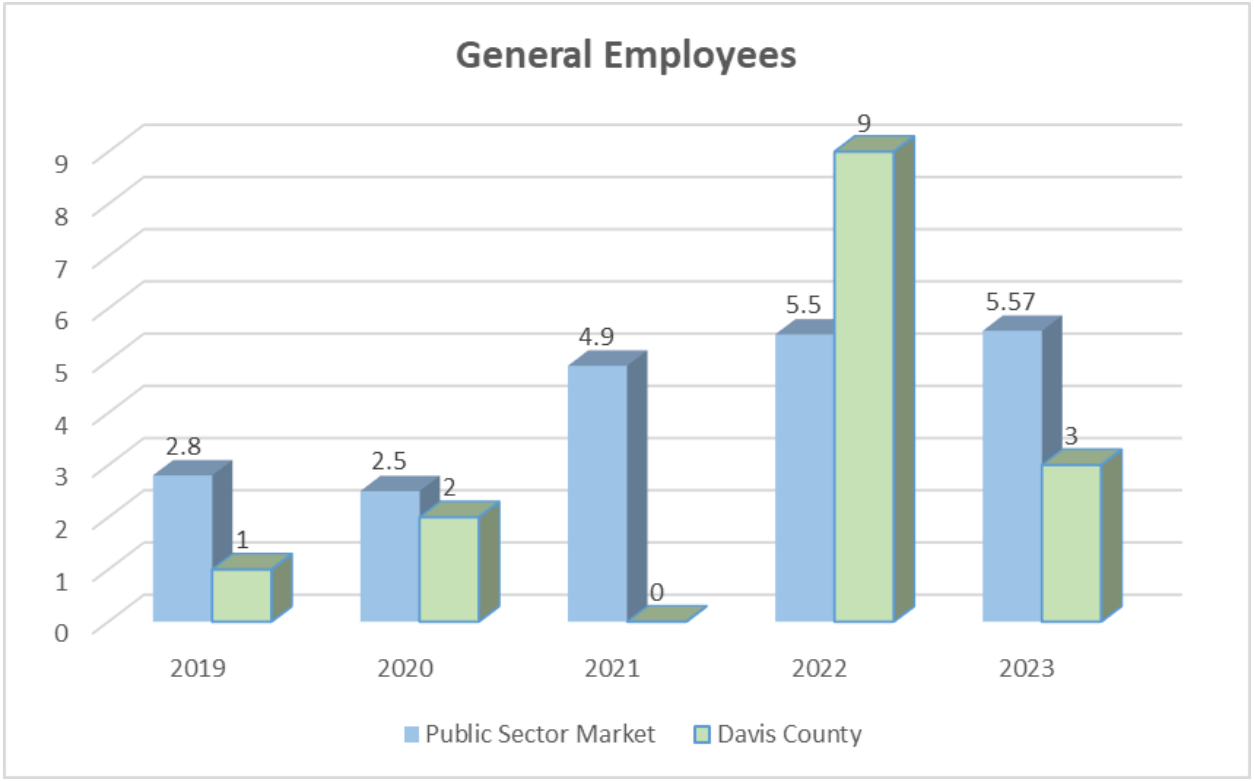
Implemented new Applicant Tracking System (Applicant Pro); *big success*!

Improved efficiencies; 2023 YTD posted 126 jobs with 3,928 applications and 199 hires

COLA/Market Adjustment

- Combined increases for the last 5 years*
  - Wasatch front public sector = 21.32%
  - Davis County = 15%
- Average annual increase for the last 5 years*
  - Wasatch front public sector = 4.3%
  - Davis County = 3%

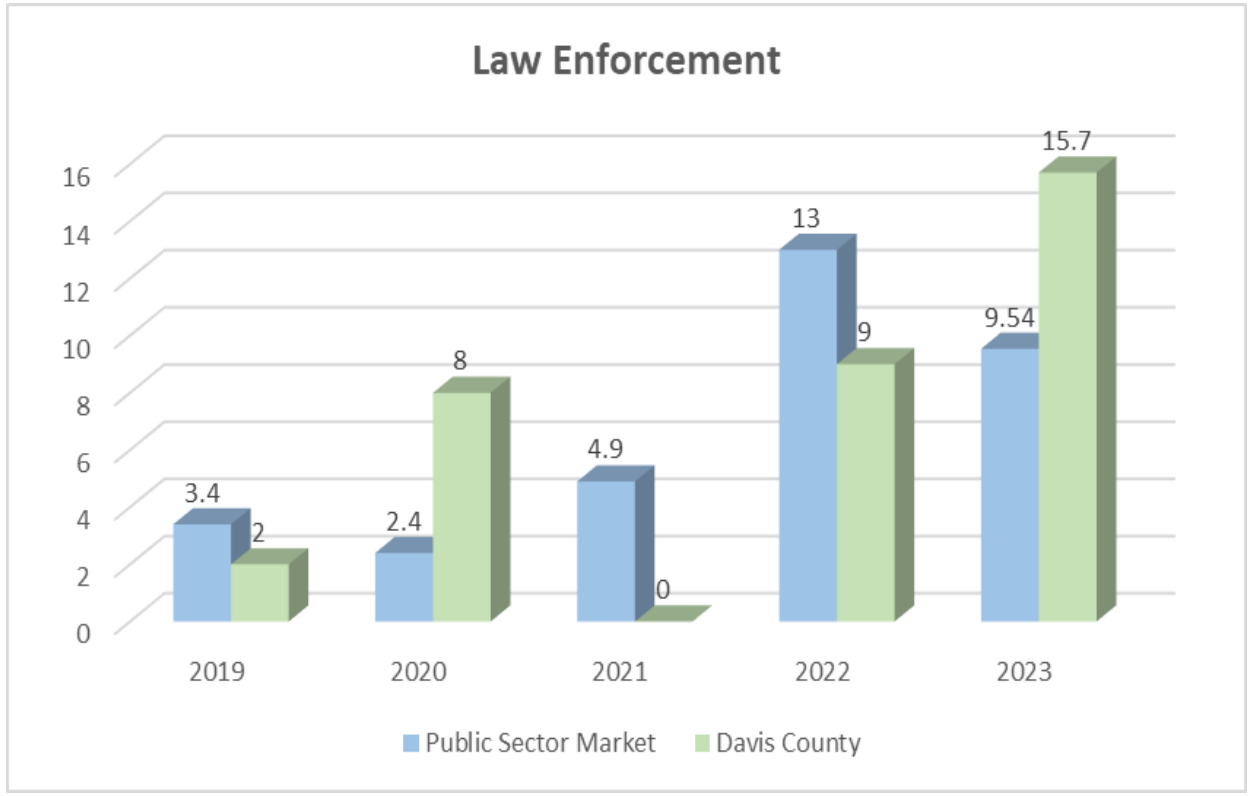
*COLA/Market adjustments only; no merit increases or benchmark adjustments included



COLA/Market/Benchmark Adjustment for Law Enforcement

- Combined increases for the last 5 years*
  - Market Averages = 33.24%
  - Davis County = 34.7%
- Average annual increase for the last 5 years*
  - Wasatch front public sector = 6.65%
  - Davis County = 6.94%

*COLA/Market adjustments only; no merit increases or benchmark adjustments included



Cost of Living Rate Increases

- **Social Security**
  Estimate **3.2%** COLA
  (https://www.wsj.com/articles/social-security-payment-increase-cola-2024-retirement-a3fce38e)
- **Consumer Price Index**
  3.7% previous 12 months as of August (bls.gov; U.S. Bureau of Labor Statistics
  https://www.bls.gov/news.release/pdf/cpi.pdf)
- **Personal Consumption Expenditures Price Index (PCEPI)**
  4.2% (https://www.bea.gov/data/personal-consumption-expenditures-price-index-excluding-food-and-energy)
- **Inflation**
  annual average **3.7%**
  (https://www.nbcnews.com/business/economy/inflation-august-2023)
- **Unemployment**
  2.5% in Utah (3.8% U.S.)
  AVERAGE = 3.7% (SS, CPI, PCEPI, Inflation)

August 2023

Unemployment Rates

State of Utah:	2.5%
United States:	3.8%

Personal Consumption Expenditures Price Index, Excluding Food and Energy

Change From Month One Year Ago	
July 2023	4.2 %
June 2023	4.1 %
May 2023	4.5 %
April 2023	4.6 %

The PCE Price Index Excluding Food and Energy, also known as the core PCE price index, is released as part of the monthly Personal Income and Outlays report. The core index makes it easier to see the underlying inflation trend by excluding two categories – food and energy – where prices tend to swing up and down more dramatically and more often than other prices. The core PCE price index is closely watched by the Federal Reserve as it conducts monetary policy.

Quarterly and annual data are included in the GDP release.



Cost of Base Pay Increase

	General Employees	Sworn Employees	Total
1%	$850,000	$250,000	$1,100,000
2%	$1,700,000	$500,000	$2,200,000
3%	$2,550,000	$750,000	$3,300,000
4%	$3,400,000	$1,000,000	$4,400,000

At projected rates for current employees and vacancies for 2024

(includes new requests, base pay, taxes, workers' compensation)

2024 Budget Projection

- Base pay
  - Includes prorated by eligibility month 3% performance evaluation and 3% career ladder increases for current employees
  - Vacancies at mid-range of the grade
- Benefits
  - Medical insurance: 5.2% increase
  - Dental rates: no change
  - Workers' Compensation insurance: rates decreased (3 codes%)
  - URS rates: changes occur in July
  - Fulltime vacancies estimated at the most expensive plan (Traditional, family)
- Other budget line items
  - Overtime, FTO, OIC, OnCall, shift differentials, K-9, AO
  - Current retirees and upcoming retirements (MediCare rates will be updated)
- New requests
  - New positions, new jobs
  - Conversions, reclassifications, funding changes
- "New Position Requests +" (NPR+) Reports Created
  - Change title, replace "Pink & Green"

Actual numbers may vary based on late performance evaluations, other retro pay adjustments, and current personnel turnover

2024 Compensation Structure

- Ongoing compensation strategy to match range midpoint to 95% of market average
  - During recent study, NFP suggested considering potentially moving to “at market” strategy.
- Increase ‘24 ranges by same % as COLA/Market increase given
  - Helps to maintain ranges within comp strategy
- Completed Compensation & Benefits study in ‘23
  - Continue to use results for comp & benefits considerations
  - HR/Comp will go back to doing internal process next year
- URS changes coming in July ’24
  - Tier I
    - Public Employee, employer rate: 17.97% to 16.97% (1% decrease)
    - Public Safety, employer rate: 34.04% to 33.54% (.5% decrease)
  - Tier II
    - Public Employee system employer rate: 16.19% to 15.19% (1% decrease)
    - Hybrid plan, employees to pay additional .7%
    - Public Safety system employer rate: 25.83% to 25.33% (.5% decrease, includes total 2.59% pickup)
    - Hybrid plan, employees to pay additional 2.14% (or increase pick-up)
  - Pickup: Not allowed for Public Employee (.7%); Public Safety is allowed (2.14%); already doing 2.59%
    - Employer Rate Decrease all plans = $266,000 (over 6 months); pick up for sworn Tier II, cost additional $69,000 (6 mos)
- Working on separate pay range structure for Sheriffs/Sworn positions; Cost increase not included in Sheriff’s ‘24 budget request yet; anticipate proposal/rollout 2024?

Proposals

* Merit Increase

  Continue current/steady practice of providing Merit increases based on performance evaluation, with associated increase % rates (averaging 2.75%)

* COLA / Market Increase Options (depends? consideration for URS changes and PEHP premium increases)

  1% COLA + 2.75% avg merit = 3.75% total (on average)

  2% COLA + 2.75% avg merit = 4.75% total (on average)

  3% COLA + 2.75% avg merit = 5.75% total (on average)

  4% COLA + 2.75% avg merit = 6.75% total (on average)

* DCSO Sworn Pay Structure

  Anticipate additional cost; not in budget yet