



WELCOME TO THE
FY2025 BUDGET MEETING

APRIL 30, 2024



WAGES + BENEFITS =
COMPENSATION

APRIL 30, 2024



WAGE (GRADES & MARKETS)

The two focuses of the annual (which is becoming ongoing) wage study is to make sure Springville's (1) pay grades and (2) wages are both within an acceptable tolerance of other municipalities and the market.

FY25 research necessitated the following change:

- Grade depth increase (for results see Exhibit A in the FY25 Budget document)
 - This requires the study of four (4) different pay plans (3 moving forward) used by Springville City:
 - Traditional (2080 annual pay schedule) used by 23% of the full-time employees - the original benefit and pay plan for the City (less wage, additional benefit).
 - Vanguard (2080 annual pay schedule) used by remaining full-time, part-time and seasonal employees. All new employees since 2011 are Vanguard. Several employees converted from Traditional to Vanguard at time of Vanguard intro. Each enrollment period Traditional can switch to Vanguard (more wage, less benefit).
 - Traditional Full-time Fire Fighters (2912 annual pay schedule) as of mid-year FY24, no longer used by the Fire Department (no Traditional 2912 employees).
 - Vanguard Full-time Fire Fighters (2912 annual pay schedule) as of mid-year FY24, all Full-time Fire Fighters are now Vanguard 2912.
- Wages in/out of tolerance (always a moving target)
 - Due to the increasing competitive nature within the municipality employee market, continual review of wages is monitored by HR and directors (and employees):
 - Challenge to stay within an acceptable tolerance of market wage (current margin of acceptance by policy is between 5% below to 2% above actual average wage reported from Utah County, and/or State wide similar sized municipalities through TechNet software).
 - Studies are conducted using TechNet software which 70+% of the State uses to report wages for transparency and comparative analysis.



Job # 305 - BUILDING INSPECTOR II									
			Grade Pay Range			Actual Wage			
Entity	Preferred Title	Hr/Yr	Min	Mid	Max	Low	High	Avg	Updated
DRAPER	Building Inspector II	2080	\$52,790	\$68,546	\$84,302	\$69,389	\$69,389	\$69,389	8/22/2023
EAGLE MOUNTAIN	Building Inspector II	2080	\$52,282	\$65,353	\$78,424	\$66,064	\$70,715	\$68,390	3/18/2024
PROVO	C BUILDING INSPECTOR II	2080	\$57,519	\$68,405	\$79,291	\$66,706	\$68,373	\$67,539	10/2/2023
TOOELE	BUILDING INSPECTOR II	2080	\$54,413	\$65,322	\$76,232	\$65,499	\$65,499	\$65,499	8/15/2023
PLEASANT GROVE	BUILDING INSPECTOR II	2080	\$53,517	\$64,220	\$74,923	\$62,198	\$62,198	\$62,198	8/3/2023
CLEARFIELD	Building Inspector	2080	\$45,760	\$57,200	\$68,640	\$52,624	\$59,488	\$56,056	1/29/2024
SARATOGA SPRINGS	BUILDING INSPECTOR II	2080	\$55,401	\$67,866	\$80,332	\$55,411	\$55,910	\$55,609	9/25/2023
OREM	BUILDING INSPECTOR	2080	\$60,398	\$63,198	\$65,999	\$0	\$0	\$0	8/7/2023
SPANISH FORK	Building Inspector I	2080	\$53,652	\$67,065	\$80,478	\$65,724	\$65,724	\$0	11/15/2023
AMERICAN FORK	Building Inspector II	2080	\$52,999	\$66,249	\$79,499	\$0	\$0	\$0	8/10/2023
	Average		\$53,873	\$65,343	\$76,812	\$62,952	\$64,662	\$63,526	
SPRINGVILLE	BUILDING INSPECTOR II	2080	\$56,474	\$70,766	\$85,058	\$62,504	\$62,504	\$62,504	12/27/2023
	Difference		\$2,601	\$5,423	\$8,246	(\$448)	(\$2,158)	(\$1,022)	
	Difference %		4.60%	7.70%	9.70%	-0.70%	-3.50%	-1.60%	
	# of Respondents		10	10	10	8	8	7	



PENSION - UTAH RETIREMENT SYSTEMS (URS)

The pension provides a retirement based off years of service and salary earned

FY25 changes to both city and employee contributions (this will be the first year where many employees will participate through payroll deductions)

- Tier I general employee decreased 1% for FY25 (e.g. 16.97% v. 12% value)
- Tier I public safety decreased .5% for FY25 (e.g. 33.54% v. 23% value)
- Tier I firefighter decreased 2% for FY25 (e.g. 16.66% v. 26.73% w/10.07% insurance premium offset)
- Tier II general employee decreased 1% for FY25 (e.g. 16.95% v. 10% value)
- Tier II public safety decreased .45% for FY25 (e.g. 25.35% vs. 14% value)
- Tier II firefighter for FY25 (14.08% v. 14% value)
- Tier II Hybrid general employee pension decreased by 1%, but employee contribution increased by .7% for FY25 (e.g. 15.19% city plus .7% employee = 15.89% v. 10% value)
- Tier II Hybrid public safety decreased .5%, but employee contribution increased by 2.14% for FY25 (e.g. 30.08% v. 14% value)
- Tier II Hybrid firefighter employee contribution increased by 2.14% for FY25 (e.g. 18.81% v. 14% value)



PENSION - UTAH RETIREMENT SYSTEMS (URS)

Utah Retirement Systems Final Condensed Retirement Contribution Rates as a Percentage of Salary and Wages Fiscal Year July 1, 2024 - June 30, 2025

	Tier 1 DB System			Tier 1 Post Retired		Tier 2 - DB Hybrid System					Tier 2 - DC Plan					
	Contribution Reporting Fields			Post Retired Employment after 6/30/2010 - NO 401(k) Amortization of UAAL**	Post Retired Employment before 7/1/2010 Optional 401(k) Cap	Contribution Reporting Fields				Contribution Reporting Fields						
	Tier 1 2024-2025 RATES					Tier 2 2024-2025 RATES				Tier 2 2024-2025 RATES						
	Employee	Employer	TOTAL			Tier 2 Fund	Employee	Employer	401(k)	TOTAL	Tier 2 Fund	Employee	Employer	401(k)	TOTAL	
Public Employees Contributory Retirement System																
11- Local Government	6.00	12.96	18.96		6.87	12.09	111	0.70	16.95	0.00	17.65	211	0.00	6.95	10.00	16.95
12- State and School ¹	6.00	17.20	23.20		11.75	11.45										
17- Higher Education	6.00	17.70	23.70		12.25	11.45										
Public Employees Noncontributory Retirement System																
15- Local Government	-	16.97	16.97		5.11	11.86	111	0.70	15.19	0.00	15.89	211	0.00	5.19	10.00	15.19
16- State and School ¹	-	21.69	21.69 *		9.44	12.25	112	0.70	19.52	0.00	20.22	212	0.00	9.52	10.00	19.52
18- Higher Education	-	22.19	22.19 *		9.94	12.25	117	0.70	20.02	0.00	20.72	217	0.00	10.02	10.00	20.02
Public Safety Contributory Retirement System																
Division A																
23- Other Division A With 2.5% COLA	12.29	22.29	34.58		11.27	23.31	122	4.73	25.35	0.00	30.08	222	0.00	11.35	14.00	25.35
Public Safety Noncontributory Retirement System																
Division A																
42- State With 4% COLA	-	40.85	40.85		17.96	22.89	122	4.73	32.04	0.00	36.77	222	0.00	18.04	14.00	32.04
43- Other Division A With 2.5% COLA	-	33.54	33.54		11.25	22.29	122	4.73	25.33	0.00	30.06	222	0.00	11.33	14.00	25.33
75- Other Division A With 4% COLA	-	35.21	35.21		12.41	22.80	122	4.73	26.49	0.00	31.22	222	0.00	12.49	14.00	26.49
48- Bountiful With 2.5% COLA	-	50.38	50.38		26.89	23.49	122	4.73	40.97	0.00	45.70	222	0.00	26.97	14.00	40.97
Division B																
44- Salt Lake City With 2.5% COLA	-	46.71	46.71		24.20	22.51	122	4.73	38.28	0.00	43.01	222	0.00	24.28	14.00	38.28
45- Ogden With 2.5% COLA	-	48.72	48.72		26.30	22.42	122	4.73	40.38	0.00	45.11	222	0.00	26.38	14.00	40.38
46- Provo With 2.5% COLA	-	42.23	42.23		19.61	22.62	122	4.73	33.69	0.00	38.42	222	0.00	19.69	14.00	33.69
47- Logan With 2.5% COLA	-	41.47	41.47		18.87	22.60	122	4.73	32.95	0.00	37.68	222	0.00	18.95	14.00	32.95
49- Other Division B With 2.5% COLA	-	32.57	32.57		9.95	22.62	122	4.73	24.03	0.00	28.76	222	0.00	10.03	14.00	24.03
76- Other Division B With 4% COLA	-	36.97	36.97		13.94	23.03	122	4.73	28.02	0.00	32.75	222	0.00	14.02	14.00	28.02
Firefighters' Retirement System																
Division A																
31- Division A	15.05	1.61	16.66		-	16.66	132	4.73	14.08	0.00	18.81	232	0.00	0.08	14.00	14.08
Division B																
32- Division B	16.71	4.34	21.05		-	21.05	132	4.73	14.08	0.00	18.81	232	0.00	0.08	14.00	14.08
Judges' Retirement System																
37- Judges' Noncontributory	-	45.76	45.76													

* Does not include the required 1.5% 401(k) contribution.

** Unfunded Actuarial Accrued Liability

¹ Public School Districts and Charter School rates are effective September 1, 2024 - August 31, 2025



BENEFITS

In addition to the URS pension, full-time employees may participate in the following benefits:

- Health Insurance (three plans to choose from, one paid 100% by the city, two involve employee share)
- Dental Insurance (city pays 75%, employee pays 25%)
- Vision Insurance (employee pays 100%)
- Health Savings Account (H.S.A.) (city and employee shared contribution depending on health insurance choice)
- 401(k) retirement plans (includes an optional 457 plan - city 1% match for 2% annual)
- Life and AD&D (city pays standard coverage, \$50K, for all employees, employees may buy up at their choice)
- Short and Long Term Disability (city pays 100%)
- Employee Assistance Program (EAP) (city pays 100% of coverage)
- Supplemental Insurances (employee pays 100% of any supplemental coverages)
- Personal Time Off (PTO) (city pays for paid time off from work depending on years of service, is capped)
- Paid holidays (city pays for 10 standard and 2 floating holidays each year)
- Other Leave with Pay (bereavement and jury duty)
- Social Security and Medicare (FICA Taxes) (city pays 7.65% of the total 15.3% of employee earnings)
- Formal Educational Training (city will reimburse for successful completion of work-related approved education)



BENEFITS

In addition to the URS pension and benefits, employees may participate in the following wellness offerings:

- Full-time:
 - 12 rounds of golf at Hobble Creek Golf
 - 1 annual pass at Clyde Recreation Center (for employee, or may apply value of pass for family pass discount)
 - 1 library card
 - Choice of an overnight campsite at one of Springville's canyon parks (Jolley's Ranch or Rotary Park)
 - Choice of one pavilion rental at one of the Springville owned canyon parks (Jolley's Ranch, Rotary Park or Kelly's Grove) or city parks (Bartholomew Family Park, Big Hollow, Contractor Legacy, Heritage Park, Hobble Creek, Kelvin Grove or Spring Creek)
- Part-time:
 - 6 rounds of golf at Hobble Creek Golf
 - 50% discount for an annual pass at Clyde Recreation Center (for employee, or may apply value of pass for family pass discount)
 - 1 library card
 - Choice of an overnight campsite at one of the Springville owned canyon parks (Jolley's Ranch or Rotary Park)
 - Choice of one pavilion rental at one of the Springville owned canyon parks (Jolley's Ranch, Rotary Park or Kelly's Grove) or city parks (Bartholomew Family Park, Big Hollow, Contractor Legacy, Heritage Park, Hobble Creek, Kelvin Grove or Spring Creek)



WAGE + BENEFITS = TOTAL COMPENSATION

What TechNet shows:

Job # 305 - BUILDING INSPECTOR II												
			Grade Pay Range			Actual Wage			Benefit Value		TCV	
Entity	Preferred Title	Hr/Yr	Min	Mid	Max	Low	High	Avg	Ben\$	Ben%	TCV	Updated
DRAPER	Building Inspector II	2080	\$52,790	\$68,546	\$84,302	\$69,389	\$69,389	\$69,389	\$0	1.45%	\$70,395	8/22/2023
EAGLE MOUNTAIN	Building Inspector II	2080	\$52,282	\$65,353	\$78,424	\$66,064	\$70,715	\$68,390	\$0	1.45%	\$69,381	3/18/2024
PROVO	C BUILDING INSPECTOR II	2080	\$57,519	\$68,405	\$79,291	\$66,706	\$68,373	\$67,539	\$24,039	31.92%	\$113,137	10/2/2023
TOOELE	BUILDING INSPECTOR II	2080	\$54,413	\$65,322	\$76,232	\$65,499	\$65,499	\$65,499	\$15,028	29.42%	\$99,796	8/15/2023
PLEASANT GROVE	BUILDING INSPECTOR II	2080	\$53,517	\$64,220	\$74,923	\$62,198	\$62,198	\$62,198	\$11,768	32.81%	\$94,372	8/3/2023
CLEARFIELD	Building Inspector	2080	\$45,760	\$57,200	\$68,640	\$52,624	\$59,488	\$56,056	\$16,126	26.18%	\$86,857	1/29/2024
SARATOGA SPRINGS	BUILDING INSPECTOR II	2080	\$55,401	\$67,866	\$80,332	\$55,411	\$55,910	\$55,609	\$13,754	26.12%	\$83,888	9/25/2023
OREM	BUILDING INSPECTOR	2080	\$60,398	\$63,198	\$65,999	\$0	\$0	\$0	\$20,704	23.92%	\$0	8/7/2023
SPANISH FORK	Building Inspector I	2080	\$53,652	\$67,065	\$80,478	\$65,724	\$65,724	\$0	\$19,708	26.19%	\$0	11/15/2023
AMERICAN FORK	Building Inspector II	2080	\$52,999	\$66,249	\$79,499	\$0	\$0	\$0	\$15,657	32.31%	\$0	8/10/2023
	Average		\$53,873	\$65,343	\$76,812	\$62,952	\$64,662	\$63,526	\$17,098	23.18%	\$88,261	
SPRINGVILLE	BUILDING INSPECTOR II	2080	\$56,474	\$70,766	\$85,058	\$62,504	\$62,504	\$62,504	\$24,321	19.99%	\$99,320	12/27/2023
		Difference	\$2,601	\$5,423	\$8,246	(\$448)	(\$2,158)	(\$1,022)	\$7,223	-3.19%	\$11,059	
		Difference %	4.60%	7.70%	9.70%	-0.70%	-3.50%	-1.60%	29.70%	-15.94%	11.10%	
		# of Respondents	10	10	10	8	8	7	8	10	7	



WAGE + BENEFITS = TOTAL COMPENSATION

Employee's Cash Compensation		
Salary	\$ 66,144.00	
Total Cash Compensation:	\$66,144.00	
Employee's and Employer's Annualized Contributions		
	<i>Employee</i>	<i>Employer</i>
Medical	\$ -	\$ 7,966.80
Health Savings Account	\$ 3,000.00	\$ 600.00
Dental	\$ 157.44	\$ 472.08
Vision	\$ 90.12	\$ -
URS Pension (fund 211)	\$ -	\$10,343.52
URS 401K Pension (fund 211)	\$ -	\$ 116.31
Group Life	\$ -	\$ 70.80
Group Short-Term Disability	\$ -	\$ 132.24
Group Long-Term Disability	\$ -	\$ 317.52
Voluntary Life	\$ 1,068.60	\$ -
EAP COBRA Qualified	\$ -	\$ 45.84
Social Security	\$ 3,899.58	\$ 3,899.58
Medicare	\$ 912.00	\$ 912.00
Total Benefit Compensation:	\$ 9,127.74	\$24,876.69
Total Compensation: \$91,020.69		
38% Benefit Value		

Employee Cash Compensation		
Salary	\$ 70,241.60	
Total Cash Compensation:	\$ 70,241.60	
Employee's and Employer's Annualized Contributions		
	<i>Employee</i>	<i>Employer</i>
Medical	\$ -	\$22,306.56
Health Savings Account	\$ 3,000.00	\$ 600.00
Dental	\$ 325.68	\$ 977.52
Vision	\$ 90.12	\$ -
Hospital Indemnity	\$ 713.16	\$ -
URS Pension (fund 211)	\$ -	\$10,943.73
URS 401K Pension (fund 211)	\$ -	\$ 123.09
Group Life	\$ -	\$ 82.80
Group Short-Term Disability	\$ -	\$ 140.52
Group Long-Term Disability	\$ -	\$ 337.20
Voluntary Life	\$ 295.80	\$ -
EAP COBRA Qualified	\$ -	\$ 45.84
Social Security	\$ 4,143.20	\$ 4,143.20
Medicare	\$ 968.97	\$ 968.97
Total Benefit Compensation:	\$ 9,536.93	\$40,669.43
Total Compensation: \$110,911.03		
37% Benefit Value		



WAGES & BENEFITS SUMMARY

- The City will see 3.3 FTE increase in budget approved for growth (some additional part-time hours included, may be slightly higher after audit with Finance <1 FTE)
- Introduction of 0.7% employee charge for URS pension as well as benefit premium shares (co-pays) will be deducted per paycheck (most employees)
- Some benefits saw an increase in premium (medical), some a decrease (dental) while others no change in premium (vision)
- Pay grades increased in depth to accommodate market pay issues
- Merit increases are budgeted at 3% on average with an additional 0.75% for other pay adjustments (market driven corrections, and higher performing employees)
- Market wage studies continue, may require future mid-year changes to FY25 budget



TAKEAWAYS

- Market is calming, but still has signs of volatility
 - CPI-W over past 14 years has grown 42.63%. Today it takes \$715.00 to purchase the same as what it did in 2010 for \$500.00.

US CPI-W over past 14 years				
Year	CPI-W	Annual % Growth	\$ Value Increase	Running %
2010	209.63		\$ 500.00	0.00%
2011	213.97	2.07%	\$ 510.34	2.07%
2012	221.58	3.56%	\$ 528.49	5.70%
2013	226.23	2.10%	\$ 539.59	7.92%
2014	229.33	1.37%	\$ 546.99	9.40%
2015	232.77	1.50%	\$ 555.19	11.04%
2016	231.81	-0.41%	\$ 552.90	10.58%
2017	234.08	0.98%	\$ 558.31	11.66%
2018	239.05	2.13%	\$ 570.17	14.03%
2019	245.15	2.55%	\$ 584.71	16.94%
2020	249.22	1.66%	\$ 594.43	18.89%
2021	252.25	1.21%	\$ 601.65	20.33%
2022	265.51	5.26%	\$ 633.28	26.66%
2023	287.98	8.46%	\$ 686.89	37.38%
2024	298.99	3.82%	\$ 713.14	42.63%

Spingville wage increase over past 14 years		
Year	Average Annual % Increase	Running % Increase
2010		
2011	2.00%	2.00%
2012	5.20%	7.20%
2013	4.10%	11.30%
2014	2.79%	14.09%
2015	7.16%	21.25%
2016	4.54%	25.80%
2017	5.34%	31.14%
2018	4.64%	35.78%
2019	3.84%	39.62%
2020	3.20%	42.82%
2021	9.85%	52.67%
2022	9.86%	62.54%
2023	3.28%	65.81%
2024	2.42%	68.23%

These charts are not an apples to apples comparison.



TAKEAWAYS

- Aggressive moves with compensation over past years have helped position Springville for FY22, FY23 and FY24 . . .
- However, other cities have been waking up and passing us on wages:
 - FY24 avg. 3.5% to 7+% COLA, FY25 2.5% to 5.5% avg. COLA (many cities tightening budgets in FY25).
 - Some cities offer small merit on top of COLA (additional .5% to 4%).
 - Unemployment continues to be low which places a demand on wages. Tides are turning slowly, which may bring relief to the wage war between cities.
 - WARNING: Because of the demand for employees, wages are moving throughout the year to keep up with market and hiring demands.



QUESTIONS?

- Key Policy Points - from FY25 Guidance and Direction from Council -
 - Payroll targets 2% ahead of market - HR will dig further into this. Please note, it will have a large impact on payroll budget lines.
 - Public Safety (police) turnover - from January 2023 until April 2024 we have hired 10 new officers, and have had 10 officers terminate employment. The total police officer staff is 45. The turnover rate is 22.2% (only for police officers - does not include dispatch, fire or staff).



ADMINISTRATION BUDGET(S)

APRIL 30, 2024



BUDGET HIGHLIGHTS

- Administration:
 - Approval of one part-time HR Generalist to full-time HR Analyst (increase in payroll)
 - Monies placed in reserve for biannual elections and citizen surveys (Professional and Technical Services, and Elections)
 - Reduction in Computer Operations as initial purchase of Docuware was done under FY24 budget
 - Increase in PR Campaign fund to help with social media and podcasts
- Legislative:
 - Increase in League of Cities and Towns for assistance with legislative sessions at the State level
 - Increase in Appropriated Contingency for assistance in market swings with unforeseen expenses
- Municipal Court:
 - Increase in Equipment Expense for updated court specific software
 - Small increases in Office Expenses (inflationary increase), Professional Services (bailiff fees) and Mileage and Travel (conferences)



QUESTIONS?