

City of Sequim 2017 Budget

Personnel Summary

Providing quality, cost effective services and facilities to build an exceptional community and a great place to live.

Achieving the Highest Level of Employee and Customer Satisfaction by:

Living Our Organizational Values

Encouraging Creative Problem Solving

Demonstrating Effective Leadership at all Levels

Adapting to Changing Community Needs and Environment

Being Proactive and Highly Productive

City Of Sequim 2017 Budget

Personnel Summary

Susanne Connelly, Human Resource Director

Living Our Organizational Values

FTE Summary:

The planned full time employee (FTE) headcount for 2017 is 76.78, increased by 1.24 FTE over 2016. Aside from staff reallocations from one department to the other, this count includes several staffing adjustments as follows:

- The HR department FTE count is reducing from 1.50 to 1.02. Four primary functions are being moved from the HR Director job description to other positions.
- The Department of Community Development has requested a new position titled DCD Specialist, a 1.0 union FTE.
- The Public Works Department has requested a new position titled Engineering Project Manager, a .64 FTE, non-union, one year temporary position.
- The Chief of Police position increased from .92 FTE to 1.0 FTE.
- There are some additional staffing adjustments where duties were shifted across departments to improve efficiencies without increasing head count.

In 2017 employee salary costs are estimated at \$5.4ml and benefits at \$2.4ml. This represents a 1.4% increase in wages and a 3.6% increase in benefit costs. Human resources will continue to work with departments to analyze and reduce benefit program costs and options, unemployment costs and workers compensation program fees.

Salary and Wages

Non-uniformed Bargaining Unit

This unit currently represents 35 employees. Total compensation for this group, including one new FTE DCD Specialist, is budgeted to be \$3.2ml for 2017. The bargaining unit contract for this group of employees was negotiated in 2014 and is effective January 1, 2015 through December 31, 2018. For 2017, this contract includes a 0.75 of a percent wage increase effective January 1 and a 1.0 percent effective July 1.

Police Sergeants Bargaining Unit

Four employees are represented by this unit. In 2017, total compensation for this group is budgeted at \$528k. The bargaining unit contract for this group expires December 31, 2018. For 2017, this contract includes a 2.0% wage increase effective January 1, 2017 plus an additional wage step in the salary schedule added during labor negotiations concluded in May 2016. Previously the Sergeants wage schedule had three wage steps, now it has four wage steps (12 months apart).

Police Officer Bargaining Unit

Thirteen employees are represented by this unit. Total compensation in 2017 for the group is budgeted at \$1.4ml. The bargaining unit contract for this group also expires December 31, 2018. For 2017, this contract includes a 1.0% wage increase effective January 1, 2017.

Non-represented staff

The full-time employee equivalent count for this non-union group of employees is 21.52. Total compensation in 2017 is budgeted at \$2.4ml. Their last pay increase was January 1, 2016, with the majority receiving 1.5%.

City Of Sequim 2017 Budget

The City's "Management Compensation Policy Objectives" written November 2010 establishes a wage market survey be conducted every two to three years. The wage market survey for this group was last conducted three years ago, and the cost of a compensation consultant to conduct it this year was a minimum of \$15k. Therefore, Human Resources staff completed a thorough wage survey of all non-union positions in August 2016, plus a compensation analysis for new positions requested by departments in the budget process. This group's salary range chart has not been updated since January 2014 and we anticipate there will be some market adjustments to wage ranges, effective January 2017. Note that a market update to the salary schedule does not necessarily mean a wage increase for employees, because an actual wage increase is based on achieving performance measures. However, in the next few years we anticipate several retirements and for succession planning needs it is vital to have competitive market wages. Since the non-union "Management Compensation Policy Objectives" policy was written six years ago, the City Manager and Human Resources are re-evaluating the compensation philosophy and objectives to best meet the City's needs in 2017.

Other wages, salaries, benefits

This category includes wages for Public Works seasonal/temporary positions and Police Reserve officers, representing a total of 3.26 FTE. Total compensation is budgeted at \$174k in 2017.

Benefits

Health Benefits

We provide two health benefit (medical, dental, vision, life insurance) programs for our employees; one through Washington Welfare Teamsters Trust and one through the Association of Washington Cities. Health insurance comprises the largest component of these costs. We estimate the average budgeted health benefit increase for 2017 to be 4.0% to 6.0%.

- Teamsters: We have a FTE count of 52 union employees in the Non-commissioned, Police Patrol and Police Sergeant bargaining units. The union employees are covered by Washington Welfare Teamsters Trust insurance, with the City paying 87.5% of this cost for the police units and 85% for the Non-commissioned unit. The Welfare Trust charges one monthly health insurance rate, regardless of whether the employee is single or has a full family. The Welfare Trust does not provide rate increase estimates; they publish rate increase information in late November.
- AWC: We have 22 non-union employees eligible for insurance benefits covered by the Association of Washington Cities Trust. AWC has projected a 4-6% rate increase for medical, 0% for dental and 0% for vision in 2017. The City will pay 87.5% of this cost in 2017, a decrease from 90% in prior years. Staffing changes for 2017 include two part-time non-union positions – Human Resources Director and Public Works Project Manager/Temporary. City policy is to pro-rate the cost of health insurance for non-union staff regularly working over 20 hours per week to their FTE percent; this is commonly done in other cities to save the City in benefits expenses.

We continue to monitor PPACA (Patient Protection and Affordable Care Act) provisions and its potential impacts on the City. For the non-union employee group, the AWC benefits health plan they have been covered by for many years will expire on December 31, 2017. Human Resources reconvened the non-union employee benefits committee earlier this year to analyze medical plan types, costs and options going forward. The committee unanimously recommended to the City Manager that this group stay with this same health plan in 2017, and move to a lower coverage plan in 2018 when the current plan expires.

As an additional way to possibly save the City money, this committee also analyzed "voluntary opt-out of health insurance" for the non-union group. The union Teamster health insurance does not allow this; however, AWC health insurance plan rules allow up to 5 of the 22 non-union employees to voluntarily end their participation in the City-paid health insurance if they have alternate insurance available through another qualified employer-sponsored health insurance. Other cities offer this option by providing a monetary

City Of Sequim 2017 Budget

incentive to the employee opting-out to cover the costs of signing up with the other qualified employer sponsored health plan. Human Resources provided all non-union staff with information about this and we anticipate one to three employees taking advantage of it effective January 1, 2017.

Holidays

The number of approved annual City holidays is 11 with one additional floating holiday.

Retirement Benefits

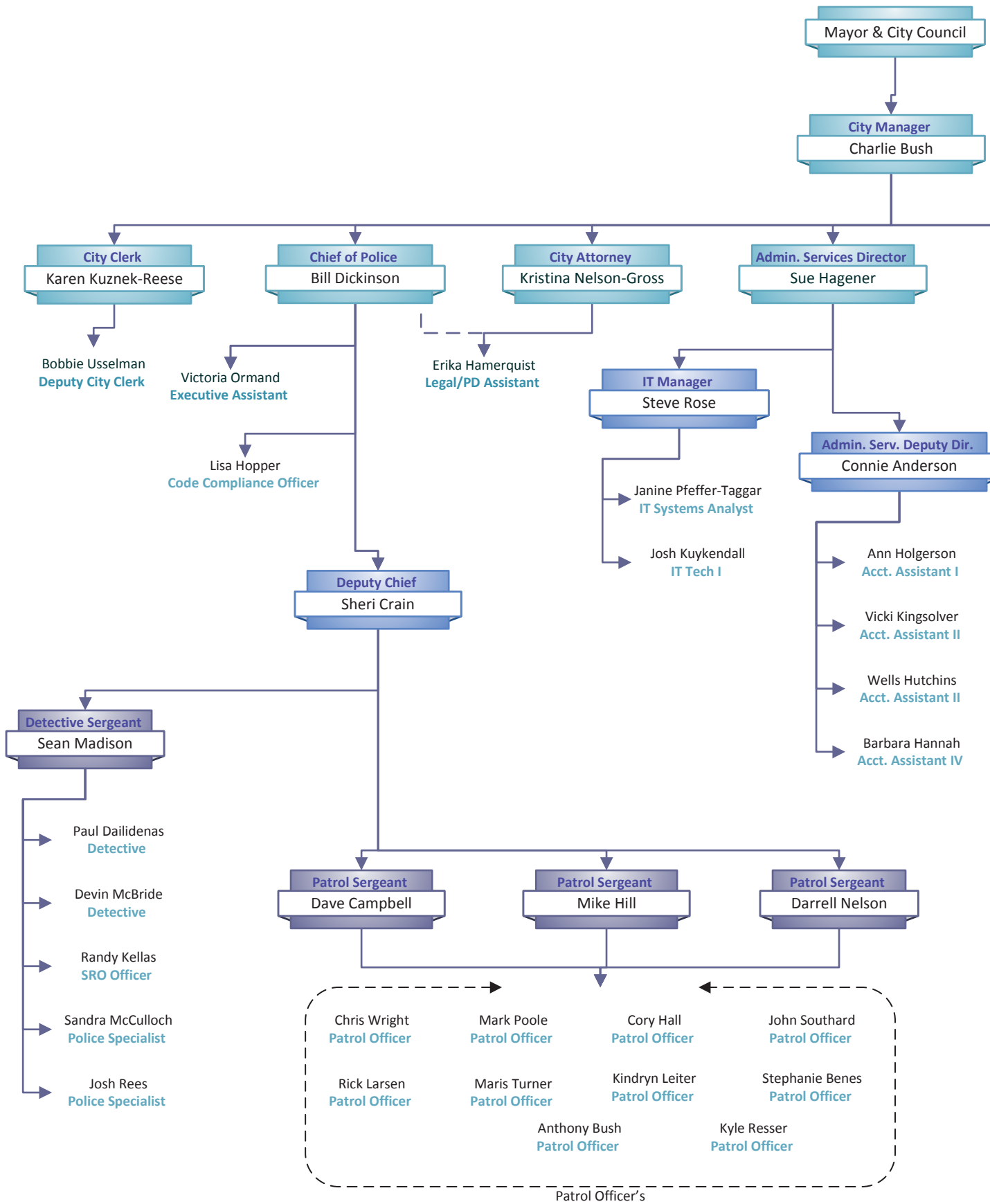
All regular city positions participate in a defined benefit plan required by the State of Washington that includes an employer and employee contribution. Our uniformed Police employees participate in the LEOFF plan and all other regular employees are covered by the PERS plan. The State legislature sets the contribution rates for both the employer and the employee, which are subject to change based on plan provisions, economic assumptions and the actuarial experience of the system. PERS rates are scheduled to increase to 12.52% (from 11.18%) on July 1, 2017. Both LEOFF and PERS contributions will also increase based upon planned increases in salaries/wages.

Payroll taxes

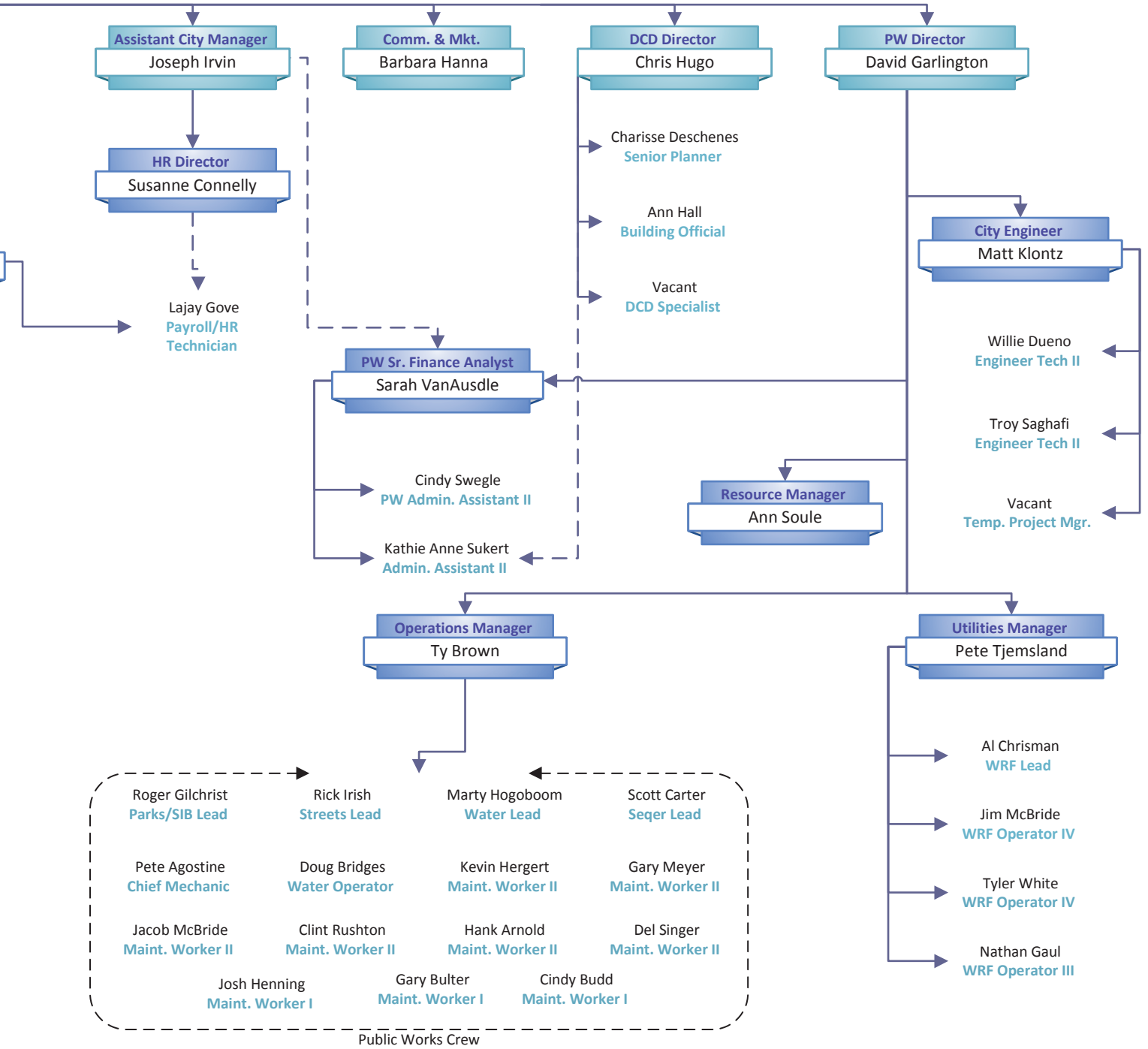
Labor & Industries (L&I) rates reflect the City's history of safety injuries and claims. Over the last several years L&I rates have continued to increase state-wide. The City has an all-city safety committee meeting monthly to "increase safety awareness and reduce safety incidents" by recommending improvements and training to department heads. L&I rates are based on a cities rolling 3 year experience rating as well as the overall cost for Labor & Industries to manage the worker's compensation program. At this time we estimate a 10% increase for 2017 for L&I rates. L&I will publish final rate notices confirming this information in December.

For employers, social security tax continues to be 6.2% and Medicare tax 1.45%.





City of Sequim Organizational Chart Budget 2017



**City of Sequim
2017 Budget**

Historical Staffing Summary

	Actual 2013	Actual 2014	Actual 2015	Forecast 2016	Budget 2016	Budget 2017	2017 - 2016 %
<i>Budgeted Staff (FTE, not including Council)</i>	73.24	76.29	76.29	76.29	75.54	76.78	1.6%
OFM Census	6,855	6,910	6,915	7,075	7,075	7245	2.4%
<i>Employees per 1000 OFM Population</i>	10.7	11.0	11.0	10.8	10.7	10.6	-0.7%
					<i>staff estimate 2.4% inc.*</i>		
Salaries	\$ 4,813,463	\$ 5,100,693	\$ 5,090,953	\$ 5,293,742	\$ 5,303,323	\$ 5,378,056	1.4%
Benefits	\$ 1,847,292	\$ 1,957,763	\$ 2,020,530	\$ 2,253,421	\$ 2,323,735	\$ 2,406,507	3.6%
Total Comp	\$ 6,660,755	\$ 7,058,456	\$ 7,111,483	\$ 7,547,163	\$ 7,627,058	\$ 7,784,563	2.1%
<i>Year over Year % Increase</i>		6.0%	0.8%	6.1%	7.2%	2.1%	
Benefits as % Salaries	38%	38%	40%	43%	44%	45%	2.1%
Benefits as % Total Comp	28%	28%	28%	30%	30%	31%	1.5%
<i>City Wide Operating Funds</i>	\$13,728,547	\$13,478,361	\$13,730,963	\$15,038,215	\$15,893,962	\$15,992,331	
Total Comp as % Op Budget	48.5%	52.4%	51.8%	50.2%	48.0%	48.7%	1.4%

Salary and Benefits by Employee Group

	Council	Non- Represented	Non- Uniformed	Sergeants	Uniformed	Reserves, Seasonal & Temporary	Total
Regular Salary	22,680	1,647,935	2,018,249	333,849	888,599	130,207	5,041,519
Overtime - Hourly	-	4,495	67,568	45,707	148,299	-	266,069
On Call Pay	-	-	56,628	13,834		-	70,462
Total Salary	\$ 22,680	\$ 1,652,430	\$ 2,142,445	\$ 393,390	\$ 1,036,898	\$ 130,207	\$ 5,378,050
Health Insurance	-	372,263	609,418	69,603	226,209	13,238	1,290,731
Retirement	-	182,747	247,434	21,752	59,549	14,874	526,355
Payroll Taxes	1,735	125,832	159,736	29,266	79,038	9,961	405,568
Other Benefits	-	20,000		2,640	1,620	-	25,460
Workers Comp	124	11,951	57,469	11,065	32,951	5,707	119,268
Total Benefits	\$ 1,859	\$ 712,794	\$ 1,074,057	\$ 134,326	\$ 399,367	\$ 43,780	\$ 2,367,382
Total Salary & Benefits	\$ 24,539	\$ 2,365,224	\$ 3,216,502	\$ 527,716	\$ 1,436,265	\$ 173,987	\$ 7,745,433
<i>Budgeted Staff (FTE, not including Council)</i>		21.52	35.00	4.00	13.00	3.26	76.78
Salary per FTE		76,786	61,213	98,348	79,761	39,941	70,045
Benefits per FTE		33,122	30,687	33,582	30,721	13,429	30,833
Total per FTE		\$ 109,908	\$ 91,900	\$ 131,929	\$ 110,482	\$ 53,370	\$ 100,878

LEOFF I Retired Medical Benefits \$ 12,125

Unemployment Reserve \$ 27,000

Total Benefits including Retired Medical Benefits \$ 2,406,507

**CITY OF SEQUIM
2017
Salary & Wage Schedule**

Division Dept	Union Range	Compensation Schedule by Job Title	FTE	FTE	Salary & Wage Range		
			budgeted	actual	Minimum	< ---- >	Maximum
		Council	7	7	1,800	< ---- >	4,920
		Non-Represented Exempt / Non-Exempt					
ADM		City Manager	1	1	120,000	< ---- >	136,500
ADM		Admin Services Director/Treasurer	1	1	87,906	< ---- >	112,700
PW		Public Works Director	1	1	87,906	< ---- >	112,700
POL		Chief of Police	1	1	87,906	< ---- >	112,700
ADM		City Attorney	1	1	87,906	< ---- >	112,700
DCD		Community Development Director	-	1	87,906	< ---- >	112,700
ADM		Asstistant City Manager	1	1	87,906	< ---- >	112,700
PW		City Engineer	1	1	76,908	< ---- >	98,600
POL		Deputy Chief	1	1	76,908	< ---- >	98,600
ADM		HR Director	0.52	0.52	76,908	< ---- >	98,600
ADM		Deputy Admin Services Director	1	1	76,908	< ---- >	98,600
DCD		DCD Manager	1	-	76,908	< ---- >	98,600
ADM		City Clerk	1	1	69,342	< ---- >	88,900
ADM		Comm. & Marketing Director	1	1	69,342	< ---- >	88,900
ADM		IT Manager	1	1	69,342	< ---- >	88,900
PW		Operations Manager	1	1	62,010	< ---- >	79,500
PW		Utilities Operations Manager	1	1	62,010	< ---- >	79,500
PW		PW Senior Finance Analyst	1	1	62,010	< ---- >	79,500
PW		Resources Manager	1	1	62,010	< ---- >	79,500
ADM		Deputy City Clerk	1	1	51,408	< ---- >	64,260
ADM		Payroll Administrator/HR Asstistant	1	1	51,408	< ---- >	64,260
POL		Executive Admin Assistant	1	1	47,560	< ---- >	59,450
ADM		Legal/Police Dept Assistant	1	1	47,560	< ---- >	59,450
		Reserves, Seasonal & Temporary					
PW		Temp. Engineering Project Manager	0.64	0.64	62,010	< ---- >	79,500
POL		Police Reserve	0.12	0.12			
PW		Seasonal Maint. Workers	2.5	2.5	\$14.50/hr	< ---- >	\$17.00/hr
		Union Represented					
		Non-Uniformed			Step A	Effective 1/1/2017	Step E
DCD	26	Senior Planner	1	1	60,882	..B..C..D..	72,634
DCD	26	Building Official	1	1	60,882	..B..C..D..	72,634
PW	21	WRF Lead	1	1	52,520	..B..C..D..	62,587
PW	20	Chief Mechanic	1	1	50,981	..B..C..D..	60,798
ADM	20	IT Systems Analyst	1	1	50,981	..B..C..D..	60,798
PW	19	Engineering Tech II	2	2	49,504	..B..C..D..	59,072
PW	19	WRF Operator IV	2	2	49,504	..B..C..D..	59,072
PW	18	Lead Water	1	1	48,069	..B..C..D..	57,304
ADM	18	Accounting Assistant IV	1	1	48,069	..B..C..D..	57,304
DCD	17	Code Compliance Officer	1	1	46,675	..B..C..D..	55,661
PW	17	Maint Worker III (Leads)	3	3	46,675	..B..C..D..	55,661
PW	17	WRF Operator III	1	1	46,675	..B..C..D..	55,661
PW	16	Water Operator	2	2	45,323	..B..C..D..	54,038
PW	15	Maint Worker II	5	5	44,013	..B..C..D..	52,458
DCD	14	DCD Specialist	1	1	42,723	..B..C..D..	50,939
ADM	14	IT Tech I	1	1	42,723	..B..C..D..	50,939
ADM	13	Accounting Assistant II	2	2	41,454	..B..C..D..	49,442
POL	12	Police Specialist	2	2	40,269	..B..C..D..	48,006
PW	11	Maint Worker I	3	3	39,083	..B..C..D..	46,634
ADM	10	Accounting Assistant I	1	1	37,960	..B..C..D..	45,261
DCD/PW	9	Administrative Assistant II	2	2	36,837	..B..C..D..	43,909
		Uniformed			Step A	Effective 1/1/2017	Step E
POL		Police Sergeant	4	4	72,426	..B..C..D	77,002
POL		Police Officer	13	13	55,515	..B..C..D..	65,936
		Total Employees (excluding Council)	76.78	76.78			

* By approving the budget Council authorizes the City Manager to adjust duties & salaries within the number of FTEs & within the budgeted salaries & benefits amounts.

**CITY OF SEQUIM
2017 BUDGET
Personnel Summary by Department and Fund**

	Budget 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	2017-2016 Change
General Fund						
City Manager	1.00	1.00	1.50	1.50	2.00	0.50
Administrative Pool	-	-	-	-	1.50	1.50
City Clerk	2.00	2.00	2.00	2.00	2.00	-
Communications	0.50	0.50	0.40	0.50	0.50	-
City Attorney	1.35	1.35	1.35	1.35	1.50	0.15
Crim Prosecution (Municipal Court)	0.65	0.65	0.65	0.65	-	(0.65)
Human Resources	1.50	1.50	1.50	1.50	1.02	(0.48)
Finance	6.25	6.25	6.25	6.50	6.50	-
Information Technology	3.00	3.00	3.00	3.00	3.00	-
Growth Planning	1.00	1.00	1.00	1.00	1.00	-
Dev Services	3.00	3.00	3.00	3.00	2.75	(0.25)
PW Administration	4.50	5.10	4.10	4.00	4.00	-
Facilities Maintenance	1.80	1.55	1.56	1.05	1.06	0.01
Engineering	2.90	2.90	2.90	3.00	3.00	-
Parks	1.40	1.65	2.15	1.90	1.38	(0.52)
Temporary, Seasonal or Interns	-	0.50	0.50	0.50	-	(0.50)
Police	20.92	20.92	20.92	20.92	22.50	1.58
Code Compliance	1.00	1.00	1.00	1.00	1.00	-
Police Reserve	0.24	0.12	0.12	0.12	0.12	-
Subtotal	53.01	53.99	53.90	53.49	54.83	1.34
Streets						
Temporary, Seasonal or Interns	0.50	0.50	-	-	0.50	0.50
Subtotal	5.10	4.55	4.04	4.20	4.09	(0.11)
Storm Water						
Storm Water Operations	0.80	0.75	0.75	0.70	1.58	0.88
Project Stormwater	-	-	-	0.25	-	(0.25)
Temporary Water Resource	0.75	0.75	1.00	-	-	-
Subtotal	1.55	1.50	1.75	0.95	1.58	0.63
Restricted Funds						
Streets Restricted						
Temporary Engineering Project Mgr	-	-	-	-	0.17	0.17
Hotel/Motel Fund	0.50	0.50	0.60	0.50	0.50	-
Police Restricted	-	1.00	1.00	1.00	-	(1.00)
Parks Restricted						
Temporary Engineering Project Mgr	-	-	-	-	0.06	0.06
Subtotal	0.50	1.50	1.60	1.50	0.73	(0.77)
Enterprise Funds						
Water	4.00	4.00	4.00	4.25	4.93	0.68
Temporary, Seasonal or Interns	0.50	0.50	0.50	0.50	0.50	-
Temporary Water Resource	0.25	0.25	-	-	-	-
Temporary Engineering Project Mgr	-	-	-	-	0.23	0.23
Sewer	8.00	8.00	8.00	9.15	8.21	(0.94)
Temporary, Seasonal or Interns	2.00	2.00	2.50	1.50	1.50	-
Temporary Engineering Project Mgr	-	-	-	-	0.18	0.18
Subtotal	14.75	14.75	15.00	15.40	15.55	0.15
Total Full Time Equivalents	74.91	76.29	76.29	75.54	76.78	1.24
Tax Supported (includes Streets)	58.11	58.54	57.94	57.69	58.92	1.23
Other Funding	0.50	1.50	1.60	1.50	0.73	(0.77)
Enterprise Fund Supported	16.30	16.25	16.75	16.35	17.13	0.78
Total Full Time Equivalents	74.91	76.29	76.29	75.54	76.78	1.24

CITY OF SEQUIM

2017 BUDGET

Benefits Schedule

Preliminary as of 8/22/16 - Subject to Change

City Paid Benefits 87.5% Health Insurance; 100% Remaining Insurance (Non-represented employees)	Total Monthly Cost
Medical - Regence Blue Shield / AWC Health First Plan	\$ 630.25 < -----> \$ 1,836.57
Dental - WDS / Plan F, plus Orthodontia	\$ 56.02 < -----> \$ 183.99
Vision - VSP	\$ 7.96 < -----> \$ 23.88
Employee Assistance Program - CompPsych	\$ 1.49
Basic Life Insurance - The Standard	0.19/per \$1000 of coverage
AD&D Insurance - The Standard	0.05/per \$1000 of coverage
Long Term Disability - The Standard	0.341% of compensation
City Paid Benefits 85% Insurance (Non- Uniformed Union Employees)	Total Monthly Cost
Medical - WA Teamsters Welfare Trust / Plan A	\$ 1,162.29
Dental - NW Teamsters Dental Trust / Plan A	\$ 110.93
Vision - WA Teamsters Vision Trust	\$ 12.67
Time Loss Insurance / Plan C	\$ 6.80
Life and AD&D Insurance / Non-Unif Plan B	\$ 3.74
Waiver of Contributions 9-Month Disability Extension	\$ 9.69
City Paid Benefits 87.5% Insurance (Uniformed Union Employees)	Total Monthly Cost
Medical - WA Teamsters Welfare Trust / Plan A	\$ 1,196.48
Dental - NW Teamsters Dental Trust / Plan A	\$ 114.19
Vision - WA Teamsters Vision Trust	\$ 13.04
Time Loss Insurance / Plan A	\$ 14.00
Life and AD&D Insurance / Uniformed Plan A	\$ 7.53
Waiver of Contributions 9-Month Disability Extension	\$ 9.98
Other City Paid Benefits - Employer Contribution	Total Monthly Cost
Retirement: PERS Plans	11.18% < -----> 12.52%
LEOFF2	5.25%

* Management reserves the right to make changes in these benefits when not limited by existing contracts.

