

City of Sequim 2018 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 2018 Budget

Personnel Summary

Joe Irvin, Assistant City Manager

Living Our Organizational Values

FTE Summary:

The planned full time employee (FTE) headcount for 2018 is 78.18, increased 1.50 FTE over 2017. Aside from staff reallocations from one department to the other, this count includes several staffing adjustments as follows:

- The Public Works Department has requested that two seasonal employees be converted into one full time employee, net 0 FTE.
- The Public Works Department has also requested a full time position to begin July 1, 2018 for Carlsborg Sewer maintenance, increasing FTEs by .5 in 2018. Subsequent 2018, this position will be 1 FTE.
- The Police Department has requested a full time Records Specialist position, 1 FTE increase after shifting of staff internally to improve efficiencies in the City Administration office.

In 2018 employee salary costs are estimated at \$5.6ml and benefits at \$2.6ml. This represents a 4.6% increase in wages and a 6.4% 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 35.5 employees. Total compensation for this group, including 1.0 new FTE Police Records Specialist and 0.5 new FTE for Maintenance Worker I, is budgeted to be \$3.2ml for 2018. The bargaining unit contract for this group of employees was negotiated in 2014 and is effective January 1, 2015 through December 31, 2018. For 2018, this contract includes a 1.0 of a percent wage increase effective January 1 and a 1.0 percent effective July 1.

Police Sergeants Bargaining Unit

Five employees are represented by this unit. In 2018, total compensation for this group is budgeted at \$647k. The bargaining unit contract for this group expires December 31, 2018. For 2018, this contract includes a CPI adjustment based on the change in the US All cities All-Urban CPI-U, with a minimum increase of 1% and a maximum increase of 3%. The reported change of the CPI-U on June 30, 2017 was 1.6%, resulting in a wage increase of 1.6% effective January 1, 2018.

Police Officer Bargaining Unit

Thirteen employees are represented by this unit. Total compensation in 2018 for the group is budgeted at \$1.45ml. The bargaining unit contract for this group also expires December 31, 2018. For 2018, this contract includes a CPI adjustment based on the change in the US All cities All-Urban CPI-U, with a minimum increase of 0% and a maximum increase of 1.5%. The reported change of the CPI-U on June 30, 2017 was 1.6%, resulting in a wage increase of 1.5% effective January 1, 2018 per the maximum increase negotiated in the bargaining agreement.

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Non-represented staff

The full-time employee equivalent count for this non-union group of employees is 20.56. Total compensation in 2018 is budgeted at \$2.5ml. Their last pay increase was January 1, 2017, with the majority receiving 1.5%. The City's "Management Compensation Policy Objectives" written November 2010 establishes a wage market survey be conducted every two to three years. In 2016, Human Resources staff completed a thorough wage survey of all non-union positions, plus a compensation analysis for new positions requested by departments in the budget process. In 2018, we will be working with a third party consultant to update this data. This group's salary range chart has been updated for 2018, to reflect market increases. 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. 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 2018. The intent of re-evaluating the compensation philosophy is to ensure there is parity between represented and non-represented employees.

Other wages, salaries, benefits

This category includes wages for Public Works seasonal/temporary positions and Police Reserve officers, representing a total of 3.12 FTE. It also includes the 2 temporary project engineers. Total compensation is budgeted at \$235k in 2018.

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 will remain flat for 2018.

- Teamsters: We have a FTE count of 53.5 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 22.06 non-union employees eligible for insurance benefits covered by the Association of Washington Cities Trust. The AWC benefits health plan provided for this group is changing effective in 2018, reducing plan benefits and controlling overall health benefit costs. The City pays 87.5% of the cost for non-union employees.

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 health benefits plan they have been covered by for many years will expire on December 31, 2017. Upon the recommendation of the non-union employee benefits committee, the group will move to a lower coverage plan in 2018 when the current plan expires.

As an additional way to save the City health benefit costs, "voluntary opt-out of health insurance" for the non-union group was implemented in 2017. 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 group health insurance. Other comparative cities offer this option by providing a monetary incentive to the employee opting-out to cover the costs of signing up with the other qualified

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employer sponsored group health plan. We anticipate the maximum allowable of five employees taking advantage of this voluntary option in 2018.

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 increased to 12.70% (from 11.18%) and LEOFF rates increased to 5.43% (from 5.25%) on July 1, 2017. There are no additional increases scheduled by the State legislature in 2018. Both PERS and LEOFF contributions will also increase based upon planned increases in salaries/wages.

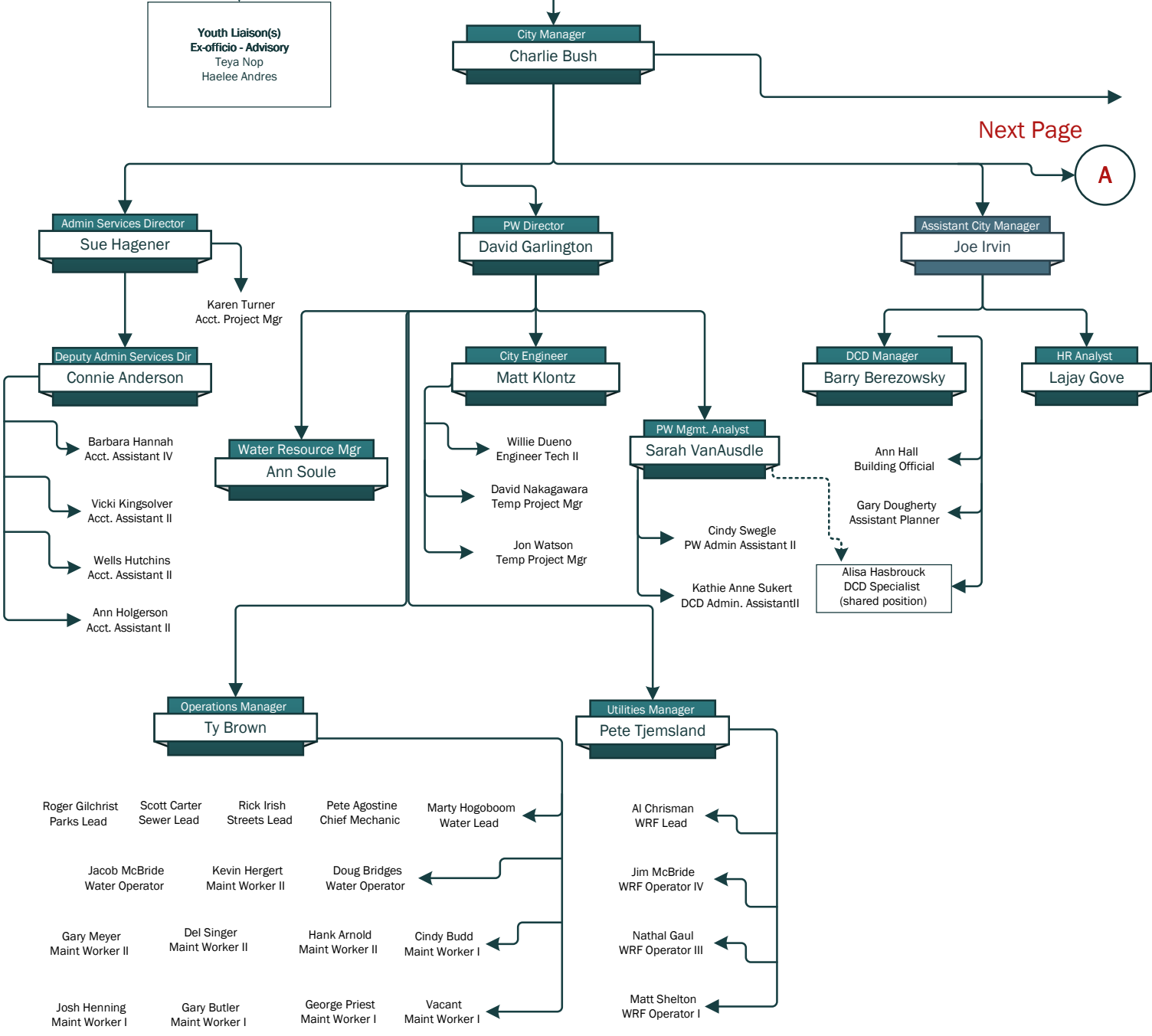
Payroll taxes

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 2018 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%.



Sequim City Council

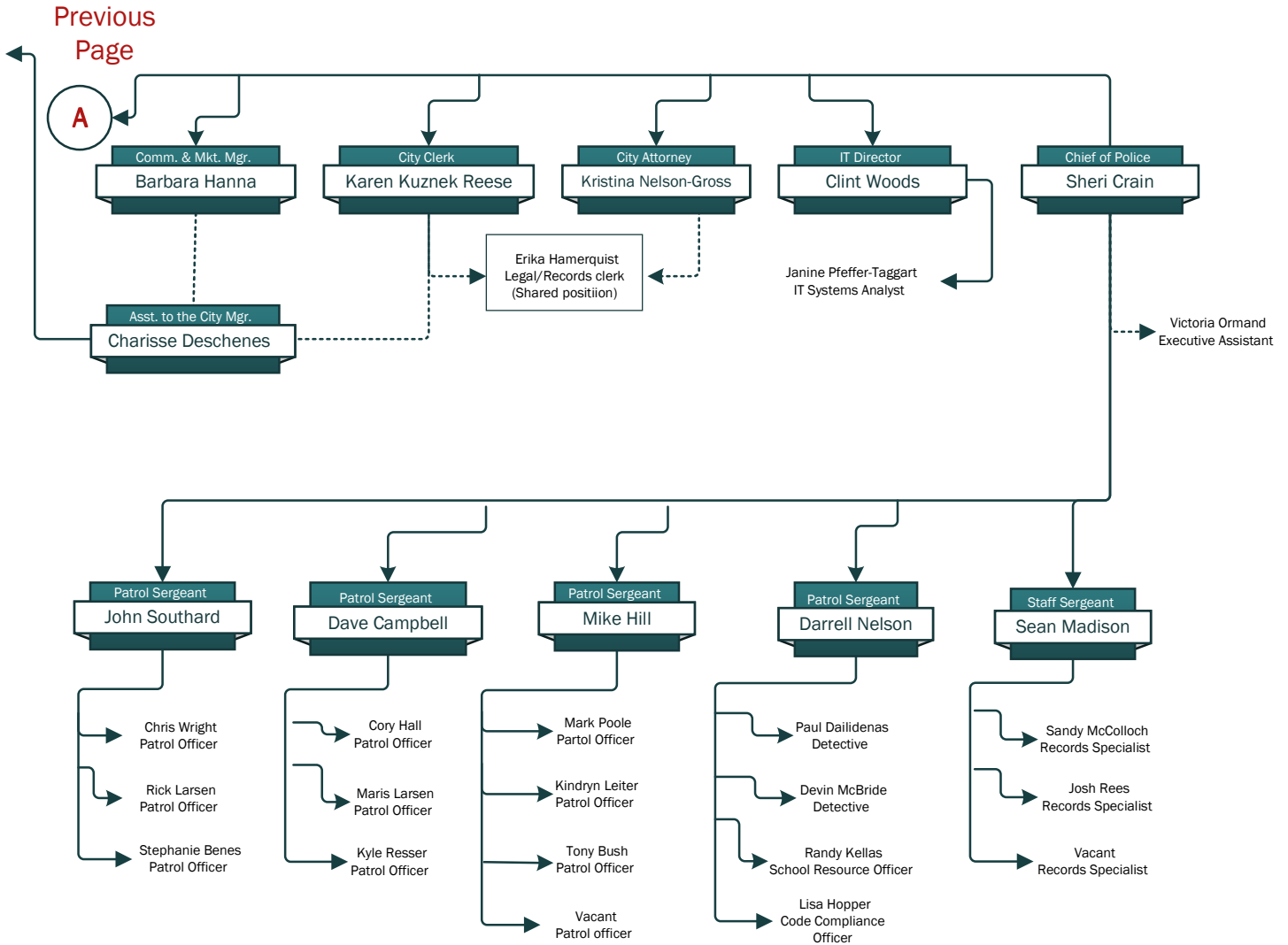


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Organization Chart Budget 2018



**City of Sequim
2018 Budget**

Historical Staffing Summary

	Actual 2014	Actual 2015	Actual 2016	Forecast 2017	Budget 2017	Budget 2018	2018 - 2017 %
<i>Budgeted positions (FTE, not including Council)</i>	76.17	76.17	75.42	76.56	76.56	77.18	0.8%
OFM Census	6,910	6,915	7,075	7,280	7,280	7,498	3.0%
<i>Employees per 1000 OFM Population</i>	11.0	11.0	10.7	10.5	10.5	10.3	-2.1%
						<i>staff estimate 3% inc.*</i>	
Salaries	\$ 5,100,693	\$ 5,090,953	\$ 5,316,955	\$ 5,362,670	\$ 5,389,280	\$ 5,636,005	4.6%
Benefits	\$ 1,957,763	\$ 2,020,530	\$ 2,194,671	\$ 2,364,956	\$ 2,434,191	\$ 2,589,018	6.4%
Total Comp	\$ 7,058,456	\$ 7,111,483	\$ 7,511,626	\$ 7,727,626	\$ 7,823,471	\$ 8,225,023	5.1%
<i>Year over Year % Increase</i>		0.8%	5.6%	2.9%	4.2%	5.1%	
Benefits as % Salaries	38%	40%	41%	44%	45%	46%	1.7%
Benefits as % Total Comp	28%	28%	29%	31%	31%	31%	1.2%
<i>City Wide Operating Funds</i>	\$ 13,478,361	\$ 13,730,963	\$ 14,332,439	\$ 15,440,496	\$ 16,324,387	\$ 17,255,466	
Total Comp as % Op Budget	52.4%	51.8%	52.4%	50.0%	47.9%	47.7%	-0.5%

Salary and Benefits by Employee Group

	Council	Non- Represented	Non- Uniformed	Sergeants	Uniformed	Reserves, Seasonal & Temporary	Total
Regular Salary	23,880	1,821,743	1,935,522	419,617	896,059	153,794	5,250,615
Overtime - Hourly	-		111,781	43,911	150,576	-	306,269
On Call Pay	-		64,152	14,965		-	79,117
Total Salary	\$ 23,880	\$ 1,821,743	\$ 2,111,455	\$ 478,493	\$ 1,046,635	\$ 153,794	\$ 5,636,000
Health Insurance	-	338,328	593,256	87,005	226,212	43,411	1,288,213
Retirement	-	223,418	260,007	25,170	57,004	18,745	584,343
Payroll Taxes	1,827	139,109	156,789	35,846	79,753	11,766	425,089
Other Benefits	-	32,133		4,680	3,840	-	40,653
Workers Comp	136	18,269	71,427	16,014	41,875	7,874	155,595
Total Benefits	\$ 1,963	\$ 751,257	\$ 1,081,479	\$ 168,714	\$ 408,684	\$ 81,796	\$ 2,493,893
Total Salary & Benefits	\$ 25,843	\$ 2,573,000	\$ 3,192,934	\$ 647,207	\$ 1,455,320	\$ 235,590	\$ 8,129,894
<i>Actual Budgeted Staff (FTE, not including Council)</i>		20.56	35.50	5.00	13.00	3.12	77.18
Salary per FTE		88,606	59,478	95,699	80,510	49,293	73,024
Benefits per FTE		36,540	30,464	33,743	31,437	26,217	32,313
Total per FTE		\$ 125,146	\$ 89,942	\$ 129,441	\$ 111,948	\$ 75,510	\$ 105,337

LEOFF I Retired Medical Benefits \$ 12,125

Unemployment Reserve \$ 83,000

Total Benefits including Retired Medical Benefits \$ 2,589,018

Exhibit B
CITY OF SEQUIM
2018

Salary & Wage Schedule

Divisio Dept	Union Range	Compensation Schedule by Job Title	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	121,800	< ---- >	138,548
ADM		Admin Services Director/Treasurer	1	1	90,574	< ---- >	116,120
PW		Public Works Director	1	1	90,574	< ---- >	116,120
POL		Chief of Police	1	1	90,574	< ---- >	116,120
ADM		City Attorney	1	1	90,574	< ---- >	116,120
ADM		Asstistant City Manager	1	1	90,574	< ---- >	116,120
ADM		IT Director	1	1	90,574	< ---- >	116,120
PW		City Engineer	1	1	79,236	< ---- >	101,585
POL		Deputy Chief of Police	1	0	79,236	< ---- >	101,585
ADM		Deputy Admin Services Director	1	1	79,236	< ---- >	101,585
DCD		DCD Manager	1	1	79,236	< ---- >	101,585
ADM		Comm. & Marketing Director	1	1	79,236	< ---- >	101,585
ADM		City Clerk	1	1	71,448	< ---- >	91,600
PW		Utilities Operations Manager	1	1	71,448	< ---- >	91,600
PW		Operations Manager	1	1	63,894	< ---- >	81,915
PW		PW Senior Finance Analyst	1	1	63,894	< ---- >	81,915
PW		Resources Manager	1	1	63,894	< ---- >	81,915
ADM		HR Analyst	1	1	63,894	< ---- >	81,915
ADM		Assistant to the City Manager	1	1	63,894	< ---- >	81,915
ADM		Part-Time Acct. Project Manager	0.56	0.56	63,894	< ---- >	81,915
POL		Executive Admin Assistant	1	1	49,008	< ---- >	61,260
ADM		Legal/Records Clerk	1	1	49,008	< ---- >	61,260
		Seasonal & Temporary					
PW		Temp. Engineering Project Manager	1.50	1.50	63,894	< ---- >	81,915
POL		Police Reserve	0.12	0.12			
PW		Seasonal Maint. Workers	1.5	1.5	\$14.50/hr	< ---- >	\$17.00/hr
		Union Represented					
		Non-Uniformed			Step A	Effective 1/1/2017	Step E
DCD	26	Building Official	1	1	62,100	..B..C..D..	74,095
PW	21	WRF Lead	1	1	53,570	..B..C..D..	63,843
PW	20	Chief Mechanic	1	1	52,016	..B..C..D..	62,016
ADM	20	IT Systems Analyst	1	1	52,016	..B..C..D..	62,016
DCD	19	Assistant Planner	1	1	50,503	..B..C..D..	60,251
PW	19	Engineering Tech II	1	1	50,503	..B..C..D..	60,251
PW	19	WRF Operator IV	1	1	50,503	..B..C..D..	60,251
PW	18	Lead Water	1	1	49,033	..B..C..D..	58,465
ADM	18	Accounting Assistant IV	1	1	49,033	..B..C..D..	58,465
DCD	17	Code Compliance Officer	1	1	47,625	..B..C..D..	56,785
PW	17	Maint Worker III (Leads)	3	3	47,625	..B..C..D..	56,785
PW	17	WRF Operator III	1	1	47,625	..B..C..D..	56,785
PW	16	Water Operator	2	2	46,239	..B..C..D..	55,125
PW	15	Maint Worker II	4	4	44,894	..B..C..D..	53,507
DCD	14	DCD Specialist	1	1	43,571	..B..C..D..	51,974
ADM	13	Accounting Assistant II	3	3	42,289	..B..C..D..	50,440
PW	12	WRF Operator I	1	1	41,092	..B..C..D..	48,970
POL	12	Police Specialist	3	3	41,092	..B..C..D..	48,970
PW	11	Maint Worker I	5.5	5.5	39,873	..B..C..D..	47,583
PW	10	Administrative Assistant II	1	1	38,718	..B..C..D..	46,176
DCD	9	Administrative Assistant II	1	1	37,583	..B..C..D..	44,789
		Uniformed			Step A	Effective 1/1/2017	Step E
POL		Police Sergeant	4	5	74,598	..B..C..D	79,312
POL		Police Officer	13	13	54,131	..B..C..D..	66,925
		Total Employees (excluding Council)	77.18	77.18			

* 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
2018 BUDGET
Personnel Summary by Department and Fund**

	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018	2018-2017 Change
General Fund						
City Manager	1.00	1.50	1.50	2.00	3.00	1.00
Administrative Pool	-	-	-	1.50	1.50	-
City Clerk	2.00	2.00	2.00	2.00	1.50	(0.50)
Communications	0.50	0.40	0.50	0.50	0.50	-
City Attorney	1.35	1.35	1.35	1.50	1.50	-
Crim Prosecution (Municipal Court)	0.65	0.65	0.65	-	-	-
Human Resources	1.50	1.50	1.50	1.00	1.00	-
Information Technology	3.00	3.00	3.00	3.00	2.00	(1.00)
Finance	6.25	6.25	6.50	6.56	6.56	-
Growth Planning	1.00	1.00	1.00	1.00	1.00	-
Dev Services	3.00	3.00	3.00	2.75	2.75	-
PW Administration	5.10	4.10	4.00	4.00	4.05	0.05
Facilities Maintenance	1.55	1.56	1.05	1.06	1.33	0.27
Engineering	2.90	2.90	3.00	2.00	2.00	-
Temporary Engineering Project Mgr				1.50	1.50	-
Parks	1.65	2.15	1.90	1.38	1.38	-
Temporary, Seasonal or Interns	0.50	0.50	0.50	-	-	-
Police	20.92	20.92	20.92	22.50	23.00	0.50
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	53.87	53.78	53.37	55.25	55.69	0.44
Streets	4.05	4.04	4.20	3.59	3.64	0.05
Temporary, Seasonal or Interns	0.50	-	-	0.50	0.50	-
Subtotal	4.55	4.04	4.20	4.09	4.14	0.05
Storm Water						
Storm Water Operations	0.75	0.75	0.70	1.58	0.84	(0.74)
Project Stormwater	-	-	0.25	-	-	-
Temporary Water Resource	0.75	1.00	-	-	-	-
Subtotal	1.50	1.75	0.95	1.58	0.84	(0.74)
Restricted Funds						
Hotel/Motel Fund	0.50	0.60	0.50	0.50	0.50	-
Police Restricted	1.00	1.00	1.00	-	-	-
Subtotal	1.50	1.60	1.50	0.50	0.50	-
Enterprise Funds						
Water	4.00	4.00	4.25	4.93	5.43	0.50
Temporary, Seasonal or Interns	0.50	0.50	0.50	0.50	0.50	-
Temporary Water Resource	0.25	-	-	-	-	-
Sewer	8.00	8.00	9.15	8.21	9.58	1.37
Temporary, Seasonal or Interns	2.00	2.50	1.50	1.50	0.50	(1.00)
Subtotal	14.75	15.00	15.40	15.14	16.01	0.87
Total Full Time Equivalents	76.17	76.17	75.42	76.56	77.18	0.62
Tax Supported (includes Streets)	58.42	57.82	57.57	59.34	59.83	0.49
Other Funding	1.50	1.60	1.50	0.50	0.50	-
Enterprise Fund Supported	16.25	16.75	16.35	16.72	16.85	0.13
Total Full Time Equivalents	76.17	76.17	75.42	76.56	77.18	0.62

**CITY OF SEQUIM
2018 BUDGET
Benefits Schedule**

Preliminary as of 8/11/17 - 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 250 Plan	\$ 626.00 < -----> \$ 1,826.00
Dental - WDS / Plan F, plus Orthodontia	\$ 56.02 < -----> \$ 183.99
Vision - VSP	\$ 7.96 < -----> \$ 23.88
Employee Assistance Program - ComPsych	\$ 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	12.70% < -----> 12.70%
LEOFF2	5.43%

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

