



# Personnel & Compensation

---

## **This Section Includes:**

- Workforce Trends (Page E.2)
- New Positions Included in the FY 2016 Budget (Page E.3)
- Comparison of Budgeted FTE Positions Since FY 2011  
(Page E.4)
- Benefits and Health Care (Page E.5)
- Budgeted FTEs by Type (Page E.9)
- Budgeted FTEs by Agency/Department and Strategic Program  
Area FY 2014 – FY 2016 (Page E.10)

# FY 2016 Budget - Personnel and Compensation

## *Introduction*

Johnson County Government is a progressive and innovative organization that provides high quality and cost-effective services to the residents of the County through its dedicated and knowledgeable workforce. The County seeks to recruit and retain employees with a commitment to public service and a desire to make a difference in the community. This section of the budget overview focuses on funding recommendations related to the County's workforce.

The **Personnel and Compensation** section is organized as follows:

- Overview of Workforce Planning-Related Trends
- Compensation Information
- Vacancy Factor
- Full-time Equivalent (FTE) Position Information
- Benefits (Including the Health Care Fund)

The budget includes the following recommendations to invest in the County's workforce:

1. Allocate funding for a 3% merit pool.
2. Allocate funding for step movement for the Sheriff's Civil Service staff.
3. Allocate funding for grid movement for Sheriff Civil Service staff and County Classified staff.
4. Maintain the employer match for supplemental retirement at 3.0%.
5. Allocate funding for the implementation of an updated pay table in support of the County's compensation philosophy.

By systematically and routinely analyzing workforce data to assess employees' attributes, monitoring and understanding social, economic, and political trends, then aligning that information with the current and projected needs and goals of the organization, the organization is able to have the right people with the right competencies in the right jobs at the right time – now and in the future.

During the course of the recession, Johnson County was successful in reducing its workforce without resorting to layoffs, and County employees rose to the challenge of heavier workloads. As a result of the past few years of reducing the overall workforce at the County, current priorities going forward include retaining core service area staff; managing workload concerns, addressing morale issues and stemming healthcare costs. The pace of recovery is slow and the County continues to take a cautious approach to filling only positions deemed essential for service delivery.

## ***Workforce Trends***

Analyzing current and historical employee data and understanding the impact of social, economic, and political trends on the workplace enables the County to gain insight into current and anticipated workforce needs. In today's rapidly changing and uncertain environment, the County continues to be challenged to employ creative workforce planning strategies that ensure the organization employs the talent needed to deliver excellent service to the public.

Total remuneration entails the financial package offered to employees and is comprised of pay and benefits. The County's compensation program includes both the base and variable pay and reflects the County's compensation philosophy. The County's compensation philosophy is designed to:

- Be competitive within the relevant, comparable labor markets for base salary;
- Recognize outstanding performance and organizational contributions through the use of base and variable pay adjustments; and
- Establish pay practices consistent with the market.

## FY 2016 Budget - Personnel and Compensation

### *Full-time Equivalent (FTE) Position Information*

Recruiting and retaining a talented workforce is essential to the provision of high quality services by Johnson County Government. This section includes information on full-time equivalent (FTE) positions and the County's total compensation package for employees.

Positions included in the budget represent the highest needs in the County. Key elements of the County's total compensation package are the allocation of funds for a 3.0% merit increase pool for employees with competent to exceptional performance and \$33.8 million for the employer contribution to the Health Care Fund for 2016. A comparison of the pay ranges to comparable organizations indicated that the County needed to narrow the ranges for grades 11 to 15 from 75%-125% of the mid-point to 85%-115% and for grades 16 to 28 from 75%-125% of the mid-point to 80%-120%. Most organizations undertaking this change do so over a period of 3 years. In 2014, the County moved the minimum/maximum for all grades by 3%, to 78%-122%. In 2015 grades 11 to 15 were narrowed from 78%-122% of the mid-point to 81%-119% and for grades 18 to 28 from 78%-122% of the mid-point to 80%-120%. Due to the improving job market it is necessary to move the mid-points annually causing grades 11-15 to move to 83%-117% in 2016 before moving to 85%-115% in 2017.

### **Changes in Budgeted Positions in the FY 2016 Budget**

A total of 3,840.98 FTEs are included in the FY 2016 Budget. This is an increase of 18.57 FTEs from the FY 2015 budget of 3,822.41 FTEs. The increase of 18.57 FTEs is a result of the following: decrease of 8.0 FTE at Johnson through contracting with KCATA, the addition of 13.0 FTEs through Request for Additional Resources (RAR), and the remainder through the addition and elimination of grant-funded and seasonal positions outside of the budget process. The 13.0 FTE added in the FY 2016 Budget are shown in Table #3 below.

### ***New Positions Included in the FY 2016 Budget***

To balance the Board's strategic goals to be responsible stewards of the taxpayers' money and to provide the best possible mandatory and discretionary services, only essential new positions have been included in the FY 2016 Budget. The approved positions were submitted through the Request for Additional Resources (RAR) process. The new positions included in the FY 2016 Budget are listed in Table #3:

**Table #3: New FTE Positions in the FY 2016 Budget**

Department	Description	FTEs	Property Tax Impact	Request Type
Emergency Management & Communications	Emergency Communications Specialist I	2.0	\$150,165	RAR
Johnson County Wastewater	Inspector	1.0	\$0	RAR
Johnson County Wastewater	Surveyor Assist Technician	1.0	\$0	RAR
Johnson County Parks - Enterprise	Early Childhood Development Director	1.0	\$0	RAR
Johnson County Parks - General	Park Worker I - Meadowbrook	1.0	\$56,755	RAR
Johnson County Parks - General	Senior Park Worker - Meadowbrook	2.0	\$61,551	RAR
Johnson County Parks - General	Park Police Officer I	1.0	\$74,867	RAR
Johnson County Parks - Enterprise	Recreation Coordinator - Meadowbrook	1.0	\$0	RAR
Johnson County Parks - General	Project Manager	1.0	\$100,686	RAR
Johnson County Parks - Enterprise	Facility Maintenance Supervisor - Meadowbrook	1.0	\$0	RAR
Johnson County Parks - General	Senior Park Worker – Rieke Lake	1.0	\$61,911	RAR
		13.0		

## FY 2016 Budget - Personnel and Compensation

### **Comparison of Budgeted FTE Positions since FY 2011**

Since 2011 the number of budgeted FTE positions has decreased at an average annual rate of (1.1%). This change is reflected in Table #4 below:

**Table #4: Comparison of Budgeted FTE Positions Since FY 2011**

<b>Fiscal Year</b>	<b>Budgeted FTE Positions</b>	<b>Annual Increase</b>	<b>Annual % Increase</b>
2011	4,013.16	(86.77)	(2.2%)
2012	3,901.77	(111.39)	(2.8%)
2013	3,860.02	(41.75)	(1.1%)
2014	3,871.01	10.99	0.3%
2015	3,822.41	(48.60)	(1.3%)
2016*	3,840.98	18.57	0.5%

Information on the net change from 2011 to 2016 for each strategic program is presented in Table #5 below:

**Table #5: FY 2011 - FY 2016 Budgeted FTEs by Strategic Program**

<b>Strategic Program</b>	<b>2011 Budgeted FTE Positions</b>	<b>2016 Budgeted FTE Positions</b>	<b>Increase</b>	<b>% Increase from 2011</b>
Support Services	374.51	409.19	34.68	9.3%
Public Safety and Emergency Services	1,356.06	1,334.79	(21.27)	(1.6%)
Infrastructure	372.78	317.59	(55.19)	(14.8%)
Health and Human Services	981.12	868.39	(112.73)	(11.5%)
Culture & Recreation	705.19	703.02	(2.17)	(0.3%)
Records and Taxation	223.50	208.00	(15.50)	(6.9%)
<b>Totals</b>	<b>4,013.16</b>	<b>3,840.98</b>	<b>(172.18)</b>	<b>(4.3%)</b>

Overall, the budgeted FTEs have decreased by 172.18 FTEs, or 4.3% since 2011.

Growth within Support Services has been largely within the Facilities department through added positions to provide service to new County facilities, centralization of Fleet and custodial services from other departments within Facilities. Growth has also occurred due to the merger of Treasurer and Office of Financial Management into Treasury and Financial Management. The Treasurer FTEs are now part of Support Services instead of Records and Taxation. Information Technology services have also been consolidated with the merger of ITS, OSC, and AIM into DTI and the transfer of FTEs from other departments.

Another measure of budgeted FTE positions is the number of positions per County resident. Table #6 on the following page presents a comparison of FY 2011 and FY 2016 FTE positions per 1,000 Johnson County's population:

## FY 2016 Budget - Personnel and Compensation

**Table #6: FY 2011 - FY 2016 Budgeted FTEs per 1,000 County Residents**

<b>Strategic Program</b>	<b>2011 Budgeted FTE Positions</b>	<b>2016 Budgeted FTE Positions</b>	<b>Increase</b>	<b>% Increase from 2011</b>
Support Services	0.68	0.70	0.02	2.94%
Public Safety and Emergency Services	2.45	2.27	(0.18)	(7.35%)
Infrastructure	0.67	0.54	(0.13)	(19.40%)
Health and Human Services	1.77	1.48	(0.29)	(16.38%)
Culture & Recreation	1.28	1.19	(0.09)	(7.00%)
Records and Taxation	0.40	0.35	(0.05)	(12.50%)
<b>Totals</b>	<b>7.25</b>	<b>6.53</b>	<b>(0.72)</b>	<b>(9.93%)</b>

### ***Vacancy Factor***

Beginning in FY 2001, personal services funding was budgeted at less than full employment (i.e., budgeting for a vacancy factor). Historically through 2011, positions meeting specific criteria have been budgeted at 98% occupancy. Beginning with FY 2012 and continuing into FY 2016, the adopted budget continues a more aggressive vacancy factor by budgeting positions meeting the criteria at 97% occupancy. Generally, coverage positions where on-call hours are used to cover absences are exempted from the vacancy factor calculation. Departments with less than ten (10) FTE positions are also exempted.

### ***Benefits and Health Care***

The County seeks to attract and retain quality employees with its indirect compensation package, recognizing that current and potential employees often consider benefits a primary factor when choosing employment. It is the County's goal to help employees achieve a positive balance between their work and personal lives by providing plans and programs that meet the needs of a diverse workforce and by educating employees to assist them in making choices that meet their needs.

To remain competitive, the County will provide ongoing analysis of the level, nature, and variety of benefits offered to employees, with a long-term focus on monitoring trends, costs, and options. The scope and value of the benefit plans and programs are reviewed regularly.

### ***Medical and Dental Plan Redesign and Funding***

The Health Care Fund Management Team (HCFMT) addressed Affordable Care Act mandates by offsetting the increased claims costs to be borne by the County with plan design changes. The HCFMT continues to evaluate options to minimize the Excise Tax that is effective in 2018 in a methodical approach while minimizing disruption to employees and financial burden to the County. This methodical approach includes continuing benchmarking of peers to monitor changes and confirm that the County's plans are in line and compliant with Board's Compensation Philosophy. Major plan changes are considered and proposed every other year to maintain stability and minimize disruption to employees and family members. Although the HCFMT considered several proposed plan design changes such as a Spousal Surcharge, increasing the Qualified High Deductible Health Plan deductible amounts, increasing the prescription drug copayments and narrowed pharmacy formulary, none of these were approved with the expectation of considering more robust plan design changes for 2017.

To allow for employees to make informed, educated decisions regarding the County's plan options, TFM-Benefits will conduct Benefit Plan educational presentations to the organization during the Summer and Fall, in addition to the annual Open Enrollment period. These meetings will supplement the several resources that are posted to the Benefits web-site for use by employees including a Plan Calculator that

## FY 2016 Budget - Personnel and Compensation

assists employees with calculating the out-of-pocket expenses for each plan option to enable them to be informed consumerists.

### ***Administration of the Health Care Program***

The Health Care Fund Management Team (HCFMT) was created to review healthcare utilization, identify trends, analyze data, estimate costs, recommend premiums and cost sharing, and to consider plan design modifications for the County's health insurance program. The HCFMT faces many ongoing fund issues while addressing continued double-digit health care cost increases. Highlights include:

- Continuation of a three-year wellness strategy applying a budget-neutral incentive fee (contribution differential) to employees who do meet the approved wellness engagement criteria. Final 2016 employee contribution rates will be reviewed and approved by the HCFMT at its July 22, 2015 meeting. To make the Legal-recommended incentive structure budget-neutral, all employee contribution rates are being increased by the amount of the incentive so employees who complete the Wellness Strategy will receive the \$80 per month Wellness and Tobacco incentives.
- Implemented a new three-year wellness strategy based on an outcomes-based approach and design for the years 2014 through 2016.
- Members of the HCFMT served as the Project Manager and served on the Selection Committees for the following two separate and distinct Request for Proposals (RFPs) bids in 2015 for a January 1, 2016 effective date: 1) Medical Plan administrator; and 2) the Pharmacy Benefit Manager.
- Continuation of employee benefit education programs focusing on sending an annual Benefit Claim Summary through Blue Cross Blue Shield of Kansas City (BCBSKC) and a Total Compensation Statement summarizing the value of all compensation and benefits offered through the County.
- Continuation of the analysis and forecast of the costs to the County as a result of compliance with the Patient Protection and Affordable Care Act (PPACA). Employers continue to be charged a Reinsurance Tax, ACA Excise Tax, State Premium Tax, and a Patient-Centered Outcomes Research Institute (PCORI) tax. These taxes are estimated to total about \$401,000 in 2016.
- Increase funding of wellness programs approved by the Board of County Commissioners or the Wellness Committee to provide opportunities for employees and spouses to improve their health and wellness with the overall goal of reducing health care claims costs.
- Continuation of the value-based pharmacy clinical management program administered by Tria Health where targeted Members on specific medications receive counseling to improve medication regimen and adherence. Participation enables members to receive reduced drug copayments for the specific medications. The program reduced County drug claim costs by about \$300,000 and led to decreased emergency room use and fewer inpatient hospital confinements.
- Continuation of the pharmacy manufacturer rebate program with the County's Pharmacy Benefit Manager, MedTrak Services. The estimated rebates for 2015 total about \$230,000.

By implementing a dynamic, five-year budget model for the Health Care Fund, the County anticipates having the ability to respond appropriately to market and inflationary trends without the potential for dramatic fluctuations in employer or employee contributions. The FY 2016 Budget includes a recommendation to allocate \$33.8 million for the employer contribution to the Health Care Fund. This amount represents 3% increase in the employer \*contribution amount from FY 2015. Staff anticipates

## FY 2016 Budget - Personnel and Compensation

that employee contribution rates, set in the fall, will need to be increased by roughly 3%, to maintain the long-term stability of the fund. Similar to 2015, it is anticipated that most, if not all, of the increase be allocated to the PPO300 rates since it remains the significant cost driver among the three plan options.

Additional important focuses for 2016 involve:

- To address the significant health risks of covered spouses as evidenced by the fact that spouses have historically had a Per Member Per Month cost double-digits higher than employees, begin the formal inclusion of spouses in the County's wellness programs beginning in 2016.
- Increasing participation in the Patient-Centered Medical Home (PCMH) health care delivery system for 2016 through continued educational efforts. Preliminary analyses indicate that the increased coordination of care expected from the PCMH model did result in over \$300K in estimated reduced claims costs.
- Continue the Implementation of the outcomes-based component of the wellness strategy with focus on improving employee health risks with targeted biometric goals. This component is a critical contributor to the HCFMT's strategy to slow down health care cost increases and to better position the County to address the looming PPACA Excise Tax in 2018.
- Implementing the 2016 employee contribution rates.

As required by policy, the estimated ending fund balances of \$14.0 million and \$12.7 million, as of December 31, 2015 and 2106, respectively, are anticipated to remain in excess of the 135% threshold. The cash reserves are needed to cover incurred but not reported claims as well as provide a "secured funding" contingency reserve in accordance with County policy.

In Table #7 below, current budgetary estimates for the Health Care Fund are provided for FY 2015 and FY 2016.

## FY 2016 Budget - Personnel and Compensation

**Table #7: Health Care Fund - FY 2015 and FY 2016 Budgetary Projections**

	<u>FY 2015</u>	<u>FY 2016</u>
<b><u>Receipts</u></b>		
Employer Contributions for Medical Claims and Administrative Costs	\$ 30,449,816	\$ 31,908,665
Employer Contributions for Dental Claims and Administrative Costs	1,759,320	1,848,596
Employee Contributions for Medical Claims and Administrative Costs	5,098,564	5,342,836
Employee Contributions for Dental Claims and Administrative Costs	439,830	462,149
Contribution for Voluntary Retirement Incentive Program participants	707,344	561,765
Investment Income and Other	126,838	131,550
<b>Total Estimated Receipts</b>	<b>\$ 38,581,712</b>	<b>\$ 40,255,561</b>
<b><u>Disbursements</u></b>		
Estimated Medical and Pharmacy Claims	33,493,990	35,085,764
Estimated Reinsurance and Claims Processing	3,725,530	3,921,255
Estimated Dental claims and Administrative Costs	2,124,150	2,235,745
Estimated Vision Plan Premiums	400,441	401,408
Estimated Fees for Professional Services	93,166	93,166
Estimated Miscellaneous Expenses	30,693	30,693
<b>Total Estimated Disbursements</b>	<b>\$ 39,867,970</b>	<b>\$ 41,768,031</b>
<b>Receipts Less Disbursements</b>	<b>\$ (1,286,258)</b>	<b>\$ (1,512,470)</b>
<b>Beginning Cash Balance, January 1st</b>	<b>\$ 14,009,115</b>	<b>\$ 12,722,857</b>
<b>Projected End Cash Balance, December 31st</b>	<b>\$ 12,722,857</b>	<b>\$ 11,210,387</b>
<b>Estimated Secure Funding</b>	<b>\$ 7,546,543</b>	<b>\$ 5,956,515</b>



## FY 2016 Budget - FTEs by Type

<u>Agency/Department</u>	<u>Other</u>	<u>Grant</u>	<u>Fee</u>	<u>Total</u>
Airport	18.80	0.00	0.00	18.80
Appraiser	86.00	0.00	0.00	86.00
Board of County Commissioners	12.00	0.00	0.00	12.00
Budget and Financial Planning	9.00	0.00	0.00	9.00
Contractor Licensing	0.00	0.00	5.30	5.30
Corrections	247.30	55.90	5.45	308.65
County Manager's Office	20.50	0.00	1.00	21.50
Countywide support	20.00	0.00	0.00	20.00
Courts Law Library	4.96	0.00	0.00	4.96
Department of Health & Environment	86.43	52.36	0.00	138.79
Department of Technology & Innovation	90.63	0.00	0.00	90.63
Developmental Supports	278.16	13.00	0.00	291.16
District Attorney	91.71	0.75	0.00	92.46
District Court Trustee	29.50	0.00	0.00	29.50
District Courts	11.08	12.25	15.83	39.16
Elections/Registration	17.00	0.00	0.00	17.00
Emergency Management & Communications	48.00	1.00	0.00	49.00
Facilities	156.70	0.00	0.00	156.70
Facilities - Fleet	13.80	0.00	0.00	13.80
Human Resources	18.81	0.00	0.00	18.81
Human Services Department	36.94	87.27	0.00	124.21
JIMS	18.00	0.00	0.00	18.00
Legal	14.50	0.00	0.00	14.50
Library Operating	262.75	0.00	0.00	262.75
Med-Act	136.53	0.00	0.00	136.53
Mental Health	250.31	63.92	0.00	314.23
Motor Vehicle	68.00	0.00	0.00	68.00
Museums	7.25	0.55	0.00	7.80
Park & Recreation Employee Benefit	0.00	0.00	0.00	0.00
Park & Recreation Enterprise	0.00	0.00	304.85	304.85
Park & Recreation General	127.62	0.00	0.00	127.62
Planning	12.55	0.00	0.00	12.55
Public Works	63.14	0.00	0.00	63.14
Risk Management	4.50	0.00	0.00	4.50
RTA	0.00	0.00	0.00	37.00
Sheriff	653.53	3.00	0.00	656.53
Stormwater	2.80	0.00	0.00	2.80
Transportation	1.00	0.00	0.00	1.00
Treasurer & Financial Management	47.75	0.00	0.00	47.75
Wastewater	214.00	0.00	0.00	214.00
<b>Total</b>	<b>3,181.55</b>	<b>290.00</b>	<b>332.43</b>	<b>3,840.98</b>

## FTEs By Department and Strategic Program Area

Department	2016	2015	2014
Board of County Commissioners	12.00	12.00	12.00
Budget & Financial Planning	9.00	9.00	9.00
County Manager's Office	21.50	21.50	21.50
Countywide	20.00	20.00	20.00
Facilities	156.70	155.70	152.50
Facilities - Fleet	13.80	14.80	15.00
Human Resources	18.81	18.81	18.81
Technology & Innovation	90.63	84.63	84.63
Legal	14.50	15.50	15.50
Treasurer & Financial Mgmt	47.75	47.75	48.25
Special Liability/Risk Management	4.50	4.50	4.50
<b>Total Support Services</b>	<b>409.19</b>	<b>404.19</b>	<b>401.69</b>
Appraiser	86.00	86.00	86.50
Election & Registration	17.00	17.00	16.00
Motor Vehicle	68.00	68.00	68.50
RTA	37.00	37.00	37.00
<b>Total Records and Taxation</b>	<b>208.00</b>	<b>208.00</b>	<b>208.00</b>
Community Corrections	308.65	308.15	303.14
Courts Law Library	4.96	4.96	4.96
District Attorney	92.46	92.58	92.53
District Court Trustee	29.50	29.50	46.75
District Courts	39.16	38.01	38.01
Emergency Management & Communications	49.00	47.00	46.00
JIMS	18.00	18.00	18.00
MedAct	136.53	139.53	139.53
Sheriff	656.53	656.50	615.50
<b>Total Public Safety &amp; Emergency Services</b>	<b>1334.79</b>	<b>1334.23</b>	<b>1304.42</b>
Airport	18.80	18.80	18.80
Contractor Licensing	5.30	5.30	5.70
Planning, Development and Codes	12.55	12.55	12.15
Public Works	63.14	62.54	62.84
Stormwater Management	2.80	3.40	3.10
Transportation	1.00	9.00	9.00
Wastewater	214.00	210.00	208.00
<b>Total Infrastructure Services</b>	<b>317.59</b>	<b>321.59</b>	<b>319.59</b>
Developmental Supports	291.16	292.16	292.16
Human Services	124.21	124.22	122.41
Mental Health	314.23	307.33	385.53
Health & Environment	138.79	135.67	134.67
<b>Total Health &amp; Human Services</b>	<b>868.39</b>	<b>859.38</b>	<b>934.77</b>
Library	262.75	262.75	262.38
Museum	7.80	7.80	7.80
Park & Recreation Enterprise	304.85	301.85	309.89
Park & Recreation Employee Benefit	0.00	0.80	0.80
Park & Recreation General	127.62	121.82	121.67
<b>Total Culture &amp; Recreation</b>	<b>703.02</b>	<b>695.02</b>	<b>702.54</b>
<b>Total County</b>	<b>3,840.98</b>	<b>3,822.41</b>	<b>3,871.01</b>