



Personnel & Compensation

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FY 2009 Budget – Personnel and Compensation

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.

A total of 4,126.72 FTE positions are included in the FY 2009 Budget. 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 superior performance and \$20.8 million for the employer contribution to the Health Care Fund to accommodate a 10.6% projected increase in health care costs in FY 2009.

Comparison of Budgeted FTE Positions since FY 2004

Since 2004, the number of budgeted FTE positions has increased at an average annual rate of 2.6%. This growth is reflected in Table #1 below:

Table #1: Comparison of Budgeted FTE Positions Since FY 2004

Fiscal Year	Budgeted FTE Positions	Annual Increase	Annual % Increase
2004	3,563.74	39.64	1.1%
2005	3,774.26	210.52	5.9%
2006	3,926.95	152.69	4.0%
2007	4,015.04	88.09	2.2%
2008	4,099.93	84.89	2.1%
2009	4,126.72	26.79	0.6%

The growth in FTE positions has primarily occurred in the Public Safety, Judicial and Emergency Services strategic program. Information on growth for each strategic program is presented in Table #2 below:

Table #2: FY 2004 - FY 2009 Budgeted FTEs by Strategic Program

Strategic Program	2004 Budgeted FTE Positions	2009 Budgeted FTE Positions	Increase	% Increase from 2004
Support Services	274.51	332.78	58.27	21.2%
Public Safety and Emergency Services	1,149.93	1,452.28	302.35	26.3%
Infrastructure	368.41	385.80	17.39	4.7%
Health and Human Services	874.17	1,019.38	145.21	16.6%
Culture & Recreation	654.36	698.62	44.26	6.8%
Records and Taxation	242.36	237.86	(4.50)	-1.9%
Totals	3563.74	4,126.72	562.98	15.8%

Within the Public Safety, Judicial & Emergency Services program, FTE positions have primarily increased due to the service expansions in Corrections' Adult Residential Center Phase IV Expansion and the Sheriff's Adult Detention Center Phase II Expansion.

Growth within Support Services has been largely due to the establishment of the Oracle Support Center department. In addition, the Facilities department has added positions to plan for and provide service to new County facilities.

Growth in Infrastructure has been modest, but is due to growth in service demands and system maintenance requirements in the Wastewater department.

Growth in Health and Human Services has been largely due to increases at Mental Health and Developmental Supports.

Growth in Culture & Recreation has largely been in the Parks & Recreation Enterprise Fund.

Another measure of budgeted FTE positions is the number of positions per County resident. Table #3 below presents a comparison of FY 2004 budgeted and FY 2009 FTE positions per 1,000 Johnson County population:

Table #3: FY 2004 - FY 2009 Budgeted FTEs per 1000 County Residents

Strategic Program	2004 Budgeted FTE Positions	2009 Budgeted FTE Positions	Increase	% Increase from 2004
Support Services	0.55	0.61	0.06	10.91%
Public Safety and Emergency Services	2.31	2.66	0.35	15.15%
Infrastructure	0.74	0.71	(0.03)	-4.05%
Health and Human Services	1.76	1.87	0.11	6.25%
Culture & Recreation	1.31	1.28	(0.03)	-2.29%
Records and Taxation	0.49	0.44	(0.05)	-10.20%
Totals	7.16	7.57	0.41	5.73%

New Positions Budgeted in the FY 2009 Budget

The FY 2009 Budget includes the addition of 11.95 FTE positions submitted through the Request for Additional Resources (RAR) process. Requests for 75.45 FTEs were submitted to the County Manager. Positions included in the budget represent the highest needs in the County.

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, more than half of the new positions budgeted in the FY 2009 Budget are funded with fees or grants. The remaining, tax-supported positions account for a 0.13% increase to existing FTEs. Highlights of the new positions included in the FY 2009 Budget are listed in Table #4 below:

Table #4: New FTE Positions in the FY 2009 Budget

Department	Description	FTEs	2009 Property Tax Impact	Request Type
District Courts	Administrative Assistant – Traffic	.50	\$19,999	RAR
District Courts	Youth Court Group Facilitator	.50	\$5,080	RAR
Emergency Communications	Accounting Technician	.50	\$25,884	RAR
Environmental	Solid Waste Management Specialist	1.0	\$0	CIP-RAR
Environmental	Solid Waste Management Coordinator	1.0	\$130,917	CIP-RAR
Environmental	Stormwater Specialist	1.0	\$0	RAR

Facilities	Project Manager	1.0	\$88,292	CIP-RAR
Human Services and Aging	Lead Rehabilitation Specialist	.80	\$44,988	RAR
Human Services and Aging	Data Technician	1.0	\$0	RAR
Museum	Assistant to the Director	.65	\$22,855	RAR
Parks & Recreation - Enterprise	Blazers Elite Assistant Swim Coach	1.0	\$0	RAR
Parks & Recreation - Enterprise	Sports Officials Coordinator	1.0	\$0	RAR
Public Health	Social Worker	1.0	\$55,668	RAR
Wastewater	Industrial Electrician Crew Member	1.0	\$0	RAR

*RAR = Request for Additional Resources

A total of 4,126.72 FTEs are included in the FY 2009 Budget. This is an increase of 26.79 FTE from the FY 2008 budget of 4,099.93 FTEs. Other than the 11.95 new FTE, the remaining increase of 14.84 FTE above the FY 2008 estimate are due to the net partial year FTE impacts of previous approved CIP projects, primarily the Adult Detention Center Expansion Phase II, budget reductions, and seasonal employee adjustments throughout the year. These positions attest to the County's capital and operating needs now and in the future.

Total Compensation Package

The County's strategy for remaining competitive in the labor market includes both direct (wages) and indirect (benefits) elements. The County completed a classification and compensation study in FY 2002. As a result, a new classification structure was implemented in FY 2003 while new pay grades, reflecting both the new classification structure and the County's compensation philosophy, was implemented in FY 2004. The County's compensation philosophy is to support the achievement of the organization's strategic goals and objectives by being competitive within comparable labor markets, internally equitable, and by rewarding individual and group performance excellence.

With regard to direct compensation, a 3.0% merit increase pool for employees with competent to superior performance has been included in the FY 2009 Budget. The average merit pay rate increase has been less than the percentage movement of the pay table, resulting in "pay compression," i.e., employees with higher-levels of experience and performance are paid near the minimum of their pay range along with less experienced employees. As a result of "pay compression", 59.8% of all County employees were paid in the first third of the pay range. To address this issue, the County developed a tercile placement methodology over three years (FY 2005 – FY 2007) that recommends employee tercile placement based on career-related experience, including experience in position, department/agency, County, and the career field (in and outside of the County), as well as performance over the last 3 years. Guided by the County's compensation philosophy, the model enabled the County to identify the scope of the needed adjustments, analyze options, and develop a multi-year approach for alleviating pay compression issues and enhancing retention. For FY 2009, approximately \$1.9 million has been allocated to maintain the placement of employees in the pay ranges based on the market. Employees will be moved 50% of the market movement of the pay ranges. For example, if a pay grade moves 2%, an employee's pay within that grade will automatically be moved 1% exclusive of their merit increase. The combination of the grid maintenance and the merit increase should allow employees to stay within their appropriate market placement and keep with the County's compensation philosophy.

The FY 2009 Budget allocates \$3.0 million for the supplemental retirement program. This program has been extremely successful since its inception in FY 2002, with participation at approximately 80% of employees. For FY 2009, the employer match will remain constant at 3.0%.

The County's health insurance program is accounted for and segregated in a separate fund known as the "Health Care Fund". The fund is used to pool resources accumulated from health/dental coverage premiums paid by employees (through payroll deductions) and health/dental coverage premiums paid by the County (through the annual budget process). These combined resources, along with investment income, are used to pay for health and dental care claims (doctor office visits, surgery, dental work, prescription drugs, etc.), health and dental insurance premiums, vision coverage premiums, stop-loss premiums (premiums for secondary insurance to protect the fund against large claims), consulting fees, and administrative fees (fees charged for claims processing, etc.).

In addition to being the single largest fringe benefit expense for the County, health insurance funding issues are also extremely complex. The program includes a number of complicated variables which makes it difficult to estimate medical claims expenses with a high degree of accuracy. In recent years, the County's claims experience has been favorable and close to expected.

In Table #5 below, current budgetary estimates for the Health Care Fund are provided for FY 2008 and FY 2009. Current estimates indicate that the 12/31/09 cash balance for the Health Care Fund will be approximately \$17.4 million, which includes the amount necessary to cover incurred but not reported (IBNR) claims as well as a contingency reserve.

Table #5: Health Care Fund - FY 2008 and FY 2009 Budgetary Projections

	FY 2008	FY 2009
Beginning Cash Balance, January 1st	\$27,195,941	\$22,527,047
Estimated Receipts:		
Employer Contributions	\$18,486,352	\$20,792,021
Employee Contributions	5,858,360	6,589,031
Investment and Other Income	937,105	576,048
Total Estimated Receipts	\$25,281,817	\$27,957,100
Disbursements:		
Estimated Medical Claims	\$24,508,394	\$27,314,558
Estimated Administrative Costs & Stop Loss Premiums	3,013,530	3,235,323
Estimated Dental Claims & Administrative Costs	1,683,927	1,807,862
Estimated Vision Plan Premiums	345,714	417,111
Administrative, Wellness and Miscellaneous*	399,146	349,862
Total Estimated Disbursements	\$29,950,711	\$33,124,716
Projected Ending Cash Balance, December 31st	\$22,527,047	\$17,359,431
Annual Change in Projected Cash Balance	\$(4,668,894)	\$(5,167,616)
Estimated Secure Funding Level	\$12,899,633	\$14,298,306

*Revised based upon most recent information

Table #5 includes projected claims calculated at the County's expected exposure level for both FY 2008 and FY 2009 based on projected participation levels. The cash balance in the Health Care Fund has grown in recent years primarily due to positive claims experience and conservative forecasting. The fund's strong cash position enabled the County to decrease both the employer and employee contribution rates by 10% for FY 2008 in an effort to begin drawing down the fund balance to bring it closer to the secure funding level. The cash balance is projected to decrease by approximately \$4.7 million in FY 2008 and \$5.2 million in FY 2009; however, it will still be above the secure funding level. If the contributions remain at the levels listed above and if the claims run higher or lower than expected level in both years, the ending cash balance would be impacted.

Vacancy Factor

Beginning in FY 2001, personal services funding was budgeted at less than full employment (i.e., budgeting for a vacancy factor). The FY 2009 Budget continues the use of a vacancy factor. Positions meeting specific criteria have been budgeted at 98% occupancy for FY 2009. Generally, coverage positions where on-call hours are used to cover absences are exempted from the vacancy factor calculation. Also exempted were departments with less than ten (10) FTE positions.

Conclusion

Prudent investments in the County's workforce are key elements in improving the County's ability to achieve its mission and addressing the service demands created by a growing population. The compensation package and new FTE positions included in the FY 2009 Budget reflect a comprehensive and balanced approach to investing in the County's workforce.

**Johnson County FTEs by Agency/Department
FY 2007 - FY 2009**

<u>Agency/Department</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Estimate</u>	<u>FY 2009 Budget</u>	<u>2008-2009 % Change</u>
AIMS	13.14	12.88	12.88	0%
Airport	18.80	18.80	18.80	0%
Appraiser	97.00	97.00	95.00	-2%
Archives	3.00	3.00	3.00	0%
Oracle	15.00	15.00	15.00	0%
Board of County Commissioners	24.00	25.00	25.00	0%
Budget and Financial Planning	10.00	10.00	10.00	0%
Community Development	2.00	2.00	2.00	0%
Contractor Licensing	5.45	5.45	5.45	0%
Corrections	370.88	340.01	340.01	0%
RTA	44.50	42.50	42.50	0%
County Manager's Office	11.00	12.00	12.00	0%
Countywide	0	0	0	0%
Courts Law Library	4.96	4.96	4.96	0%
Developmental Supports	327.29	336.29	334.29	-1%
District Attorney	92.28	93.28	93.28	0%
District Court Trustee	46.75	46.75	46.75	0%
District Courts	21.86	22.86	23.86	4%
Elections/Registration	16.00	18.00	18.00	0%
Emergency Communications	35.50	38.50	39.00	1%
Emergency Management	6.00	6.00	6.00	0%
Environmental	44.75	44.75	47.75	7%
Facilities	117.50	119.77	120.77	1%
Financial Management	38.25	38.25	38.25	0%
Health Care Fund	1.00	1.00	1.00	0%
Human Resources	15.51	16.01	16.01	0%
Human Services & Aging	113.51	115.51	116.51	1%
Information Technology	66.00	67.00	67.00	0%
JIMS	17.50	17.50	17.00	-3%
Legal	16.00	16.50	16.25	-2%
Library Operating	282.26	282.26	283.71	1%
Med-Act	146.67	146.67	146.67	0%
Mental Health	395.72	397.41	397.41	0%
Motor Vehicle	65.86	65.86	65.86	0%
Museums	8.15	8.15	8.80	8%
Park & Recreation Enterprise	286.14	289.67	291.76	1%
Park & Recreation General	112.35	114.35	114.35	0%
Planning	14.14	14.40	14.40	0%
Print Shop	3.00	3.00	3.00	0%
Public Health	118.42	120.42	121.42	1%
Public Works	93.79	93.79	93.79	0%
Risk Management	4.50	5.50	5.50	0%
Sheriff	638.50	687.00	734.75	7%
Stormwater	4.00	4.00	4.00	0%
Transportation	11.00	11.00	11.00	0%
Treasurer	16.50	16.50	16.50	0%
Wastewater	224.48	224.48	225.48	0%
Total	4,020.91	4,071.03	4,126.72	1%