

# 2023 TOTAL COMPENSATION

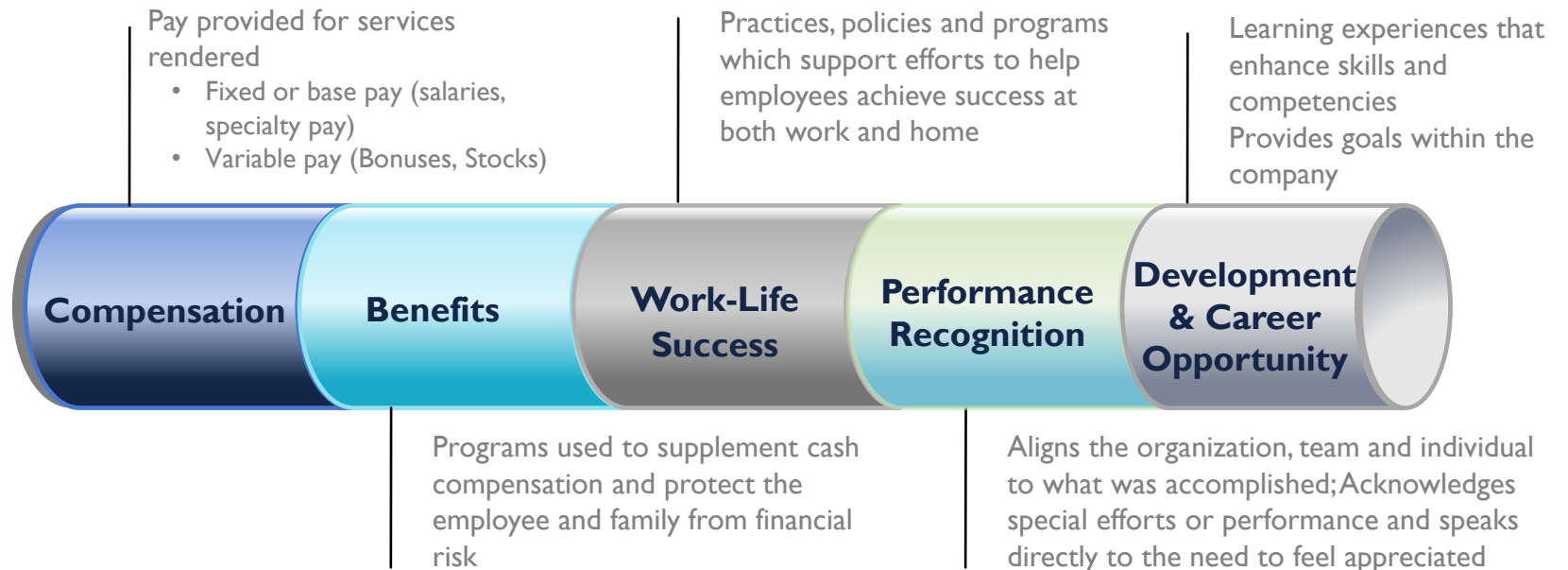
ARAPAHOE COUNTY  
STUDY SESSION  
AUGUST 9, 2022

# AGENDA

- Total Compensation Philosophy
- Benefit Plan Review & Proposals
  - Market Themes
  - Medical Plan Renewal & Options
  - Well-being Update
  - Pension Contribution
  - Holiday Schedule
  - Other Benefits
  - RFQs - FSA/HRA/COBRA
- Compensation Plan Review & Proposals
  - Market / Structure Proposal
  - Motor Vehicle Starting Rate
  - Merit Proposal
  - S.O. Step Structures
  - S.O. Specialty Pay
- 2023 Total Compensation Option and Cost Increase Summary
- Timeline

# TOTAL COMPENSATION PHILOSOPHY

- Arapahoe County will equitably and competitively pay our employees to our defined wage and salary market and adjust as needed in order to attract new talent and reward performance.
- We have been operating both Compensation and Benefits based on the 50<sup>th</sup> percentile of the market benchmarks
- 5 Components of Total Compensation:



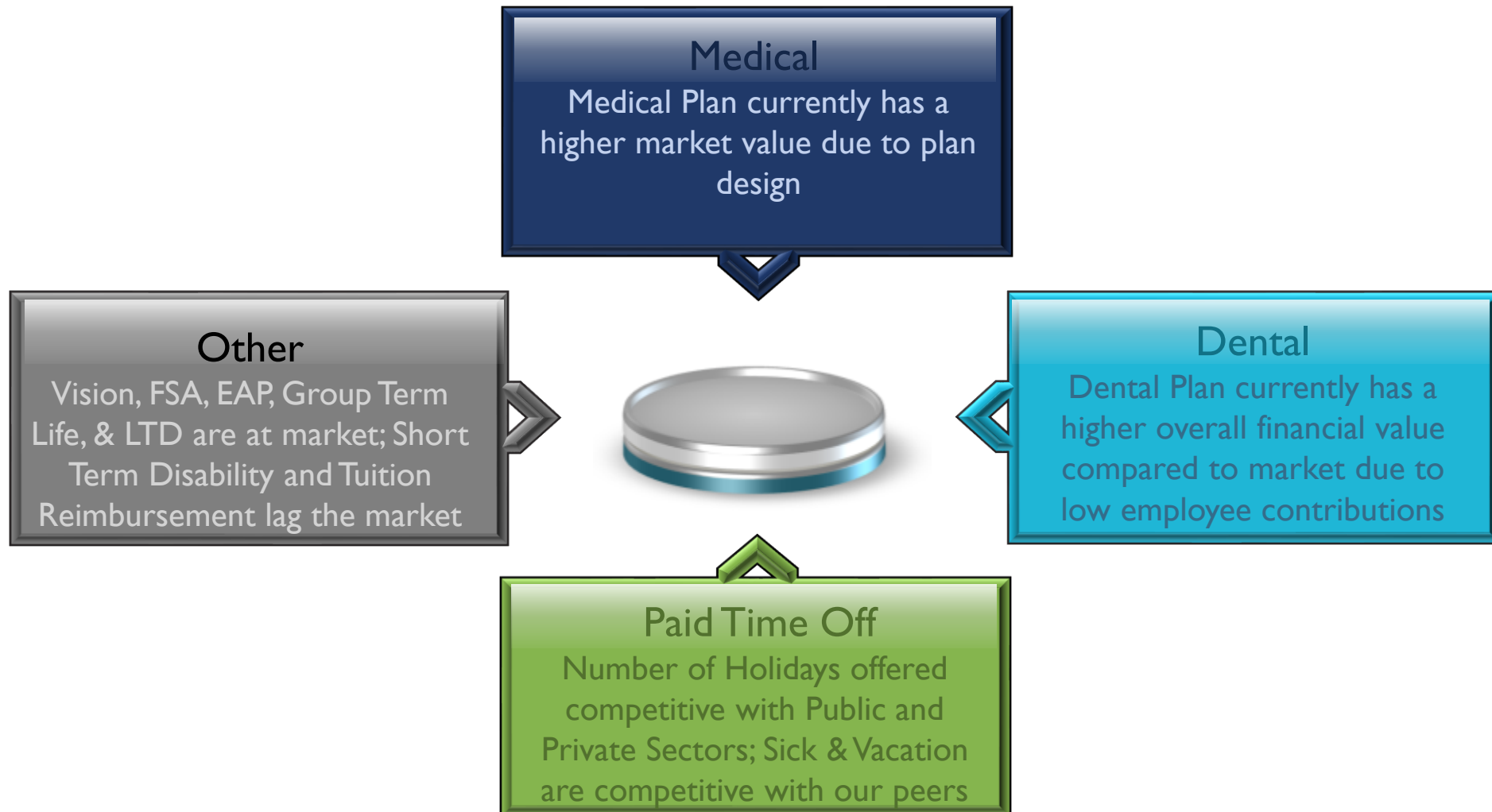


REVIEW & PROPOSALS

**BENEFITS**



# 2022 MARKET DATA



# 2022 DHMO NET VALUE COMPARED TO MARKET

Average Individual/Family Deductible  
HRA Contributions Individual/Family<sup>1</sup>  
Average PCP Office Visit Copay  
Average Specialist Office Visit Copay  
Average Individual/Family OOP Maximum  
Employee Coinsurance In-Network

Lockton Benchmark <sup>1</sup> Public Sector HMO	Arapahoe County <sup>2</sup> DHMO + HRA
\$871/\$1,816	\$2,000/\$4,000
	\$1,000/\$2,000
\$20	\$25
\$30	\$50
\$4,160/\$8,311	\$4,000/\$8,000
9% IN	10% IN

Avg Single Monthly Contribution  
Avg Family Monthly Contribution (Blended)

\$106.00	\$105.83
\$371.42	\$390.58

Overall Value Versus Public Sector	7.30%
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Enrollment

1564
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1. 2021 Lockton State, County, & City clients (58)

2. Arapahoe County 2022 plans and contributions

3. Some of the Lockton Benchmarks could offer either an HRA or an HSA which is not reflected.

Design = Deductibles, Copays, Coinsurance  
and Out Of Pocket Maximums  
Plan Design on Slide 44

Lockton Benchmark <sup>1</sup> Public Sector PPO	Arapahoe County <sup>2</sup> HMO Plus
\$1,253/\$2,547	\$0/\$0
\$17	\$30
\$24	\$50
\$3,939/\$8,046	\$4,000/\$8,000
10%	20% IN
\$144.00	\$324.25
\$447.91	\$870.24
	-29.10%

184
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# MEDICAL RENEWAL FOR 2023

- Kaiser Renewal: 4.17% or \$960,376 (5-year average of 6.78%)
  - Primary drivers: infertility regulations, inpatient and outpatient claims
  - Days Inpatient increased by 42.9% and there was a cost increase of 25.7% for inpatient services; an increase of 19.3% for outpatient; a decrease of 7.4% for Pharmacy; total PMPM costs increased by 18.3%
  - Wellness Program Design contributed to reduced renewal by 0.31%
  - Kaiser applied a trend of 3.51%
- National Average 7.0% and Colorado Average 5.6%
- \$469,000 (\$258,000 to General Fund)

# UPDATES TO THE MEDICAL PLAN

Expanded Infertility Coverage - 0.45% increase due to state regulations

Expanded Brain Health (formally Mental Health) access through Kaiser

Amwell – video counselling

Ginger – emotional support through text messages

# PREMIUM CONTRIBUTION STRATEGY

- DHMO
  - Employee Only Coverage at 84% / 16%
  - Dependent Coverage at 74% / 26%
- HMO+
  - Buy Up – employees pay a greater percentage of a more costly plan
  - Employee Only Coverage at 50% / 50%
  - Dependent Coverage at 40% / 60%
- Overall
  - County pays 73.8% (\$17.9M) with employees sharing the remaining 26.2% (\$6.3M) (75%/25% with HRA)

# EMPLOYEE BIWEEKLY COST COMPARISON – MEDICAL

2022			2023			2023 with Wellness Incentive	
Plan	Lives	EE Contributions	EE Contributions	Biweekly Increase	Annual Increase	EE Contributions	Biweekly Adjusted Increase
DHMO							
EE	861	\$48.85	\$54.28	\$5.43	\$141.18	\$44.28	(\$4.57)
EE + Spouse	128	\$173.40	\$187.87	\$14.47	\$376.22	\$177.87	\$4.47
EE + Child(ren)	286	\$134.33	\$145.53	\$11.20	\$291.20	\$135.53	\$1.20
Family	289	\$226.32	\$245.20	\$18.88	\$490.88	\$235.20	\$8.88
EE	117	\$149.65	\$194.79	<div>\$649.81 per check or \$16,895 per year</div>		\$184.79	\$35.14
EE + Spouse	21	\$398.46	\$497.88			\$487.88	\$89.42
EE + Child(ren)	17	\$308.67	\$358.68			\$348.68	\$40.01
Family	29	\$520.05	\$649.81			\$639.81	\$119.76

Note: Targeted letters and individual calls will go to employees who are in the HMO+ plan to educate on the cost impact and the DHMO option.

# 2023 TWO PLANS BENEFIT VALUE - PROJECTED

Average Individual/Family Deductible  
HRA Contributions Individual/Family<sup>1</sup>  
Average PCP Office Visit Copay  
Average Specialist Office Visit Copay  
Average Individual/Family OOP Maximum  
Employee Coinsurance In-Network  
  
Avg Single Monthly Contribution  
Avg Family Monthly Contribution (Blended)

Lockton Benchmark <sup>1</sup> Public Sector HMO	Arapahoe County <sup>2</sup> DHMO + HRA
\$1,189/\$2,588	\$2,000/\$4,000
	\$1,000/\$2,000
\$20	\$25
\$30	\$50
\$5,202/\$10,533	\$4,000/\$8,000
10% IN	10% IN
\$120.00	\$117.60
\$430.71	\$401.81

Overall Value Versus Public Sector 9.60%

Enrollment 1567

1. 2021 Lockton State, County, & City clients (58)

2. Arapahoe County 2021 plans and contributions

3. Some of the Lockton Benchmarks could offer either an HRA or an HSA which is not reflected.

4. Benchmark data based on peer 2022 data, which will change

2022 Value on DHMO is  
7.3% above market

Lockton Benchmark <sup>1</sup> Public Sector PPO	Arapahoe County <sup>2</sup> HMO Plus
\$1,289/\$2,651	\$0/\$0
\$25	\$30
\$40	\$50
\$4,736/\$9,399	\$4,000/\$8,000
15%	20% IN
\$119.00	\$422.04
\$375.08	\$1,107.43

-48.30%

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# ALTERNATIVE MEDICAL

- End the HMO+ plan and only offer the DHMO plan
  - Total of 6 claims for out of network procedures on the plus benefit, year to date
  - 100% of the time the DHMO is more cost effective than the HMO+ plan. ALWAYS! NO Exceptions!
- Renewal on one plan will be 4.8% - \$1,005,794
- Contribution Strategy at 84% / 16% Employee Coverage and 74% / 26% Dependent Coverage
- Overall County pays 76.4% (\$18.6M) with employees sharing the remaining 23.6% (\$5.4M) (78%/22% with HRA)
- \$912,000 (\$502,000 to General Fund)

# EMPLOYEE BIWEEKLY COST COMPARISON – MEDICAL

2022			2023			2023 with Wellness Incentive	
Plan	Lives	EE Contributions	EE Contributions	Biweekly Increase	Annual Increase	EE Contributions	Biweekly Adjusted Increase
DHMO							
EE	983	\$48.85	\$55.97	\$7.12	\$185.12	\$45.97	(\$2.88)
EE + Spouse	167	\$173.40	\$191.92	\$18.52	\$481.52	\$181.92	\$8.52
EE + Child(ren)	306	\$134.33	\$148.67	\$14.34	\$372.84	\$138.67	\$4.34
Family	311	\$226.32	\$250.49	\$24.17	\$628.42	\$240.49	\$14.17
HMO							
EE	0	\$149.65	\$55.97	(\$93.68)	(\$2,435.68)	\$45.97	(\$103.68)
EE + Spouse	0	\$398.46	\$191.92	(\$206.54)	(\$5,370.04)	\$181.92	(\$216.54)
EE + Child(ren)	0	\$308.67	\$148.67	(\$160.00)	(\$4,160.00)	\$138.67	(\$170.00)
Family	0	\$520.05	\$250.49	(\$269.56)	(\$7,008.56)	\$240.49	(\$279.56)

Note: Targeted letters and individualized calls will go to employees who are in the HMO+ plan to educate on the DHMO.

# 2023 DHMO ONLY BENEFIT VALUE - PROJECTED

2022 Value on DHMO is 7.3% above market

	Lockton Benchmark <sup>1</sup> Public Sector HMO	Arapahoe County <sup>2</sup> DHMO + HRA
Average Individual/Family Deductible	\$1,189/\$2,588	\$2,000/\$4,000
HRA Contributions Individual/Family <sup>3</sup>		\$1,000/\$2,000
Average PCP Office Visit Copay	\$20	\$25
Average Specialist Office Visit Copay	\$30	\$50
Average Individual/Family OOP Maximum	\$5,202/\$10,533	\$4,000/\$8,000
Employee Coinsurance In-Network	10% IN	10% IN
Avg Single Monthly Contribution	\$120.00	\$121.27
Avg Family Monthly Contribution (Blended)	\$430.71	\$431.36

Overall Value Versus Public Sector	8.80%
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Enrollment	1748
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1. 2021 Lockton State, County, & City clients

2. Arapahoe County 2023 plans and contributions

3. Some of the Lockton Benchmarks could offer either an HRA or an HSA which is not reflected.

4. Benchmark data based on peer 2022 data, which will change

# EMPLOYEE IMPACT EXAMPLES WITH TWO PLANS



- Employee A – 28-year-old, single, making \$42,245

2022 Current				2023 with Proposed Changes		
Earnings/Expenses	% of EE Check	Deduction	Contribution	% of EE Check	Deduction	Contribution
Biweekly Gross Income	100%		\$1,625	8%		\$1,755
Deductions	10%	\$167	\$442	12%	\$216	\$464
Taxes	13%	\$219		18%	\$308	
Take Home Pay	70%		\$1,140	70%		\$1,231
Additional Take Home:						\$90.76

- Employee B – 48-year-old, with family, making \$73,320

2022 Current				2023 with Proposed Changes		
Earnings/Expenses	% of EE Check	Deduction	Contribution	% of EE Check	Deduction	Contribution
Biweekly Gross Income	100%		\$2,820	8%		\$3,046
Deductions	18%	\$500	\$965	18%	\$540	\$1,005
Taxes	16%	\$464		16%	\$501	
Take Home Pay	66%		\$1,856	66%		\$2,004
Additional Take Home:						\$147.73



Illustrative only – not real employees  
Deductions include Retirement and DHMO Medical

# EMPLOYEE IMPACT EXAMPLES FROM HMO+ TO DHMO



- Employee A – 28-year-old, single, making \$42,245

2022 Current				2023 with Proposed Changes		
Earnings/Expenses	% of EE Check	Deduction	Contribution	% of EE Check	Deduction	Contribution
Biweekly Gross Income	100%		\$1,625	8%		\$1,755
Deductions	19%	\$301	\$442	12%	\$216	\$464
Taxes	16%	\$265		18%	\$308	
Take Home Pay	65%		\$1,059	70%		\$1,231
Additional Take Home:						\$171.40

- Employee B – 48-year-old, with family, making \$73,320

2022 Current				2023 with Proposed Changes		
Earnings/Expenses	% of EE Check	Deduction	Contribution	% of EE Check	Deduction	Contribution
Biweekly Gross Income	100%		\$2,820	+8%		\$3,046
Deductions	28%	\$793	\$806	18%	\$540	\$1,005
Taxes	14%	\$405		16%	\$501	
Take Home Pay	57%		\$1,621	66%		\$2,004
Additional Take Home:						\$382.72



Illustrative only – not real employees  
Deductions include Retirement and From HMO+ to DHMO Medical

# DENTAL RENEWAL FOR 2023

- Delta Dental Renewal: -2.3% or -\$34,245
- Dental Administrative Fee – Rate Guarantee
- Dental Reserve at approximately \$874,000
- Adjusting rates to be more in line with contribution strategy and to manage the reserve BUT then providing a 10% reduction in rates to pull from reserve
  - Contribution Strategy is 75%/25% employee coverage; 50%/50% dependent coverage
- -\$225,000 savings in total but \$191,000 is from Dental Reserve

# EMPLOYEES EXPECTATIONS HAVE CHANGED

Want more well-being support to demonstrate their organization cares about them

- 75% of employees said a wellness program is vital (Harvard Business Review)
- 95% of employees said their companies should care about their emotional and mental health and 77% said they wish their employers did more. (ginger.io)
- Purpose Driven work (career) 23% of organization say they are great at tying employee goals to the organization

Brain Health (mental health) is top of mind for employees

- 47% of Adults report a decline in their mental health over the last two years
- \$6 Trillion projected in mental health claims through 2030
- 70% of employees say Mental Health is the most important benefit beyond traditional healthcare  
(Marsh McLennan Agency)

Personalization is paramount for employees

- Flexibility speaks to financial, physical and emotional well-being
- Convenience and easy to use tools speaks to career and emotional well-being
- 4 generations in the workforce: one size does not fit all

# WHOLE PERSON FOCUS

- HR's role has expanded
  - “Organizations that are retaining their best talent have prioritized recruitment, engagement, **social** benefits and **community** connectedness, because their employees seek and expect resources to help improve their **financial**, **mental**, **physical** and **career** well-being – meaning flexibility is mission critical” (Navigate Well-being)
  - Competition for qualified candidates is fiercer than ever
  - Supporting employees and managers in hybrid and remote capacities
  - Social Determinants of Health (a wholistic well-being can reduce some of the barriers to care)
  - DEIB speaks to employee Social well-being
  - Career Well-being
    - Mentoring and Career Development
    - 82% of employees that feel they have support from their manager are likely to stay with the organization for next 12 months compared to 44% of employees who do not feel supported

**Social:** Holistic well-being gives us the security of meeting a basic human need to be **included** and feel **supported** through positive relationships with family, friends, and when needed, support groups.

**Physical:** Making the **healthy** choice the easier one and presenting programs that leave us feeling **energized** and excited to live our best lives.

**Financial:** Introducing financial habits that help us become **secure** in our current financial status and be **prepared** for a bright future.



**Career:** Creating **fulfilled** and **engaged** employees by utilizing Arapahoe Learns for opportunities for continuing education.

**Community:** Offering employees time to **connect** with **philanthropic** events, volunteer at local schools and be involved in their neighborhood community.

**Emotional:** Sharing Guidance Resources to make **mindful** choices and create **balance** in and outside of work.

# WELL-BEING UPDATE

## *My Well-being portal*

- Current enrollment: 1,212 individuals (7% growth from 2021)
  - 67% employees, 33% spouses
  - 65% female, 35% male
- 15+ Programs offered in 2021, with an average engagement rate of 20% (222% growth since 2020); 2022 trending at 30%

## Continued to provide Mental Health First Aid

- 254 participants to date

## Wellness Counts – completion rate is 29% as of 7/31/2022

## Pivot Smoking Cessation Program

- Current enrollment is 14 out of 106 known tobacco users

## Participated in 5K and Treat Street with Open Spaces for Community Well-being

## Rolled out Your Money Line

- 152 participants to date

## Rolled out Caregiving Support

- 85 participants to date

# TWO NEW BENEFITS TO SUPPORT EMPLOYEE WELL-BEING



- Landed is a shared equity down payment program that helps essential professionals (educators, healthcare professionals, and government employees) reach a 20% down payment, without income restrictions. This has a zero-dollar obligation to Arapahoe County.



- Total Brain is a digital neurotech platform, driving the advancement of measurement-based mental health care by delivering clear and data-informed treatment results, and personalized self-care tools. Through our partnership with Navigate, we can add this within our existing internal budget.

## RETIREMENT CONTRIBUTION

- Currently, there is a mandatory 9% employee contribution which the County funds an equivalent 9% match
- Proposal is to increase the County's contribution to 9.25%
- While contribution to the pension is part of Total Compensation Value Exchange, this is a deferred payment for only those that retire, it does not impact employee's taxes or take-home pay, therefore, the perceived value of this benefit will be low
- \$440,000

# FSA/HRA/COBRA RFQ

- The County issued a Request for Quote (RFQ) for the FSA/HRA/COBRA, through our broker, Lockton
  - Due to employee feedback on poor customer service and claim processing changes and administrative billing issues
- Anticipated to be completed by the end of August

# HOLIDAYS

- Proposed schedule for 2023:

- New Years Day – Monday, January 2
- Martin Luther King Day – Monday, January 16
- Presidents Day – Monday, February 20
- Memorial Day – Monday, May 29
- Juneteenth – Monday, June 19
- Independence Day – Tuesday, July 4
- Labor Day – Monday, September 4
- Arapahoe Day – Monday, October 2
- Veterans Day – Friday, November 10
- Thanksgiving Day – Thursday, November 23
- Day after Thanksgiving – Friday, November 24
- Christmas Eve – Monday, December 25
- Christmas Day – Tuesday, December 26
- Floating Holiday (1)

## CHANGES TO BENEFITS

### Moving Accident, Critical Illness and Hospital plans to The Standard

- Better coverage, lower rates, \$50K reduction of Long-Term Disability rates

### New Arapahoe Rewards Platform

- Consolidated under our relationship and contract with our broker, Lockton, for administrative efficiencies

## OTHER BENEFITS

Vision is under rate guarantee: no changes.

EAP is under rate guarantee; no changes

Caregiver Support: pilot year complete with positive feedback from employees and no rate changes

Your Money Line: pilot year complete with positive feedback from employees and no rate changes

Enhanced *My Well-being* site to provide additional tools and support for employees and the County



REVIEW & PROPOSALS

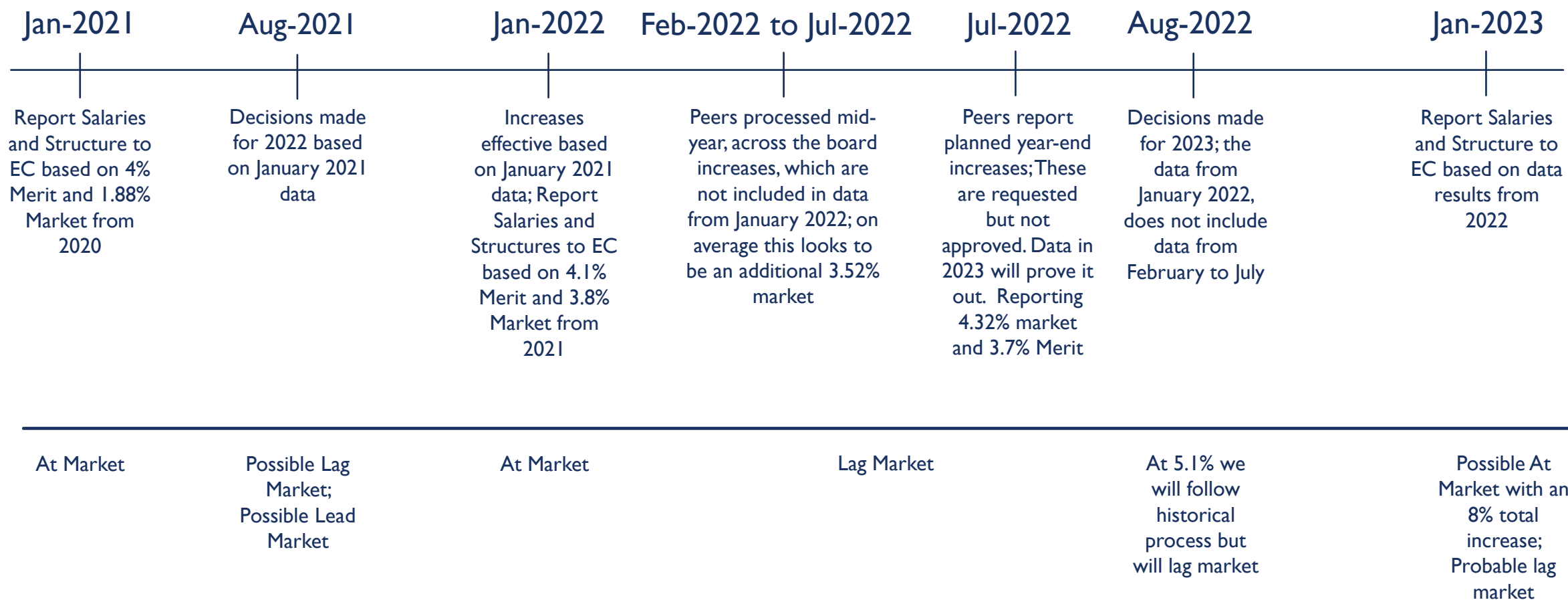
COMPENSATION



## 2022 LABOR MARKET

- 76% of all US employers report a labor shortage and challenges with retention and attraction (Pay Scale)
- As of June 2022, Denver's cost of labor was 139% of national average while cost of living is 113% of national average
  - However, because of inflation, buying power is less – impact on salary increases a 3% increase will effectively net an employee -6.1% in take home buying power
- Compa-ratio is .99 demonstrating our pay is lagging market approx. 1% (employee salary/50<sup>th</sup> market compensation data)
  - This is based on data from 2021
  - We are falling behind our peers

# MARKET - TIMELINE



# MARKET INDICATORS ON PAY

2023 anticipated increases:

Pay Component	EC Denver / Boulder	Pay Scale	World @ Work	Gov't Peers*
Merit	4.1%	4.3%	4.1%	3.7%
Structure/Market	3.8%	2.3%	3.9%	7.8%

\*County and City Proposed (58% of peers responding)

# RECLASSIFICATIONS

- 12 jobs will be reclassified into a higher grade and 2 jobs will be reclassified into a lower grade, based on 3-year market trend
  - Cost to bring to minimum is \$166
- Labor market is moving in such a way that we need to apply some flexibility in order to compete
  - Would like to modify County Compensation Policy that requires a three-year trend to add the following
    - If a two-year trend at a variance of 12% to 19.9%; reclassify
    - If a one-year trend at a variance of 20% or more; reclassify
  - If approved, an additional 12 jobs would be reclassified up
- **Cost \$1,000** *\$1,180 with Benefit Load*

# MARKET/STRUCTURE ADJUSTMENTS

- Market indicates a general structure increase of 3.8% which we applied to midpoints when updating the structure
- Need to fund again this year at 5%, to hopefully achieve a 1.0 compa-ratio for the County overall, going into 2023
  - The 3.8% was reported prior to mid year increases being issues.



- Cost of funded market movement:
  - Base: \$5,144,000 \$6,069,000 with Benefit Load
  - General Fund: \$2,829,000 \$3,338,000 with Benefit Load

# MOTOR VEHICLE STARTING RATE & COMPRESSION

- Background
  - The Motor Vehicle Specialist is being reclassified into an N04
  - The Clerk & Recorder currently has 4 levels of Motor Vehicle Specialists (market only supports 2 levels)
  - They have agreed to reduce this to 3 levels to more align with market
  - Entry level motor vehicle specialists starting rates are moving up quickly in the market
- Request
  - Move Motor Vehicle Specialist I and II into role of Motor Vehicle Specialist
  - Move Motor Vehicle Specialist starting rate to \$21.00/hour and apply compression up through Sr. Motor Vehicle Specialists and Lead Motor Vehicle Specialists
- **Cost: \$236,000** *\$279,000 with Benefit Load*

# MERIT ADJUSTMENTS

- Propose 3% budget for merit (performance)
  - Can be an adjustment to base rate, lump sum or a combination of both
- Cost of merit adjustment:
  - Base: **\$3,475,000** *\$4,101,000 with Benefit Load*
  - General Fund: **\$1,911,000** *\$2,255,000 with Benefit Load*

# SWORN MARKET / STRUCTURE ADJUSTMENTS

Normal Step Progression: \$414,663

Market indicates a general increase of 3.8%: \$1,285,220

Adjustment of 0.57% to keep Sworn pay at 78th percentile:  
\$192,044

Sworn Management structure to bring to minimum: \$3,638

## Cost of Sworn Market Structure Adjustments:

- Base: \$1,896,000 *\$2,237,000 with Benefit Load*
- General Fund \$1,668,000 *\$1,968,000 with Benefit Load*

Please note: the 2023 average increase of those in this group who are not maxed out is 9.71%

# SPECIALTY PAY

Tier	Annual Pay	# of EEs
Honor Guard Explorer	\$600	28
Hostage Negotiator Wildland Fire Fighter Hazardous Material Team Traffic Reconstructionist Disturbance Control Unit Fire/Arson Investigator Special Ops. Response Team Mounted Posse UAS Drone Operators	\$1,760	86
Canine SWAT Bomb Squad	\$3,951	39

Tier	Annual Pay	# of EEs
Honor Guard Explorer	\$600	28
Hostage Negotiator Wildland Fire Fighter Hazardous Material Team Traffic Reconstructionist Disturbance Control Unit Fire/Arson Investigator Mounted Posse UAS Drone Operators	\$1,760	50
Canine SWAT Bomb Squad Special Ops. Response Team	\$3,951	75

Note: 10% cushion on 153 FTE

- Base Cost: **\$79,000** \$93,000 with Benefit Load
- General Fund Cost: **\$69,000** \$82,000 with Benefit Load

# COMMUNICATIONS TECHS MARKET / STRUCTURE ADJUSTMENTS

Normal Step Progression: \$33,256

Market indicates a general increase of 3.8%\*, which, we applied to all steps \$84,963

Adjustment of 4.04% to keep Communication Techs' pay at 78th percentile: \$90,329

Cost of Market Structure Adjustment:

- **Base: \$209,000** *\$246,000 with Benefit Load*

Please note: the 2023 average increase for Comm.Techs I & II who are not maxed out is 15.62%

# 2022 TOTAL COMPENSATION

COST ESTIMATE  
SUMMARY

Benefit Options are either/or but Compensation Options can be mix and match which will adjust the totals.

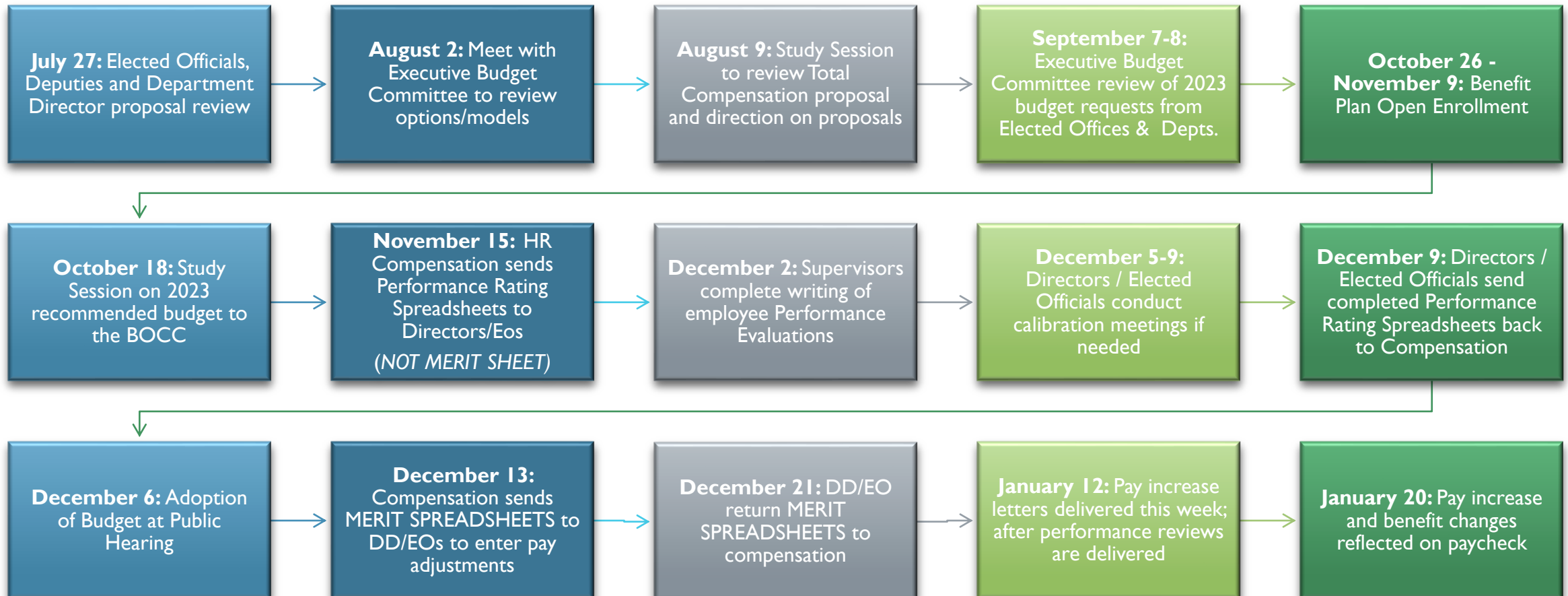
Benefit Options are either/or but Compensation Options can be mix and match which will adjust the totals.		Benefit Option 1		Benefit Option 2	
		• Medical Plan - No changes: \$468,687		• Medical Plan - One Plan: \$912,308	
		• Bundle Accident, CI, Hosp.: -\$50,000		• Bundle Accident, CI, Hosp.: -\$50,000	
		• Dental Reserve - \$-224,742		• Dental Reserve: -\$224,742	
		• Increase 401A - \$440,000		• Increase 401A - \$440,000	
		\$719,341		\$1,130,962	
		\$395,638		\$622,029	
Compensation Option 1	• 5% Structure / Salary Ranges - funded \$5,143,563 • Motor Vehicle Specialists - \$236,126 • 3% Merit Pay (excludes Sheriff Deputy Step Program) \$3,475,076 • Sheriff Deputy Step and Sworn Mgmt. 4.37% Structure adjustments \$1,895,565 • Sworn Mgmt - \$3,638 • SORT moved to tier 3 -\$78,876 • Comm Tech Step Structure adjustments \$208,548	\$11,041,392	\$11,760,733	\$12,172,354	
		\$6,925,715	\$7,321,353	\$7,547,744	
			\$8,567,981	\$8,794,373	
Compensation Option 2	• 3.8% Structure / Salary Ranges - funded \$4,401,763 • Motor Vehicle Specialists - \$284,637 • 4.2% Merit Pay (excludes Sheriff Deputy Step Program) \$4,865,106 • Sheriff Deputy Step and Sworn Mgmt. 4.37% Structure adjustments \$1,895,565 • Sworn Mgmt - \$3,638 • Comm Tech Step Structure adjustments \$208,548	\$11,659,257	\$12,378,598	\$12,790,219	
		\$7,133,255	\$7,528,893	\$7,755,284	
			\$8,812,878	\$9,039,270	
		Full Base Cost	General Fund Base Cost	General Fund Benefit Loaded Cost	

# TIMELINE

ACTIONS AND  
COMMUNICATIONS



# TIMELINE



# DECISIONS NEEDED

## Benefits

- One or Two Medical Plans
- Use of Reserve for Dental
- Increase County Contribution to Pension
- Approve Holiday Schedule

## Compensation

- Market at 5% funded
- Market Trend Policy modification
- Motor Vehicle starting rate and compression
- Merit at 3%
- S.O. Step Increases
- S.O. Specialty Pay change
- S.O. Communication Technicians Step Increases



# APPENDIX



## BENEFITS & COMPENSATION

# MEDICAL PLAN DESIGN

	DHMO	HMO+
<b>Deductible</b>	\$2000/\$4000	\$0/\$0
<b>Health Reimbursement</b>	\$1000/\$2000	\$0/\$0
<b>Out-of-Pocket Max</b>	\$4000/\$8000	\$4,000/\$8,000
<b>Preventive Care</b>	No Charge	No Charge
<b>24/7 Medical Advise by Phone</b>	No Charge	No Charge
<b>Primary Care</b>		
Office Visit	\$25	\$30
Services during a visit	10%	
Chat with a Doctor	No Charge	No Charge
Phone Visit	No Charge	No Charge
Video Visit	No Charge	No Charge
<b>Specialty Care</b>		
Office Visit	\$50	\$50
Services during a visit	10%	
Chat with a Doctor	No Charge	No Charge
Phone Visit	No Charge	No Charge
Video Visit	No Charge	No Charge
<b>Mental Health Outpatient</b>		
Office Visit	No Charge	No Charge
Services during a visit	10%	No Charge
Phone Visit	No Charge	No Charge
Video Visit	No Charge	No Charge
<b>Additional Benefits</b>		
Urgent Care	\$60	\$60
Services during a visit	10%	
Mobile ER (Dispatch Health)	\$60	\$60
Emergency Room	10% up to \$350	\$350
Inpatient Hospital	10%	20%
Diagnostic Lab & X-Ray	10%	\$45
<b>Prescription Drugs</b>		
Retail: 30 day supply	Generic: \$15 Brand: \$30 Non- Preferred: \$60 Specialty: 20% up to \$250	
Mail Order: 90 day supply	Generic: \$30 Brand: \$60 Non- Preferred: \$120	

# LOCKTON COST COMPARISON – PREMIUM ADJUSTMENTS – TWO PLANS

## 2023 Medical Renewal

		2022						2023					Employee Impact	
Enrollment		Current Premium	HRA	EE Contributions	EE %	ER Contributions	Enrollment	Renewal Premium	HRA	EE Contributions	EE %	ER Contributions*	Monthly	Annual
HMO														
EE	117	\$810.63		\$324.25	22%	\$486.38	117	\$844.08		\$422.04	50%	\$422.04	\$97.79	\$1,173.48
EE + Spouse	21	\$1,726.65		\$863.33	37%	\$863.32	21	\$1,797.89		\$1,078.73	60%	\$719.16	\$215.40	\$2,584.80
EE + Child(ren)	17	\$1,337.55		\$668.78	33%	\$668.77	17	\$1,392.73		\$835.64	60%	\$557.09	\$166.86	\$2,002.32
Family	29	\$2,253.56		\$1,126.78	40%	\$1,126.78	29	\$2,346.54		\$1,407.92	60%	\$938.62	\$281.14	\$3,373.68
DHMO*														
EE	861	\$705.55	\$8.33	\$105.83	7%	\$608.05	861	\$735.02	\$8.33	\$117.60	16%	\$625.75	\$11.77	\$141.24
EE + Spouse	128	\$1,502.83	\$16.67	\$375.71	25%	\$1,143.79	128	\$1,565.59	\$16.67	\$407.05	26%	\$1,175.21	\$31.34	\$376.08
EE + Child(ren)	286	\$1,164.16	\$16.67	\$291.04	20%	\$889.79	286	\$1,212.78	\$16.67	\$315.32	26%	\$914.13	\$24.28	\$291.36
Family	289	\$1,961.44	\$16.67	\$490.36	28%	\$1,487.75	289	\$2,043.36	\$16.67	\$531.27	26%	\$1,528.76	\$40.91	\$490.92
Total/PEPM	1,748	\$1,097.74	\$10.81	\$265.60	24%	\$832.13	1,748	\$1,143.52	\$10.81	\$299.85	26%	\$854.47		
Monthly		\$1,918,842	\$18,892	\$464,277		\$1,454,565		\$1,998,873	\$18,891	\$524,143		\$1,493,622		
Annually		\$23,026,100	\$226,700	\$5,571,323		\$17,454,777		\$23,986,476	\$226,694	\$6,289,717		\$17,923,464		
Annual \$ Change								\$960,376		\$718,394		\$468,687		
% Increase								4.17%		12.89%		2.69%		

\*Includes HRA Contribution

\*Dependent subsidy calculated after HRA dollars

# LOCKTON COST COMPARISON – PREMIUM ADJUSTMENTS – ONE PLAN

## 2023 Medical Renewal

		2022						2023					Employee Impact	
Enrollment		Current Premium	HRA	EE Contributions	EE %	ER Contributions	Enrollment	Renewal Premium	HRA	EE Contributions	EE %	ER Contributions*	Monthly	Annual
HMO														
EE	117	\$810.63		\$324.25	22%	\$486.38	0						(\$202.98)	(\$2,435.76)
EE + Spouse	21	\$1,726.65		\$863.33	37%	\$863.32	0						(\$447.50)	(\$5,370.00)
EE + Child(ren)	17	\$1,337.55		\$668.78	33%	\$668.77	0						(\$346.66)	(\$4,159.92)
Family	29	\$2,253.56		\$1,126.78	40%	\$1,126.78	0						(\$584.06)	(\$7,008.72)
DHMO*														
EE	861	\$705.55	\$8.33	\$105.83	7%	\$608.05	978	\$739.48	\$8.33	\$121.27	16%	\$626.54	\$15.44	\$185.28
EE + Spouse	128	\$1,502.83	\$16.67	\$375.71	25%	\$1,143.79	149	\$1,575.10	\$16.67	\$415.83	26%	\$1,175.94	\$40.12	\$481.44
EE + Child(ren)	286	\$1,164.16	\$16.67	\$291.04	20%	\$889.79	303	\$1,220.15	\$16.67	\$322.12	26%	\$914.70	\$31.08	\$372.96
Family	289	\$1,961.44	\$16.67	\$490.36	28%	\$1,487.75	318	\$2,055.76	\$16.67	\$542.72	26%	\$1,529.71	\$52.36	\$628.32
Total/PEPM	1,748	\$1,097.74	\$12.00	\$265.60	24%	\$832.13	1,748	\$1,145.69	\$12.00	\$257.87	23%	\$887.63		
Monthly		\$1,918,842	\$20,983	\$464,277		\$1,454,565		\$2,002,658	\$20,983	\$450,748		\$1,551,573		
Annually		\$23,026,100	\$251,800	\$5,571,323		\$17,454,777		\$24,031,894	\$251,792	\$5,408,977		\$18,618,877		
Annual \$ Change								\$1,005,794		(\$162,347)		\$1,164,100		
% Increase								4.37%		-2.91%		6.67%		

\*Includes HRA Contribution

\*Dependent subsidy calculated after HRA dollars

# HDHP WITH HSA

- We are examining the potential of a High Deductible Health Plan with Health Savings Accounts
  - Minimums required on Deductible
  - Maximums required on Out Of Pocket
  - No Co-Pays allowed (100% paid by Employee until deductible is reached and then coinsurance)
  - Behavioral Health cannot be no cost to employee
  - HSA monies cannot be used on Dental and Vision
  - Cannot use FSA and HSA for medical
  - Employees on Medicare are not eligible for HSA
  - HSA allows employees to keep what they have not spent for future healthcare costs (tax deferred)
    - HSA allows for a healthcare retirement savings option

Summary of Covered Benefits	DHMO	HSA HDHP
Calendar Year Deductible	Embedded	Aggregating
Individual	\$2,000	\$2,500
Family	\$4,000	\$5,000
Out of Pocket Maximum	Embedded	Embedded
Individual	\$4,000	\$5,000
Family	\$8,000	\$10,000
Expected Rates	2023 Renewal	2023 Proposed
EE Only	\$739.48	\$603.87
EE + SP	\$1,575.10	\$1,286.25
EE+ CH	\$1,220.15	\$996.39
Family	\$2,055.76	\$1,678.77
Employee Contribution Limit	FSA	HSA
Individual	\$2,850	\$2,550
Family		\$5,150
County Contribution	HRA	HSA
Individual	~\$1,000	\$1,300
Family	~\$2,000	\$2,600

**SIDE BY SIDE  
WITH HDHP**

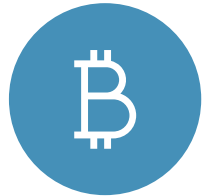
## Arapahoe County 2023 Dental Renewal

		2022						2023						
Current Enrollment		Current Funding	Employee Contribution	EE %	ER Contribution	ER %	Projected Enrollment	Renewal Funding	Employee Contribution	EE %	ER Contribution	ER %	Monthly EE Impact	Annual EE Impact
<b>Delta Dental</b>														
Employee	916	\$40.95	\$10.24	25.0%	\$30.71	75.0%	916	\$35.91	\$8.98	25.0%	\$26.93	75.0%	-\$1.26	-\$15.12
Employee + Spouse	240	\$87.24	\$33.38	38.3%	\$53.86	61.7%	240	\$76.51	\$38.26	50.0%	\$38.25	50.0%	\$4.88	\$58.56
Employee + Child(ren)	296	\$67.79	\$23.65	34.9%	\$44.14	65.1%	296	\$59.46	\$29.73	50.0%	\$29.73	50.0%	\$6.08	\$72.96
Family	435	\$104.73	\$42.12	40.2%	\$62.61	59.8%	435	\$91.85	\$45.92	50.0%	\$45.93	50.0%	\$3.80	\$45.60
<b>PEPM</b>	<b>1,887</b>	<b>\$65.75</b>	<b>\$22.64</b>	<b>34.4%</b>	<b>\$43.12</b>	<b>65.6%</b>	<b>1,887</b>	<b>\$57.66</b>	<b>\$24.47</b>	<b>42.4%</b>	<b>\$33.19</b>	<b>57.6%</b>		
Monthly Total		\$124,075	\$42,715		\$81,360			\$108,814	\$46,182		\$62,631			
Annual Total		\$1,488,897	\$512,581		\$976,316			\$1,305,763	\$554,189		\$751,574			
<b>Annual \$ Change</b>								<b>-\$183,134</b>	<b>\$41,608</b>		<b>-\$224,742</b>			
<b>% Change</b>								<b>-12.3%</b>	<b>8.1%</b>		<b>-23.0%</b>			

Note: approved contribution strategy is 25/75 on EE only and 50/50 of family tiers.

## LOCKTON COST COMPARISON - DENTAL

# MARKET REVIEW



Compa-ratio is .99 demonstrating our pay is lagging market approx. 1% (employee salary/50<sup>th</sup> market compensation data)



98.3% of employees are in positions matched to the market data  
95.1% of JOBS are matched



Colorado Unemployment Rate is at 3.5%

Department / Office	2020	2021	2022
Assessor's Office	0.97	0.96	0.98
Clerk & Recorder's Office	0.95	0.92	0.97
Commissioner's Office	1.04	1.04	1.04
Community Resources	0.96	0.96	0.96
Coroner's Office	1.00	1.00	0.94
County Attorney	1.00	0.95	1.02
Facilities And Fleet Management	1.00	0.97	1.00
Finance	1.02	1.02	1.07
Human Resources	1.04	1.02	1.08
Human Services	0.99	1.00	1.03
Information Technology	1.03	1.02	1.04
Open Spaces	0.93	1.00	0.96
Public Works & Development	1.01	0.99	1.03
Sheriff's Office (civilian only)*	0.93	0.96	0.97
Strategy & Performance	0.88	0.93	0.92
Treasurer's Office	1.01	1.02	1.03
<b>Grand Total</b>	<b>0.98</b>	<b>0.98</b>	<b>0.99</b>

\*Note: Sheriff's Office with Sworn at 1.02

**2022 COUNTY  
COMPA-RATIO BY  
DEPARTMENT OR  
OFFICE  
(COMPARED TO MARKET  
50<sup>TH</sup> DATA)**

## 2022 SALARY DEMOGRAPHICS

- Average Pay = \$73,633 (\$69,823 without Steps)
  - 59.2% of employees are below the Average Pay
- Lowest Pay = \$35,693 (I Customer Service Specialist)
- Number of Employees at Minimum of pay grade 2022 = 18 (1.08%)
- Number of Employees at Maximum of pay grade 2022 = 175 (10.5%)
- Number of Deputies/Sergeants at top Step Level 2022 = 266 (53.4%)
- Number of Communications Technicians at top Step Level 2022 = 14 (63.6%)

Employees by Gender		County Residents	State Residents
Female	57.3%	50.3%	49.0%
Male	42.7%	49.7%	51.0%
Employees by Race/Ethnicity		County Residents	State Residents
American Indian or Alaskan Native	0.38%	0.60%	0.90%
Asian	2.76%	5.40%	2.90%
Black or African American	7.00%	10.20%	4.00%
Hispanic/Latino	17.67%	N/A	N/A
Native Hawaiian or Other Pacific Islander	0.19%	0.20%	0.10%
Two or more races	1.86%	4.70%	3.50%
White	65.95%	73.10%	84.20%
Average Years of Service		7 yrs 11 mo	
Average Age of Employees		43	
Employees Eligible for Retirement Benefit		3.4%	

## 2022 EMPLOYEE DEMOGRAPHICS

# 2023 NON-EXEMPT STRUCTURE

Grade	2021			2022 Proposed		
	Min	Mid	Max	Min	Mid	Max
N02	\$14.18	\$17.73	\$21.27	\$14.72	\$18.40	\$22.08
N03	\$15.60	\$19.50	\$23.39	\$16.19	\$20.24	\$24.28
N04	\$17.16	\$21.46	\$25.73	\$17.81	\$22.28	\$26.71
N05	\$18.88	\$23.60	\$28.30	\$19.60	\$24.50	\$29.38
N06	\$20.76	\$25.95	\$31.14	\$21.55	\$26.94	\$32.33
N07	\$23.25	\$29.07	\$34.88	\$24.13	\$30.17	\$36.21
N08	\$26.04	\$32.55	\$39.05	\$27.03	\$33.79	\$40.54
N09	\$29.17	\$36.45	\$43.75	\$30.28	\$37.84	\$45.41
N10	\$32.66	\$40.83	\$49.00	\$33.90	\$42.38	\$50.86
N11	\$36.59	\$45.73	\$54.87	\$37.98	\$47.47	\$56.96
N12	\$40.98	\$51.22	\$61.46	\$42.53	\$53.17	\$63.80
N13	\$45.89	\$57.36	\$68.84	\$47.63	\$59.54	\$71.46

*\*Due to rounding in SAP, some rates may vary slightly once finalized*

# 2023 EXEMPT STRUCTURE

Grade	2021 Min	2021 Mid	2021 Max	2022 Proposed Min	2022 Proposed Mid	2022 Proposed Max
E02	\$47,774	\$59,679	\$71,615	\$49,589	\$61,947	\$74,336
E03	\$52,517	\$65,646	\$78,776	\$54,513	\$68,141	\$81,770
E04	\$57,769	\$72,212	\$86,654	\$59,964	\$74,956	\$89,947
E05	\$61,164	\$79,433	\$97,702	\$63,488	\$82,451	\$101,415
E06	\$67,279	\$87,376	\$107,473	\$69,836	\$90,697	\$111,557
E07	\$74,008	\$96,114	\$118,219	\$76,820	\$99,766	\$122,711
E08	\$81,409	\$105,725	\$130,042	\$84,502	\$109,743	\$134,984
E09	\$89,549	\$116,297	\$143,046	\$92,952	\$120,716	\$148,482
E10	\$98,504	\$127,927	\$157,350	\$102,247	\$132,788	\$163,330
E11	\$108,354	\$140,720	\$173,086	\$112,471	\$146,067	\$179,663
E12	\$119,189	\$154,792	\$190,394	\$123,718	\$160,674	\$197,629
F01	\$160,891	\$209,221	\$257,551	\$198,553	\$258,196	\$317,839

*\*Due to rounding in SAP, some rates may vary slightly once finalized*

# 2022 EXEMPT MANAGEMENT STRUCTURE

Grade	2021 Min	2021 Mid	2021 Max	2022 Proposed Min	2022 Proposed Mid	2022 Proposed Max
M03	\$57,152	\$71,440	\$90,865	\$59,324	\$74,155	\$94,318
M04	\$62,867	\$78,584	\$94,301	\$65,256	\$81,570	\$97,885
M05	\$67,771	\$88,014	\$108,258	\$70,346	\$91,359	\$112,372
M06	\$75,904	\$98,577	\$121,248	\$78,788	\$102,323	\$125,855
M07	\$85,012	\$110,406	\$135,798	\$88,243	\$114,601	\$140,959
M08	\$95,214	\$123,654	\$152,095	\$98,832	\$128,353	\$157,874
M09	\$106,639	\$138,492	\$170,346	\$110,691	\$143,755	\$176,819
M10	\$119,436	\$155,111	\$190,788	\$123,974	\$161,005	\$198,038
M11				\$138,671	\$180,326	\$221,981

*\*Due to rounding in SAP, some rates may vary slightly once finalized*

# 2023 DEPUTY AND SERGEANT STEP STRUCTURE

	Entry	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Non-Certified Deputy								
2023 Proposed	\$28.62	\$30.55	\$32.24	\$33.95	\$35.81	\$37.69	\$39.87	\$42.36
2023 Annual	\$59,537	\$63,549	\$67,068	\$70,610	\$74,488	\$78,388	\$82,939	\$88,117
Current 2022	\$26.23	\$28.00	\$29.55	\$31.11	\$32.82	\$34.54	\$36.55	\$38.83
Deputy Sheriff								
2023 Proposed	\$30.91	\$33.16	\$34.88	\$36.99	\$39.08	\$41.54	\$44.42	\$47.55
2023 Annual	\$64,289	\$68,974	\$72,560	\$76,931	\$81,280	\$86,413	\$92,398	\$98,900
Current 2022	\$28.33	\$30.39	\$31.97	\$33.90	\$35.82	\$38.08	\$40.72	\$43.61
Sergeants								
2023 Proposed		\$49.93	\$51.90	\$53.93	\$56.04	\$60.51	\$60.51	
2023 Annual		\$103,845	\$107,954	\$112,175	\$116,562	\$121,119	\$125,861	

*\*Due to rounding in SAP, some rates may vary slightly once finalized*

# 2023 SWORN MANAGEMENT STRUCTURE

Grade	2022 Min	2022 Mid	2022 Max	2023 Proposed Min	2023 Proposed Mid	2023 Proposed Max
L05 (Lieutenant)	\$121,150	\$128,999	\$136,848	\$127,119	\$135,687	\$144,255
L06 (Captain)	\$138,217	\$143,400	\$148,583	\$145,698	\$151,161	\$156,625
L07 (Bureau Chief)	\$150,069	\$155,696	\$161,324	\$158,191	\$164,123	\$170,055
L08 (Undersheriff)	\$162,937	\$169,047	\$175,157	\$171,756	\$178,197	\$184,638

*\*Due to rounding in SAP, some rates may vary slightly once finalized*

# 2023 COMMUNICATION TECHNICIAN STEP STRUCTURE

	Recruit	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Communications Technicians I								
2023 Proposed	\$22.46	\$23.52	\$24.93	\$26.42	\$28.01	\$29.69	\$31.47	\$32.91
Current 2022	\$20.80	\$21.78	\$23.08	\$24.47	\$25.94	\$27.49	\$29.14	\$30.47
Communications Technicians II								
2023 Proposed	\$25.37	\$26.57	\$28.16	\$29.85	\$31.64	\$33.54	\$35.55	\$37.72
Current 2022	\$23.49	\$24.60	\$26.08	\$27.64	\$29.30	\$31.06	\$32.92	\$34.98
Communications Supervisors								
2023 Proposed		\$39.61	\$41.17	\$42.80	\$44.49	\$46.25	\$48.07	\$49.98
Current 2022		\$37.08	\$38.37	\$39.72	\$41.11	\$42.55	\$44.04	\$45.89

*\*Due to rounding in SAP, some rates may vary slightly once finalized*