

One Stop Shop



Budget, Finance, and Administration Committee
February 26, 2013

How We Got Here



2012

- Q1 – Concept Planning
- Q2 - Stakeholder Collaboration
- Q3 – Implementation
- Q4 – Implementation

2013

February 13, 2013 – DHEC Moved In

Concept



- What can we do to improve service?

- Areas of Focus:
 - Attitude
 - Environment
 - Process

Attitude



- “NO” should never be the first response

- Service centered around solutions:
 - Collaboration
 - Problem Solving
 - Creativity

Environment



- Create a welcoming space that fosters collaboration and problem solving.

Process



- Improved communication between county departments and state agencies will reduce overall wait time.
- Everyone can begin working on a project at that same time.

Process - Examples



- Moving Permits
- 37.5 – 50 hrs of operation
- Inspectors call before inspection
- COVs reference Code Section
- Credit Cards
- Community Development:
 - Building Codes, Planning, Zoning in one place

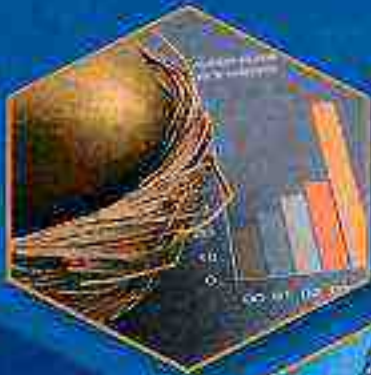
What is next?



- Software:
 - Increase Citizen Access
 - Mobile Capacity
- SCDOT?
- Roads and Bridges Fee Collection
- OJRSA
- Increased communication through information sharing

Questions?

Tour



Oconee County, SC

February 26, 2013

GASB 45 Impact of Proposed Retiree Medical Plan Changes

GRS

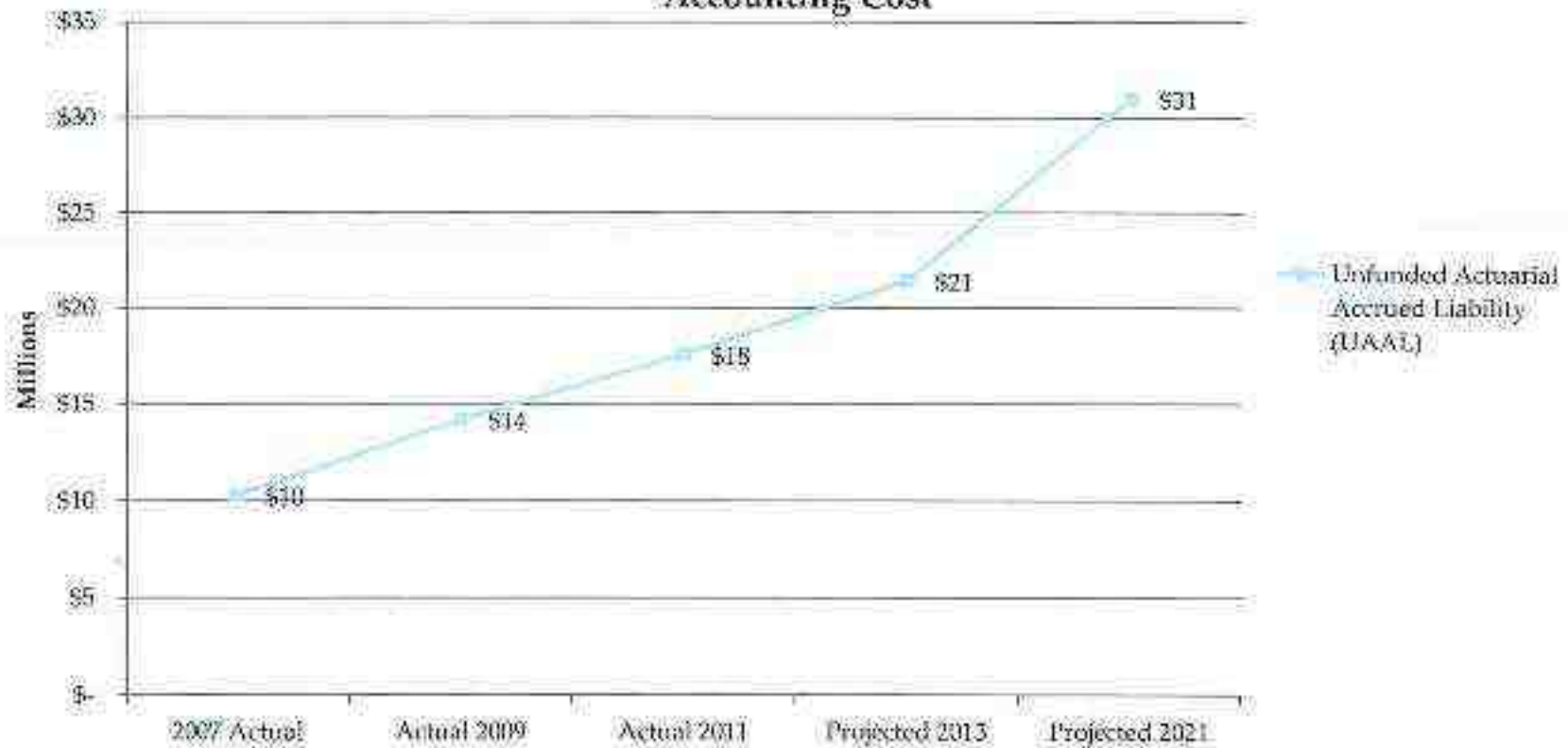
Gabriel Roeder Smith & Company
Consultants & Actuaries
www.gabrielroeder.com

Copyright © 2013 GRS - All rights reserved.



Projected Impact of OPEB

Oconee County OPEB Plan
Unfunded Actuarial Accrued Liability (UAAL)
Accounting Cost

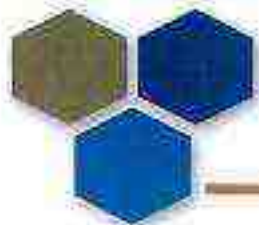




Current Plan

Unfunded Actuarial Accrued Liability	\$17,581,000
Balance Sheet Liability	\$1,960,000 as of June 30, 2012
Annual Required Contribution (accounting expense)	\$1,749,000
Net Cash Cost to County:	
Fiscal year ending June 30, 2012	\$592,000 (actual)
Fiscal year ending June 30, 2021	\$997,000 (estimated)

Without any changes, the county's expected cash costs are expected to grow to approximately \$1,000,000 by FYE 2021 and the balance sheet liability is expected to grow by over \$1,200,000 per year.



Current Plan

- ◆ Retirement Eligibility:
 - ▶ SCRS: 28 yrs. of service, 55/25, 60/5, or 65/5
 - ▶ PORS: 25 years of service, 55/5
- ◆ Eligibility for Retiree Health Care:
 - ▶ 20 years of service with Oconee County
- ◆ Current Retiree Premiums:
 - ▶ Pre-65: \$158/mo. (\$329/mo. retiree plus spouse)
 - ▶ Post-65: \$137/mo. (\$291/mo. retiree plus spouse)
 - ▶ Additional \$20/mo. for smokers



Proposed Plan Change 1

◆ HRA plan for Medicare Retirees (Post-65)

- ▶ County would provide \$150/mo. (\$300/mo. if married) subsidy to a health reimbursement account (HRA)
- ▶ Applies to current and future retirees; effective 1/1/2014
- ▶ County's subsidy would increase at the lesser of 3.0% or CPI increase each year (soft cap)
- ▶ Grandfathered Employee
 - County employees who have over 20 years of Oconee County service as of December 31, 2013
- ▶ Non-grandfathered employees would not receive the spousal subsidy



Proposed Plan Change 2

- Gradually increase premiums for Non-Medicare retirees over the age of 62
 - ▶ County's explicit subsidy would partially offset the average cost of single-person coverage
 - ▶ County's explicit subsidy would equal \$550/month in 2014, and would increase by the lesser of 3.0% or the COBRA rate increase each year
 - ▶ Average cost of single person coverage in County's health plan is \$694/mo. (2% less than the 2013 COBRA rate)
 - True cost for retirees is higher due to their age and utilization
 - ▶ Change applies to current and future retirees effective 5/1/2013
 - ▶ Average cost of the plan may change when Medicare retirees are removed from the plan; County may need to recalibrate the explicit subsidy



Hypothetical Example for Pre-65 Premium Increases

Plan Year Ending	Trend	Average cost	County's Explicit Subsidy	Retiree Premium
2013		\$694	\$536	\$158
2014	8.0%	\$750	\$550	\$200
2015	7.0%	\$803	\$567	\$236
2016	6.0%	\$851	\$583	\$268
2017	5.0%	\$893	\$601	\$292
2018	4.5%	\$933	\$619	\$314
...	4.5%
2025	4.5%	\$1,269	\$761	\$508

- Increases to the overall costs will be shared by the County and the retirees
- Increases to retiree premiums will depend on actual medical trend
- Spouses are eligible for the same level of County subsidy



Proposed Plan Change 3

- ◆ Significantly increase premiums for non-grandfathered employees who retire prior to 62
 - ▶ Grandfathered Employee: County employees who have over 20 years of Oconee County service as of December 31, 2013
 - ▶ Grandfathered employees who retire prior to age 62 would be eligible for the \$550 per month indexed subsidy up to age 65.
 - ▶ Non-grandfathered employees who retire prior to age 62 would be eligible for a \$300 per month indexed subsidy up to age 62.
 - ▶ Non-grandfathered employees would be eligible for the \$550 per month indexed subsidy at age 62.
 - ▶ PORS employees are more likely to be negatively affected.
 - ▶ Any retiree who had 20 years of county service and declined coverage may re-enroll in the plan at any time in the future.



Example 1 – Medicare Retire

Mrs. Smith is 72 years old, has been retired for 10 years and is covered by the County's health care plan. Currently, she pays a premium of \$137/mo. The County currently pays the difference between her health care claims and her premiums.

Under the proposed plan, the County would no longer include Mrs. Smith on its self-insured plan. Instead, the County would establish an account based plan with several or perhaps many Medicare options. In 2014, Mrs. Smith would have \$150 per month from the County to use under the new plan. She could purchase a \$287 per month Medicare Supplement and have the same net cost of \$137 per month. Depending on her particular medical and especially drug needs, she may not need as expensive of a plan and may see her monthly out-of-pocket cost decrease.

In 2015, the County's subsidy would increase by 3.0% to \$154.50 per month.



Example 2 – Pre-65 Retiree

Mr. Davis is a PORS employee who is currently 48 years old and has 20 years of service. In 2020, Mr. Davis retires through PORS at age 55 with 27 years of service. Because he is a grandfathered retiree, he and his spouse would both be eligible for a projected County subsidy of \$657 in 2020. He could maintain his coverage through the County's plan by paying a projected monthly premium of \$362 (or \$724 for two-person coverage). If Mr. Davis finds employment elsewhere and drops his Oconee County medical coverage, he could rejoin the plan at any time in the future. He would be eligible for retiree medical benefits because he had 20 years of Oconee County service at retirement. If Mr. Davis rejoins the plan in 2030 when he reaches 65, he and his spouse would each be eligible for a projected \$241 per month HRA contribution from the County.

If Mr. Davis were not grandfathered, his premiums would be over \$300 higher (or \$600 if Mrs. Davis is covered) per month before the age of 62 and he would not be eligible for a spouse subsidy when reaching the age of 65.



Summary of Proposed Plan

- The post-65 retirees will have greater choices for their individual health care needs and have a very valuable benefit for decades of their lives.
- By using “soft” caps, the County will not be passing all future increases to the retirees.
- Allowing members with over 20 years of Oconee service the option of re-enrolling is very valuable.
- Non-grandfathered employees receive a lower subsidy prior to age 62 and do not receive a spousal benefit after the age of 65.
- Proposed changes provide a more sustainable benefit which adds value to the plan.



Impact on GASB 45 ARC and Liabilities

	Current Plan	Proposed Plan
GASB 45 ARC (accounting expense)	\$1,749,000	\$830,000
<i>% Change</i>		<i>-53%</i>
Actuarial Accrued Liability	\$17,581,000	\$9,382,000
<i>% Change</i>		<i>-47%</i>

The County can reflect the plan savings in its FYE 2013 audit if the plan changes are adopted and communicated to plan participants prior to June 30, 2013. The ARCs shown above are for FYE 2013.



Actuarial Assumptions: Proposed Plan

- The results shown on the previous slide are based on census data as of June 30, 2011.
- The election rate for non-grandfathered employees who retire prior to age 65 was changed to 25%.
- Re-enrollment rates for eligible retirees who declined coverage:
 - ▶ 100% assumed re-enrollment for eligible retirees at age 65
 - ▶ 73% assumed re-enrollment at age 62 for non-grandfathered employees who retire prior to age 62
- Rates of retirement, death and disability were updated to match the 2012 changes made by SCRS and PORS.
 - ▶ These changes had a very minor impact on the accrued liability.
- An adjustment was made to reflect the less than expected increase in retiree premiums for plan year 2012/13.
- All other assumptions and methods were the same as those used in the June 30, 2011 actuarial valuation.

CLASSIFICATION AND COMPENSATION STUDY



OCONEE COUNTY, SC
FEBRUARY 2013



OVERVIEW OF THE STUDY

Conducted by MGT of America, Inc. (www.mgtamer.com)

Goals:

- To design a forward-looking compensation plan based on relevant market comparisons of current positions
- To update the compensation and position management practices to make the county more competitive in the appropriate recruitment markets
- To increase opportunities for professional growth in the county workforce:
 - Codify job roles, responsibilities, requirements, and compensation
 - Clarify job families and hierarchies



PARTNERSHIP

OCONEE COUNTY

- Provide input on study process
- Complete job description questionnaires (employees)
- Review updated position descriptions (employees)
- Review and provide input on the study's draft report
- Implement recommended changes from the final report to classification and salary structure

MGT OF AMERICA

- Design study framework
- Develop communications strategy
- Collect job and salary data
- Analyze job and salary data
- Collect market salary survey data
- Update job descriptions and FLSA
- Provide recommendations for changes to classification and salary structure

In Process:

- Submit final report and refine implementation strategies
- Provide staff training and ongoing assistance



KEY STEPS IN PROCESS

- Ongoing employee communications
- Completion and review of Job Content Questionnaire (JCQ)
- Completion and review of Management Issues Paper (MIP)
- Update job descriptions
- Salary survey of competitive recruitment markets
- Recommendations for new structure



JOB DESCRIPTIONS

- JCQ information generated Job Descriptions for each participating employee
 - Very good participation (>80%)
- MGT reviewed and made editorial (language) changes
- Employees reviewed
- Supervisor and HR office review and approve final



SALARY SURVEY

Comparison markets and data sources identified for classes as appropriate:

- Bureau of Labor Statistics data covering:
 - Upper Savannah SC nonmetropolitan area recruitment market
(8 adjacent counties including Oconee)
 - South Carolina statewide recruitment market
- South Carolina Association of Counties salary survey data covering:
 - Peer counties in SC based on joint consideration of population and personal income levels
(11 counties excluding Oconee)



PROJECT OUTCOMES

- Updated Job Descriptions and FLSA Exemptions
- Updated Pay Grades and Ranges
 - Classes (jobs) assigned to grades based on external and internal benchmarks
- System Consistent with Best Practices
 - Increasing ranges and flexibility with ascent up pay scale
- Implementation Plan
 - Wage targets set by incumbent job and tenure (to address salary compression)
 - Phase-in schedule to accommodate budget realities



PROPOSED SALARY SCALE

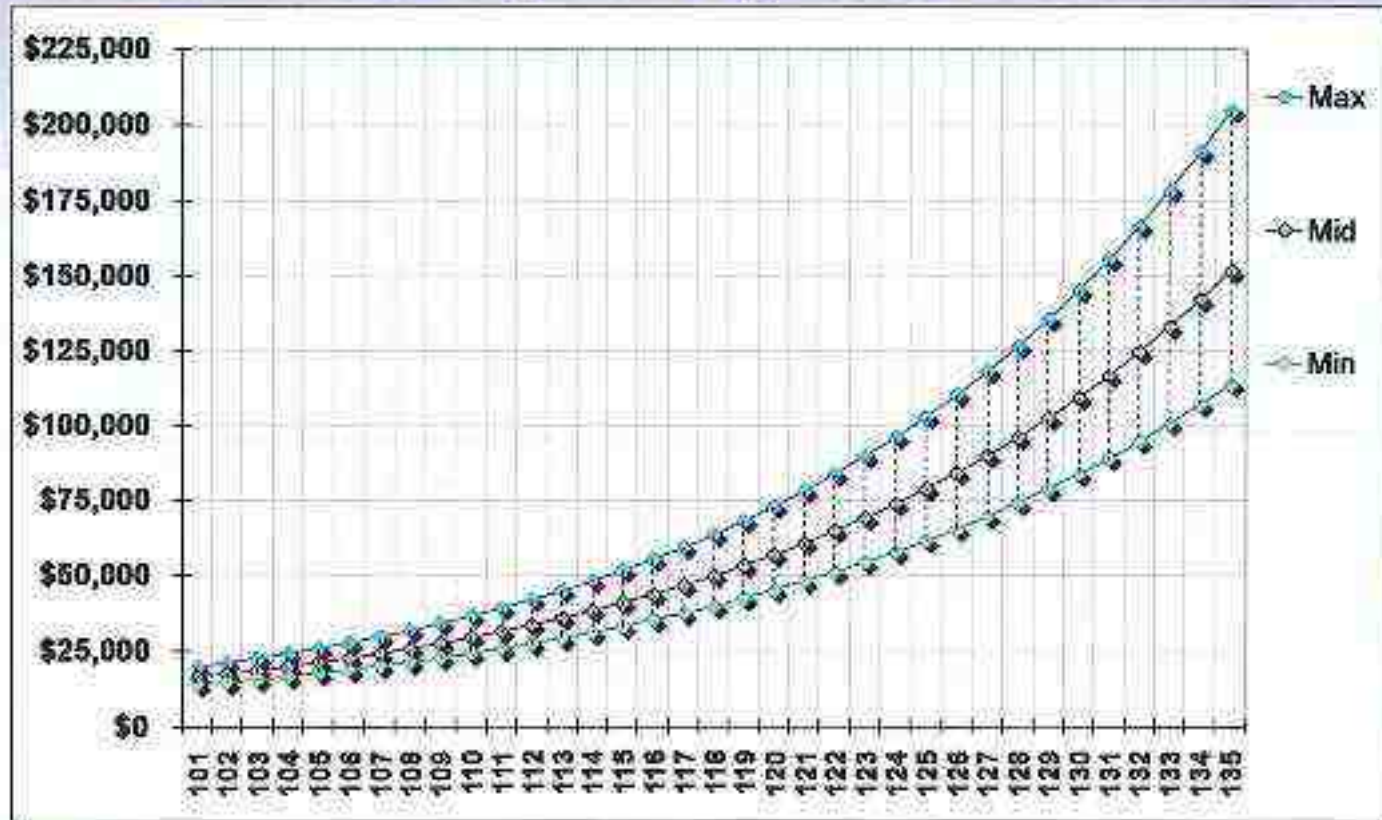
Proposed Salary Scale Features:

- 35 Grades, each with Minimum/Midpoint/Maximum:
 - Lowest minimum of lowest grade set per SC minimum wage
 - Highest midpoint of highest grade set per highest benchmark
 - 6.78% increase between grades (promotions)
 - Minimum to Midpoint spread (distance from Min -----> Midpoint) increases from 15% at lowest grade of scale to 25% at highest
 - Midpoint to Maximum spread (distance from Midpoint -----> Max) increases from 20% at lowest grade to 35% at highest
 - Increasing flexibility and professional growth capacity at higher levels of responsibility
- Classes assigned to grade that is closest to identified external or internal benchmark



PROPOSED SALARY SCALE

Illustration of Proposed Pay Scale



IMPLEMENTATION

Elements of Implementation:

- Years-to-market
 - Incumbent should reach midpoint of grade after 5 years of satisfactory performance in job.
 - Salary targets based on prorated target per years in class
 - Example: an incumbent who was in a job for 3 years would have a recommended salary target that was 60% of the way between minimum and midpoint of the pay scale (60% = $3/5^{\text{th}}$ s of the way between min & mid)
- Phase-in period of (up to) 5 years
- Full implementation cost = \$1.08 million
- Estimated 1st Year implementation cost = \$250-300k
 - Priority on advancing pay of longest-tenured employees.



QUESTIONS?



MGT 
OF AMERICA, INC.

Guest column: Bill would be bad for S.C.

Written by Donald Moorhead
Feb. 25

greenvilleonline.com

Guest column: Bill would be bad for S.C.



Donald R. Moorhead is a lawyer who lives in Greenville, and he is the current chairman of the board of the South Carolina Wildlife Federation. He can be reached at DMoorhead@moorheadlaw.com.

Colonization has never gone over big in the United States. If we don't object South Carolina will be known as the Garbage Colony of the 21st century. It is time for citizens to wake up and realize that some of their elected leaders are trying to turn South Carolina into a colony for garbage that other states do not want. In this case our own elected officials are selling us short and allowing colonization.

Currently, a bill designated as H-3290 is before the Senate Medical Affairs Committee in the South Carolina General Assembly. What started out as a local issue involving only Horry County has now been amended so as to adversely affect all 46 counties in the state of South Carolina. The effect of this bill is to remove from the citizens of the counties and the county officials, the ability to make decisions as to the quality of life of citizens, the natural resources of the county, community health; in short, the counties will no longer be able to determine where solid waste will be deposited and how much can be deposited, and where it comes from.

H-3290 reads, in part, as follows: "To the extent that a County ordinance requires that disposal of waste at one or more designated solid waste facilities or requires recovered materials to be processed or recycled at any one or more designated facilities, the ordinance is void." The bill effectively eliminates any concept of Home Rule by the county and its citizens when it comes to how solid waste disposal and recycling are to be done. In the past Home Rule has been a sacred concept but not this year. Any county ordinance requiring how and where solid waste will be disposed of is null and void, as would any ordinance as to the tonnage of such waste.

The bill also strips the counties and its citizens of any control of where solid waste comes from, which means it can come from out of state. Already, 25 percent of what goes into South Carolina landfills comes from out-of-state: from North Carolina, New York, New Jersey and other states, including New York City's de-watered human waste which is deposited at "Mount Trashmore," a mountain of garbage that towers over the farm fields of rural Lee County and is operated by Republic Services, Inc., an out-of-state waste disposal company. This bill, which benefits out-of-state waste corporations, threatens to wreck county trash operations and will probably lead to more mega-dumps in South Carolina.

H-3290 nullifies any power the individual counties have to designate the location of solid waste and recycling facilities, which can have disastrous environmental implications including harm to delicate ecosystems, habitat and the preservation of the state's wildlife. Moreover, because the counties can no longer designate that waste be disposed of at one of its own facilities, which its citizens have paid for, the result is a gross waste of taxpayer money and potentially the loss of jobs of local employees employed by county facilities.

H-3290 will have a negative economic impact on the counties' ability to pay for outstanding bonds or secure bonds or bond ratings for future projects. The question is this: Are the counties and their citizens better equipped and better motivated to make decisions concerning environmental, economic, health, and quality of life decisions than the out-of-state special interests solid waste disposal companies? The counties and their citizens should be able to rule their own backyards and make decisions about where their garbage goes.

Please make your views on H-3290 known to the members of the Senate Medical Affairs Committee; their information can be found at www.scstatehouse.gov/senate.php.

The committee members are: Chairman Harvey Peeler, John Courson, Robert W. Hayes, Darrell Jackson, Mike Fair, Bradley Hutto, Clementa Pinckney, Danny Verdin, Raymond Cleary, Joel Lourie, Shane Martin, Floyd Nicholson, John Scott, Robert Ford, Thomas Alexander, Lee Bright and Tom Davis.

Oconee County Council Committees will meet in 2013 on the following dates/times in Council Chambers, 415 South Pine Street, Walhalla, South Carolina unless otherwise advertised.

Law Enforcement, Public Safety, Health & Welfare Committee [at 5:30 p.m.] and the **Transportation Committee** [at 6:30 p.m.] will meet on April 9th, July 9th and October 8th, 2013.

Real Estate, Facilities & Land Management Committee [at 5:30 p.m.] and the **Budget, Finance & Administration Committee** [at 6:30 p.m.] will meet on February 12th, May 14th, August 13th and November 12th, 2013.

Planning & Economic Development Committee [at 5:30 p.m.] will meet on March 12th, June 11th, September 10th and December 10th, 2013.

Additional Council meetings, workshops and/or committee meetings may be added throughout the year as needed.

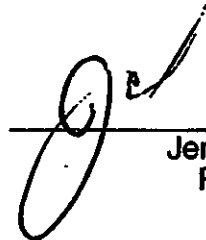
Pursuant to the Freedom of Information Act, notice of each meeting, date, time, place of meeting and agenda will be posted on the bulletin board at the County Administrative Offices, 415 South Pine Street, Walhalla, SC, and on the County Council website [www.oconeese.com/council].

PUBLISHER'S AFFIDAVIT

**STATE OF SOUTH CAROLINA
COUNTY OF OCONEE**

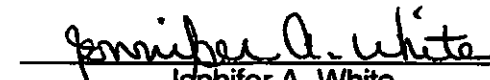
**IN RE: Oconee County Council and
 Committee 2013 Meeting Schedules**

BEFORE ME the undersigned, a Notary Public for the State and County above named, this day personally came before me, Jerry Edwards, who being first duly sworn according to law, says that he is the Publisher of **THE JOURNAL**, a newspaper published Tuesday through Saturday in Seneca, SC and distributed in **Oconee County, Pickens County** and the Pendleton area of **Anderson County** and the notice (of which the annexed is a true copy) was inserted in said paper on January 10, 2013 and the rate charged therefore is not in excess of the regular rates charged private individuals for similar insertions.



Jerry Edwards
Publisher

Subscribed and sworn to before me this
10th day of January A.D. 2013



Jennifer A. White
Notary Public for South Carolina
My Commission Expires: 05/18/2014

