

July 1 marks Kent County's new fiscal year

Happy New Year!

Fiscal Year 2018 started July 1, 2017, which means the new Kent County budget is in effect. The new financial plan adopted by Levy Court in early May looks quite a bit like 2017, with no new major expenditures, no new positions, or many new major capital projects.

All full-time County employees and pensioners received a 1% cost of living adjustment this fiscal year and most employees with an effective or better performance appraisal also received a full step (2%) increase, for the first time since FY2009. Full-time employees hired during the previous fiscal year and working 10 months or more received the full step, those working between 9 to 4 months received a half step (1%) and those working 3 months or less received no step.

Due to payroll's one week lag, the full benefit of the pay increase will not be reflected on the electronic pay stub until July 28, since the July 14 pay advice also includes June 25-30, which are paid at the FY2017 rate. Since individual hourly and salary rates extend for several digits past the decimal point for tax reporting purposes, the figures shared with employees reflect rounding and the application of percentages by the New World payroll software program.

In addition, each active full-time employee except elected officials are budgeted to receive a one-time supplement of \$500 in compensation payable in two equal installments of \$250 on or about the payroll of July 28, 2017 and December 15, 2017. The figure does not adjust the annual base salary or impact the employee pension contribution, but taxes are withheld. The recipient must be an active employee on the payable dates in order to receive it.

An increase in shift differential and on-call pay is also effective July 1. Employees holding a position that is normally engaged in shift work (having to stay on post until replaced) and/or regularly scheduled to work the second shift (afternoon start) will receive an additional 45 cents per hour for the entire 8 or more-hour shift for such hours physically worked. The rate also increased to 60 cents per hour for those employees regularly scheduled and working third shift. A new category has been established for any employee scheduled for 12-hour or 14-hour shifts. Such employees receive a shift differential of 70 cents per hour for hours physically worked during the second shift (between 6 p.m. or 7 p.m. and 7 a.m. or 8 a.m.). A different rate and a different schedule may apply to members of a collective bargaining unit.

Finally, the on-call pay rate was adjusted from \$80 per week to \$100 for certain assigned employees and from \$15 to \$25 for 9-1-1 dispatchers on-call for a single 24-hour period.

As usual, the County budget was based upon a number of factors, including normal State appropriations to several programs. The County budget, including compensation and benefits, could be impacted by whatever the General Assembly incorporates into the final version of the State Budget.

The County budget retains 302 County positions in FY2018 and includes increased contributions to the pension fund and the retiree benefits fund. The \$576,700 pension contribution increase is attributed to updated assumptions related to mortality rates, retirement rates, salary growth, and a decision to incrementally reduce the rate of return on investments by one-quarter percent over the next three years from 8% to 7.25%. The \$581,522 retiree benefits (OPEB) fund contribution increase reflects revised Governmental Accounting Standards Board (GASB) reporting rules and a gradual rate of return reduction of one quarter percent.

After the budget's adoption in May, the Commissioners praised County employees for

continuing to maintain cost controls and the Finance Department staff for helping craft a balanced budget without the need for tax or fee increases.

(posted 07/01/17)