



FINANCE COMMITTEE

July 25, 2022

6:00 PM

Regular Meeting Agenda

8225 3rd Street  
Centennial Conference Room  
Wellington, CO 80549

- A. CALL TO ORDER
- B. PUBLIC INVITED TO BE HEARD
- C. ACTION ITEMS /DISCUSSION ITEMS
  - 1. Approval of Minutes July 18, 2022
  - 2. HR Discussion on Financial Considerations
- D. REPORTS
- E. ADJOURN

The Town of Wellington will make reasonable accommodations for access to Town services, programs, and activities and special communication arrangements. Individuals needing special accommodation may request assistance by contacting at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.



## Finance Committee Meeting

**Date:** July 25, 2022  
**Subject:** Approval of Minutes July 18, 2022

### **BACKGROUND / DISCUSSION**

---

### **STAFF RECOMMENDATION**

---

### **ATTACHMENTS**

---

1. 7-18-2022 Minutes

FINANCE COMMITTEE  
MINUTES  
July 18, 2022

**A. CALL TO ORDER**

The Town of Wellington Finance Committee meeting was called to order by Chair Christine Gaiter, on July 18, 2022 at 6:00 p.m. at the Town of Wellington.

Attendance:

Jason Mellin  
Christine Gaiter  
Dominic Baranyi  
Pat Johnson  
Jesy Andreen   online  
Nic Redavid    absent  
Sara Knaack    absent

Others in attendance:

Jon Gaiter, Trustee Liaison  
Patti Garcia, Town Administrator  
Charity Campfield, Finance Director  
Vik Runkle, Finance Consultant

**B. PUBLIC INVITED TO BE HEARD**

Public comment was opened to which there was none.

**C. ACTION ITEMS /DISCUSSION ITEMS**

1. Member Jason Mellin moved to accept the minutes from the July 11, 2022 meeting. Member Dominic Baranyi seconded.
2. Committee bylaws were reviewed and a motion to accept the bylaws was put forth by Member Jason Mellin, seconded by Member Pat Johnson.
3. Charity Campfield led Members in a discussion of items to include in the Financial Policy. Ms. Campfield will combine the aspects discussed and bring them back to the committee for further review.

**D. REPORTS**

1. Chair Gaiter mentioned that she designated Member Baranyi to attend the Board Retreat/Budget Meeting on October 8<sup>th</sup> as the Finance Committee representative.
2. Trustee Gaiter will be meeting with Town departments in a series of work sessions to discuss budgets. The work sessions are open to the public.
3. Town Administrator Garcia joined the meeting after being at the CAC meeting where they were reviewing their budget. They are asking for additional funds.

**E. ADJOURN**

The meeting was adjourned at 7:16.

Pat Johnson  
Finance Committee Secretary



## **Finance Committee Meeting**

**Date:** July 25, 2022  
**Subject:** HR Discussion on Financial Considerations

### **BACKGROUND / DISCUSSION**

---

Budgeting for personnel expenditures is impacted by multiple factors. Personnel expenditures include salaries, benefits (including medical, dental, vision, life and disability) and retirement funds. These expenditures will be explained in each step of the employee lifecycle from hire through retirement to help inform the intent of personnel expenditures.

### **STAFF RECOMMENDATION**

---

### **ATTACHMENTS**

---

1. TOW HR Financial Considerations 7.25.22

---

# HR Financial Considerations

July 25, 2022

**HR Manager:** Stephanie Anderson, SHRM-CP

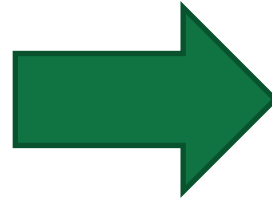




# The Big Picture

Personnel Expenditure Prediction: 38.09%

- Employee Pay
- Employee Benefits
- Employee Retirement



**\$4,097,269**



---

# Talent Acquisition



# Talent Acquisition



60 Employees



1,100 years of combined employee experience and 61 Professional Certifications

6 Locations



3.5% Unemployment Rate in Colorado (May 2022)



7 parks with 135 acres of open space



“The Great Resignation”

---

# Employee Pay



# Employee Pay

We will spend approx. \$3,752,975 on employee salaries in 2022

- Compensation must be viewed as:
  - Internally equitable
  - Externally competitive
  - Affordable and cost-effective
  - Legal and defensible





---

# Employee Pay- Compensation Study

**Are we internally equitable AND externally competitive?**

Process:

- Review of our jobs and pay structure
- Review of market data for similar roles in similar sized companies/municipalities
- Adjustments based on market data
- Review of internal equity based on education, relevant experience and certifications

Results:

- The Town **could** see a shift in the pay scales and current employee pay

---

# Employee Benefits

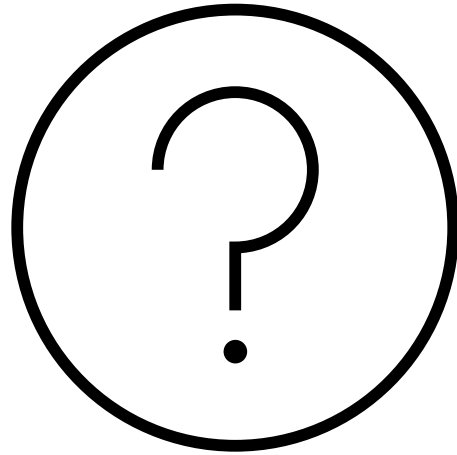




## Benefits

Year	Health	Retirement
2021	\$500,743	\$173,658
2022 (projected)	\$553,625	\$175,442

- The Town matches between 4-6% of employee contributions to a retirement plan
- Insurance costs are estimated to increase 4-8% for 2023





---

# Retention





---

# Retention Statistics

- 15 Full time employees have left Wellington in the last year which is a 25% Turnover rate
- 44% of employees in America are “job seekers” Over half (56%) said pay is a top reason they would look for a different employer- Willis Towers Watson's 2022 Global Benefits Attitudes Survey- CNBC
- The top 5 reasons for leaving: pay, health benefits, job security, flexible work arrangement and retirement benefits
- Turnover is costly to the organization

## Turnover Cost Calculation

Enter information into the Essential Data section, and columns C and E as applicable. The formulas will automatically calculate total costs for turnover.

Essential Data						
	Exiting position's hourly rate of pay (or for an average turnover cost, provide an average pay rate here):					
		\$27.00				
	Supervisor's hourly rate of pay:					
		\$45.00				
	HR/recruiting/payroll average rate of pay:					
		\$38.50				
HARD COSTS						
		Hours	Wages	other costs/fees	Total	
Separation costs	Exit Interview - Staff administration time	2	\$36.50		\$73.00	
	Exit Interview - departing employee being interviewed	1	\$27.00		\$27.00	
	Payout of annual leave for departing employee	60	\$27.00		\$1,620.00	
	Other separation costs (unemployment benefits)	0		\$700.00	\$700.00	
	<b>Separation Costs</b>				<b>\$2,420.00</b>	
Vacancy costs	Current employee extra work (added shifts/ OT)	180	\$27.00		\$4,320.00	
	Temporary hire	120	\$40.00		\$4,800.00	
	<b>Vacancy Costs</b>				<b>\$9,120.00</b>	
Replacement costs	Requisition/Job Postings (Administrative time & ad)	3	\$36.50		\$109.50	
	Interviewing time	12	\$36.50		\$438.00	
	Pre-employment review (administrative time and/or	15	\$36.50		\$547.50	
	Reference/Background checking (time and/or vendor costs)		\$36.50	\$200.00	\$200.00	
	Drug testing (administrating time and/or vendor costs)		\$36.50	\$100.00	\$100.00	
	Job offer and rejection letter administration time	4	\$36.50		\$146.00	
	Orientation administration time	5	\$36.50		\$182.50	
	Orientation - new hire time	5	\$27.00		\$135.00	
	On-the-Job Training (time of trainer/supervisor)	80	\$45.00		\$3,600.00	
	On-the-Job Training - new hire time	160	\$27.00		\$4,320.00	
		<b>Replacement Costs</b>				<b>\$9,778.50</b>
	<b>HARD Costs of Turnover Total</b>					<b>\$21,318.50</b>
SOFT COSTS						
		Hours	Wages	other costs/fees	Total	
Separation Costs	Loss of productivity of departing employee (existing employee performance commonly reduces to 50% to 75% of normal productivity)	80	\$27.00		\$2,160.00	
	Lost productivity of co-workers (increased time discussing departure and organizational conditions)	40	\$27.00		\$1,080.00	
	Increased workload for employees	160	\$27.00		\$4,320.00	
	<b>Separation Costs</b>				<b>\$7,560.00</b>	
Vacancy Costs	Lost productivity of vacant position	160	\$27.00		\$4,320.00	
	Lost productivity of supervisor (time spent filling in, coordinating schedule changes)	40	\$45.00		\$1,800.00	
	<b>Vacancy Costs</b>				<b>\$6,120.00</b>	
Replacement costs	Lost productivity during new hire learning curve	80	\$27.00		\$2,160.00	
	Lost productivity of co-workers mentoring and supporting new hire	40	\$27.00		\$1,080.00	
	Lost productivity of supervisor due to additional coaching and oversight needed for new hire	40	\$45.00		\$1,800.00	
	<b>Replacement Costs</b>				<b>\$5,040.00</b>	
<b>SOFT Costs of Turnover Total</b>					<b>\$18,720.00</b>	
<b>TOTAL COST OF TURNING OVER ONE EMPLOYEE (hard costs + soft costs)</b>					<b>\$40,038.50</b>	



---

# Retention

- Ensure competitive and market based pay
- Provide recognition for both tenure and accomplishments
- Encourage training and professional development
- Training and coaching of leaders and supervisors



---

## In Summary

The Town of Wellington's employees are a valuable resource to the Town. It is important that each step of the employee work life cycle from hiring through retirement is taken into account in the budgeting process.

Our People have an impact on our budget. If we can't retain our staff, we need to hire new staff, in order to hire new staff, we need to have competitive wages and good benefits to hire and retain them.

While we may see some increases in our budget lines pertaining to the "People", by responsibly managing our people it will help maintain our expenditures



---

# Questions

Stephanie Anderson, SHRM-CP  
HR Manager  
970-413-3557  
[andersonst@wellingtoncolorado.gov](mailto:andersonst@wellingtoncolorado.gov)