SUGGESTED AGENDA
Budget Work Session in the
Armory Civic Center
501 US Hwy 158 Business E., Warrenton, NC

3:00 PM
January 17, 2024

Call to Order Budget Work Session – Chairman or Designee
Moment of Silence, Prayer & Pledge

Budget Work Session Agenda

1. **3:00 CONVENE WORK SESSION**
2. **3:05 COUNTY MANAGER OVERVIEW**
3. **3:10 IT INFRASTRUCTURE UPDATE - GLENN HAYS, ATCOM BUSINESS TECHNOLOGY**
4. **3:25 FY25 CAPITAL IMPROVEMENT PLAN (CIP) OVERVIEW - V. JONES, C. SMITH, M. BROTHERS**
   A. FY24-FY28 CAPITAL IMPROVEMENT PLAN (CIP)
   B. FARMERS MARKET
5. **3:55 FY24 6-MONTH FINANCIAL PERFORMANCE UPDATE AND WARREN COUNTY FY25 BUDGET SCHEDULE - NIKKI DICKERSON, FINANCE DIRECTOR**
6. **4:10 BREAK**
7. **4:15 ORGANIZATIONAL DEVELOPMENT NEEDS/CHALLENGES**
   A. SHERIFF'S OFFICE - SHERIFF JOHN BRANCHE
   B. COMMUNITY AND ECONOMIC DEVELOPMENT - CHARLA DUNCAN, DIRECTOR
   C. HEALTH INSURANCE, EMPLOYEE COMPENSATION, RETENTION AND RECRUITMENT - SIERRA THOMAS, HUMAN RESOURCES DIRECTOR
   D. OPIOID SETTLEMENT - COUNTY MANAGER VINCENT JONES AND HEALTH DIRECTOR DR. MARGARET BRAKE
   E. EMERGENCY SERVICES - INTERIM DIRECTOR CHRIS TUCKER

8. 5:00 DISCUSSION AND WRAP-UP BY BOARD OF COMMISSIONERS

A. IDENTIFY FY25 BUDGET PRIORITIES

9. ADJOURN January 17, 2024 BOARD MEETING

Warren County, North Carolina

FY 24-25 Budget Priorities Work Session

January 17, 2024

FY 24-25 Budget Priorities – Overview

- The County will have several significant items that may impact the budget.

- It includes:

- Limits on additional revenue (Occupancy Tax)

- Capital Projects (Space needs, renovations, maintenance and construction of new County facilities)

FY 24-25 Budget Priorities – Overview

- It includes (Cont.):

- Public Utilities rates

- Employee retention, compensation and benefits (Health insurance, Consider additional fringe benefits)

- Information Technology (IT) Infrastructure

- Warren County Schools capital needs

FY 24-25 Budget Priorities – Overview

- It includes (Cont.):

- Public Safety (Sheriff's Office, Emergency Services, Opioid Settlement)

- Medicaid Expansion

- Paid Firefighters

FY 25 Budget Priorities

- Our goal today is to provide information to assist the Board of Commisioners in identifying FY 25 budget priorities and/or direction for staff as we begin to develop the budget for your consideration.

CIP SUMMARY BY PROJECT TYPE

Project Category	Department	Project Type	Project Title	Project Elements	Funding Source	FY 24	FY 25	FY 26	FY 27	FY 28
Facilities										
	Buildings & Grounds	Capital improvement	Parking lot behind courthouse	Construction	**General Fund**	$ 80,000.00	$ -	$ -	$ -	$ -
	Cooperative Extension	Capital improvement; strategic growth	Farmers Market facility & fairgrounds site	Construction; design	**General Fund**	$ 250,000.00	$ 200,000.00	$ 200,000.00	$ -	$ -
	Community & Economic Dev. (VGCC)	Capital improvement; strategic growth	CDL training facility/Multi-tenant facility	Construction	**General Fund**	$ 200,000.00	$ -	$ -	$ -	$ -
	Courthouse Complex	Maintenance; capital improvement	Courthouse Complex facility repairs	Construction	**General Fund**	$ 125,000.00	$ 100,000.00	$ -	$ -	$ -
	EMS	Capital improvement	EMS Satellite Facility #4 (Project Fund)	Construction	Project Fund	$ 600,000.00	$ -	$ -	$ -	$ -
	EMS	Capital improvement	EMS Satellite Facility #5 (Project Fund)	Construction	Project Fund	$ -	$ 600,000.00	$ -	$ -	$ -
	Health Department	Maintenance	Health Department facility repairs	Construction	**General Fund**	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ -	$ -
	Health Department	Design	Health Department/Planning Redesign	Design	**General Fund**	$ 60,000.00	$ 100,000.00	$ -	$ -	$ -
	Library	Capital improvement	Chiller retro commission	Equipment	**General Fund**	$ 100,000.00	$ -	$ -	$ -	$ -
	Senior Center	Capial improvement	Replacement windows	Construction	**General Fund**	$ 35,000.00	$ -	$ -	$ -	$ -
	Social Services	Capital improvement	Security system	Equipment	**General Fund**	$ 53,000.00	$ -	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 943,000.00	$ 440,000.00	$ 240,000.00	$ -	$ -
Public Safety						**FY 24**				
	Sheriff's Office (E911)	Capital improvement	E911 radios (cost share with E911 funds)	Equipment	**General Fund**	$ 258,600.00	$ -	$ -	$ -	$ -
					E911 Fund	$ 100,000.00	$ -	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 258,600.00	$ -	$ -	$ -	$ -
General Government						**FY 24**				
	Buildings & Grounds	Capital improvement	Lawn mower and trailer	Equipment	**General Fund**	$ 17,000.00	$ -	$ -	$ -	$ -
	County Manager	Capital improvement	S-Line work	Design	**General Fund**	$ 190,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
	Human Resources	Capital improvement	HR Software	Equipment	**General Fund**	$ 80,000.00	$ -	$ -	$ -	$ -
	Tax	Capital improvement	CAMA system	Equipment	**General Fund**	$ 50,000.00	$ -	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 337,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
Infrastructure						**FY 24**				
	Information Technology	Capital improvement	Cabling & Wiring	Construction	**General Fund**	$ 37,550.00	$ -	$ -	$ -	$ -
	Information Technology	Capital improvement	IT Infrastructure	Construction	**General Fund**	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00
	Public Utilities	Capital improvement	Water elevated storage tank (1 MGD)	Construction; design	Enterprise Fund	$ -	$ 5,000,000.00	$ -	$ -	$ -
	Public Utilities	Capital improvement	KLRWS pipe preparation (water line size increase)	Construction; design	Project Fund	$ -	$ -	$ -	$ -	$ -
	Public Utilities	Capital improvement	Pleasant Hill pump station (sewer; replacement)	Construction; design	Enterprise Fund	$ 1,000,000.00	$ -	$ -	$ -	$ -
	Public Utilities	Capital improvement	Littleton sewer line	Construction; design	Enterprise Fund	$ -	$ 4,000,000.00	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 77,550.00	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00
Fleet						**FY 24**				
	Buildings & Grounds	Capital improvement	F-150	Vehicle	**General Fund**	$ -	$ -	$ 35,000.00	$ -	$ -
	Code Enforcement	Capital improvement	Vehicle replacement	Vehicle	**General Fund**	$ -	$ 35,000.00	$ -	$ -	$ -
	EMS	Capital improvement; Public protection	Ambulance (new build)	Vehicle	**General Fund**	$ 286,643.00	$ 300,000.00	$ -	$ -	$ -
	EMS	Capital imrovement; Public protection	Ambulance remount	Vehicle	**General Fund**	$ 143,000.00	$ 143,000.00	$ 143,000.00	$ 143,000.00	$ 143,000.00
	EMS	Capital improvement; Public protection	Administrative vehicle	Vehicle	**General Fund**	$ 73,000.00	$ -	$ -	$ -	$ -
	EMS	Capital improvement; Public protection	New EMS unit- statellite facility #4	Vehicle	**General Fund**	$ -	$ 300,000.00	$ -	$ -	$ -
	EMS	Capital improvement; Public protection	New EMS unit- statellite facility #5	Vehicle	**General Fund**	$ -	$ -	$ 300,000.00	$ -	$ -
	Public Utilities	Capital improvement	F-150	Vehicle	Enterprise Fund	$ 35,000.00	$ -	$ -	$ -	$ -
	Public Utilities	Capital improvement	F-150	Vehicle	Enterprise Fund	$ 35,000.00	$ -	$ -	$ -	$ -
	Recreation	Capital improvement	Truck F-150 (no expansion)	Vehicle	**General Fund**	$ -	$ -	$ -	$ -	$ -
	Sheriff's Office	Capital improvement	Dodge charger	Vehicle	**General Fund**	$ 34,957.00	$ 40,000.00	$ 40,000.00	$ -	$ -
	Sheriff's Office	Capital improvement	Dodge charger	Vehicle	**General Fund**	$ 34,957.00	$ 40,000.00	$ 40,000.00	$ -	$ -
	Sheriff's Office	Capital improvement	Chevy Tahoe	Vehicle	**General Fund**	$ 38,750.00	$ -	$ -	$ -	$ -
	Sheriff's Office	Capital improvement	Ford Explorer for K9 unit	Vehicle	**General Fund**	$ 41,380.00	$ -	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 652,687.00	$ 858,000.00	$ 558,000.00	$ 143,000.00	$ 143,000.00

						FY 24				
Culture & Recreation										
	Library	Capital improvement	Remote library lockers	Equipment	**General Fund**	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ -	$ -
	Library	Capital improvement	Remote work space pod	Equipment	**General Fund**	$ 10,000.00	$ 10,000.00	$ -	$ -	$ -
	Recreation	Capital improvement	Outdoor fitness equipment at Rec Complex	Equipment	**ARPA**	$ 100,000.00	$ -	$ -	$ -	$ -
	Recreation	Capital improvement; maintenance	Buck Spring corn crib restoration	Construction	Buck Spring Project Fund	$ 25,000.00	$ 25,000.00	$ -	$ -	$ -
	Recreation/Community & Econ. Dev.	Captial improvement	Greenways & trails initiative	Construction	**General Fund**	$ 50,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
	Recreation	Capital improvement	MERP bathouse renovations (PARTF project fund)	Construction	Project Fund (PARTF)	$ 50,000.00	$ -	$ -	$ -	$ -
	Recreation	Capital improvement	MERP junior basketball courts	Construction	**General Fund**	$ -	$ 50,000.00	$ -	$ -	$ -
	Recreation	Capital improvement	MERP picnic shelter	Construction	**General Fund**	$ 25,000.00	$ -	$ -	$ -	$ -
	Recreation	Capital improvement	Community Center design	Design	Project Fund	$ 400,000.00	$ 200,000.00	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 120,000.00	$ 195,000.00	$ 135,000.00	$ 100,000.00	$ 100,000.00
Environmental Services						FY 24				
	Public Works	Capital improvement; maintenance	Roof at scale house	Construction	Enterprise Fund	$ 40,000.00	$ -	$ -	$ -	$ -
					GENERAL FUND SUBTOTAL	$ 40,000.00	$ -	$ -	$ -	$ -
					General Fund Capital Costs FY 24	$ 2,388,837.00	$ 1,593,000.00	$ 938,000.00	$ 283,000.00	$ 383,000.00
					Water Enterprise Fund Capital Costs FY 24	$ 1,070,000.00	$ 9,000,000.00	$ -	$ -	$ -
					Solid Waste Enterise Fund Capital Costs FY 24	$ 40,000.00	$ -	$ -	$ -	$ -
					E911 Fund 24	$ 100,000.00	$ -	$ -	$ -	$ -
					Project Fund(s) Capital Costs FY 24	$ 1,075,000.00	$ 1,125,000.00	$ -	$ -	$ -
					Buck Spring Project Fund	$ 25,000.00	$ 25,000.00	$ -	$ -	$ -
					MERP improvements (PARTF)	$ 50,000.00	$ -	$ -	$ -	$ -
					EMS Station 4	$ 600,000.00	$ 300,000.00	$ -	$ -	$ -
					EMS Station 5	$ -	$ 600,000.00	$ -	$ -	$ -
					Community Center	$ 400,000.00	$ 200,000.00	$ -	$ -	$ -
					ARPA	$ 100,000.00	$ -	$ -	$ -	$ -

Warren County, North Carolina

FY 24-25 Budget Priorities Work Session

429 West Ridgeway Street Project

January 17, 2024

429 West Ridgeway Street Project

Warren County
North Carolina

Capital Improvement Project
$250,000

NORTH CAROLINA DEPARTMENT of COMMERCE

Awarded $300,000
Purchased 429 W. Ridgeway Street ($225,000)
$75,000

North Carolina Tobacco Trust Fund Commission

Requested $800,000
Awarded $500,000
November 2023 – March 2025

$1,050,000

429 West Ridgeway Street Project

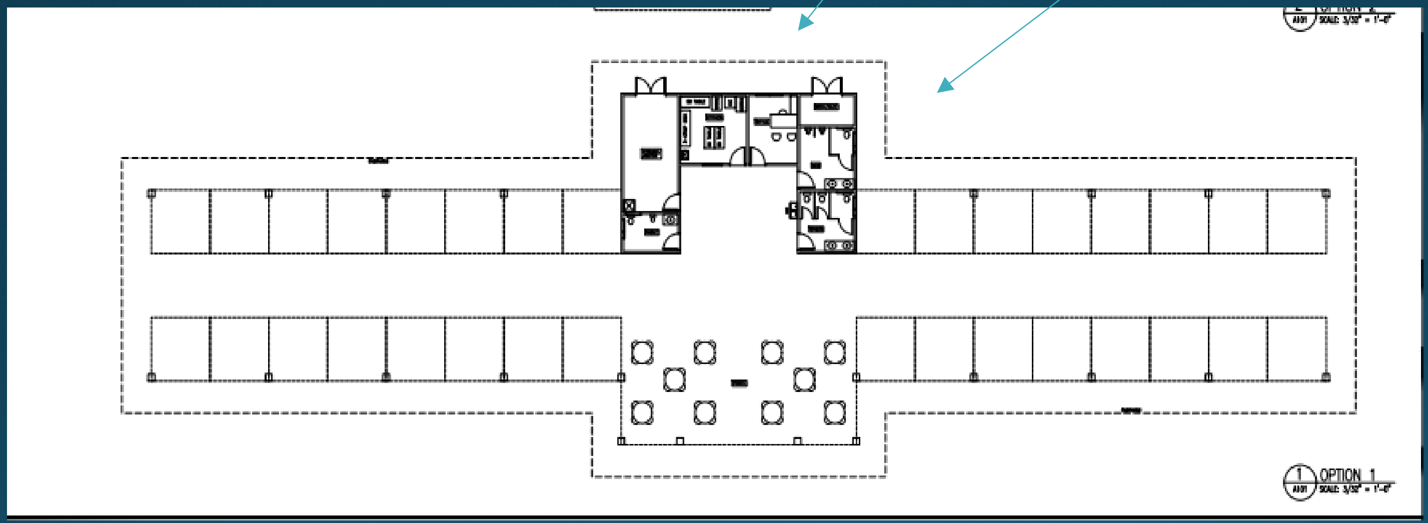
Proposed Phases	Preliminary Opinion of Probable Construction Cost
Phase 1: Farmers Market Pavilion	$3.8 Million ❑ Earthwork - $1.5 Million ❑ Pavilion - $2.3 Million
Phase 2: Lion's Den Remodeling	$2.5 Million
Phase 3: Amphitheatre and Playground	$460,000

Phase 1: Farmers Market Pavilion

Farmers Market Manager Office

Small Kitchen

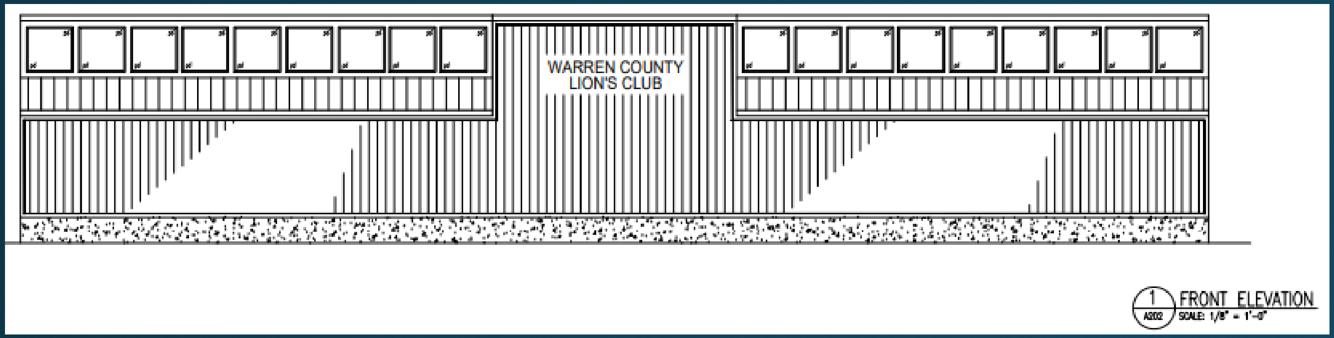
Bathrooms

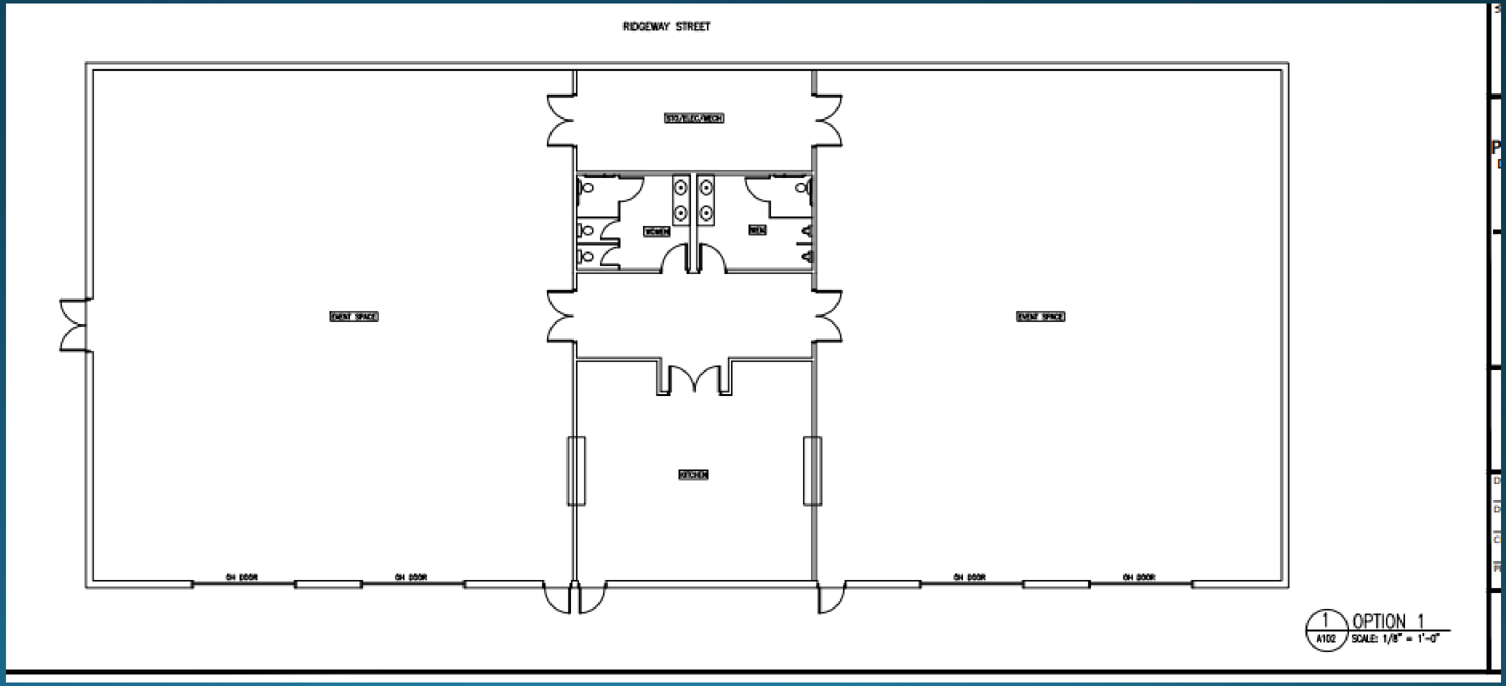


12 X 12
32 -Vendor Spaces

Open Seating Area

Phase 2: Lion’s Den Renovations





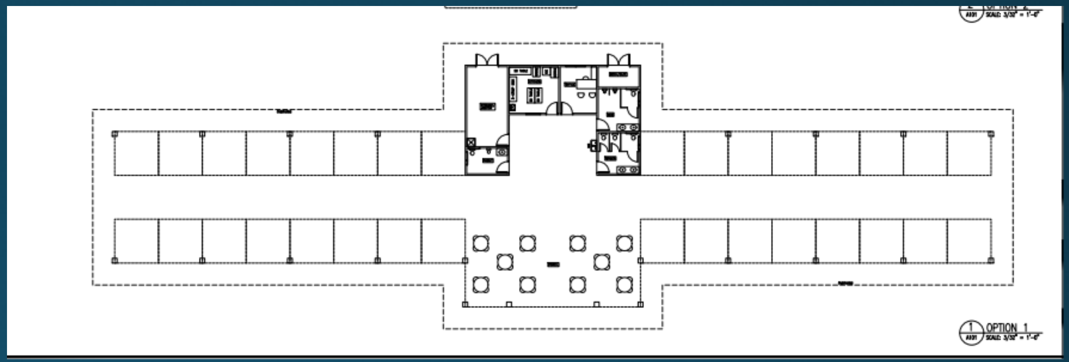
Phase 3: Amphitheatre and Playground Area

WARREN COUNTY

Parks & Recreation Master Plan

429 West Ridgeway Street Project
Phase 1: Farmers Market Pavilion

- $75,000 NC Rural Transformation Grant
- NC Tobacco Trust Fund Commission Grant $500,000
- Active Farmers Market Specialized Committee
- Secure Additional Grant Funds
- BOC Funding Support FY25



$3.8 Million

429 West Ridgeway Street Project

FY 25 Budget Priorities

Warren County, North Carolina

FY 24-25 Budget Priorities Work Session

January 17, 2024

Warren County, NC
FY24 Mid-Year Financial Review

- The purpose of this presentation is to provide the Board with a FY 2024 mid-year financial update.

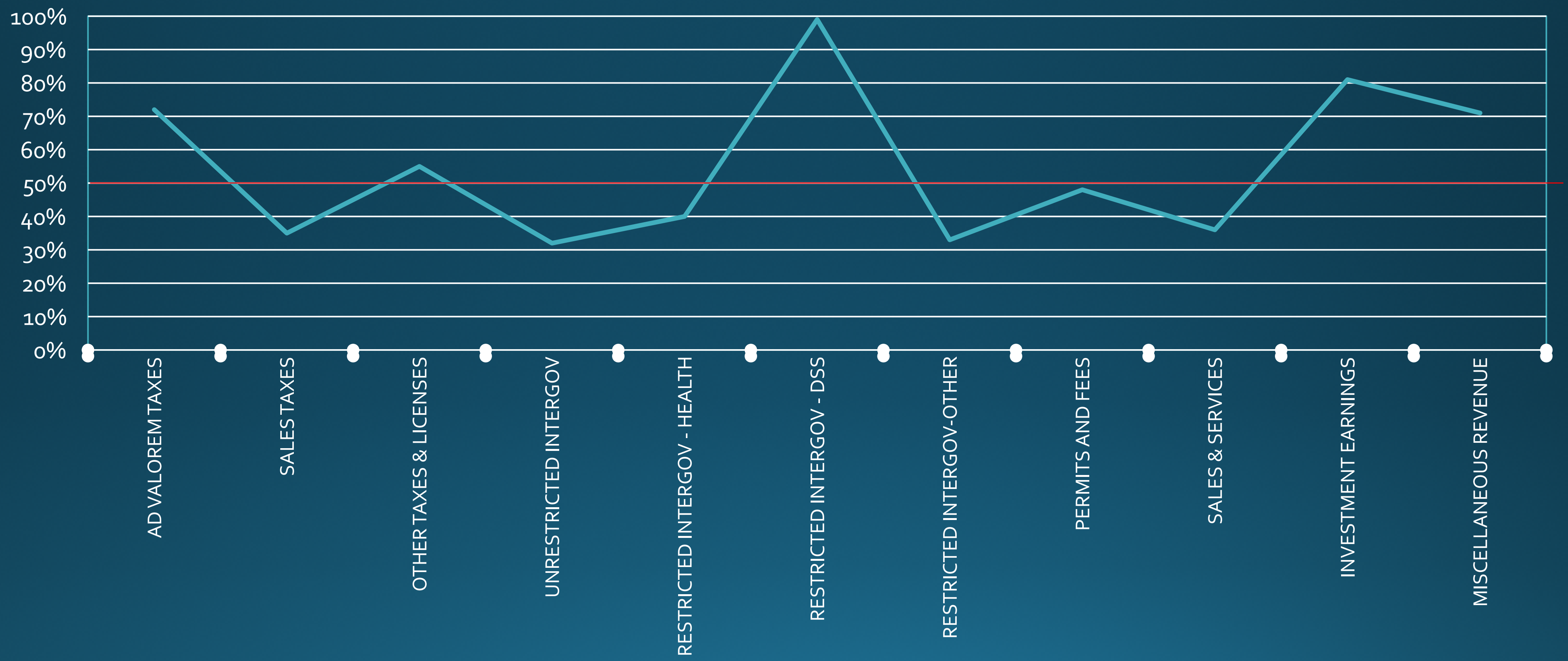
- This is a snapshot of all revenues and expenses received as of December 31. A full projection of the overall budget forecast for FY 2024 will be provided during the upcoming budget process.

Mid-Year Revenues

- Warren County begins the second half of FY 2024 with 55.6% of revenues collected. Revenues received total $ 24,122,621 of the $ 43,398,340 total budgeted. This figure does not include sales tax for November and December as Sales Tax is received 2 months in arrears.

- Sales Tax is trending between $485,000 and $510,000 monthly which exceeds the estimate of $477,000 monthly as budgeted.

Mid-Year Revenues



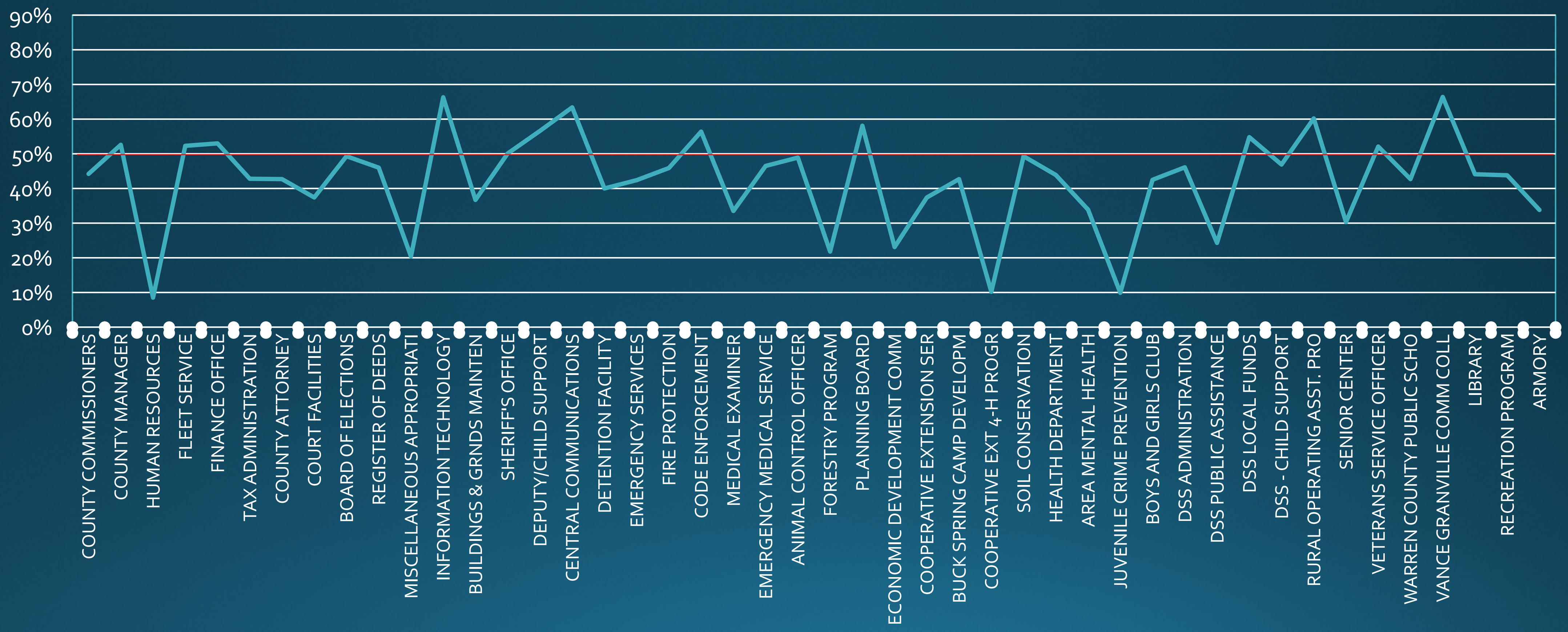
FY 25 Budget Priorities

Mid-Year Expenditures

- Warren County starts the second half of FY 2024 with 44% of the budget expended. This represents $ 18,985,976 of the $ 43,398,340 overall budget.

- There are some big dollars allocated but not requested at this point. Finance will be working with those areas (i.e. schools, EDC initiatives, departments with outstanding vehicle budget) to determine if these funds will be expended before the 2024 FY end.

Mid-Year Expenditures



FY 25 Budget Priorities

Additional Revenue Source

- On June 21, 2023 the Legislature passed the bill allowing Warren County to levy a 5% occupancy tax on gross receipts derived from County rental accommodations.
- Before this occupancy tax can be levied, a Tourism Development Authority has to be created. This Authority Board would be a public authority under the Local Government Budget and Fiscal Control Act and at least one-third of the Board should be business affiliates that collect occupancy tax within the County. The treasurer must be the County Finance Director.
- All occupancy tax collected is submitted to the TDA with at least two-thirds used to promote travel and tourism in the County and the remaining for tourism related expenditures.
- In 2022, AirBNB brought in $2,292,000 in revenue. With a 5% occupancy tax and 100% collection rate, the County occupancy tax collection would estimate at $114,600 for the year. This amount does not include private rentals that do not use booking services. Those collection rates may be less than 100% and harder to govern if rental income is not disclosed by private renters.

WARREN COUNTY FY 2025 BUDGET SCHEDULE

JANUARY

- 12TH — Budget Materials Distributed to Departments/Divisions by Email
- 17TH — Board of Commissioners Budget Goals Setting Work Session (joint session with school)

FEBUARY

- 1ST — Tax Office forwards Fire Department abstract scrolls and assessed values to Finance Office
- 9TH — *All Budget Materials due from Departments/Divisions*
- 12TH-16TH — Committees review requests
- 19TH — Committees return recommendations to Administration and Finance Office
- 21ST — Board of Commissioners Work Session

MARCH

- 6TH — Finance Office submits suggested balanced budget to County Manager
- 11-15TH — Meetings scheduled with Departments/Divisions and Budget Team to review Budget Requests
- 29TH — County Manager's recommended budget submitted to Finance Office

APRIL

- 15TH — Finance Office submits final balanced budget to County Manager
- 17TH — Board of Commissioners Work Session

MAY

- 6TH — Annual Budget Presentation with Budget Book
- 10TH — Budget Work Session
- 17TH — Budget Work Session

JUNE

- 3RD — Budget Public Hearing –
- 14TH — Budget Work Session if needed
- 19TH — Special Meeting to adopt Budget and Budget Ordinance

Community & Economic Development

FY 25 Budget Workshop

CED Growth

RECRUITMENT & PRODUCT DEVELOPMENT

HOUSING

WORKFORCE

EDUCATIONAL ATTAINMENT & EARLY CHILDHOOD

BUSINESS RETENTION & EXPANSION

TRANSPORTATION

MOBILITY

TRANSPORTATION. ECONOMIC. COMMUNITY.

MOBILITY IN FY 25

S-LINE
MOBILITY HUB
$3,300,000 by FY 26

GREENWAYS & TRAILS
$100,000 in FY 23
$50,000 in FY 24

TRANSPORTATION TRAINING HUB
$40,000 in FY 23
$200,000 in FY 24

FY 25 Budget Priorities

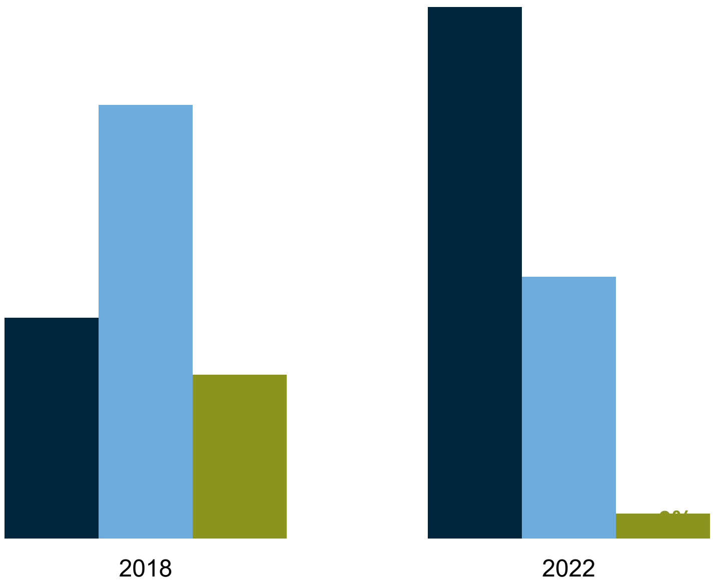
VGCC
TRANSPORTATION TRAINING HUB

INCENTIVES

~$374,000

GLEN RAVEN

Health and wellbeing strategies have become an increasingly integral part of an employer's workforce strategy



Our health and wellbeing strategy is an **integral part** of our workforce strategy

Our health and wellbeing strategy is a **consideration** of our workforce strategy

Our health and wellbeing strategy is **separate from** our workforce strategy

Source: Business Group on Health 2023 Large Employers' Health care strategy and plan design survey

Reasons for Wellbeing

53% of Employers to add Wellbeing Strategy by 2025

63% Reduce Healthcare Costs

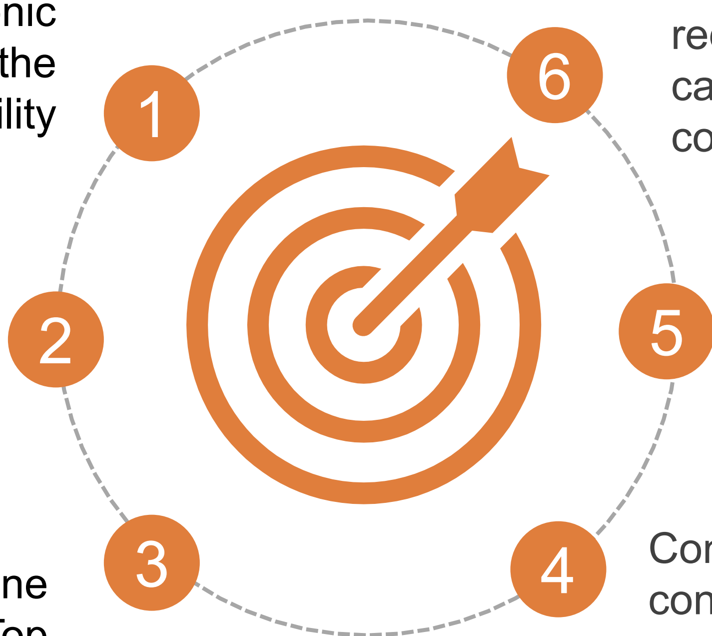
- 27% Do the Right Thing
- 32% Foster Desirable Culture
- 20% Reduce Absence Rates
- 24% Improve Productivity
- 24% Become or Remain Employer of Choice
- 38% Improve Employee Engagement
- 45% Improve Employee Experience

Source: GBS 2023 and 2019 Benefits Strategy and Benchmarking Strategic Insights
Source: Summary of Findings – 9805 | KFF

Why Invest in Wellness Programs?

Gallagher
Insurance | Risk Management | Consulting

"The cost of health is less than the cost of disease[6]"

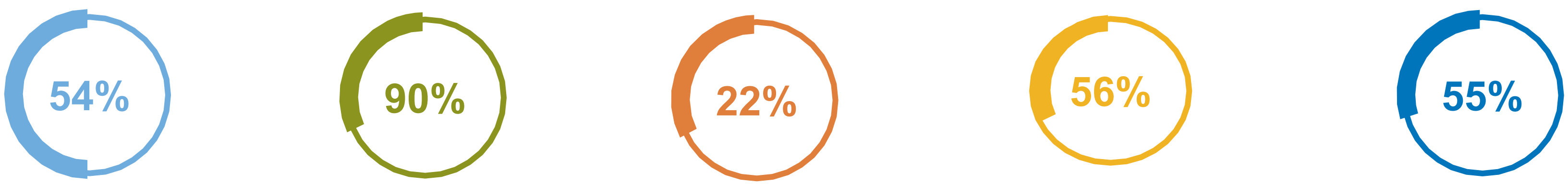


1. The severity of a chronic condition impacts the average cost of disability
2. Concern for increased mortality & costs for cancer caused by delayed screening and doctor visits
3. Depression afflicts one in eight employees; Top costliest condition
4. Comorbid mental health conditions can double healthcare costs for people with chronic health conditions; Independently associated with higher productivity.
5. 80% of health care spending is a byproduct of lifestyle choices.
6. Primary care associated with reduced cardiovascular, cancer and respiratory conditions

1. IBI Research: IBI Benchmarking Analytics: Short-Term Disability Incidence Rates Across Demographic Groups (ibiweb.org)
2. Gallagher NBS – 2022 Workforce Trends Report
3. Note: Other responses include: Digestive/GI; Circulatory and Thyroid Disorders
4. National Business Groups on Health. 2020 Large Employers' Health Care Strategy & Plan Design Survey
5. JAMA Intern Med. 2019;179(4):506-514. doi:10.1001/jamainternmed.2018.7624 Published online February 18, 2019
6. Zero Trends: Health as a Serious Economic Strategy, Dee Edington

Top Wellbeing Themes

2023



Have a wellness program

Invested to create a stronger organizational attachment

Offer mental health training to managers, leaders or HR

Actively promote preventive care and age appropriate screenings

Need a boost in participation

Source: Gallagher 2023 Workforce Trends Report

Wellness Value beyond ROI

ROWI-Workplace Wellness Best Practice Study – 2022
https://www.forbes.com/sites/colleenreilly/2020/06/09/wellbeing-positively-impacts-firm-performance/?sh=36a2b59f7cc9 >

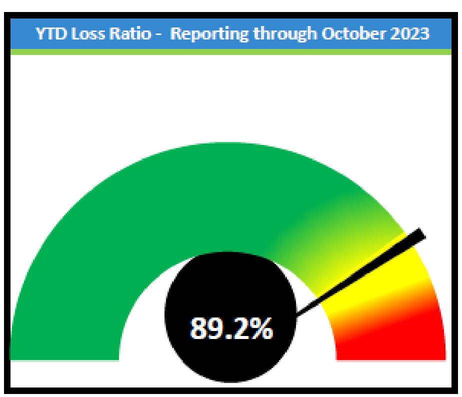
Warren County Overview

Plan Year 2024-25 Healthcare Cost Projection

Health insurance premium increases are determined based on claims utilization versus paid premiums which equates to a loss ratio. For a group of Warren County's size, a desirable loss ratio would be around 85%. It is currently 89% but has higher for the prior plan year.

Being part of the North Carolina Health Insurance Pool (NCHIP) allows us to increase premiums at a slower pace that will eventually get us closer to the desired loss ratio. NCHIP is estimating our renewal increase to be 5% for the upcoming plan year '24-'25.

FY24 received $3,406,668 for medical coverage.
5% increase is an additional $170,333 bringing the total for FY25 to $3,577,001.



Health Plan Insights

Population Summary

Total paid PMPM for spouses is 1.3 times higher than for employees ($988.69 vs. $756.81)

Total plan paid PMPM is similar to the prior period (▲ 2.1%)

Average Age is 42.3, which is similar to the prior period (▼ 0.8 years)

Current Health Risk Index (HRI) decreased 9.6%

There are 59 new enrollees (20.0% of current members) with an average enrollment of 5 months; 62.7% are female and 55.9% are in the 20-44 age range

Health Risks

24 high cost claimants (>$25K) account for 58.9% of total paid claims; prevalence and cost distribution are both above benchmark

6 of the 6 most common chronic conditions have higher prevalence than benchmark

Top 3 chronic conditions based on prevalence are Hypertension, Hyperlipidemia, and Diabetes

There are 12 members with predicted annual costs greater than $25k during the next 12 month period

Top 3 chronic conditions based on average cost are Coronary Artery Disease (CAD), Chronic Obstructive Pulmonary Disease (COPD) , and Diabetes

Medical Utilization

ER Visits per 1,000 increased 36.8%

Outpatient hospital paid PMPM decreased 12.3%

Behavioral Health Office Visit utilization is 237.0 per 1,000 members

Chiropractic Visit utilization is 198.1 per 1,000 members

Total medical plan paid PMPM is similar to the prior period (▼ 0.9%)

Pharmacy Utilization

Total pharmacy plan paid PMPM increased 11.3%

Pharmacy costs as a percentage of total plan paid increased from 24.9% to 27.2%

Mail Order utilization is low (0.1%); a decrease from the prior period (0.5%)

The top three therapeutic drug classes by total plan paid are Antidiabetics, Analgesics - Anti-Inflammatory, and Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiants

Generic fill rate is similar to the prior period (▼ 2.5%)

Above/Below Benchmark	Well Above/Well Below Benchmark (variance from benchmark: > 50%)	In Line with Benchmark

Population Health Risks

Key Chronic Conditions (Orange Box = Top Condition Opportunity)	# of Claimants (Actual)	# of Claimants (Benchmark)*	Average Cost PMPY (Actual)	Average Cost PMPY (Benchmark)	% of Predicted HCCs with Condition
Asthma	26	20	$13,558	$10,558	33.3%
Coronary Artery Disease (CAD)	12	8	$24,741	$25,309	25.0%
Chronic Obstructive Pulmonary Disease (COPD)	9	3	$22,578	$29,193	16.7%
Diabetes	45	17	$19,383	$17,414	66.7%
Hyperlipidemia	96	37	$12,512	$12,843	66.7%
Hypertension	112	49	$12,959	$13,772	91.7%

Key Insights

I. Hypertension is your organization's top condition opportunity, with a prevalence of 47.3% and average costs per member of $12,959; see next slide for additional insights on this population

II. 3 of the 5 preventive care services identified in this report perform better than benchmark

III. 10.1% of members have high cost claims (> $25k), and account for 58.9% of healthcare spend

Recommended Actions

I. Review and/or modify existing programs, policies and culture to support medication adherence, healthy eating, physical activity, stress management and tobacco cessation

II. Incentivize primary care and preventive screenings to sustain and increase engagement; implement targeted communication campaigns around preventive screenings; consider virtual primary care solutions to decrease barriers to care

III. Request health plan reporting to determine engagement / performance of case management programs including Centers of Excellence (if applicable); evaluate vendors specializing in supporting members with complex and high cost conditions

*Benchmark members per 1,000 have been converted to number of claimants based on size of your organization to enable like for like comparisons

Preventive Office Visit

12.9% below benchmark

Key Preventive Care Gaps

Colonoscopy
Members with gap: 62

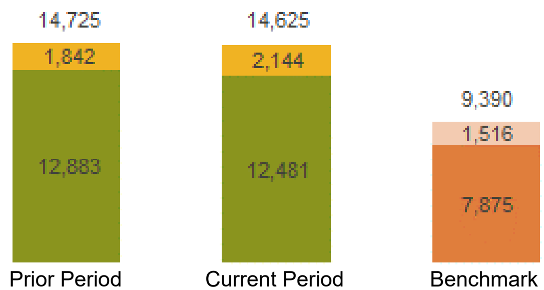
Mammography
Members with gap: 30

Pap
Members with gap: 113

PSA
Members with gap: 26

Pharmacy Cost & Utilization

Scripts per 1,000 and Generic Utilization



	Prior Period	Current Period	Benchmark
Branded Utilization	12.5%	14.7%	16.1%
Generic Utilization	87.5%	85.3%	83.9%

Top 3 Rx Classes (by Total Paid)	Total Paid	Script Count
Antidiabetics*	$203,245	332
Analgesics - Anti-Inflammatory	$158,343	186
ADHD/Anti-Narcolepsy/Anti-Obesity/Anorexiants	$124,299	162

Top Rx Class Definition

* Antidiabetic drugs are used to stabilize and control blood glucose levels in people who have diabetes (Type I and Type II) and therefore, manage complications of diabetes. There are different types of antidiabetic drugs including: insulin, GLP-1 receptor agonists and oral hyperglycemics.

Top 3 Drugs (by Total Paid)	Total Paid	Script Count
Wegovy	$100,607	74
Enbrel Mini	$88,270	13
Ozempic	$53,044	49

Key Insights

I. Mail order accounts for 0.1% of filled prescriptions (see page 8 of HAI report)

II. Medication adherence is critically important, especially for managing chronic conditions

III. Drug mix (use of brand vs. generics), especially the use of specialty medications (which are usually brand medications) has an impact on the pharmacy spend

IV. Optimizing the use of generic medications can improve savings to both the employer and the member; while increasing medication adherence

Recommended Actions

I. Increasing home delivery can provide a safe, cost efficient service that usually increases the adherence rate of medication therapy, which is important for members with chronic conditions

II. Review with the PBM the medication adherence rates for members with chronic conditions - to identify opportunities for improvement

III. Review current pharmacy plan and PBM contract to ensure alignment with marketplace pricing expectations, and to leverage appropriate cost control programs, including: home delivery, prior auth., quantity limits, step therapy, manufacturer coupon programs, etc.

IV. Discuss the generic substitution opportunities with the PBM to identify any additional savings opportunities for members (as well as the employer/organization)

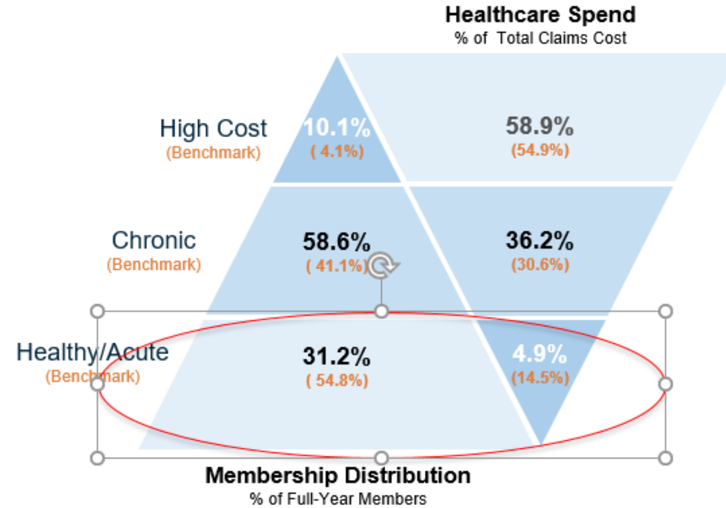
Wellness Program Cost Examples

Illustrative Wellness Program Cost

NCHIP Programs for 2024

NCHIP Wellness Program Support:

- Develop Annual Calendar of Planned Events/Promotions
- Facilitate/Support NCHIP Wellness Subcommittee Meetings
- Create and Distribute Monthly NCHIP Electronic Wellness Newsletter
- Develop and Distribute Promotional Materials for Planned Events/Promotions
- Coordinate Onsite Biometric Screenings (up to 3 vendors annually)
- Track Program/Event Participation
- Create a Wellness Program Dashboard
- Administer Employee Satisfaction Surveys
- Provide NCHIP Annual Wellness Program Report



Buy-up Option 1
$12,750 per entity

- Develop Entity-Specific Annual Calendar of Planned Events/Promotions
- Form and Facilitate Entity-Specific Wellness Committee
- Administer Entity-Specific Quarterly Wellness Challenges
- Create and Distribute Entity-Specific Electronic Wellness Newsletter
- Provide Entity-Specific Annual Wellness Program Report

Buy-up Option 2
$18,750 per entity

- Develop Entity-Specific Annual Calendar of Planned Events/Promotions
- Form and Facilitate Entity-Specific Wellness Committee
- Administer Entity-Specific Quarterly Wellness Challenges
- Identify and Coordinate Entity-Specific Quarterly Wellness Seminars/Webinars
- Create and Distribute Entity-Specific Electronic Wellness Newsletter
- Provide Entity-Specific Annual Wellness Program Report

Wellbeing Continuum

Durham Branch Gallagher Support

INFORMERS

Today's Environment

Disseminate information to employees to increase awareness

Heighten Awareness
- Educational Pieces (i.e. Bulletin Board, Payroll Stuffers)
- Carrier, Vendor Partner Resources
- Community/Online Resources
- Charity Walks
- Webinars/Workshops

Data Collection
- Wellbeing Interest Survey
- Culture Audit
- Biometric Screenings / Health Assessment

ENCOURAGERS / MOTIVATORS

Getting Better Tomorrow

ENCOURAGERS

Educate and inspire employees to make better decisions

Physical & Emotional Wellbeing Programs
- Preventive Care Incentives
- Tobacco Free Incentives
- Wellness Challenges
- Advocacy
- Consumer Tools
- Emotional Health Initiatives
- Wellness Committee
- Enhanced carrier based platforms

Wellness Budget $

MOTIVATORS

Reward healthy employees and motivate

Using Data Collected to Drive Program
- Health Assessment and Screening Reports
- Preventive Care Adherence
- Claims & Health Analytics
- Tracking Results
- Interactive web-based platform

Wellness Budget $$

TREND-BENDERS

Better Becomes Best

Expect results of behavioral changes to generate ROI/VOI

Individual Opportunities- Health Coaching
- Individual Plan of Action with Goal Setting
- Personal Relationship

Behavior Changes
- Co-Management of Chronic Conditions
- Established Provider Relationships

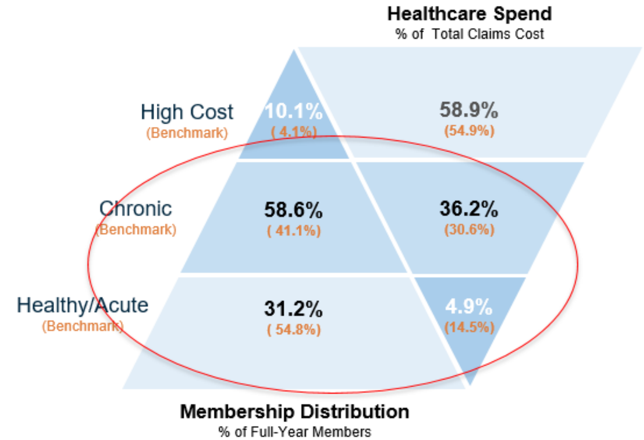
Wellness Budget $$$

Non-targeted/Least Cost/Non-invasive → **Targeted/Most Cost/Intense**

13

Illustrative Wellness Program Cost

Durham Branch Gallagher Support



Encourager: NCHIP Programs

“Pool” approach to providing programs and support focusing on keeping your healthy population healthy, and provide encouragement to someone with a chronic condition (that is ready for change) to engage on their own. Entity specific $12,750 - $18,750

Motivator: WellWorks

Customized approach to a wellness program that creates a points-based program to earn wellness dollar incentives (additional PTO, payroll deduction differentials), including tracking, wellness portal, activities and challenges. Primarily focused on keeping the healthy, but provides more encouragement to someone with a chronic condition to understand they are missing out on rewards by not participating. Estimated cost is $12,000 - $15,000

Trend-Bender: Tria

Customized and personal approach that puts clinical pharmacists in the role of advocating for patients with chronic disease. Programs like this can often demonstrate an average ROI 3:1. Estimated cost is $20,000, but the ROI on the program should lower claim cost more than the investment. Payroll deduction differentials could also help offset some of the investment.

Thank You

Gallagher

Insurance | Risk Management | Consulting

Previous Compensation Study Overview

- **Year 1:** $302,165 increase to salaries throughout the County.
  Adding the 23% at $69,498 made the overall increase $371,663.

- **Year 2:** $123,093 increase to salaries throughout the County.
  Adding the 23% at $28,498 made the overall increase $151,591.

- **Year 3:** $801,341 increase to salaries throughout the County.
  Adding the 23% at $184,308 made the overall increase $985,649.

- **Year 4:** $712,338 increase to salaries throughout the County.
  Adding the 23% at $163,838 made the overall increase $876,176.

Original compensation study proposed 7% increase.
After year 4 implementation there was a 14% increase.

MANAGEMENT ADVISORY GROUP INTERNATIONAL, INC
PREPARING FOR TOMORROW, TODAY...

Management Advisory Group, Inc.

Interim Report on Compensation Equity

and

Market Competitiveness Study

Warren County

January 2024

Scope of Work

- Prepare and conduct a market salary survey of benchmark titles
- Ensure jobs have overall market equity with local peers and competitors
- Propose updated compensation plans and pay structures
- Ensure that salaries are internally equitable within the proposed structure

Review of the Overall Market

Market Comparison:

- Comparable employers in the public sector were selected to reflect market competitors
- All benchmark classes are being compared with the local/regional target organizations
- The recommended restructuring of salary plans will align the overall market position of the County

Terminology used in the Study Report

Market Survey:

- **Peer target organization – organizations that are comparable in size, scope and complexity of operation.**

- **Competitor target organization – organizations that are in close proximity to Warren County, with which it competes for various types of employees**

- **Benchmark class – class titles selected to represent the different types and levels of work performed within the County and also available within the market.**

- **Approximately 50 titles have been identified**

Peers and Competitors Survey*….

Survey Target Organizations

WARREN COUNTY, NC

Respondent
ANSON COUNTY
BERTIE COUNTY
BLADEN COUNTY
DURHAM COUNTY
FRANKLIN COUNTY
GRANVILLE COUNTY
GREENE COUNTY
HALIFAX COUNTY
MARTIN COUNTY
NASH COUNTY
NORTHAMPTON COUNTY
PERSON COUNTY
RALEIGH
VANCE COUNTY

***Not all surveyed organizations will have comparable jobs to the benchmarks selected. Raleigh will be used for Selected positions. The list was pre-approved for use by MAG and the County.**

Compensation Administration Best Practices….

Best Practices Suggestions will include:

- Reclassification
- Promotion
- Transfers
- Hiring
- Future Administration of the Plan

Warren County, North Carolina

FY 24-25 Budget Priorities Work Session

January 17, 2024

Human Resources Updates

- NCHIP Update
- Wellness Program
- Retention & Recruitment
- Employee Compensation Study

Retention & Recruitment

Positions filled since 8/1/2023

- Tax – 2
- Sheriff's Office – 4
- Public Utilities – 2
- Planning/Zoning – 1
- Park and Recreation – 8
- Library – 1
- Human Resources – 2
- Health Department - 5
- Board of Elections - 2
- Finance – 4
- EMS – 14
- Community & Econ. – 1
- E911 – 1
- Detention – 3
- DSS – 7
- County Manager – 1
- Cooperative Ext. – 1

61 Positions

- 13 –Part-Time Positions
- 48 – Full Time Positions

Vacancies as of 1/1/2024

- Senior Center – 1
- DSS – 5
- Health Department – 10
- EMS – 9
- Sheriff’s Office – 7
- Detention – 1
- E911 - 2
- Finance – 1
- Library – 1
- Board of Elections – 1
- Tax – 1
- Cooperative Ext. – 1
- Planning/Zoning – 1

Total: 40 Vacant Positions

Vacancies Rate: 12.16%

Impact caused by High Turnover which leads to Increased Costs

Direct Impact:

- Recruitment Cost
- On-the-job training
- Onboarding Expenses

Indirect Impact:

- Decrease in productivity
- Leads to lower morale and employee burnout
- Increase in labor cost
- Cultural Impact