

**REVIEW
OF THE CURRENT COMPENSATION
AND BENEFIT STRUCTURE OF NEW
CASTLE COUNTY EMPLOYEES**

FINAL REPORT

JANUARY 15, 2007

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EXECUTIVE SUMMARY

This report was prepared by Kennedy & Rand Consulting, Inc., with assistance from Aon Consulting and ORC Worldwide, to review the competitiveness of New Castle County employee compensation and benefits.

Our review indicates that cash compensation and benefits are very competitive both with the public and private sectors locally and regionally. This Executive Summary briefly covers these findings and conclusions which are covered in more detail in the body of the report, along with supporting tables, charts, exhibits and an appendix at the end of the report.

Cash Compensation

New Castle County average cash compensation levels for approximately 60 separate position level matches (over 30 distinct benchmark job titles) are generally at or somewhat above each of the following markets covered by the published compensation survey data consulted:

- State and local governments adjoining New Castle County (the selected peer group) and in the Washington DC greater metropolitan area (an area with a comparable cost of labor but a higher cost of living than New Castle County);
- Delaware Valley private sector employers;
- Regional not for profit employers (including governments); and
- Regional for profit employers (Mid-Atlantic and Northeast)

On average, New Castle County average compensation levels for the position matches across all survey sources consulted are approximately 113% of the survey medians (50th percentiles). Put another way, the average salaries for the benchmarks, when aggregated, are about 1.13 times the market medians, or about 13% higher than the market medians, depending on the method of aggregation. In aggregating the survey sources, we gave a 70% weight to the state and local government data. In aggregating the cash compensation data across all of the matched benchmark jobs, we calculated both a simple average and a weighted average, with similar results. The weighted average used the number of New Castle County incumbents in each job as the weights.

These comparisons, which we refer to as market ratios, ranged from 100% of the survey medians of Delaware Valley private sector employers to 115% of the survey medians of regional non-profit employers.

We also compared New Castle County base salaries for benchmark jobs to total cash compensation levels (base salaries plus bonuses) with similar results.

Finally, we compared salary increase trends, both general increase, across the board cost of living adjustments, as well as the more difficult total increase (including merit/step increases) with various sources and found that New Castle County employee pay increases have been very competitive over the last 6 years, particularly if you take into account years 2002 and 2003, when almost everyone received the 3% cost of living adjustment plus a 5% merit increase.

Benefits

For the purposes of this report, we have benchmarked the following benefits provided New Castle County employees:

- health benefits
- paid leave
- retirement benefits (for general employees of the County)

For New Castle County (in common with virtually all employers of size in the United States) these three areas account for virtually all the County's benefits expenditures.

Health Benefits

The health benefits plans maintained by the County provide competitive benefit features in all areas of coverage, and generous benefits for prescription drug coverage, compared with other employers. The most important distinction between New Castle County's plans and the other plans, with which they are compared, however, is in the share of the cost of the plans assumed by the County. County employees pay as little as 0.5% of the cost of the plan and no more than 3.9%, depending on which plan they select.

That compares with an average employee contribution of 19% in the public sector surveys we reviewed for the purpose of this benchmarking.

These very low contribution rates contribute to the County's costs in two ways: directly, in the sense that the County is paying a much greater percentage of the cost than is common; and indirectly, by assuring that where families have access to coverage from more than one employer, the County's plan will be selected driving up the proportion of family coverage for New Castle County employees compared with other employers.

Paid Leave

In assessing the competitiveness of the County's paid leave programs (sick leave, holidays and paid vacation) we compared accruals for New Castle County's employees to those of their counterparts among federal employees and in the following state plans: Delaware, New Jersey, Pennsylvania and Maryland.

For younger, short service employees paid leave benefits for County employees are slightly less generous, on average, than paid leave provided by the jurisdictions with which the County's plans are compared. For mid-career employees, the County's plans are competitive. But for long service employees New Castle County's plans are much more generous than the plans with which they were compared, principally because of the unusual feature of increasing an employee's vacation by one day for each year the employee's service exceeds fifteen years.

Retirement Benefits

For the purpose of benchmarking the retirement benefits provided by the County's plan for general employees against state and local government retirement plans as reported in a survey of those plans, we developed (with the assistance of David Boomershine and Terri Long of Aon Consulting) relative values of the County's plan and the average plan reported in the survey for seven profile employees. These profiles were selected with varying ages and years of service, to represent a cross section of the County's plan population.

We developed two sets of values: one for the full cost of the plan regardless of employee contributions, and a second set of values that net out the employee contributions.

As with the health plan the difference in contributions required of New Castle County employees compared with their counterparts covered under the state and local government plans surveyed is the most important distinction we found. The retirement benefits provided County employees in total are comparable to those provided by the surveyed plans (indeed, they are slightly less generous for younger, short service employees). However, when the lower employee contributions required of New Castle County's general employees are taken into account, it is obvious that the employer provided portion of the retirement benefit is much more generous, and ultimately more costly, for New Castle County than for the state and local government plans reported in the survey.

INTRODUCTION

Kennedy & Rand Consulting, Inc., with support from its subcontractors, Aon Consulting and ORC Worldwide, has prepared this report on our review of New Castle County's compensation and benefits for all of the County's approximately 1,658 full time positions represented by seven collective bargaining units covering most (95%) of the workforce.

Objective

The purpose of the study was to benchmark total compensation (pay and benefits) for approximately 30 positions against the local and regional public and private marketplace for comparable positions.

Background

The County has an annual turnover rate of about 3% and many long term experienced employees. Increased turnover is expected through retirements in the near term future. The County is also beginning to experience, and is projecting, a less robust revenue environment. Among current concerns are the following:

- An operating imbalance in the general fund;
- Transfer tax volatility and changing market forces;
- Labor cost growth exceeding revenue growth; and
- A growing demand for services and infrastructure.

Total General Fund revenues are projected to grow approximately 2% annually between 2007 and 2012, while total General Fund expenditures, including debt service, are projected to grow at an annual rate of approximately 7.5%, with personnel costs, representing about 74% of 2007 expenditures projected to grow at 6.5% a year. During the period 1996 - 2006 personnel costs grew approximately 8.8%. For this same period, wages and salaries grew by 7.8% while benefits grew by 11.7%.

As such, the County is interested in assessing its total compensation package to ensure that available compensation resources are allocated efficiently and fairly to retain experienced employees and attract new employees as vacancies occur. Revenues have permitted the County to maintain a competitive compensation and benefits program over the years with typical benefits and regular cost of living and merit step increases.

This report contains the results of our comparative market review of County compensation and benefits

Our study methodology is fully documented in the next section of the report.

METHODOLOGY

This study was conducted between November 17, 2006 with a meeting with the County's Task Force Subcommittee for reviewing the employee compensation system and January 22, 2007, the date for the presentation of Kennedy & Rand's final report to the Task Force.

Our methodology basically consisted of a review of New Castle County compensation and benefits along with a comparison to compensation and benefits in the local area market, both with respect to state and local governments, as well as private sector employers in the Delaware Valley area, as well as with all sectors of the economy regionally, using a variety of survey sources listed in Exhibit A.

In the course of the study, we completed the following steps:

- Held our initial planning meeting to review data needs, logistics, and timing of all required study steps;
- Coordinated work amongst the various parties on different aspects of the total compensation program (e.g., wages and salaries, health plans, retirement plans, paid leave) and for different sectors and geographic locations;
- Developed comparative exhibits for cash compensation and benefits using various data sources (See Exhibit A);
- Aggregated compensation data across approximately 30 benchmark positions, and for different sectors (governmental, private, and non-profit) and different locations (local Delaware Valley as well as mid-Atlantic region, including data from local jurisdictions and other employers in Northern Virginia, Maryland, and the District of Columbia), to reach conclusions on market comparability;
- Compared pay increase trends between New Castle County, other state and local jurisdictions, and the private sector;
- Valued comparative pension benefits for different demographically situated hypothetical employees;
- Analyzed major provisions of health & welfare plans at the local, state, and federal government level, as well as with respect to the private sector;

- Compared employee contribution levels for benefits across sectors to assess comparative employer costs;
- Compared and analyzed paid leave plans for the public and private sectors; and
- Prepared a draft report of our findings, conclusions and recommendations and presented our final report to the Task Force Subcommittee.

The next two sections of the report contain our analysis, findings, conclusions and recommendations grouped under the headings of cash compensation and benefits.

FINDINGS AND CONCLUSIONS

Cash Compensation

Our review of the cash compensation levels of New Castle County employees consists primarily of base salary comparisons for approximately 30 benchmark jobs and over 60 positions (including jobs and job families with more than one level, such as Account Clerk I, II, and III, or all levels of police). It includes data from a variety of sources (Exhibit A), representing state and local governments, for-profit employers, and non-profit employers, and covering both the mid-Atlantic and Northeast regions of the United States as well as focusing on the local area with data from a peer group of local and state governments as well as private employers in the immediate commuting area surrounding New Castle County.

The competitive marketplace job pricing detail is contained in Appendix I. We list here the job title, current average New Castle County salary by title, the number of job incumbents, the Union affiliation, the surveys and job titles selected as matches for each New Castle County job, the scope measure(s) selected, the number of organizations responding to each survey, the number of incumbents represented by each organizational job match response, and descriptive statistics for base salary and total cash compensation at the 25th, 50th and 75th percentiles of the survey data.

This detail is summarized in Exhibits B and C. Exhibit B shows the median or 50th percentile base salaries from each of the survey sources used for each of the New Castle County job titles listed, along with current average salaries for these positions at the County.

In order to summarize these comparisons, we calculated competitive market ratios for each position listed where we had a match.¹ This is simply the result of dividing the New Castle County current average salary for the job by the median (50th percentile)² market rate from the survey(s). Since marketplace pricing is not an exact science, and because there is considerable variability around the survey sample median, we allow a range of plus or minus 10% to define the boundaries of what we consider to be competitive. In other words, if the New Castle County average salary for a job is between 90% and 110% of the survey median, we consider the salary to be competitive with the market.

¹ You will note that while each position listed has a match from at least one survey source, not every survey provided a match on every benchmark position.

² The median or 50th percentile is that number in an array of numbers sorted from low to high that represents the middle number, the number below and above which half of the sample of numbers falls.

The market ratios are shown in Exhibit C. While they naturally vary somewhat from survey to survey, and between job matches, the clear conclusion from these market comparisons is that New Castle County pay rates are very competitive, and on average, slightly above the competitive corridor. A summary of this detail for all the jobs in the aggregate, showing the differences in market ratios by survey source (i.e., private versus public sector, etc.) is provided in the table below.

Table 1

Base Pay Market Ratios (NCC as a % of Survey) for Different Markets						
All Job Titles Combined	All State & Local	For Profit Delaware Valley	Regional For Profit	Regional Non Profit	Survey Simple Average	Survey Weighted Average ¹
Job Simple Average	113%	100%	111%	112%	109%	111%
Job Weighted Average ²	114%	102%	114%	115%	111%	113%

Notes:

- 1. Survey Weights 0.70 0.10 0.10 0.10
- 2. Job Weights Jobs were weighted by the number of NCC employees.

If we compare NCC position base pay rates to total cash compensation levels (base salaries plus bonuses) for the benchmark jobs, the results are very similar (the state and local government surveys do not report total cash compensation, in any event, but the private and non profit surveys do report these data).³

Table 2

Total Cash Market Ratios (NCC as a % of Survey) for Different Markets						
All Jobs Combined	All State & Local	For Profit Delaware Valley	Regional For Profit	Regional Non Profit	Survey Simple Average	Survey Weighted Average ¹
Job Simple Average	113%	97%	109%	111%	108%	111%
Job Weighted Average ²	114%	99%	111%	114%	110%	112%

These summaries indicate that overall, NCC employees are well compensated. As with any summary, this does not mean that every employee or job at New Castle County is compensated slightly above the competitive range. In the Table below, we show the percentage of matched positions that were found to be below 90% of the market median, between 90% and 110% of the market median (our definition of competitive), and over 110% of the market median.

³ Most of the jobs are not generally bonus eligible, even in for profit companies.

Table 3

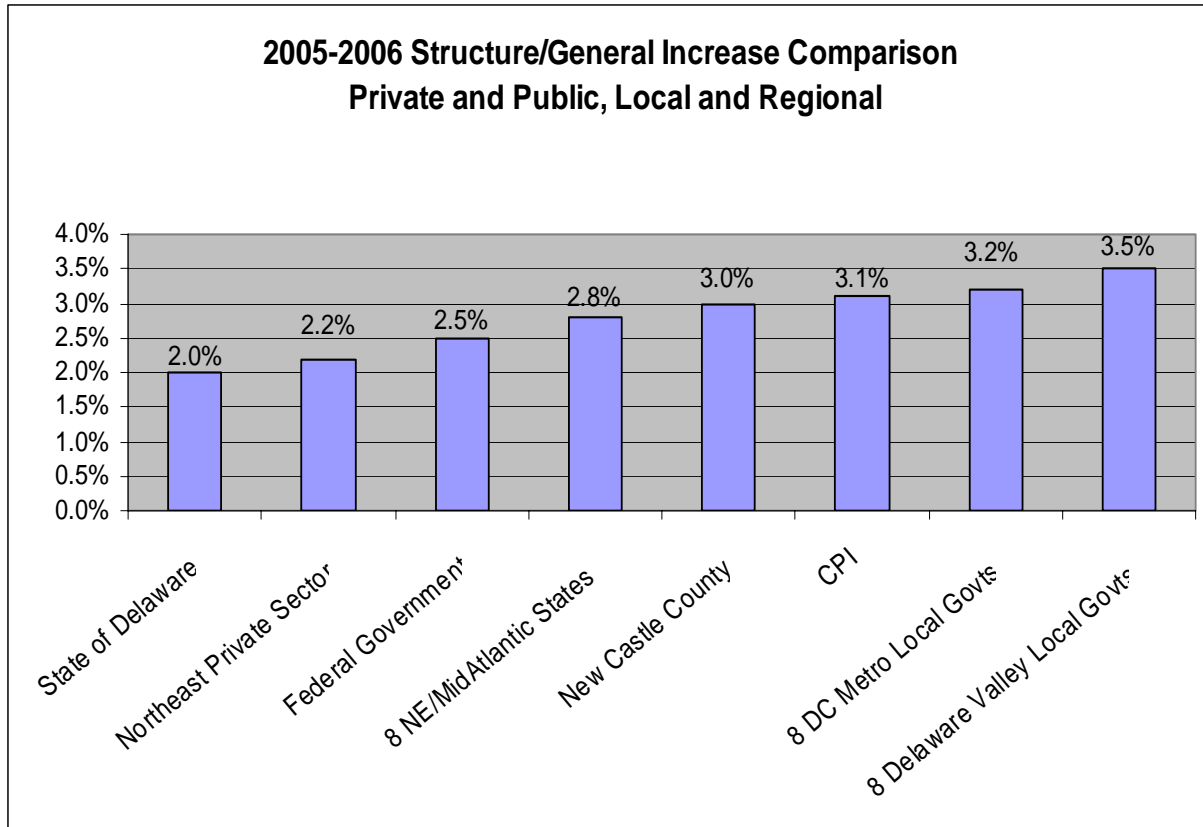
Distribution of Market Ratios by Market Sector						
Market Ratio Distribution	All State & Local	For Profit Delaware Valley	Regional For Profit	Regional Non Profit	Regional For Profit/ Non Profit	Overall
By Benchmark Job						
% Below 90%	3%	20%	12%	4%	7%	9%
% Between 90% - 110%	37%	53%	24%	29%	37%	36%
% Above 110%	60%	27%	64%	68%	56%	55%
By Benchmark Incumbents						
% Below 90%	1%	20%	7%	2%	3%	7%
% Between 90% - 110%	31%	54%	18%	24%	28%	31%
% Above 110%	68%	26%	74%	73%	69%	62%

In addition to comparing pay levels for benchmark jobs across different markets and localities, we also looked at pay increase trends for NCC employees in comparison to other state and local governments locally and regionally, and the federal government. These comparisons are shown below.

The most readily available data unfortunately presents an incomplete picture of total pay increases. This is the so-called general increase or cost of living increase that most local and state governments, like New Castle County, apply directly to their salary structures. These increases do not include the merit/step increases that at least some of the employee population in these state and local jurisdictions (and the federal government) also receive (those who are not at the maximum step of the grade, or who are not in a hold step for a particular year).

A comparison between New Castle County and other employers for the most recent year for which data were available from all sources is presented in the chart below.

Table 4



The private sector data reflects the average movement of the salary structure, but this is misleading because salary structure increases in the private sector only increase actual pay rates automatically for employees whose salaries were at the minimum rate in their pay range before the increase. All other increases are subject to performance appraisals, and are called merit increases. However, merit increases are generally higher than the structure increases, so that there is some movement through the salary range for employees who are performing at a satisfactory or better level.

As the chart shows, the 8 local governments closest to New Castle County⁴ have the highest general increases for the period, and New Castle County is lower than the local area County median, but a little higher than the NE/MidAtlantic States⁵, the Federal Government, the private sector in the Northeast, and the State of Delaware, shown separately. We also show data for 8 local jurisdictions in the Washington DC

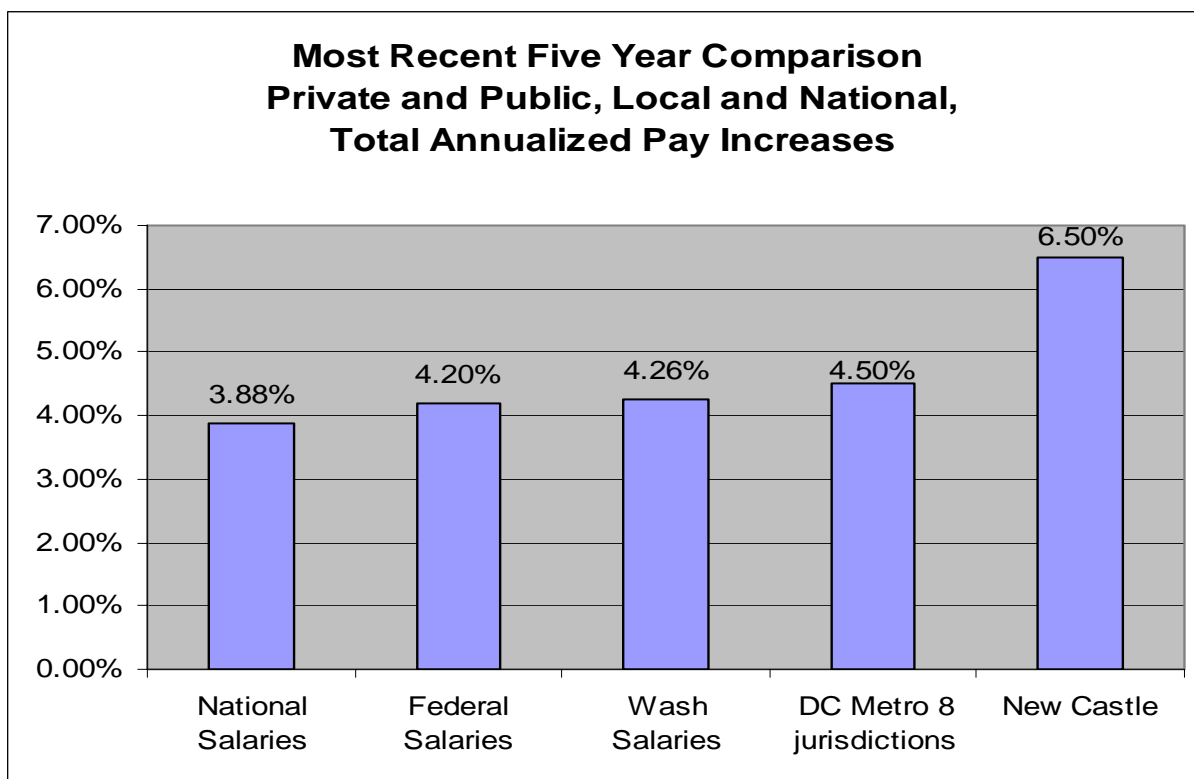
⁴ These were surveyed by the University of Delaware, Institute for Public Administration, and are Kent County (Delaware), Sussex County, Cecil County, Kent County (Maryland), Mercer County (New Jersey), Chester County (Pennsylvania), and Delaware County (Pennsylvania).

⁵ These were also surveyed by the University of Delaware, Institute for Public Administration, and are Delaware, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, and Virginia.

greater metropolitan area⁶, where we might expect slightly higher increases given the higher cost of living and greater competition for human resources with the Federal government, high concentration of non-profit organizations, and private, high tech employers.

If we look at a longer time period, such as the last five years, and take into account both general increases, and merit increases, a comparison of annualized increases over the time period taken from sources that report this data, is as follows.⁷

Table 5



National salaries reflect all types of employers nationwide.⁸ Washington salaries also reflect all types of employers in the greater metropolitan area. If we assume, for the other counties nearer to New Castle that approximately 50% of their employees also receive a merit increase averaging 5%, then the total increase would be 6%. Also, the

⁶ These data are from a special survey conducted by Kenney & Rand Consulting in late 2006 and are City of Alexandria, Arlington County, District of Columbia, Fairfax County, Loudon County, Montgomery County, Prince Georges County, and Prince William County.

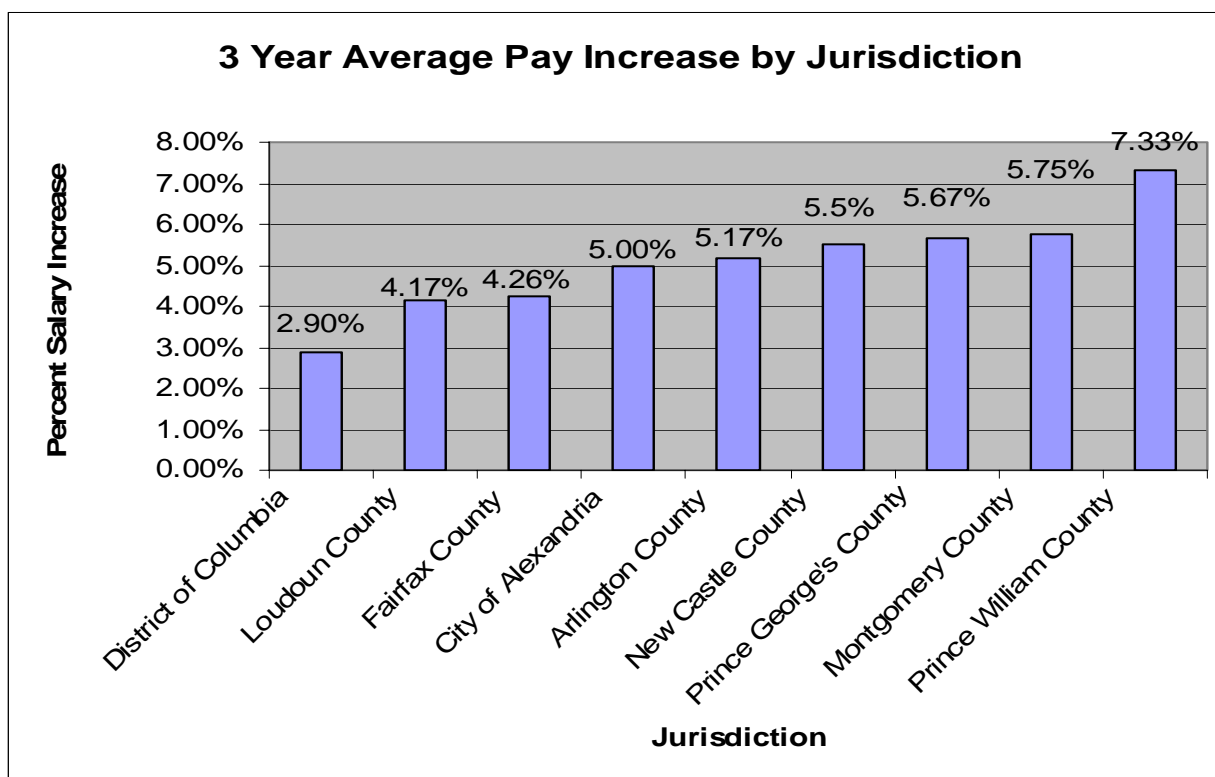
⁷ In order to derive a total increase for New Castle County, we added 2.5% to the general increase assuming about 50% of the employee population was not already at the top of their pay scales, except for the years 2002 and 2003 when everyone was eligible because two steps were added in 2002.

⁸ These data are from the World at Work Annual Salary Budget Survey.

New Castle increase for this period is somewhat inflated due to the 8% (3% + 5%) increase received by all employees in 2002 and 2003.

Another view of this, over just the last three years, removes the effect of the years in which 8% increases were received by all, and puts New Castle County just about in the middle of the 8 DC metro area jurisdictions.

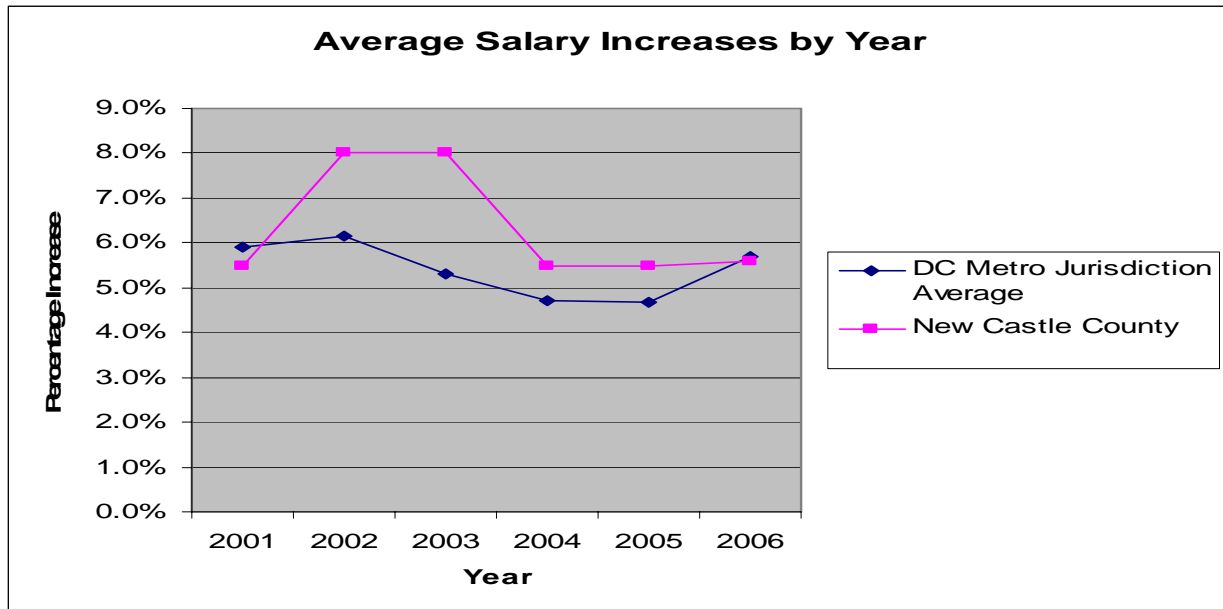
Table 6



Even though these comparisons are not with the counties closest to New Castle, one would expect, with the higher cost of living in the DC metro area, that if anything, New Castle County would rank lower in the chart above than it does.

In fact, when this comparison is extended over a six year period, New Castle County looks even more competitive, as the chart below shows. Nevertheless, some caution is necessary here, because DC Government's increases were frozen for several years during this period of time, and averaging this in with the other seven jurisdictions tends to understate, at least for particular counties, what has actually happened.

Table 7



We conclude that New Castle County cash compensation levels and increases are, and have been, very competitive in the aggregate. While this does not mean that every job is necessarily at or above market, more jobs than not are in or above the competitive range. The data used are from multiple sources, and while not every employer, job, or individual pay rate can be captured by such survey samples, the amount of data brought to bear in this review is very comprehensive for studies of this nature.

We turn in the next section to a review of other elements of compensation, such as health and welfare benefits, retirement benefits, and paid leave, to establish an overall assessment of competitiveness of New Castle County total compensation.

BENEFITS

Benefits for New Castle County Employees and their Families

In this section of the report, we review and benchmark the benefit provisions in those three areas which for New Castle County, in common with typical U.S. employers of size, account for the lion's share of benefit costs: health benefits, paid leave and retirement benefits.

In comparing benefit plan provisions and other features of the plans with information we have gathered from other sources, we have relied significantly in the health and retirement plan comparisons on data developed in studies in which Kennedy & Rand principals participated in the past year, jointly with Aon Consulting, for the United States Office of Personnel Management of the Federal Government (US OPM) and for the Washington Metropolitan Area Transit Authority (WMATA).

Health Benefits

We have included as Exhibit D in the Exhibit section at the end of our report a comparison of major health benefit plan features, which identifies first those features in the plans which cover the great majority of New Castle County employees and their families—the Blue Choice PPO, Blue Care and the Coventry HMO plan. We then show those same plan features (where data is available from our survey sources, which are listed in the Exhibit) for the following:

- Public Sector plans
- Private Sector PPO plans (from two separate surveys)
- Private Sector HMO plans
- Two representative plans (the Keystone HMO plan and the GEHA PPO plan) from among the plans provided federal employees under the Federal Employees Health Benefits program.

As is evident from a review of these plan features, the plans provided employees of New Castle County are competitive in all those areas where data is available, and in some areas (particularly, the copays required under the County's prescription drug plan) are somewhat generous compared with plan features from the various surveys. These differences are relatively minor, however, and are not of great consequence in terms of the costs of the health benefits plans for the County.

However, of great consequence for the County's costs are the very low contributions employees of New Castle County are required to make to participate in the County's health benefit program. This is the most important distinction between the plans provided New Castle County employees and their families compared to plans provided

by public and private sector comparators. In Table 8 below, we depict those contributions from the various County plans as a percentage of the total cost of those plans; and we then show the corresponding percentages for:

- Public Sector plans
- Private Sector plans
- Federal Employees Health Benefits program

Table 8

Comparison of Employee Contribution Requirements for Health Insurance Coverage					
Blue PPO w/Rx	Blue Care w/Rx	AmeriHealth w/Rx	Public Sector	Private Sector	FEHB
3.9%	0.5%	2.7%	19.4%	23.0%	29.7%

For the purposes of this comparison, we have drawn contribution data from the same sources we used for plan features, in the reports prepared earlier for US OPM and WMATA.

The very low contributions New Castle County requires for all of the plans available to active employees drives costs in two important ways. First, the difference in contributions required of New Castle County employees (for 2007) compared with their public sector counterparts in the surveys ranges from a low of 15.5% of plan costs (for Blue PPO participants) to a high of almost 19% (for Blue Care participants). That cost difference is carried directly by the County, compared with employer costs for public sector employers in the surveys.

The differences between contributions required of New Castle County employees and private sector employees and employees covered under the FEHB program are even greater. Employees who participate in the FEHB program contribute 29.7% of the plans' costs, on average; and private sector employees contribute 23% of plans' costs. That compares with an average contribution requirement of 19.0% reported in the public sector surveys, versus contributions for New Castle County employees ranging from 3.9% to as low as 0.5%, depending on the plan the employee selects.

It is often overlooked, however, that such very low contribution requirements also affect employer costs in another way, typically by driving up dramatically the percentage of the employer's employees who elect to cover their families under the plan. This effect can be observed in the Table 9 below.

Table 9

Comparison of Percentage of Active Employees Electing Family Coverage		
New Castle County	FEHB	Kaiser Family Foundation*
72%	60%	55%

Source: Kaiser/HRET Survey of Employer Sponsored Benefits 2005

As the table shows, 72% of New Castle County’s active employees cover their families under the County’s plans. That compares with 60% electing family coverage under the FEHB program, and 55% electing family coverage in the private sector. In our experience, family participation generally tops out at about 70% to 75% of the total population in a plan, even where the benefits are provided at no cost to employees and their dependents. Thus, the percentage of New Castle County active employees who cover their family members is unsurprising.

This is also an entirely rational outcome, from the perspective of the County’s employees. It is important to note that of some 50 million married couples in the U.S. workforce, about 65% are in households where both spouses work. It is altogether logical that where two spouses are working and each has access to health care coverage through their employer, they will make the collective decision to join the less expensive plan, particularly if coverage is comparable or superior to the plan available to the other spouse. When spouses make that choice, they in effect are driving up costs for the employer with the plan requiring lower contributions and driving costs down for those employers with plans that are available but are more costly to employees.

Here is how that choice affects employer costs. At present, the total premium rate for family coverage on a weighted average basis is approximately 2.3 times the individual rate for New Castle County employees. So if the County’s family coverage percentages were reduced to the federal or private sector levels the County could expect to obtain additional savings of some 8% to 11% respectively (over and above the direct savings attributable to employees’ additive contributions), as family percentage participation rates declined.

This effect is also obvious when you compare the much lower dependent participation for the County’s under age 65 retirees. In that group, which is subject to much higher contribution rates than the County requires for actives, only some 34% of retirees cover at least one dependent for health benefits.

Paid Leave Benefits

We have included as Exhibit E in the Exhibits section a description of the major features of the paid leave plans of each of the following:

- New Castle County
- States of:
 - Delaware
 - New Jersey
 - Pennsylvania
 - Maryland
- Federal Employees

In each of these descriptions we separately identify:

1. Sick Leave
2. Vacation
3. Paid Holidays
4. Personal Leave

To assist the reader in readily identifying the relative competitiveness of the paid leave plans for New Castle County employees compared with the jurisdictions we have surveyed to develop comparative data, we have prepared supplemental exhibits (Exhibits F through L, in the Exhibits section at the end of the report) which show in graphic form depending on an employee's years of service the accumulation of paid leave separately for:

1. Sick Leave
2. Vacation
3. Paid Holidays
4. Personal Leave
5. Total

Those exhibits depict that information for New Castle County and the jurisdictions separately for an employee who is in the following service year of his or her career:

1. First year of service
2. Fifth year of service
3. Tenth year of service
4. Fifteenth year of service
5. Twenty-fifth year of service
6. Thirty-fifth year of service

The bar graphs (Exhibits G through L) are particularly illuminating. As they show, in the first few years of employment, (illustrated for an employee’s first and fifth year of employment) New Castle County employees are provided paid leave that in the aggregate is somewhat less generous than leave provided by the other employers surveyed.

Table 10

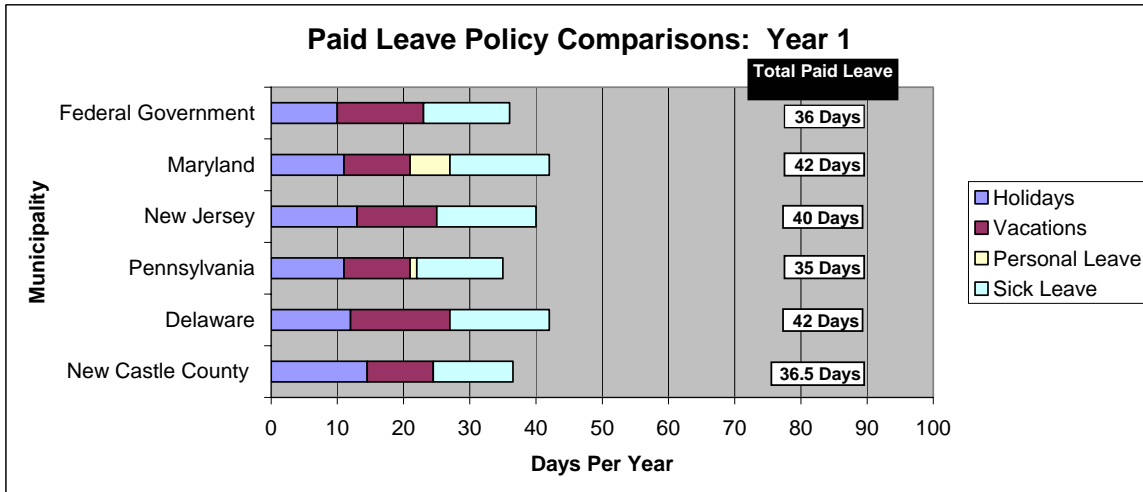
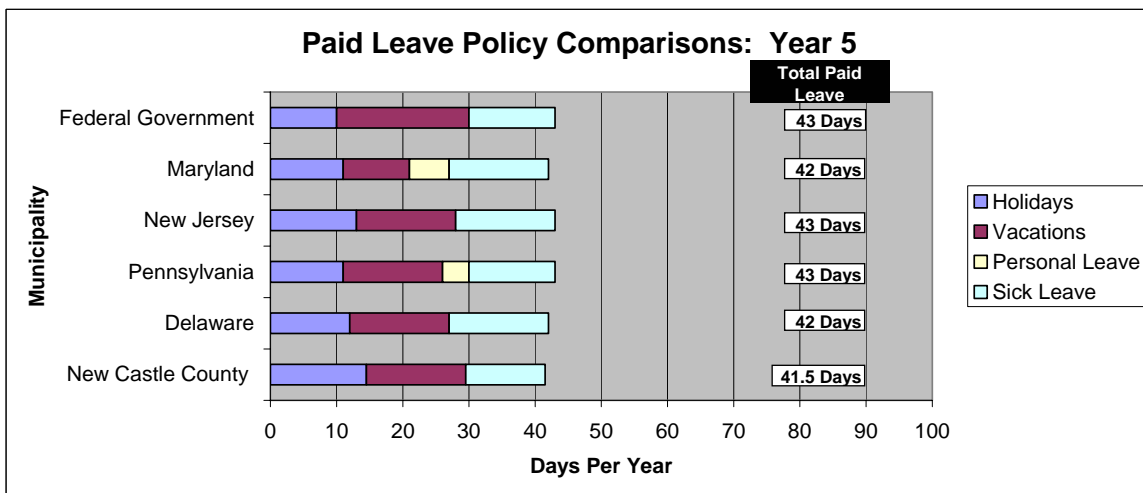


Table 11



In the middle years of a New Castle County employee’s career, however, (depicted in the graphs for the tenth and fifteenth years of employment) New Castle is at or near the top in terms of the paid leave an employee accrues. In those years, only one of the employers surveyed (the state of Maryland) provides more generous paid leave accruals than New Castle County. And on balance, the paid leave accruals available

to New Castle County employees are quite comparable over these years of an employee’s employment.

Table 12

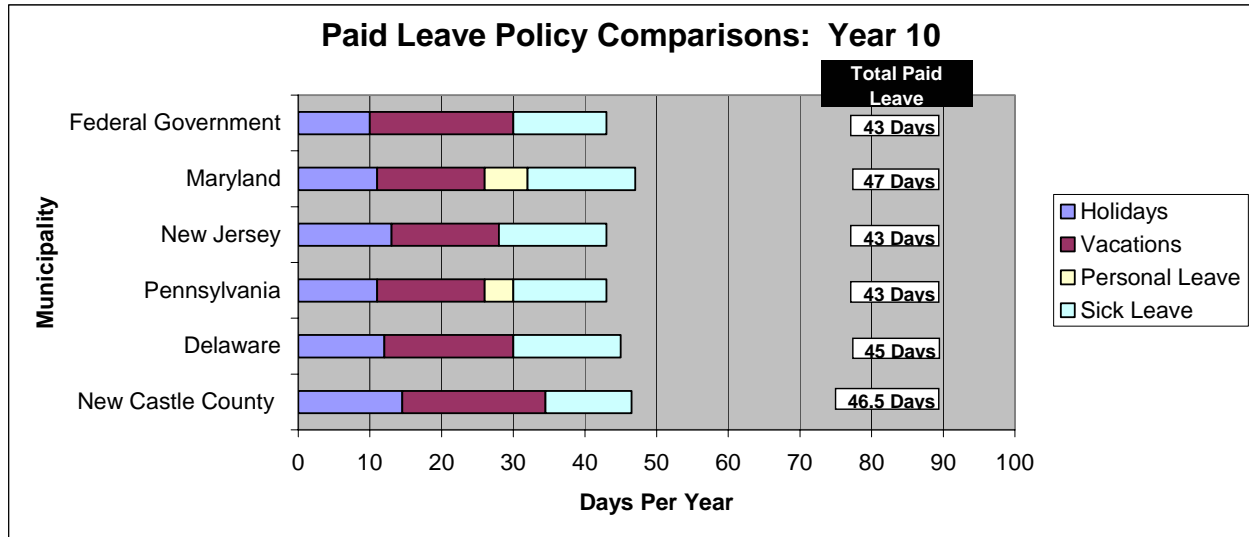
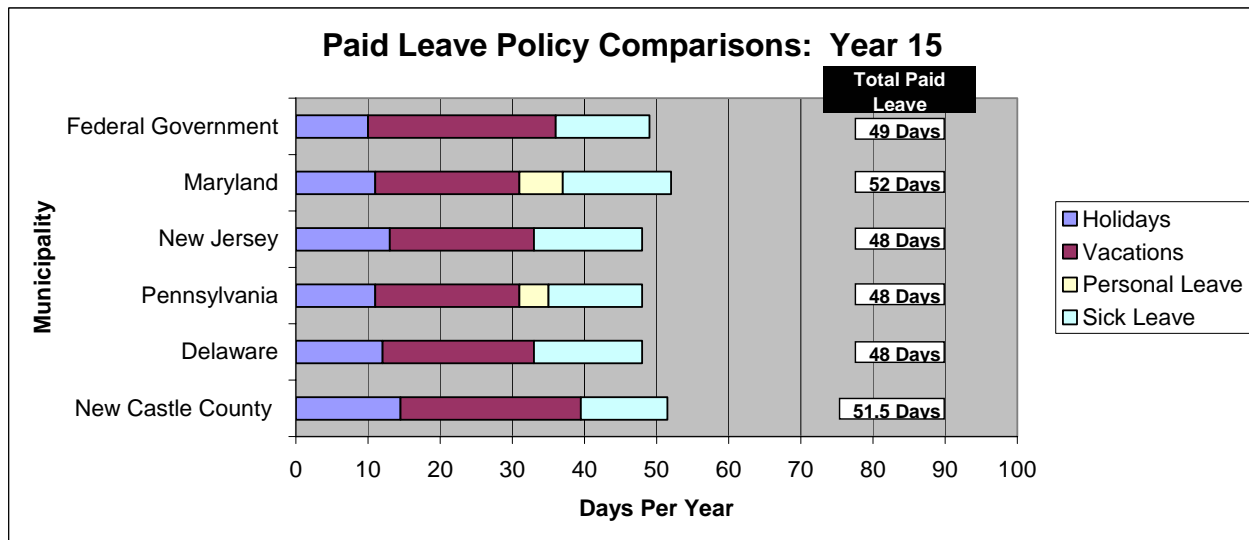


Table 13



In the later years, however, (illustrated for the 25th and 35th year of an employee’s employment) paid leave accruals for New Castle County employees are markedly more generous than in any of the other jurisdictions surveyed. In those years in the other jurisdictions, accruals of paid leave tend to grow moderately if at all. (In fact there is no difference in paid leave accruals in any of the other jurisdictions between the 25th and 35th years of service.) Virtually all of this growth in paid leave provided New Castle County employees relative to the other jurisdictions is attributable to the

County’s unusual policy of allowing an employee to accrue an additional day of vacation for each year of service after fifteen years of service.

Table 14

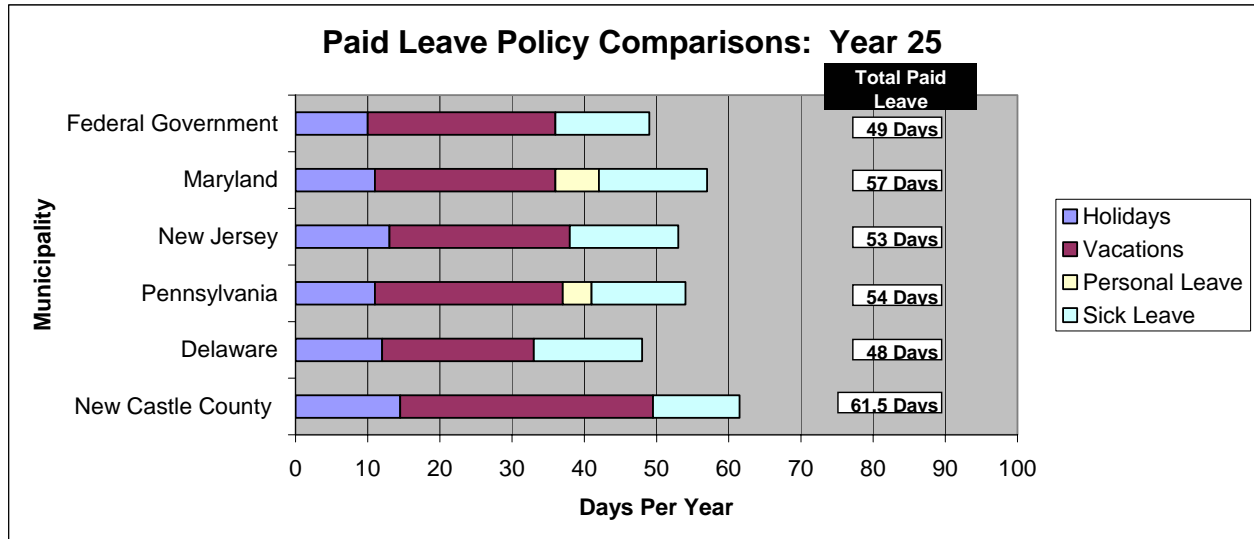
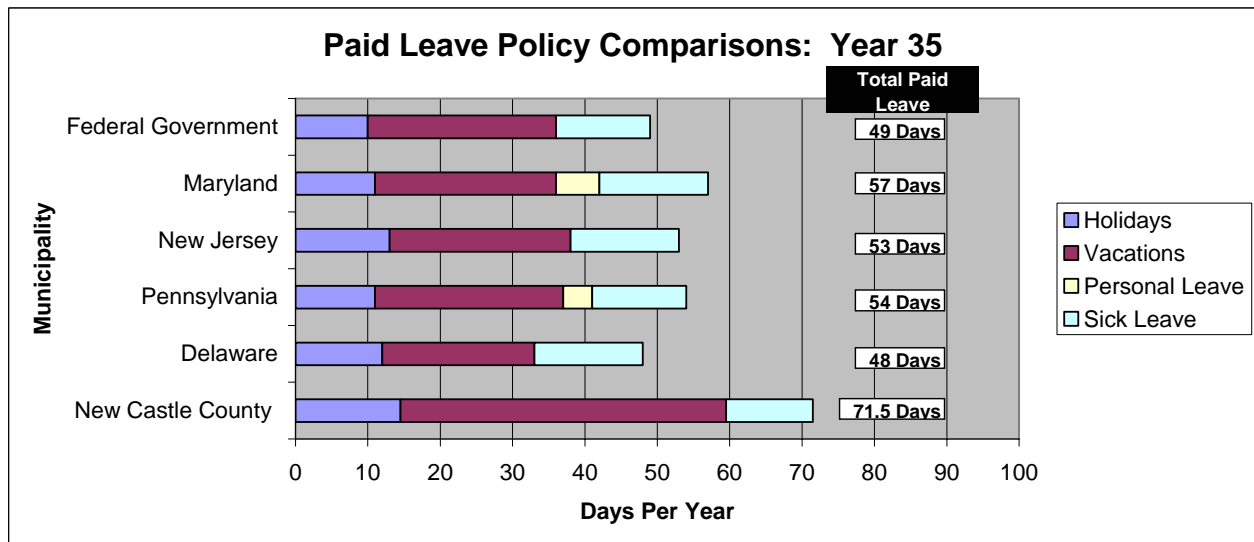


Table 15



New Castle County’s current policy of letting paid leave accruals continue to grow with these additive years of service results in significantly more generous paid leave benefits in the later years of an employee’s career compared with the jurisdictions we surveyed. Therefore on balance over the entirety of an employee’s career the paid leave accruals earned by New Castle County employees are generous compared with those jurisdictions.

Retirement Benefits

For the retirement benefit comparisons, we have relied on the approach we used for both retirement and health benefit comparisons in the study referenced earlier for US OPM. The New Castle County active plan participant database was reviewed and a set of seven profile employees were developed, including combinations of average age, service and salary, representing a cross section of the plan populations.

For retirement benefit analysis, a step-by-step methodology was developed in order to provide a comparable benefit comparison. Annual costs were developed for the retirement plans for these profile employees, utilizing an actuarial cost methodology and actuarial assumptions as to future events. These costs and the benchmarking comparison were developed in collaboration with David Boomershine and Terri Long of Aon Consulting.

Under this approach, we develop a relative value of the plan provided for New Castle County General Employees compared with the value of plans provided state and local government employees. We developed two sets of values: one for the full cost of the plan regardless of employee contributions, and a second set of values that net out the employee contributions.

Those values are depicted in Exhibit M in the Exhibits section of the report.

While this relative value approach could be used for any of the three areas we have examined in the benefits portion of this work for New Castle County in a more robust study, we believed it was essential for the retirement plan analysis in this report. The problem is that it is difficult for someone who is not expert in pension plan mathematics to assess the relative value (and ultimately the impact on cost) of plan features simply by reviewing and comparing plan provisions.

Plan features that are common in public sector retirement plans (especially cost of living adjustment and early retirement provisions) are expensive and are commonly undervalued. That can be illustrated by the example of the Federal Employees Retirement System (FERS) plan. While the basic benefit under the FERS plan (expressed as a percentage of final pay for retirement at age 65) is slightly less than basic benefits provided by private sector employers who continue to maintain a defined benefit plan, the plan provides much greater value (and ultimately higher costs) because of the relative generosity of the COLA and early retirement provisions of the plan. These are the values added to the FERS plan by the COLA and early retirement provisions:

- COLA Feature—adds 32% to the value of the basic plan
- Early Retirement Feature—adds 37% to the value of the basic plan

As the reader can see from Exhibit M, the average retirement formula for public sector plans resulted in a total benefit comparable to the benefits of the New Castle County retirement plan. The New Castle plan was slightly less generous for employees at younger ages and shorter service. However, the New Castle County plan is somewhat more generous when the plan provisions are valued at older ages with more service. While the New Castle County basic retirement formula was below the public sector comparators, more generous death and disability features made up for the lower basic formula.

When required employee contributions are factored in, however, the New Castle County plan is significantly more generous than the average public sector plan. A review of the difference between the net value (after employee contributions—essentially, the employer provided portion of the cost) between New Castle County’s plan for general employees and the average plan in the public sector plan survey ranges from a low of 1.59% of pay for an employee age 38 with 2 years of service, to a high of 2.33% of pay for an employee age 55 with 32 years of service.

Since the average age and service of the New Castle County General Plan population is age 46.7 with 12 years of service, a good proxy of the relative generosity of the New Castle County plan compared with the survey plans is Profile Employee number 3. That employee’s age and service are 47 and 12, respectively, with an annual pay of \$56,000. For that employee profile, the New Castle County plan’s normal cost is \$6948 annually, or slightly less than the normal cost of \$7059 for the survey plans.

However, when contributions are factored in, the net normal cost (i.e., the employer provided portion) for the New Castle County employee is \$4148 annually, or 7.41% of the employee’s pay. That compares with a net normal cost of \$3217, or 5.74% of pay, for the average plan reported by the survey jurisdictions.

As with the health benefit plans—the most important distinction between the retirement plan maintained by New Castle County for general employees compared with the public sector plans reported in the survey we used for this comparison is the County’s share of the total plan cost. That feature is principally responsible for the relative generosity of New Castle County’s retirement plan for general employees.

Finally, we have included as Exhibits N and O in the Exhibits section at the back of report a summary of the major plan features of the New Castle County Plan and the average plan surveyed that we valued for the purposes of this analysis.

EXHIBITS AND APPENDICES

NEW CASTLE COUNTY, DELAWARE

2007 TOTAL COMPENSATION STUDY

MARKET SOURCES USED

Compensation

AFT Public Employees

2006 Survey of Professional, Scientific and Related Occupations in State Government

Institute for Public Administration

2005 Governmental Compensation Survey

Local Government Personnel Association

2007 Benchmark Salary Survey

Mercer Human Resource Consulting

2005 Benchmark Database, Northeast Metropolitan Areas

ORC

2006 SIRS Data Covering Delaware Valley Organizations

U.S. Department of Labor, Bureau of Labor Statistics

2005 National Compensation Survey - Philadelphia, Wilmington, Atlantic City

Watson Wyatt Data Services

2006/2007 Survey Report on Office Personnel Compensation

2006/2007 Survey Report on Professional Administrative Services Personnel Compensation

2006/2007 Survey Report on Professional Specialized Services Personnel Compensation

2006/2007 Survey Report on Supervisory Management Compensation

2006/2007 Survey Report on Technician & Skilled Trades Personnel Compensation

Benefits

Aon Consulting

Client Data Base

The Segal Group

2004 Segal State Health Benefits Survey

Hay

2004 Hay Benefits Survey

Watson Wyatt

Survey Report on Employee Benefits

Kaiser Family Foundation

Kaiser/HRET Survey of Employer Sponsored Benefits 2005

The Public Pension Coordinating Council

Government Finance Officer Association Survey

NEW CASTLE COUNTY, DELAWARE
2006/2007 COMPENSATION & BENEFITS STUDY
 COMPETITIVE MARKET SUMMARY

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				All S & L Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Automotive Mechanic	\$52.5	23	459	\$46.6	\$49.6	\$49.7	\$39.3	\$39.5	\$40.7	\$41.4	\$41.8	\$42.2
Mechanic	\$52.4	13	459	\$38.9	\$59.3	\$63.6	\$44.4	\$44.4	\$47.3	\$48.5	\$44.2	\$44.4
Crew Chief I	\$53.8	20	459	NA	\$71.1	\$75.0	\$53.2	\$55.5	\$57.9	\$58.9	\$55.5	\$57.1
Crew Chief II	\$66.4	10	459	NA	\$79.2	\$80.9	\$78.6	\$78.6	\$78.1	\$81.1	\$74.9	\$77.7
Custodian	\$31.2	16	459	\$28.1	\$36.4	\$36.4	\$24.6	\$24.7	\$24.0	\$24.8	\$23.0	\$23.1
Electrician	\$50.8	7	459	\$45.2	\$61.5	\$63.3	\$44.6	\$45.0	\$46.5	\$47.1	\$46.6	\$47.5
Maint & Construction Worker	\$39.9	53	459	\$30.1	\$25.1	\$25.1	\$26.2	\$26.3	\$27.5	\$29.0	\$28.1	\$28.1
Motor Equipment Operator I	\$37.8	26	459	NA	NA	NA	NA	NA	NA	NA	NA	NA
Motor Equipment Operator II	\$46.6	28	459	\$35.8	NA	NA	NA	NA	NA	NA	NA	NA
Motor Equipment Operator III	\$56.2	13	459	\$45.2	NA	NA	NA	NA	NA	NA	NA	NA
Pipelayer	\$43.6	4	459	NA	NA	NA	NA	NA	NA	NA	NA	NA
Trades Helper	\$47.5	14	459	\$31.6	\$35.1	\$35.1	NA	NA	NA	NA	NA	NA
Account Clerk I	\$38.1	6	1607	\$33.9	\$34.3	\$34.4	\$30.8	\$30.9	\$30.3	\$30.6	\$32.2	\$32.4
Account Clerk II	\$40.4	12	1607	\$39.2	\$40.1	\$40.9	\$35.8	\$35.8	\$34.5	\$35.0	\$34.6	\$35.1
Account Clerk III	\$45.5	35	1607	\$42.7	\$44.7	\$46.6	\$40.9	\$40.9	\$40.3	\$40.6	\$38.7	\$39.9
Accountant I	\$54.9	4	1607	NA	\$56.1	\$58.0	\$41.8	\$42.1	\$41.3	\$41.5	\$41.9	\$42.6
Accountant II	\$67.8	3	1607	\$55.9	\$66.8	\$68.9	\$50.4	\$50.7	\$48.0	\$49.2	\$50.0	\$50.9
Administrative Aide	\$49.9	24	1607	\$42.5	\$47.3	\$48.5	\$43.7	\$43.8	\$41.4	\$41.5	\$41.4	\$42.1
Assessor II	\$55.5	5	1607	\$57.8	NA	NA	NA	NA	NA	NA	NA	NA
Certified Plan Examiner	\$49.0	5	1607	NA	NA	NA	NA	NA	NA	NA	NA	NA
Civil Engineer I	\$60.3	7	1607	\$48.4	\$54.1	\$54.3	\$57.6	\$56.3	\$58.0	\$64.1	\$61.6	\$61.8
Civil Engineer II	\$75.2	5	1607	\$66.9	\$66.9	\$68.3	\$82.4	\$82.6	\$86.8	\$89.5	\$84.9	\$87.2
Clerk Typist	\$36.9	35	1607	\$33.7	NA	NA	\$29.8	\$29.8	\$28.4	\$29.3	\$28.6	\$29.2
Code Enforcement Officer	\$46.5	9	1607	NA	NA	NA	NA	NA	NA	NA	NA	NA
Library Assistant	\$36.5	21	1607	\$33.4	\$35.3	\$35.6	\$30.4	\$30.4	\$36.7	\$38.4	\$31.6	\$31.7
Library Specialist	\$41.6	18	1607	NA	\$52.9	\$53.8	\$40.1	\$42.0	\$37.0	\$37.0	\$38.0	\$38.7
Principal Library Assistant	\$43.6	8	1607	NA	\$41.3	\$42.0	NA	NA	NA	NA	NA	NA
Programmer Analyst	\$68.3	5	1607	\$66.9	\$58.7	\$60.6	\$61.5	\$62.3	\$59.6	\$60.2	\$64.8	\$66.5
Public Works Inspector	\$45.6	8	1607	\$55.2	NA	NA	NA	NA	NA	NA	NA	NA

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				All S & L Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Secretary	\$40.8	31	1607	\$40.5	\$42.1	\$43.5	\$33.3	\$33.3	\$35.7	\$36.0	\$36.2	\$36.6
Staff Engineer	\$56.0	6	1607	NA	\$59.1	\$62.1	\$46.9	\$46.9	\$52.7	\$53.3	\$54.0	\$54.9
Systems Analyst	\$79.1	6	1607	\$73.9	\$79.1	\$85.6	\$69.6	\$71.4	\$67.7	\$70.0	\$69.2	\$70.7
Budget & Procedures Analyst	\$74.2	14	3109	\$61.9	\$64.8	\$68.2	\$60.3	\$61.1	\$58.8	\$61.4	\$57.6	\$58.3
Librarian I	\$57.5	20	3109	\$50.9	\$59.9	\$60.7	\$56.4	\$56.4	NA	NA	\$54.9	\$55.2
Librarian II	\$67.5	8	3109	\$52.7	\$73.3	\$75.0	\$59.5	\$59.5	NA	NA	\$63.3	\$63.3
Planner II	\$67.5	8	3109	\$58.7	NA	NA	NA	NA	NA	NA	NA	NA
Planner III	\$87.9	6	3109	NA	NA	NA	NA	NA	NA	NA	NA	NA
Emergency Call Operator	\$31.6	21	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fire/Medical Comm Specialist	\$45.1	21	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic	\$40.7	42	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic Corporal	\$64.2	22	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic First Class	\$55.4	23	3911	\$56.4	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic Sergeant	\$67.7	4	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Comm Specialist	\$46.1	19	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Corporal	\$69.5	46	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Lieutenant	\$87.2	8	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Officer	\$57.0	194	FOP	\$49.7	NA	NA	NA	NA	NA	NA	NA	NA
Police Sergeant	\$78.2	22	FOP	\$69.8	NA	NA	NA	NA	NA	NA	NA	NA
Senior Police Corporal	\$74.5	53	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Senior Police Lieutenant	\$92.7	5	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Senior Police Sergeant	\$84.1	13	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Assistant County Attorney	\$84.8	9	NU - Class	NA	NA	NA	NA	NA	NA	NA	NA	NA
Asst Land Use Administrator	\$68.1	13	NU - Class	NA	NA	NA	NA	NA	NA	NA	NA	NA
Community Services Coordinator	\$52.6	17	NU - Class	NA	NA	NA	NA	NA	NA	NA	NA	NA
Confidential Assistant	\$50.4	10	NU - Class	NA	\$46.7	\$51.6	\$53.2	NA	NA	NA	NA	NA
Cust Infor & Asst Coord	\$49.7	7	NU - Unclass	NA	NA	NA	NA	NA	NA	NA	NA	NA
Executive Assistant I	\$47.7	6	NU - Unclass	NA	\$47.0	\$47.8	NA	NA	NA	NA	NA	NA
Executive Assistant II	\$61.9	9	NU - Unclass	NA	\$54.4	\$56.0	NA	NA	NA	NA	NA	NA
Legal Secretary	\$40.9	15	NU - Unclass	NA	\$43.0	\$44.5	\$41.3	\$41.8	\$46.5	\$48.0	\$44.0	\$44.9
Legislative Aide/CC	\$47.1	12	NU - Unclass	\$46.7	NA	NA	\$45.0	\$45.3	\$47.9	\$48.7	\$48.9	\$50.1
Police Captain	\$114.1	5	P - EX	NA	NA	NA	NA	NA	NA	NA	NA	NA

(1) Reflects Delaware Valley and Mid-Atlantic region (primarily the Greater Baltimore/Washington metro area) state and local government survey data. See Appendix I.

(2) Reflects for profit employers in the Delaware Valley as obtained by ORC. See Appendix I.

(3) Reflects national, regional and local data from the various Watson Wyatt surveys of not-for-profit organizations. All national data were adjusted upwards by 6% to reflect the local labor market. See Appendix I.

(4) Reflects national, regional and local data from the various Watson Wyatt surveys of for-profit organizations. All national data were adjusted upwards by 6% to reflect the local labor market. See Appendix I.

(5) Reflects national data from the various Watson Wyatt surveys of not-for-profit and for-profit organizations. All national data were adjusted upwards by 6% to reflect the local labor market. See Appendix I.

NEW CASTLE COUNTY, DELAWARE
2006/2007 COMPENSATION & BENEFITS STUDY

COMPETITIVE RATIOS BY JOB BY MARKET SOURCE

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				All S & L Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Automotive Mechanic	\$52.5	23	459	113%	106%	106%	134%	133%	129%	127%	126%	124%
Building Maintenance Mechanic	\$52.4	13	459	135%	88%	82%	118%	118%	111%	108%	119%	118%
Crew Chief I	\$53.8	20	459	NA	76%	72%	101%	97%	93%	91%	97%	94%
Crew Chief II	\$66.4	10	459	NA	84%	82%	85%	85%	85%	82%	89%	85%
Custodian	\$31.2	16	459	111%	86%	86%	127%	126%	130%	126%	136%	135%
Electrician	\$50.8	7	459	113%	83%	80%	114%	113%	109%	108%	109%	107%
Maint & Construction Worker	\$39.9	53	459	133%	159%	159%	152%	152%	145%	138%	142%	142%
Motor Equipment Operator I	\$37.8	26	459	NA	NA	NA	NA	NA	NA	NA	NA	NA
Motor Equipment Operator II	\$46.6	28	459	130%	NA	NA	NA	NA	NA	NA	NA	NA
Motor Equipment Operator III	\$56.2	13	459	124%	NA	NA	NA	NA	NA	NA	NA	NA
Pipelayer	\$43.6	4	459	NA	NA	NA	NA	NA	NA	NA	NA	NA
Trades Helper	\$47.5	14	459	150%	135%	135%	NA	NA	NA	NA	NA	NA
Account Clerk I	\$38.1	6	1607	112%	111%	111%	124%	123%	126%	125%	118%	117%
Account Clerk II	\$40.4	12	1607	103%	101%	99%	113%	113%	117%	115%	117%	115%
Account Clerk III	\$45.5	35	1607	107%	102%	98%	111%	111%	113%	112%	117%	114%
Accountant I	\$54.9	4	1607	NA	98%	95%	131%	130%	133%	132%	131%	129%
Accountant II	\$67.8	3	1607	121%	101%	98%	134%	134%	141%	138%	136%	133%
Administrative Aide	\$49.9	24	1607	117%	105%	103%	114%	114%	120%	120%	120%	119%
Assessor II	\$55.5	5	1607	96%	NA	NA	NA	NA	NA	NA	NA	NA
Certified Plan Examiner	\$49.0	5	1607	NA	NA	NA	NA	NA	NA	NA	NA	NA
Civil Engineer I	\$60.3	7	1607	125%	111%	111%	105%	107%	104%	94%	98%	98%
Civil Engineer II	\$75.2	5	1607	112%	112%	110%	91%	91%	87%	84%	89%	86%
Clerk Typist	\$36.9	35	1607	110%	NA	NA	124%	124%	130%	126%	129%	127%
Code Enforcement Officer	\$46.5	9	1607	NA	NA	NA	NA	NA	NA	NA	NA	NA
Library Assistant	\$36.5	21	1607	109%	103%	103%	120%	120%	99%	95%	115%	115%

TOTAL COMPENSATION REVIEW

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Library Specialist	\$41.6	18	1607	NA	79%	77%	104%	99%	112%	112%	109%	108%
Principal Library Assistant	\$43.6	8	1607	NA	106%	104%	NA	NA	NA	NA	NA	NA
Programmer Analyst	\$68.3	5	1607	102%	116%	113%	111%	110%	115%	113%	105%	103%
Public Works Inspector	\$45.6	8	1607	83%	NA	NA	NA	NA	NA	NA	NA	NA
Secretary	\$40.8	31	1607	101%	97%	94%	123%	122%	114%	113%	113%	112%
Staff Engineer	\$56.0	6	1607	NA	95%	90%	119%	119%	106%	105%	104%	102%
Systems Analyst	\$79.1	6	1607	107%	100%	92%	114%	111%	117%	113%	114%	112%
Budget & Procedures Analyst	\$74.2	14	3109	120%	115%	109%	123%	121%	126%	121%	129%	127%
Librarian I	\$57.5	20	3109	113%	96%	95%	102%	102%	NA	NA	105%	104%
Librarian II	\$67.5	8	3109	128%	92%	90%	114%	114%	NA	NA	107%	107%
Planner II	\$67.5	8	3109	115%	NA	NA	NA	NA	NA	NA	NA	NA
Planner III	\$87.9	6	3109	NA	NA	NA	NA	NA	NA	NA	NA	NA
Emergency Call Operator	\$31.6	21	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fire/Medical Comm Specialist	\$45.1	21	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic	\$40.7	42	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic Corporal	\$64.2	22	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic First Class	\$55.4	23	3911	98%	NA	NA	NA	NA	NA	NA	NA	NA
Paramedic Sergeant	\$67.7	4	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Comm Specialist	\$46.1	19	3911	NA	NA	NA	NA	NA	NA	NA	NA	NA

Exhibit C
(continued)

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				All S & L Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Police Corporal	\$69.5	46	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Lieutenant	\$87.2	8	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Police Officer	\$57.0	194	FOP	115%	NA	NA	NA	NA	NA	NA	NA	NA
Police Sergeant	\$78.2	22	FOP	112%	NA	NA	NA	NA	NA	NA	NA	NA
Senior Police Corporal	\$74.5	53	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Senior Police Lieutenant	\$92.7	5	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Senior Police Sergeant	\$84.1	13	FOP	NA	NA	NA	NA	NA	NA	NA	NA	NA
Assistant County Attorney	\$84.8	9	NU - Class	NA	NA	NA	NA	NA	NA	NA	NA	NA
Asst Land Use Administrator	\$68.1	13	NU - Class	NA	NA	NA	NA	NA	NA	NA	NA	NA
Community Services Coordinator	\$52.6	17	NU - Class	NA	NA	NA	NA	NA	NA	NA	NA	NA
Confidential Assistant	\$50.4	10	NU - Class	NA	108%	98%	95%	NA	NA	NA	NA	NA
Cust Infor & Asst Coord	\$49.7	7	NU - Unclass	NA	NA	NA	NA	NA	NA	NA	NA	NA
Executive Assistant I	\$47.7	6	NU - Unclass	NA	101%	100%	NA	NA	NA	NA	NA	NA
Executive Assistant II	\$61.9	9	NU - Unclass	NA	114%	111%	NA	NA	NA	NA	NA	NA

Exhibit C
(continued)

New Castle County Job Title	Current Average Salary	Job Incumbents	Union	All State & Local (1)	Delaware Valley - For Profit (2)		Regional - Not-for-Profit (3)		Regional - For Profit (4)		Regional - For Profit & Not-for-Profit (5)	
				All S & L Govt. Average	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC	50th Base Salary	50th TCC
Legal Secretary	\$40.9	15	NU - Unclass	NA	95%	92%	99%	98%	88%	85%	93%	91%
Legislative Aide/CC	\$47.1	12	NU - Unclass	101%	NA	NA	105%	104%	98%	97%	96%	94%
Police Captain	\$114.1	5 1132	P - EX	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Overall Average:</i>				114%	103%	100%	114%	114%	114%	111%	113%	112%
<i>Overall Weighted Average:</i>				114%	102%	99%	115%	114%	114%	111%	114%	113%

(1) Reflects Delaware Valley and Mid-Atlantic region (primarily the Greater Baltimore/Washington metro area) state and local government survey data. See Appendix I.
local government survey data. See Appendix I.

(2) Reflects for profit employers in the Delaware Valley as obtained by ORC. See Appendix I.

(3) Reflects national, regional and local data from the various Watson Wyatt surveys of not-for-profit organizations. All national data were adjusted upwards by 6% to reflect the local labor market. See Appendix I.

(4) Reflects national, regional and local data from the various Watson Wyatt surveys of for-profit organizations. All national data were adjusted upwards by 6% to reflect the local labor market. See Appendix I.

(5) Reflects national data from the various Watson Wyatt surveys of not-for-profit and for-profit organizations. All national data were adjusted upwards by 6% to reflect the local labor market. See Appendix I.

Notes:

1. Competitive Ratios are derived by dividing the New Castle average salary by the 50th percentile of a given survey source.
2. Kennedy & Rand considers competitive ratios between 90% and 100% to be competitive.

NEW CASTLE COUNTY, DELAWARE										Exhibit D
<i>2006/2007 COMPENSATION & BENEFITS STUDY</i>										
COMPARISON OF MAJOR HEALTH BENEFIT PLAN FEATURES - NEW CASTLE COUNTY, PUBLIC SECTOR, PRIVATE SECTOR										
AND REPRESENTATIVE FEDERAL EMPLOYEES HEALTH BENEFIT PLANS										
Health Benefit Plan Features	New Castle County			Public Sector*	Private Sector PPO**		Private Sector HMO***	FEHB Plans		
	BC/BS PPO	BC/BS HMO	Coventry HMO		Survey 1	Survey 2		Keystone HMO	GEHA PPO	
Copay: Office Visit--Primary Care Physician	\$15	\$10	\$10	\$14	\$15	\$16	\$13	\$15	\$20	
Copay: Office Visit--Specialist (In Network)	\$25	\$20	\$20	\$16	\$15	\$16	\$15	\$25	\$20	
Copay: Office Visit--Specialist (Out of Network)	90% after Deductible	N/A	N/A	No Data	67% Coinsurance	62% Coinsurance	Not Covered	Not Covered	75% after deductible	
Copay: Well Child Visits/Check-ups/Immunizations	\$15	\$0	\$0	\$12	\$14	\$15	\$11	\$15	\$0	
Inpatient Hospital	100% in Network	100% I/N		88% Coinsurance	88% Coinsurance	89% Coinsurance	No Data	100%	90% After \$100 Copay	
In-Network Deductible (Individual)	\$0	N/A	\$0	\$322	\$252	\$310	No Data	\$0	\$450	
Out of Network Deductible (Individual)	\$200	N/A	N/A	\$567	No Data	\$472	No Data	N/A	\$450	
Emergency Room Visit	\$50	\$50	\$50	No Data	No Data	\$65 IN/\$78 OON	\$63	\$50	90% after deductible	
Radiology Services	\$10	\$10	\$10	No Data	No Data	No Data	No Data	\$0	90% after deductible	
Mammogram	\$0	\$0	\$0	\$14	No Data	No Data	\$13	\$0	90% after deductible	
PAP Screening Test	\$0	\$0	\$0	\$14	No Data	No Data	\$13	\$15/\$25	90% after deductible	
Other Lab Work	\$0	\$0	\$0	No Data	No Data	No Data	No Data	\$15	90% after deductible	
Rx Plan										
Generic Co-Pay	\$5	\$5	\$5	\$8	\$9	\$9	\$9	\$10	\$5	
Preferred Brand	\$15	\$15	\$15	\$19	\$19	\$21	\$19	\$20	\$25	
Non-preferred Brand	\$30	\$30	\$30	\$34	\$36	No Data	\$19	\$35	\$40	
Mail Order Prescriptions (90 Day Supply)										
Generic Co-Pay	\$10	\$10	\$10	\$15	No Data	\$17	\$18	\$20	\$15	
Preferred Brand	\$30	\$30	\$30	\$35	No Data	\$37	\$37	\$40	\$50	
Non-preferred Brand	\$60	\$60	\$60	\$61	No Data	No Data	\$37	\$70	\$65	
*Source Data: Aon Consulting client data base; 2004 Segal State Health Benefits Survey, the Segal Group										
**Source Data: Aon Consulting client data base; 2004 Hay Benefits Survey; Survey Report on Employee Benefits, Watson Wyatt										
***Source Data: Aon Consulting client data base; Survey Report on Employee Benefits, Watson Wyatt										

NEW CASTLE COUNTY, DELAWARE
2006/2007 COMPENSATION & BENEFITS STUDY
PAID LEAVE POLICY COMPARISONS

	New Castle County	Delaware	Pennsylvania	New Jersey	Maryland	Federal Government						
Holidays												
Number of Days	14.5 * days	12 days	11 days	13 days	11 days	10 days						
* Either 13.5 or 14.5 for the FOP since every other year election day is a holiday.												
Vacations												
Accrual Rate	Years < 1	1 day per mo to max of 10	Years < 10	9.5 hrs.per mo. **	Years 0 - 3	10 days **	Years 0 - 4	12 days	Years 0 - 5	10 days	Years 0 - 2	13 days
	Years 1 - 4	10 days	Years 10- 14	11.25 hrs.per mo. **	Years 3 - 15	15 days **	Years 5 - 11	15 days	Years 6 - 10	15 days	Years 3 - 14	20 days
	Years 5 - 9	15 days	Years 15+	13.25 hrs.per mo. **	Years 15 - 25	20 days **	Years 12 - 1	20 days	Years 11 - 20	20 days	Years 15 +	26 days
	Years 10- 14	20 days			Years 25+	26 days **	Years 20 +	25 days	Years 21 +	25 days		
	Years 15+	25 + days *										
Carryover									50 days of annual leave		30 days of annual leave	
* An additional day of vacation for each successive year of accumulated service in the current vacation year.												
** Amounts shown are for 37.5 hour schedule. Accrual rates are higher for 40 hour per week scheduled jobs.												
Personal Leave												
Accrual Rate				1st Year	1 day			6 days per year				
				2nd Year	2 days							
				3rd & Subsequent Years	4 days							
Sick Leave												
Accrual Rate	1 day for each month of service	9.5 hours for each month of service	97.5 hours per year	15 days per year	15 days per year	15 days per year	13 days per year					
					New Ees. -1 day for each month of service							
Maximum Amount	None	None	300 days	None	None	None	None					
Maximum Payout @ Retirement	Hire date prior to 6/77 - 1 days pay for each accrual day Hire date after 6/77 - 1 days pay for 2 days accrual	337.5 hours **	Subject to age and service requirements								Unused leave used in annuity calc. for CSRS ees.	

Notes

1. New Castle includes Local 3109, 2270, 3911,459, 1607 and the FOP.

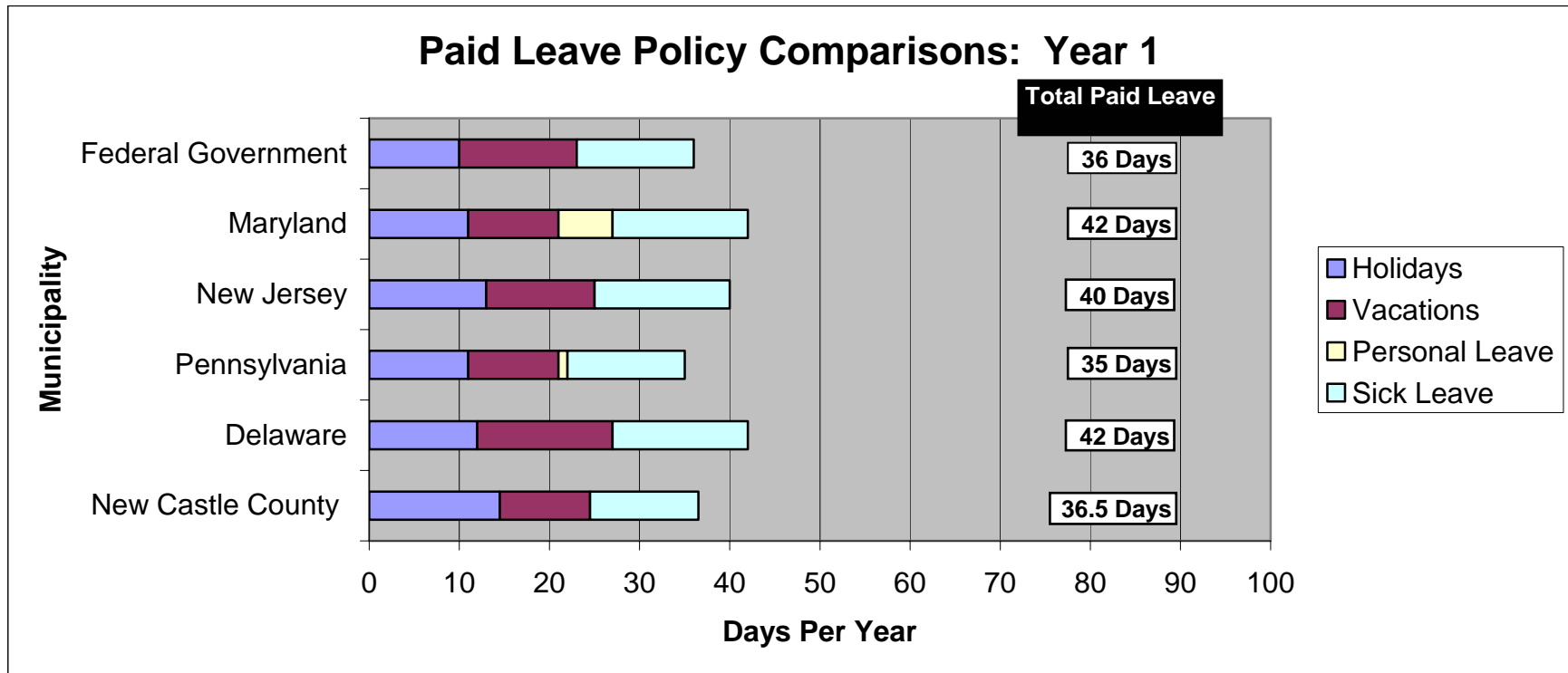
NEW CASTLE COUNTY, DELAWARE
2006/2007 COMPENSATION & BENEFITS STUDY
PAID LEAVE POLICY COMPARISONS

Exhibit F

	New Castle County	Delaware	Pennsylvania	New Jersey	Maryland	Federal Government
YEAR 1						
Holidays	14.5	12	11	13	11	10
Vacations	10	15	10	12	10	12
Personal Leave	0	0	1	0	6	0
Sick Leave	12	15	13	15	15	12
Total	36.5	42	35	40	42	34
YEAR 5						
Holidays	14.5	12	11	13	11	10
Vacations	15	15	15	15	10	18
Personal Leave	0	0	4	0	6	0
Sick Leave	12	15	13	15	15	12
Total	41.5	42	43	43	42	40
YEAR 10						
Holidays	14.5	12	11	13	11	10
Vacations	20	18	15	15	15	18
Personal Leave	0	0	4	0	6	0
Sick Leave	12	15	13	15	15	12
Total	46.5	45	43	43	47	40
YEAR 15						
Holidays	14.5	12	11	13	11	10
Vacations	25	21	20	20	20	24
Personal Leave	0	0	4	0	6	0
Sick Leave	12	15	13	15	15	12
Total	51.5	48	48	48	52	46
YEAR 25						
Holidays	14.5	12	11	13	11	10
Vacations	35	21	26	25	25	24
Personal Leave	0	0	4	0	6	0
Sick Leave	12	15	13	15	15	12
Total	61.5	48	54	53	57	46
YEAR 35						
Holidays	14.5	12	11	13	11	10
Vacations	45	21	26	25	25	24
Personal Leave	0	0	4	0	6	0
Sick Leave	12	15	13	15	15	12
Total	71.5	48	54	53	57	46

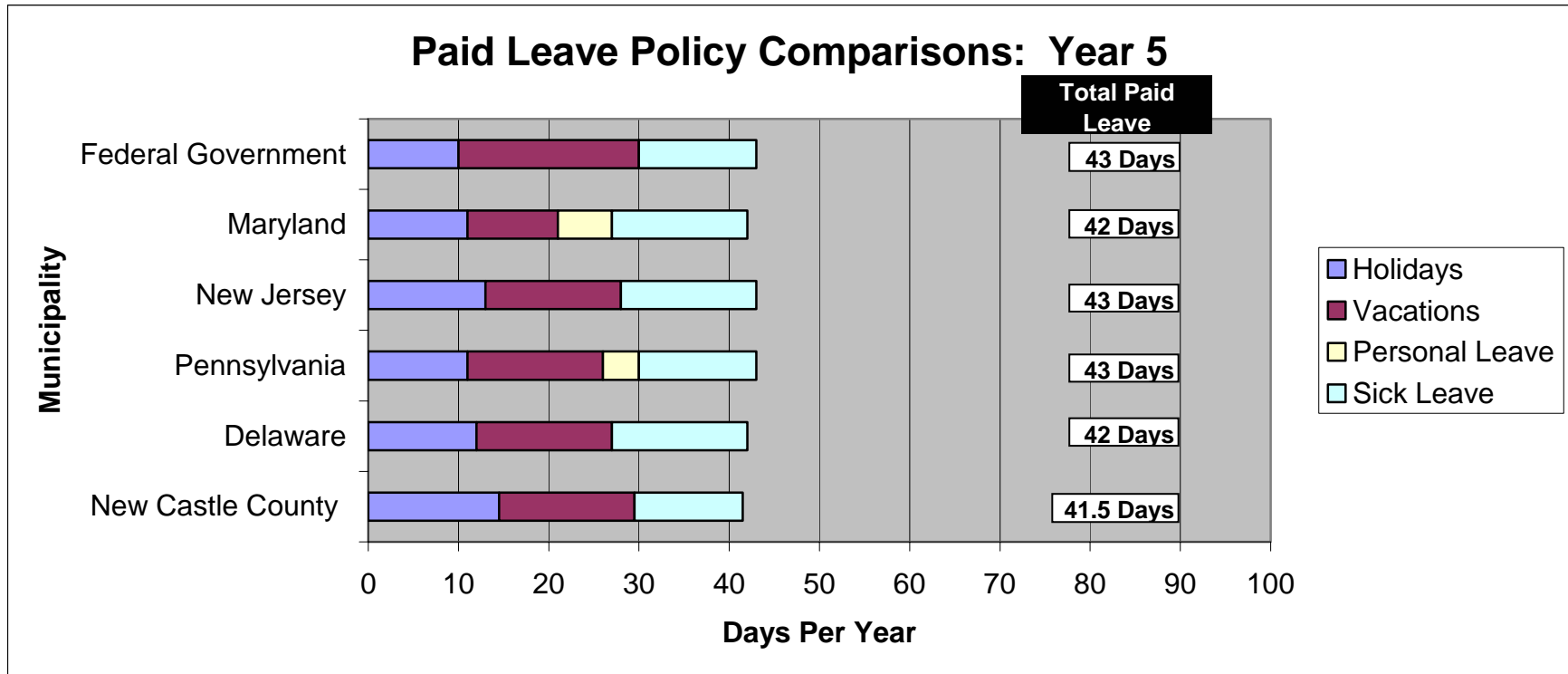
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PAID LEAVE POLICY COMPARISONS



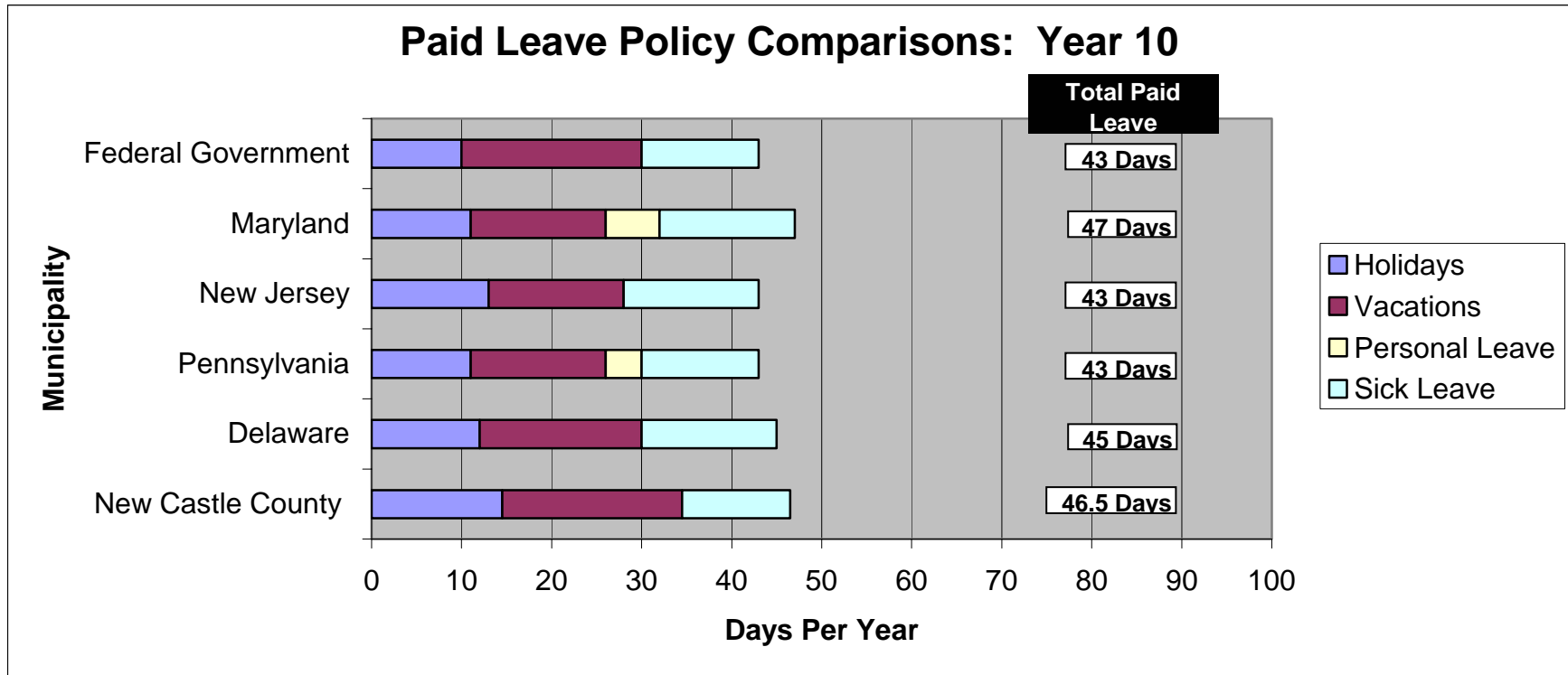
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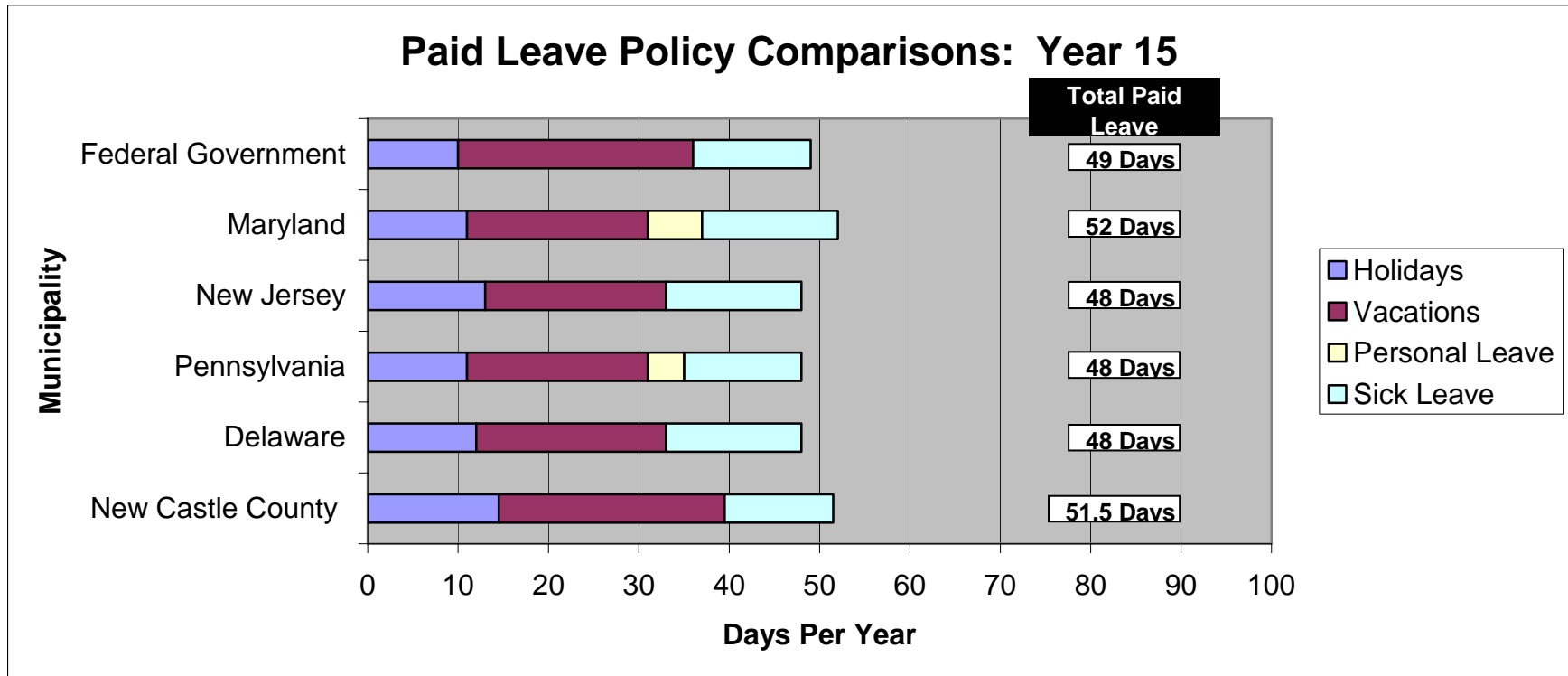
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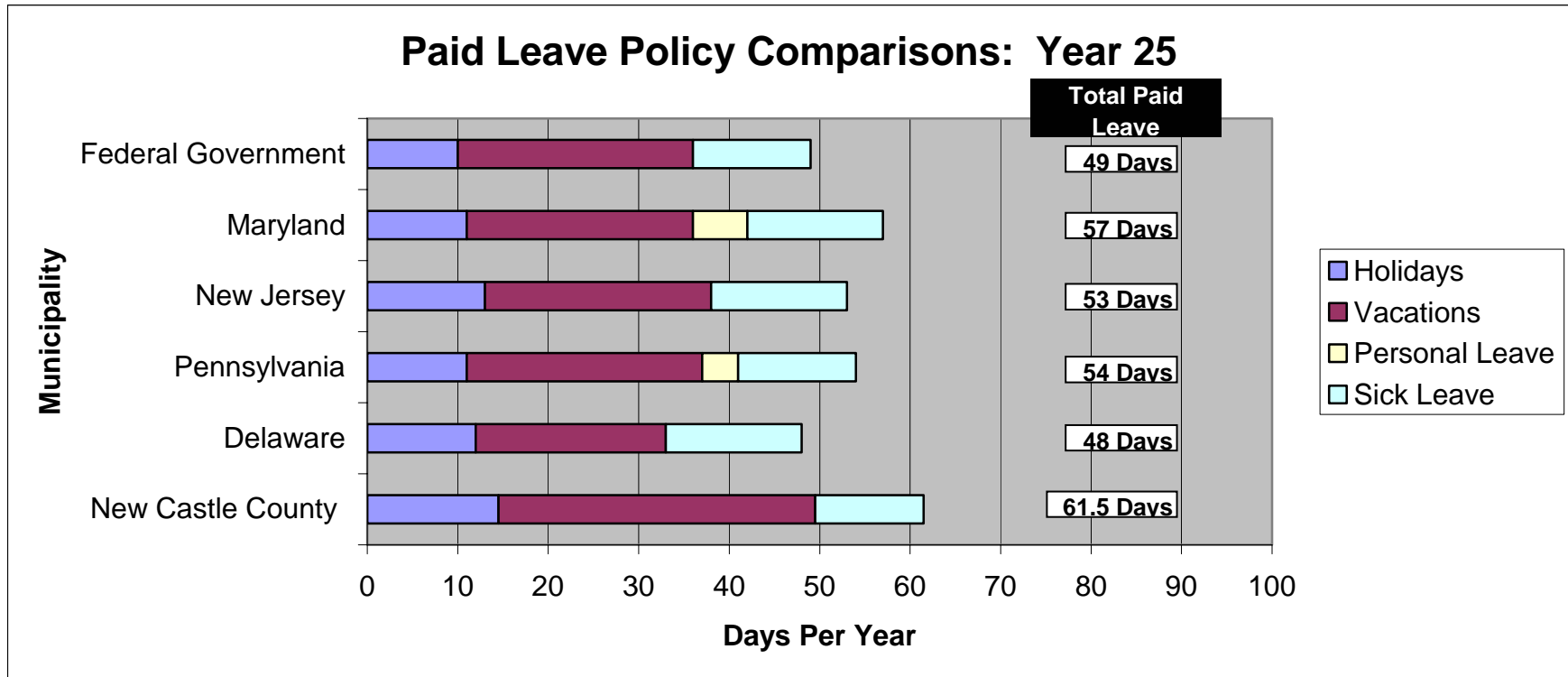
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PAID LEAVE POLICY COMPARISONS



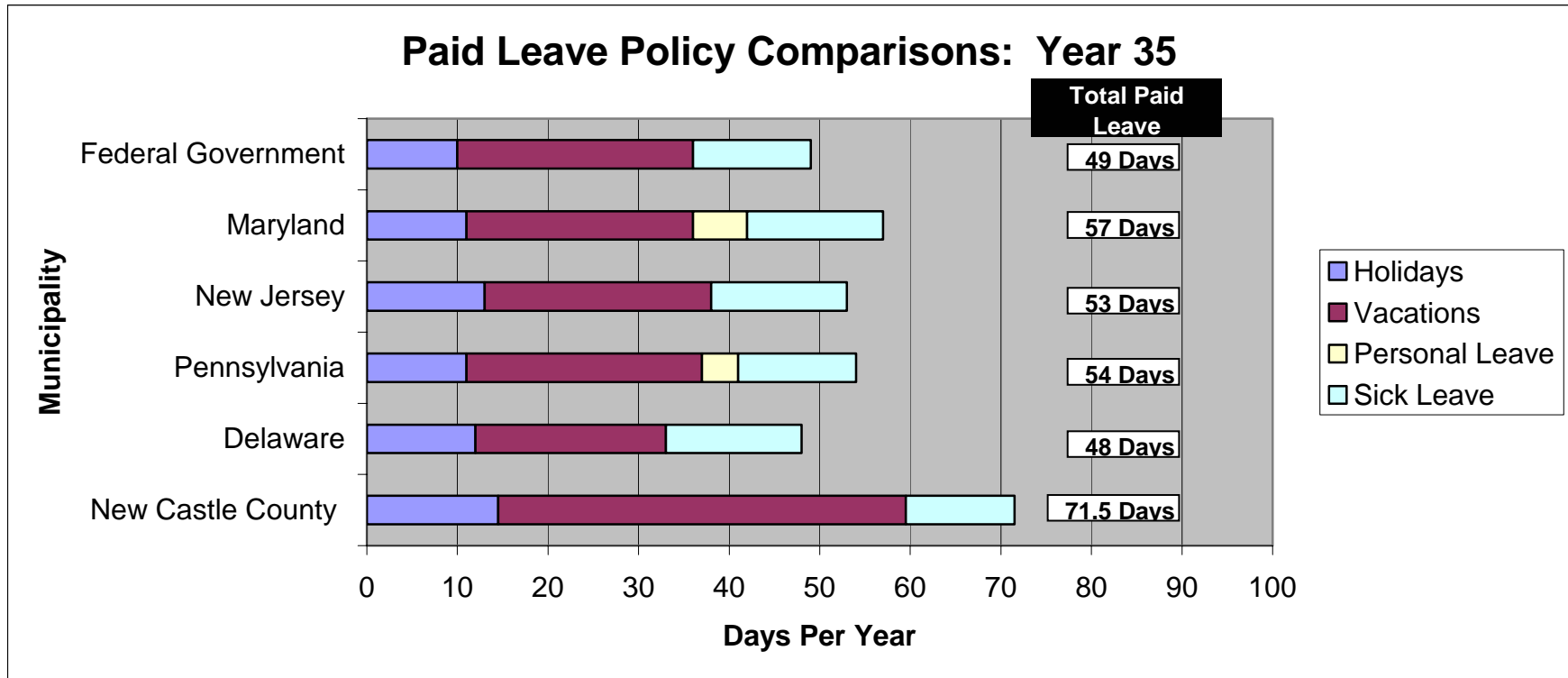
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2006/2007 COMPENSATION & BENEFITS STUDY

PAID LEAVE POLICY COMPARISONS



NEW CASTLE COUNTY, DELAWARE
2006/2007 COMPENSATION & BENEFITS STUDY
RETIREMENT PLAN BENCHMARKING

Exhibit M

Profile Employee	Age	Service	Salary	New Castle - General Plan				Public Sector Survey				Difference in Net Normal Cost as % of Pay--New Castle County vs. Public Sector Survey
				Total Normal Cost	Employee Contribution	Net Employer Normal Cost	Net Normal Cost as Percentage of Pay	Total Normal Cost	Employee Contribution	Net Employer Normal Cost	Net Normal Cost as Percentage of Pay	
1	38	2	\$38,000	\$4,782	\$1,900	\$2,882	7.58%	\$4,886	\$2,607	\$2,279	6.00%	1.59%
2	42	7	\$46,000	\$5,687	\$2,300	\$3,387	7.36%	\$5,777	\$3,156	\$2,621	5.70%	1.67%
3	47	12	\$56,000	\$6,948	\$2,800	\$4,148	7.41%	\$7,059	\$3,842	\$3,217	5.74%	1.66%
4	48	17	\$62,000	\$7,106	\$3,100	\$4,006	6.46%	\$7,023	\$4,253	\$2,770	4.47%	1.99%
5	50	22	\$68,000	\$7,661	\$3,400	\$4,261	6.27%	\$7,557	\$4,665	\$2,892	4.25%	2.01%
6	53	27	\$75,000	\$8,539	\$3,750	\$4,789	6.39%	\$8,417	\$5,145	\$3,272	4.36%	2.02%
7	55	32	\$83,000	\$8,844	\$4,150	\$4,694	5.66%	\$8,455	\$5,694	\$2,761	3.33%	2.33%

Notes:

1. The average retirement formula under the public sector plan survey was richer than the New Castle Plan.
2. The death and disability benefits under the New Castle plan were richer than the average of the public sector plans in the survey.
3. While the total normal cost was greater under the public sector plans for younger, short service employees, the higher employee contributions required result in a lower net normal cost regardless of the employee's age and service.

NEW CASTLE COUNTY, DELAWARE

Exhibit N

2006/2007 COMPENSATION & BENEFITS STUDY

NEW CASTLE COUNTY SUMMARY OF PLAN PROVISIONS - EMPLOYEES' RETIREMENT SYSTEM

1. Final Average Compensation:	The average compensation for the 78 biweekly pay periods for which the member received the highest compensation.
2. Employee Contributions:	<p><i>General Employees</i></p> <p>5% of annual compensation</p>
3. Service Retirement Benefit:	<p>a. Eligibility: A member may retire and receive service retirement at any age with 30 years of credited service, age 50 with 25 years of credited service, age 55 with 15 years of credited service, or age 60 with 5 years of credited service.</p> <p>b. Benefit: The annual service retirement benefit is equal to the following percentage of final average compensation:</p> <p>2.5% times prior service plus 1.7% for each of the first 10 years of membership service plus 2.0% for each of the next 10 years of membership service plus 2.5% for each additional year of membership service.</p> <p>c. Maximum: 80% of final compensation.</p>
4. Post-Retirement Adjustment to Benefits:	Service Retirement Benefits are automatically increased by 2% of the initial benefit amount each year commencing after the earlier of 5 years of retirement or attainment of age 60 and 1 year of retirement.

NEW CASTLE COUNTY, DELAWARE
2006/2007 COMPENSATION & BENEFITS STUDY
PUBLIC SECTOR RETIREMENT PLANS

Exhibit O

Following is a summary of the primary average defined benefit plan features, for employers covered by Social Security, that were derived from a public sector survey and were actuarially valued for study purposes.

Type of Benefit	Survey 1
Defined Benefit	
● Defined Benefit Plan Prevalence	96%
● Net Retirement Benefit Formula*	2.37% of final 5-year average pay times service
● Adjustment for Other Included Plan Features	
- Final Average Pay	1.04
- Normal Form of Benefit	1.005
- Disability Benefit	1.03
- Death Benefit	1.03
● COLA Benefit	2.40% per year
● Employee Contribution Rate	6.86%
Defined Contribution	
	Not Available

* Net formula is weighted for various types of defined benefit plans included in surveys, including general, schools, police and other, and were adjusted for other noted plan features.

Source: The Public Pension Coordinating Council/Government Finance Officer Association Survey