

# Labor Retention & Compensation Study

REGION 2000 SERVICES AUTHORITY

4.23.2025



# Agenda

01 // COMPENSATION SURVEY

02 // LABOR RETENTION ANALYSIS

03 // PRIVATIZATION

04 // COST COMPARISON

05 // FINANCIAL PRO FORMA



# 01 // COMPENSATION SURVEY



Public-Sector Entities	Private-Sector Entities <sup>1</sup>
Augusta Water	Counts and Dobyns, Inc.
New River Resource Authority	
Orange County Solid Waste Management	English Construction
Roanoke Resource Authority	
Rockingham County/Harrisonburg Landfill	Virginia Siteworks, Inc.
Southeastern Public Service Authority	

1. The three private companies included in this Study are construction companies and do not manage landfills or solid waste. They were chosen because of their close proximity to the Authority and availability of job positions with transferable skills for Landfill Equipment Operators.

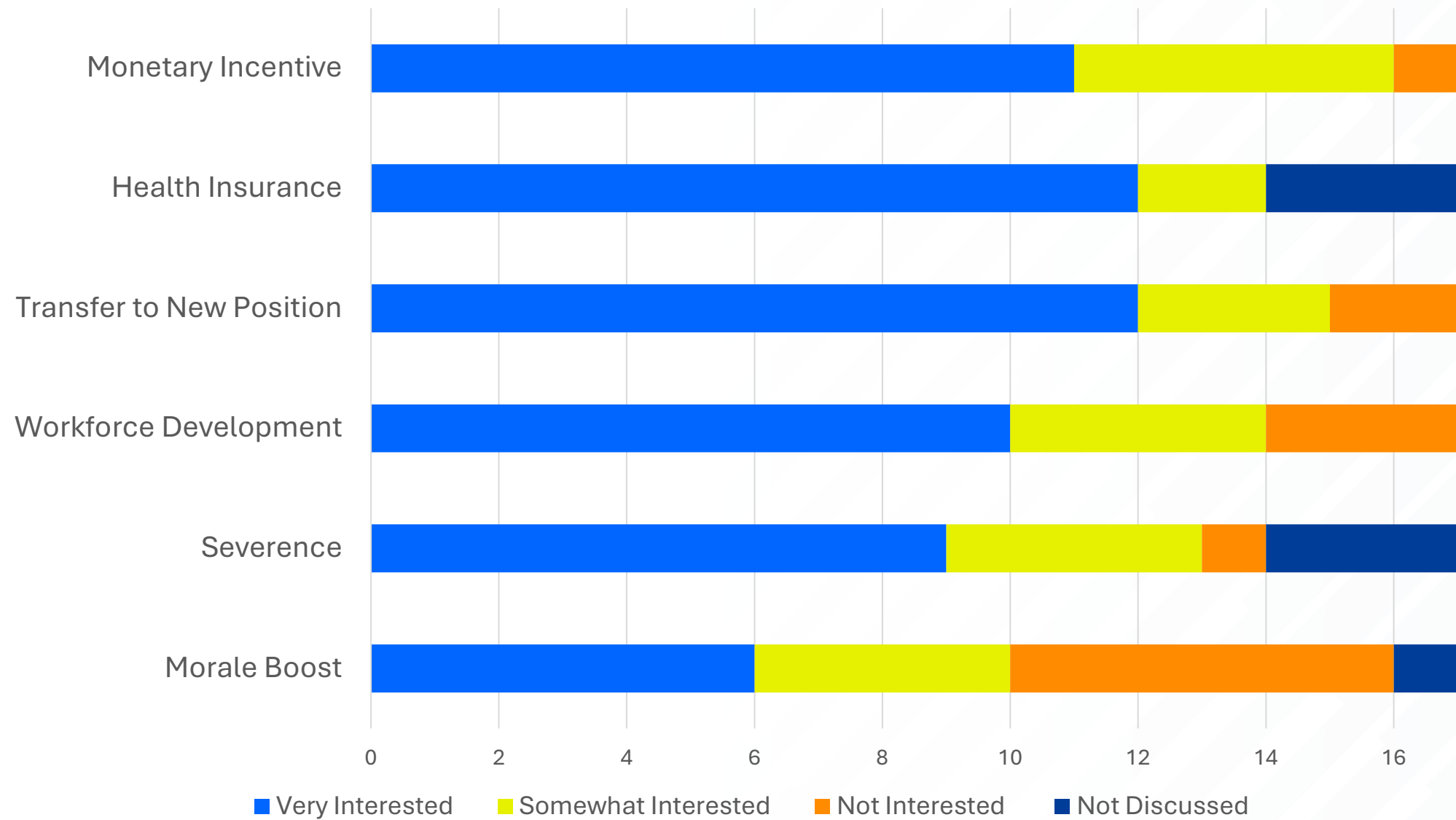
## Compensation Survey // Aggregate Average Salary Comparisons



Position	Percentage Difference	
	Authorities	Private Companies
Director of Solid Waste	8.59%	-
Solid Waste Operations Manager	31.12%	-
Environmental Compliance and Safety Manager	29.51%	-
Working Field Supervisor	20.90%	-
Office Manager	64.75%	-
Environmental Technician	-1.11%	-
Landfill Equipment Operator	25.96%	16.61%
Scale House Attendant	45.70%	-
Finance Associate	41.07%	-
<b>Total Average</b>	<b>29.61%</b>	<b>16.61%</b>
<b>Weighted Average</b>	<b>29.18%</b>	<b>16.61%</b>

# 02 // LABOR RETENTION ANALYSIS





## Labor Retention Analysis // Potential Retention Strategies



Potential Retention Strategy	Description	Basis of Financial Assumption
Salary Market Adjustment	One-time salary market adjustment for all positions based on Compensation Survey findings	29.18% increase
Annual Bonuses	Annual bonuses for each position through Landfill closure	Base Bonus & Point Assessment
Sign On Bonuses	Immediate bonus given to new employees upon hire	\$2,000 sign-on bonus
Health Insurance Cost Increase Coverage	Coverage of annual increases in health insurance costs	12% annual increase
Education and Training Reimbursement	Additional funding to expand existing education and training reimbursement program	\$10,000 annual stipend
Sick Pay Payout Incentive	Increase in sick day payout rate for employees that remain employed until Landfill closure	\$20 per hour
Final Bonus Package	Additional bonus and health care coverage	3-6 months of salary and health care coverage



## Labor Retention Analysis // Key Assumptions



Position	Employee Count
Director of Solid Waste	1
Solid Waste Operations Manager	1
Environmental Compliance and Safety Manager	1
Working Field Supervisor	1
Office Manager	1
Environmental Technician	1
Landfill Equipment Operator	8
Scale House Attendant	2
Finance Associate	1
<b>Total</b>	<b>17</b>

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Cost of Living Adjustment	N/A	3.0%	3.0%	3.0%	3.0%



	FY 2026	FY 2027	FY 2028	FY 2029
Base Bonus : % of Salary	6.0%	9.0%	12.0%	15.0%
% of Salary per Point	0.10%	0.15%	0.20%	0.25%

Assessment Item	Point Value
Total Years of Service	Equivalent to years of service
CDL License	1
PE or Landfill License	1
Probation or Disciplinary Situations	-2 (per situation)
Performance Assessment	
Attendance	5
Quality of Work	5
Dedication to Work	5
Knowledge and Experience	5
Teamwork and Collaboration	5

## Labor Retention Analysis // Final Bonus Calculation



Position	Final Bonus Months of Salary	Needed for Closure?	Additional Months of Closure Needs	Total Final Bonus Months of Salary
Director	3	Yes	3	6
Operations Manager	3	Yes	3	6
Environmental Compliance and Safety Manager	3	No	0	3
Working Field Supervisor	3	Yes	3	6
Office Manager	3	Yes	3	6
Environmental Technician	3	No	0	3
Equipment Operator	3	No	0	3
Equipment Operator	3	No	0	3
Equipment Operator	3	No	0	3
Equipment Operator	3	No	0	3
Equipment Operator	3	Yes	3	6
Equipment Operator	3	Yes	3	6
Equipment Operator	3	Yes	3	6
Equipment Operator	3	Yes	3	6
Scale House Attendant	3	No	0	3
Scale House Attendant	3	No	0	3
Finance Associate	3	No	0	3

## Labor Retention Analysis // Annual Cost of Potential Retention Strategies



Incentive	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Salary Market Adjustment	\$47,595	\$293,816	\$302,962	\$312,051	\$187,491	\$1,143,915
Annual Bonus	-	\$123,141	\$187,653	\$266,807	\$347,071	\$924,672
Final Bonus Package	-	-	-	-	\$678,068	\$678,068
Health Care Cost Increase Coverage	-	\$37,037	\$41,481	\$46,459	\$30,353	\$155,331
Sick Pay Payout Incentive	-	-	-	-	\$69,475	\$69,475
Education and Training Reimbursement	-	\$10,000	\$10,000	\$10,000	\$5,000	\$35,000
Sign-On Bonus	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$20,000
<b>Total</b>	<b>\$51,595</b>	<b>\$467,995</b>	<b>\$546,097</b>	<b>\$639,317</b>	<b>\$1,321,458</b>	<b>\$3,026,461</b>



Retention Strategy	Total Cost	Percentage of Total Cost
Salary Market Adjustment	\$1,143,915	38%
Annual Bonus	\$924,672	31%
Final Bonus Package	\$678,068	22%
Health Care Cost Increase Coverage	\$155,331	5%
Sick Pay Payout Incentive	\$69,475	2%
Education and Training Reimbursement	\$35,000	1%
Sign-On Bonus	\$20,000	1%
<b>Total</b>	<b>\$3,026,461</b>	<b>100%</b>

# 03 // PRIVATIZATION





Component	Description
Employee Salaries	Privatized employee salaries are higher to incentive short-term labor
Bill Rate	Amount billed to the Authority by the private company to cover the cost of employee salaries and the company's management costs
Overtime	Overtime opportunities serve as an additional incentive for the private sector workforce
Mobilization Cost	Billing cost associated with labor mobilization
Per Diem	Daily travel allowance for mobilized workforce (5 days/year estimate)
Privatized Operations Manager	Authority employee needed to oversee and manage privatized operations
Milestone Bonus	Incentive for short-term workforce



	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Total Annual Cost (Excluding Bonuses)	\$498,844	\$3,082,855	\$3,175,340	\$3,270,601	\$1,965,086	\$11,992,726
Milestone Bonus 1	-	\$99,826	-	-	-	\$99,826
Milestone Bonus 2	-	-	\$159,949	-	-	\$159,949
Milestone Bonus 3	-	-	-	\$200,229	-	\$200,229
Final Bonus	-	-	-	-	\$240,636	\$240,636
<b>Total Annual Cost</b>	<b>\$498,844</b>	<b>\$3,182,681</b>	<b>\$3,335,290</b>	<b>\$3,470,829</b>	<b>\$2,205,722</b>	<b>\$12,693,366</b>



# 04 // COST COMPARISON

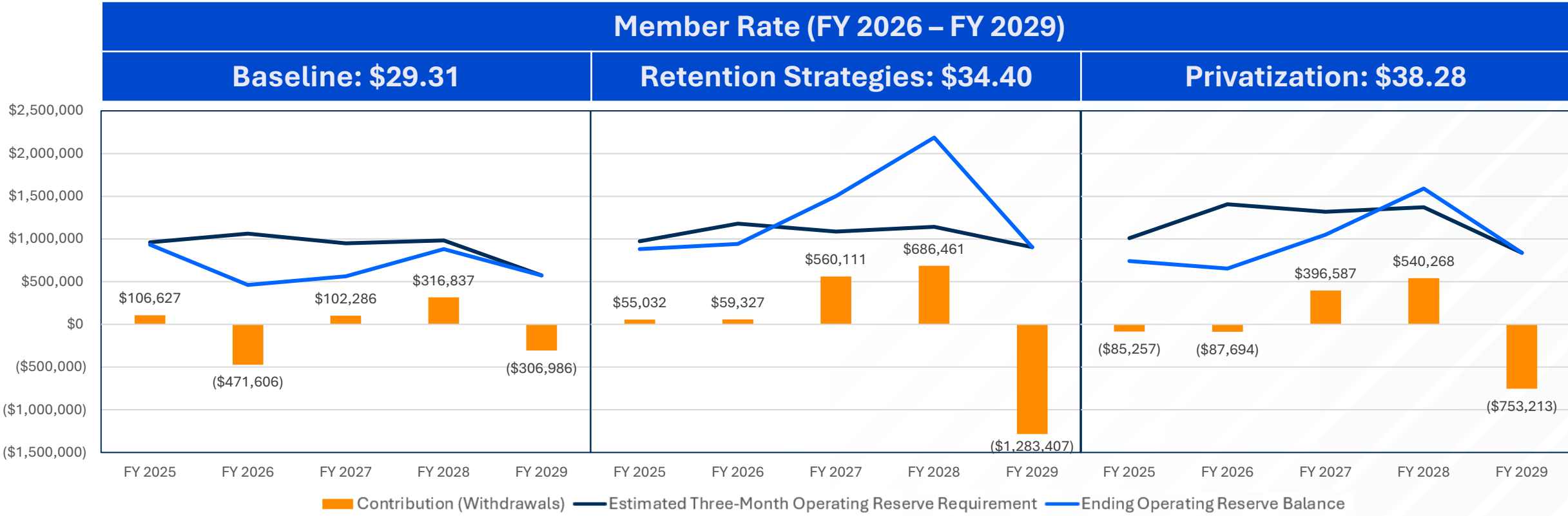
## Cost Comparison // Potential Retention Strategies and Privatization Cost Comparison



Fiscal Year	Current Personnel Costs	Retention Costs	Total Personnel Costs (Including Retention)	Privatization Costs
FY 2025	\$306,960	\$51,595	\$358,555	\$498,844
FY 2026	\$1,806,631	\$467,995	\$2,274,626	\$3,182,681
FY 2027	\$1,860,830	\$546,097	\$2,406,927	\$3,335,290
FY 2028	\$1,916,655	\$639,317	\$2,555,972	\$3,470,829
FY 2029	\$1,151,590	\$1,321,458	\$2,473,048	\$2,205,722
<b>Total</b>	<b>\$7,042,666</b>	<b>\$3,026,461</b>	<b>\$10,069,127</b>	<b>\$12,693,366</b>

# 05 // FINANCIAL PRO FORMA

Financial Pro Forma // Impact on Member Rates (FY 2026 – FY 2029)



- **Rate Design Strategy:**
  - 100 percent of reserved and future excess revenue allocated to Closure/Post-Closure Fund
  - Retain three-month operating reserve heading into Landfill closure
- **Policy Decision:**
  - What is the optimal ending operating fund balance in FY 2029 to effectively balance risk mitigation and financial stewardship?

CONFIDENTIAL BUSINESS, FINANCIAL AND PROPRIETARY INFORMATION



Thank You