



LOWER PLATTE SOUTH natural resources district

3125 Portia Street | P.O. Box 83581 • Lincoln, Nebraska 68501-3581
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Agenda Item #7

Memorandum

Date: May 13, 2022
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Executive Subcommittee Meeting Minutes

The Executive Subcommittee met at 5:30 pm on Thursday, May 5, 2022 in the NRD Conference Room. Directors in attendance were Deborah Eagan, David Landis, Bob Andersen, and Larry Ruth, also participating were Chelsea Johnson and Luke Peterson. Others attending included Dave Potter and myself.

Chair Eagan called the meeting to order and welcomed those participating. Eagan reported that this meeting is a follow-up to last month's discussion on salary adjustments for FY'23. I provided a copy of the attached April 14th Executive Subcommittee meeting minutes that included the salary adjustment discussion from last month. I reported that Mike Mascoe had recently announced his retirement in early July and adjustments to fill that position are being considered. I provided, reviewed, and attached the following:

1. CPI (Consumer Price Index) from March 2022,
2. Wage increase response from the NRD's Wage Consultant, Paul Essman of Capital City Concepts.
3. Wall Street Journal article on Labor Costs.
4. AP article on anticipated Federal Reserve interest rate increases.

I reported that the Subcommittee requested that I report back on what I could find that "others" are doing on salary increases. I reported that changes in the job market, salaries, and costs are occurring rapidly, finding current comparable numbers is difficult. What I found is listed below:

- NARD – 7% increase for staff, Executive Director 4% increase.
- Lancaster County – focused on a job market analysis to "look at comps". There are several Unions they negotiate with and also groups of salaried employees. The salary employee settlement from August of 2021 was an increase of 2.75% and the December/January of 2021/2 increase was 4.0%. Not sure what else was included in the negotiations.
- Omaha Public Labor Unions – 6.28% for labor, and 5.27% for middle management.
- City of Lincoln – no response from LTU.
- Other NRDs –several are just beginning the process.

- PMR NRD in Omaha approved a 1.6% COLA in January.
- CP NRD in Grand Island will consider a 10% increase for employees making less than \$75k and an 8.5% increase for employees making more than \$75k.

I reported that I felt that all the information above was very beneficial and that the Board needs to take into account the current economic situation, low unemployment, and adjust salaries in order to retain our employees to do the necessary work.

The Subcommittee discussed my recommendation of an 8.6% “cost-of-living” increase, based on the CPI and an additional \$22,000 in merit adjustments. There was hope that inflation would not continue at it’s current rate and options of a lower cost of living increase in the 4.3% - 4% range with some increase in merit pay. There was some discussion on adjustments to benefits, previous increases beyond the cost-of-living, and mid-year salary adjustments.

It was moved by Andersen, and seconded by Landis, to **recommend the Board of Directors approve for Fiscal Year 2023 an across the board increase of 4.0% for all salaried and part time employees, and an additional \$30,000 for merit and adjustments for changes in duties.** The subcommittee further discussed options that they felt would be a good starting point for the proposed adjustments in salary for staff. The motion was approved with Andersen, Eagan, Landis, and Ruth voting “yes”, and C. Johnson “abstaining”.

The final item on the agenda was to consider the proposed FY 2023 Operational Agreement with USDA/NRCS, a copy is attached. I reported that this is our annual agreement that spells out the NRD staffing provided for District activities in the local NRCS Offices. It was moved by Landis, seconded by Ruth, and unanimously approved by the Subcommittee to **recommend the Board of Directors approve the FY 2023 Operational Agreement with the USDA/NRCS for staffing.**

There being no further business the meeting adjourned at 6:35 pm.

PDZ/pz

pc: Steve Seglin
Corey Wasserburger

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Memorandum

Date: April 14, 2022
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Executive Subcommittee Meeting Minutes

The Executive Subcommittee met at 5:30 pm on Wednesday, April 13, 2022 in the NRD Conference Room. Directors participating were Deborah Eagan, David Landis, Chelsea Johnson, Bob Andersen, Larry Ruth, and Luke Peterson. Others participating included Kristin Buntmeyer and myself.

Chair Eagan called the meeting to order, welcomed those participating and reported that she talked to a few Directors to draft some ideas on Director ethics or a code of conduct. Eagan handed out some ideas and asked the Subcommittee members to please review and the Subcommittee can discuss it next meeting.

The next item on the agenda was to answer any questions on the FY 22 Accomplishments that were emailed out. There were no questions but Ruth commented that we need to continue to keep current on our review of District activities and how it relates to climate change.

I then reviewed with the Subcommittee our current staffing (see attached Organizational Chart). I reported that we've had several retirements and openings on our staff this year. Replacing these experienced employees is challenging but I feel good about our new employees. I reported on the staff changes and we now need to hire a new District Engineer. Considering that the Deadmans Run Project is nearing a critical phase of plan review I will likely obtain private sector assistance until our new District Engineer is hired and able to assist.

I also reported on the need and opportunity to provide additional assistance to communities and well owners in protecting their drinking water. I reported that the NRD has been assisting Waverly with their Source Water Assessment and Drinking Water Management Plan. Nebraska Department of Environment and Energy has offered to consider providing Section 319 funding for a 5 year term to provide 60% cost-share assistance for the position. I reported that drinking water protection is a priority of many Directors and adding a staff person for this purpose is needed. The Subcommittee discussed their support for this position and that receiving Section 319 financial support for 5 years would be appreciated but not required for approval.

It was moved by Landis, seconded by Andersen, and unanimously approved by the Subcommittee to **recommend the Board of Directors authorize the General Manager hire a Drinking Water Protection Specialist in FY 2023 and apply for Section 319 assistance.**

The next item on the agenda was to discuss salary adjustments for Fiscal Year 2023. I reported that the Board annually considers adjustments this time of year and we typically approve an adjustment for all of staff (i.e. cost of living), several years the Board included some additional across-the-board increases (i.e. in 2022 the cost of living was 1.7% and an additional 0.3% was added), and typically approves approximately \$20,000 for merit raises to be determined by the General Manager. The past 5 years the “cost of living” adjustment has been based on the Consumer Price Index (CPI) from the U.S. Bureau of Labor Statistics and it has been typically around 2%.

I stressed the need to retain our employees and that between the pandemic, low unemployment, and inflation employee salaries are increasing along with the cost of almost everything else. I shared my concern we will lose employees if we don’t compensate them fairly, and I don’t want to lose more employees.

I then reviewed the CPI report for March 2022 (attached). I reported that about this time last year the CPI began a steady climb and inflation has been occurring for the past year. The CPI for the past 12 months was 8.0% as of February and for March is at 8.6%. I reported that the CPI takes into account food, energy, shelter, medical care, vehicles, household, etc., all these have increased for everyone. I’ve continued to look for more accurate methods to utilize for staff salary adjustments but have not identified any. The bottom line is that the cost of goods and services are going up for all of us individually and for all taxpayers/agencies/businesses. I reported that I didn’t know what the solution was, but we need to increase wages.

I reported that my recommendation was to continue to use the CPI and “recommend the Board of Directors approve for FY 2023 an across-the-board increase of 8.6% for all salaried and part time employees, and an additional \$22,000 for merit and adjustments for changes in duties.” This motion was put on the floor for discussion by Andersen and seconded by C. Johnson. Discussion ensued.

The Subcommittee discussed the need to retain employees, they discussed factors such as the low unemployment rate, how would they adjust salaries when the CPI falls, how gas prices fluctuate, and discussed a number of ways to make the adjustments over a longer period of time.

The Subcommittee realized that some additional information and discussion will be required, Andersen offered to withdraw the motion, and C. Johnson agreed. The Subcommittee agreed that additional information is needed and directed me to report back next month, in the mean time the Subcommittee will listen to additional information.

The final item on the agenda was to consider appointing a second representative on the Nebraska Land Trust Board of Directors (see attached information on the Nebraska Land Trust). I reported that Dan Schulz had served as the LPSNRD representative for the past 6 years along with myself as the alternate. The Subcommittee discussed the District's representation, who would be interested and willing to serve, and who would be able to assist the Trust in these challenging times. It was moved by Landis, seconded by C. Johnson and unanimously approved by the Subcommittee to **recommend the Board of Directors appoint Larry Ruth to serve as the Lower Platte South NRD's representative on the Nebraska Land Trust's Board of Directors.**

There being no further business the meeting adjourned at 7:15 pm.

PDZ/pz

pc: Steve Seglin
Corey Wasserburger



For Release: Tuesday, April 12, 2022

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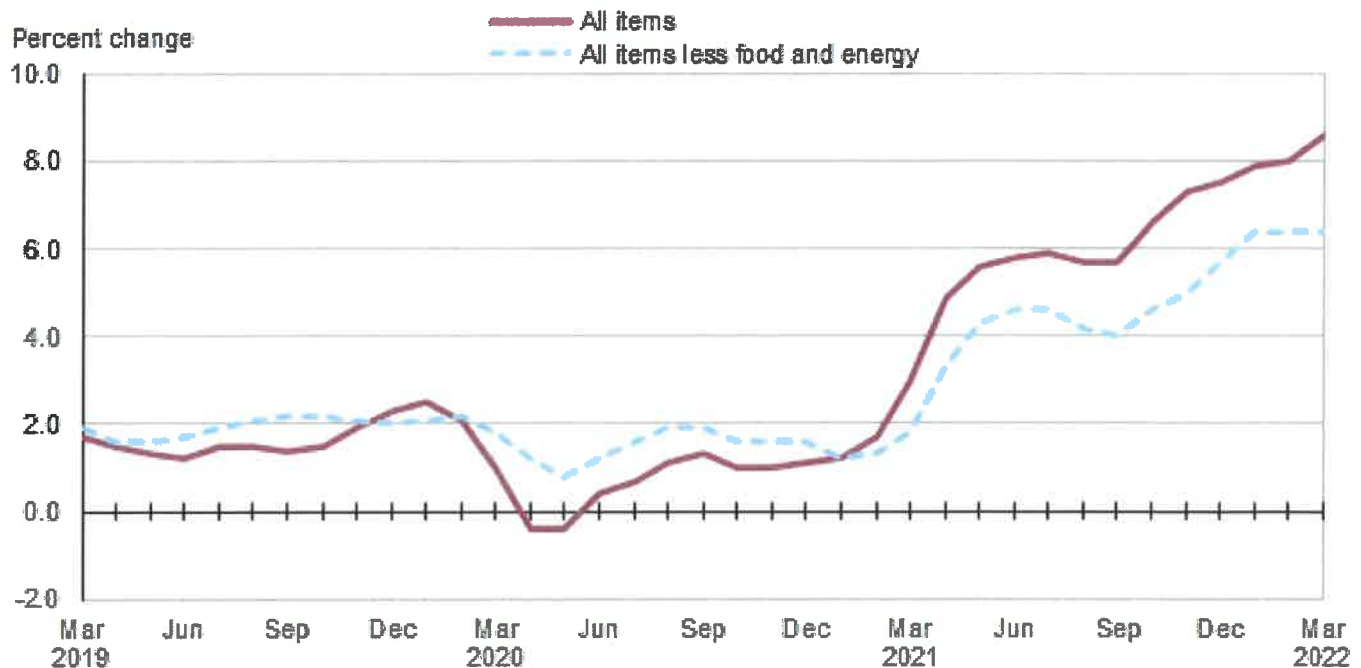
Consumer Price Index, Midwest Region – March 2022

Area prices were up 1.3 percent over the past month, up 8.6 percent from a year ago

Prices in the Midwest Region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.3 percent in March, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) Higher prices for gasoline were the largest contributing factor to the March increase. The food index rose in March due to higher costs for food at home, and the index for all items less food and energy increased as a result of higher shelter costs. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 8.6 percent. (See [chart 1](#) and [table A](#).) The index for all items less food and energy increased 6.4 percent over the year. Energy prices jumped 29.3 percent, largely the result of an increase in the price of gasoline. Food prices were up 10.3 percent. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Midwest region, March 2019–March 2022



Source: U.S. Bureau of Labor Statistics.

Food

Food prices increased 1.4 percent for the month of March. (See [table 1.](#)) Prices for food at home increased 1.8 percent, and prices for food away from home rose 0.7 percent for the same period.

Over the year, food prices were up 10.3 percent. Prices for food at home increased 11.3 percent since a year ago, and prices for food away from home advanced 8.4 percent.

Energy

The energy index advanced 9.8 percent over the month. The increase was due to higher prices for gasoline (19.4 percent). Prices for electricity edged down 0.1 percent, and prices for natural gas service decreased 1.4 percent for the same period.

Energy prices rose 29.3 percent over the year, largely due to higher prices for gasoline (46.0 percent). Prices paid for natural gas service jumped 26.3 percent, and prices for electricity advanced 5.0 percent during the past year.

All items less food and energy

The index for all items less food and energy rose 0.4 percent in March. Higher prices for shelter (0.6 percent) and medical care (0.6 percent) were partially offset by lower prices for education and communication (-1.0 percent).

Over the year, the index for all items less food and energy increased 6.4 percent. Components contributing to the increase included new and used motor vehicles (23.3 percent), shelter (5.1 percent), and household furnishings and operations (11.3 percent).

Table A. Midwest region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

| Month | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | |
|----------------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|
| | 1-month | 12-month | 1-month | 12-month | 1-month | 12-month | 1-month | 12-month | 1-month | 12-month |
| January..... | 0.6 | 1.6 | 0.2 | 0.8 | 0.4 | 2.5 | 0.5 | 1.2 | 0.8 | 7.9 |
| February..... | 0.2 | 1.7 | 0.7 | 1.3 | 0.3 | 2.1 | 0.8 | 1.7 | 0.9 | 8.0 |
| March..... | 0.2 | 1.8 | 0.6 | 1.7 | -0.5 | 1.0 | 0.7 | 3.0 | 1.3 | 8.6 |
| April..... | 0.4 | 1.8 | 0.3 | 1.5 | -1.1 | -0.4 | 0.8 | 4.9 | | |
| May..... | 0.5 | 2.3 | 0.3 | 1.3 | 0.3 | -0.4 | 1.0 | 5.6 | | |
| June..... | 0.2 | 2.5 | 0.0 | 1.2 | 0.8 | 0.4 | 1.0 | 5.8 | | |
| July..... | 0.0 | 2.4 | 0.2 | 1.5 | 0.5 | 0.7 | 0.6 | 5.9 | | |
| August..... | 0.0 | 2.1 | 0.0 | 1.5 | 0.4 | 1.1 | 0.2 | 5.7 | | |
| September..... | 0.1 | 1.9 | 0.0 | 1.4 | 0.2 | 1.3 | 0.2 | 5.7 | | |
| October..... | 0.1 | 2.2 | 0.2 | 1.5 | -0.1 | 1.0 | 0.8 | 6.6 | | |
| November..... | -0.6 | 1.4 | -0.2 | 1.9 | -0.2 | 1.0 | 0.4 | 7.3 | | |
| December..... | -0.4 | 1.3 | 0.0 | 2.3 | 0.1 | 1.1 | 0.3 | 7.5 | | |

The April 2022 Consumer Price Index for the Midwest Region is scheduled to be released on May 11, 2022.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total U.S. population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 29 percent of the total U.S. population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date; for most of the CPI-U the reference base is 1982-84 equals 100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and services rising from \$100 to \$107. For further details see the CPI home page on the internet at www.bls.gov/cpi and the CPI section of the BLS Handbook of Methods available on the internet at www.bls.gov/opub/hom/cpi/.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Midwest region is comprised of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Information in this release will be made available to individuals with sensory impairments upon request. Voice phone: (202) 691-5200; Telecommunications Relay Service: 7-1-1.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Midwest Region, (1982-84=100 unless otherwise noted) (not seasonally adjusted)

| Expenditure category | Indexes | | | Percent change from | | |
|---|-----------|-----------|-----------|---------------------|-----------|-----------|
| | Jan. 2022 | Feb. 2022 | Mar. 2022 | Mar. 2021 | Jan. 2022 | Feb. 2022 |
| All items | 261.657 | 263.988 | 267.312 | 8.6 | 2.2 | 1.3 |
| All items (December 1977 = 100)..... | 425.730 | 429.523 | 434.932 | | | |
| Food and beverages | 276.579 | 279.214 | 282.806 | 9.7 | 2.3 | 1.3 |
| Food | 277.344 | 280.150 | 283.955 | 10.3 | 2.4 | 1.4 |
| Food at home | 255.381 | 258.599 | 263.145 | 11.3 | 3.0 | 1.8 |
| Cereals and bakery products | 284.106 | 287.445 | 295.390 | 10.7 | 4.0 | 2.8 |
| Meats, poultry, fish, and eggs..... | 291.358 | 294.524 | 297.971 | 15.3 | 2.3 | 1.2 |
| Dairy and related products | 218.356 | 221.062 | 226.265 | 8.4 | 3.6 | 2.4 |
| Fruits and vegetables | 297.794 | 305.051 | 308.709 | 11.3 | 3.7 | 1.2 |
| Nonalcoholic beverages and beverage materials..... | 183.907 | 185.041 | 188.710 | 9.3 | 2.6 | 2.0 |
| Other food at home | 219.725 | 221.920 | 225.938 | 10.5 | 2.8 | 1.8 |
| Food away from home..... | 312.702 | 314.608 | 316.829 | 8.4 | 1.3 | 0.7 |
| Alcoholic beverages | 265.339 | 265.677 | 266.416 | 2.3 | 0.4 | 0.3 |
| Housing | 254.763 | 256.445 | 257.919 | 6.5 | 1.2 | 0.6 |
| Shelter | 301.535 | 303.249 | 305.136 | 5.1 | 1.2 | 0.6 |
| Rent of primary residence(1)..... | 303.356 | 304.666 | 306.249 | 4.6 | 1.0 | 0.5 |
| Owners' equivalent rent of residences(1)(2)..... | 308.162 | 309.495 | 311.127 | 4.6 | 1.0 | 0.5 |
| Owners' equivalent rent of primary residence(1)(2)..... | 308.064 | 309.398 | 311.032 | 4.6 | 1.0 | 0.5 |
| Fuels and utilities..... | 252.086 | 255.934 | 255.742 | 10.6 | 1.5 | -0.1 |
| Household energy | 206.070 | 209.870 | 209.458 | 13.0 | 1.6 | -0.2 |
| Energy services(1) | 211.911 | 215.509 | 214.235 | 12.0 | 1.1 | -0.6 |
| Electricity(1)..... | 209.008 | 212.137 | 211.991 | 5.0 | 1.4 | -0.1 |
| Utility (piped) gas service(1)..... | 202.801 | 206.870 | 203.997 | 26.3 | 0.6 | -1.4 |
| Household furnishings and operations..... | 131.851 | 132.313 | 133.561 | 11.3 | 1.3 | 0.9 |
| Apparel | 114.139 | 117.739 | 117.961 | 4.3 | 3.3 | 0.2 |
| Transportation | 240.942 | 244.866 | 255.194 | 22.6 | 5.9 | 4.2 |
| Private transportation | 240.330 | 244.143 | 254.075 | 23.0 | 5.7 | 4.1 |
| New and used motor vehicles(3)..... | 125.058 | 125.110 | 124.732 | 23.3 | -0.3 | -0.3 |
| New vehicles | 160.448 | 160.118 | 160.582 | 15.5 | 0.1 | 0.3 |
| New cars and trucks(3)(4)..... | 113.414 | 113.179 | 113.510 | 15.5 | 0.1 | 0.3 |
| New cars(4)..... | 157.140 | | 157.143 | 14.6 | 0.0 | |
| Used cars and trucks..... | 210.187 | 211.940 | 207.335 | 35.1 | -1.4 | -2.2 |
| Motor fuel | 282.651 | 301.079 | 359.560 | 46.1 | 27.2 | 19.4 |
| Gasoline (all types)..... | 280.991 | 299.352 | 357.348 | 46.0 | 27.2 | 19.4 |
| Gasoline, unleaded regular(4)..... | 274.131 | 292.424 | 349.752 | 46.8 | 27.6 | 19.6 |
| Gasoline, unleaded midgrade(4)(5)..... | 324.003 | 341.885 | 403.804 | 42.0 | 24.6 | 18.1 |
| Gasoline, unleaded premium(4)..... | 301.345 | 316.367 | 369.407 | 38.6 | 22.6 | 16.8 |
| Medical care | 531.401 | 531.165 | 534.114 | 1.6 | 0.5 | 0.6 |
| Medical care commodities..... | 371.027 | 375.083 | 376.595 | 0.5 | 1.5 | 0.4 |
| Medical care services..... | 584.598 | 582.950 | 586.374 | 1.9 | 0.3 | 0.6 |
| Professional services | 439.930 | 440.364 | 441.545 | 0.3 | 0.4 | 0.3 |
| Recreation(3)..... | 129.701 | 130.952 | 131.349 | 4.3 | 1.3 | 0.3 |
| Education and communication(3)..... | 142.020 | 142.631 | 141.202 | 0.0 | -0.6 | -1.0 |
| Tuition, other school fees, and child care(6) .. | 1,225.720 | 1,226.805 | 1,226.718 | 0.5 | 0.1 | 0.0 |
| Other goods and services | 473.538 | 477.090 | 479.494 | 6.1 | 1.3 | 0.5 |

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Midwest Region, (1982-84=100 unless otherwise noted) (not seasonally adjusted) - Continued

| Expenditure category | Indexes | | | Percent change from | | |
|---|-----------|-----------|-----------|---------------------|-----------|-----------|
| | Jan. 2022 | Feb. 2022 | Mar. 2022 | Mar. 2021 | Jan. 2022 | Feb. 2022 |
| Commodity and service group | | | | | | |
| Commodities | 204.162 | 207.084 | 211.636 | 14.3 | 3.7 | 2.2 |
| Commodities less food and beverages | 168.699 | 171.545 | 176.146 | 17.0 | 4.4 | 2.7 |
| Nondurables less food and beverages..... | 208.555 | 215.412 | 229.328 | 16.5 | 10.0 | 6.5 |
| Durables | 125.630 | 126.063 | 125.337 | 18.6 | -0.2 | -0.6 |
| Services..... | 320.305 | 321.926 | 323.807 | 4.7 | 1.1 | 0.6 |
| Special aggregate indexes | | | | | | |
| All items less shelter..... | 249.783 | 252.343 | 256.186 | 10.0 | 2.6 | 1.5 |
| All items less medical care | 248.923 | 251.393 | 254.749 | 9.3 | 2.3 | 1.3 |
| Commodities less food | 171.827 | 174.633 | 179.173 | 16.4 | 4.3 | 2.6 |
| Nondurables | 241.843 | 246.748 | 255.873 | 12.9 | 5.8 | 3.7 |
| Nondurables less food..... | 211.470 | 217.936 | 231.061 | 15.4 | 9.3 | 6.0 |
| Services less rent of shelter(2)..... | 349.817 | 351.325 | 353.216 | 4.3 | 1.0 | 0.5 |
| Services less medical care services..... | 300.564 | 302.466 | 304.232 | 5.2 | 1.2 | 0.6 |
| Energy | 240.746 | 250.795 | 275.376 | 29.3 | 14.4 | 9.8 |
| All items less energy | 267.130 | 268.790 | 270.226 | 7.0 | 1.2 | 0.5 |
| All items less food and energy | 266.113 | 267.589 | 268.639 | 6.4 | 0.9 | 0.4 |

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Indexes on a December 1982=100 base.

(3) Indexes on a December 1997=100 base.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1977=100 base.

Note: Index applies to a month as a whole, not to any specific date.

Paul Zillig

From: npc@paullessmanresearch.com
Sent: Saturday, April 16, 2022 1:25 PM
To: Paul Zillig
Subject: RE: Wage Increases

Caution: This email originated from OUTSIDE the organization. Do not open suspicious links or attachments. Contact IT for assistance.

Paul Z.,

Crazy times- but cyclical like anything else and public employers typically are the slowest to respond to inflation. You are accurate in your 8.6% number. Also, in the Lincoln area a national low unemployment rate, these two factors alone are going to make recruitment and retention difficult, having spoken to many boards and councils over the years someone is going to bring up the price of corn or they do not believe in raising the pay lines when other costs to operate are also rising. Every employer is happy to use the CPI when its low, but how their attitude changes when inflation heat's up. Absolutely check around if anybody has a handle on what they are going to do. The two biggest public labor unions in Omaha just settled next years raise: 6.28% for labor and 5.27% for middle management. In smaller organizations such as your retention is more important because when you lose someone you lose a greater percentage of your productivity for a longer period, than large organizations who will have more people in a department or specialty. Do not be surprised if some of your peers are slower to respond to inflation.

"Small businesses are paying more for labor today, with the smallest businesses seeing the greatest percentage increase in wages. Survey revealed that small businesses are paying roughly \$24 an hour today, that's up by almost \$2 than it was pre-pandemic when the average rate was \$22 per hour. During the COVID-19 pandemic, 19% of small businesses said they were paying employees \$10 an hour or less, but today only 8% of small businesses said they pay their staff less than \$10 an hour. What's more, businesses with fewer than five employees almost doubled the percentage of employees earning more than \$21 an hour (15% vs. 27%), while small businesses with staff of at least 20 also reported "significantly increasing" the percentage of employees earning more than \$21 an hour (34% to 44%) compared to pre-pandemic wages, NEXT reported in its survey."

Hope that helps,

Paul W. Essman

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From: Paul Zillig <pzillig@lpsnrd.org>
Sent: Thursday, April 14, 2022 12:21 PM
To: npc@paulesmanresearch.com
Subject: RE: Wage Increases

From: Paul Zillig
Sent: Thursday, April 14, 2022 12:10 PM
To: npc@paulesmanresearch.com
Subject: Wage Increases

Paul E:

I'm looking for some guidance on salary adjustments this spring. In calculating an annual "cost-of-living" adjustment I typically base that on standard increases on the Consumer Price Index (CPI) which has consistently been in the 1-3% range annually for many years. This isn't perfect but has served us well. This past year inflation has pushed it to 8.6% for the past 12 months and I'm looking for some guidance from experts. If expert guidance isn't available; the best I can do is make some calls to the other comparables and see what they are doing.

Not sure how to deal with the inflation problem? Employer/Board doesn't want to increase salaries according to CPI and employee retainage will likely be a problem if salaries are not adjusted upward?

Ideas? Suggestions?

Paul

Cost of Paying Workers Rises at Record Pace

By **Robert Whaley** and **Ann Casimiro**

Compensation for American workers grew rapidly in the first quarter, as a tight labor market put more money in workers' pockets while also keeping pressure on inflation. Business and government employers spent 4.5% more on worker costs in the first quarter compared with the same period a year earlier, without adjusting for seasonality, the Labor Department said Friday. That marked the fastest increase in records dating to 2001, and the gain eclipsed 4.0% annual growth in the fourth quarter.

Compensation for workers also accelerated on a quarterly basis, rising a seasonally adjusted 1.4% in the first quarter compared with a 1.0% increase in the fourth quarter. The growth reflected strengthening wages, salaries and benefits.

That has helped households continue to spend and support the economy. Consumer

Please turn to page A2

◆ Consumers stepped up spending in March **A2**

Labor Costs Rise at Fastest Clip

Continued from Page One spending rose 1.1% in March, the Commerce Department said on Friday. Americans spent more on services like travel and dining, as well as goods such as gasoline and food, showing a willingness to spend amid the highest inflation in four decades.

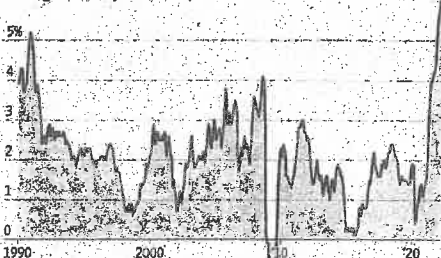
Big pay gains for workers reflect their increased bargaining power but also threaten to keep inflation high. Companies need to pass on price increases to consumers to compensate for higher labor costs, economists said.

Consumer prices rose 6.6% in March from a year before, up from February's revised 6.3% increase and the fastest pace since 1982, the Commerce Department said Friday.

Workers recently received wage increases at Pinches Tacos, a family-owned Mexican restaurant chain with seven locations across the Los Angeles and Las Vegas areas. Miguel Anaya, president of Pinches, said he raised the pay for a cook to \$20 an hour from \$16 to keep the worker from leaving for another offer.

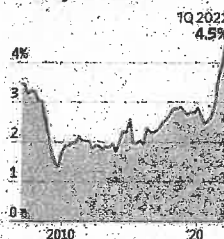
The Federal Reserve's preferred measure for inflation was up 6.6% in March from a year before. Rising prices and the tight labor market have boosted compensation to workers.

Personal consumption expenditure price index, change from a year earlier



Sources: Commerce Department (PCE); Labor Department via the Federal Reserve Bank of St. Louis (compensation)

Total compensation for all civilian workers, change from a year earlier



Mr. Anaya added he is increasingly having to offer higher wages to retain kitchen staff amid a job market where poaching is rampant. Meanwhile, prices for ingredients, including poultry and pork, have also risen briskly.

Due to the higher labor and food costs, Pinches increased menu prices for its burritos and tacos about 5%, on average, at the beginning of this year, after increasing them the same amount last summer, Mr. Anaya said.

"The price for everything, including the labor, was just to a point where we just could not swallow," he said. "You can only hold on for so long."

The wage-price dynamics hold implications for the Fed-

eral Reserve, which lifted its benchmark rate in March by a quarter-percentage point from near zero to tame inflation. Central bank officials, who meet next week to consider their next steps, have signaled more increases are likely to follow.

"The Fed is closely tracking the data for signs of a wage-price spiral," said Rubeela Farooqi, chief U.S. economist with High Frequency Economics. "These readings—which are showing no sign of easing—will be of concern to policy makers as they make decisions about monetary policy in an environment where the labor market is tight, and prices are at a 40-year high."

Employer demand for work-

ers far exceeds the pool of job seekers. There were 11.3 million job openings in February compared with 6.3 million Americans who were unemployed but seeking work, according to the Labor Department.

Such a tight labor market makes recruiting workers more challenging and has prompted employers to not only raise wages, but also entice workers with more robust benefits. Benefits rose 1.8% in the first quarter, the fastest quarterly pace since 2004, with workers in management, sales and manufacturing jobs all seeing gains.

Higher compensation costs are among the factors companies say are leading them to

raise prices on goods and services. They also cite supply-chain disruptions, high energy and commodity prices pushed upward by the Ukraine war and robust consumer demand.

Rising prices are cutting into worker pay gains. Adjusted for inflation, private-sector wages and salaries fell 3.3% in the first quarter from a year earlier.

Restaurant and bar workers bucked the trend, as pay gains in the lower-wage sector slightly outpaced inflation, Friday's Labor Department report showed.

The high rate of job switching is a key factor that could keep wage gains elevated. Workers who change jobs tend to reap bigger pay increases and put pressure on employers to raise pay for existing employees.

Some economists say more Americans are returning to the labor force amid waning pandemic savings and lower Covid-19 case counts. As a result, more workers will be available to fill openings and take some pressure off employers to pay more.

"Over the last several months, the labor-force participation rate has begun to go up in earnest," said Ben Herzog, executive director at IHS Markit. "If that continues, that will help put a cap on the rate of growth of wages."

—Harriet Torrey contributed to this article.

Fed is expected to enact sharp rate hike

Inflation has surged to a 40-year high

CHRISTOPHER RUGABER
Associated Press

WASHINGTON — The Federal Reserve is poised this week to accelerate its most drastic steps in three decades to attack inflation by making it costlier to borrow — for a car, a home, a business deal, a credit card purchase — all of which will compound Americans' financial strains and likely weaken the economy.

Yet with inflation having surged to a 40-year high, the Fed has come under extraordinary pressure to act aggressively to slow spending and curb the price spikes that are bedeviling households and companies.

After its latest rate-setting meeting ends Wednesday, the Fed will almost certainly announce that it's raising its benchmark short-term interest rate by a half-percentage point — the sharpest rate hike since 2000. The Fed will likely carry out another half-point rate hike at its next meeting in June and possibly at the next one after that, in July. Economists foresee still further rate hikes in the months to follow.

The Fed is also expected to announce Wednesday that it will begin quickly shrinking its vast stockpile of Treasury and mortgage bonds beginning in June — a move that will have the effect of further tightening credit.

Chair Jerome Powell and the Fed will take these steps largely in the dark. No one knows just how high the central bank's short-term rate must go to slow the economy and restrain inflation. Nor do the officials know how much they can reduce the Fed's unprecedented \$9 trillion balance sheet before they risk destabilizing financial markets.

"I liken it to driving in reverse while using the rearview mirror," said Diane Swonk, chief economist at the consulting firm Grant Thornton. "They just don't know what obstacles they're going to hit."

Yet many economists think the Fed is already acting too late.



ASSOCIATED PRESS

Fed Chair Jerome Powell.

Even as inflation has soared, the Fed's benchmark rate is in a range of just 0.25% to 0.5%, a level low enough to stimulate growth. Adjusted for inflation, the Fed's key rate — which influences many consumer and business loans — is deep in negative territory.

That's why Powell and other Fed officials have said in recent weeks that they want to raise rates "expeditiously" to a level that neither boosts nor restrains the economy — what economists refer to as the "neutral" rate. Policymakers consider a neutral rate to be roughly 2.4%. But no one is certain what the neutral rate is at any particular time, especially in an economy that is evolving quickly.

If, as most economists expect, the Fed this year carries out three half-point rate hikes and then follows with three quarter-point hikes, its rate would reach roughly neutral by year's end. Those increases would amount to the fastest pace of rate hikes since 1989, noted Roberto Perli, an economist at Piper Sandler.

Powell said last week that once the Fed reaches its neutral rate, it may then tighten credit even further — to a level that would restrain growth — "if that turns out to be appropriate." Financial markets are pricing in a rate as high as 3.6% by mid-2023, which would be the highest in 15 years.

Markets Recap

| | NYSE | NASD | DOW Tra |
|---------------|-------|-------|------------|
| Vol. (in mil) | 4,833 | 4,583 | DOW Uti |
| Pvs. Volume | 4,764 | 4,428 | NYSE Cx |
| Advanced | 1096 | 2129 | NASDAQ |
| Declined | 1358 | 1389 | S&P 500 |
| New Highs | 8 | 78 | S&P 400 |
| New Lows | 447 | 590 | Wilshire I |
| | | | Russell 2 |
| | | | Crude oil |
| | | | Gold (oz) |
| | | | 10-yr T-Nk |

Closing figures for Monday, May 2, 2022

| NAME | TUR | LAST | CHG | %C |
|--------------------|-------|---------|--------|------|
| AT&T Inc | | 19.12 | +0.26 | -2% |
| Alphabet Inc A | GOOGL | 2331.66 | +49.47 | -1% |
| Amazon.com Inc | AMZN | 2490.00 | +4.37 | -2% |
| Apple Inc | AAPL | 157.96 | +0.31 | -1% |
| Ballantyne Strong | BTN | 2.99 | -0.06 | +3% |
| Bank of America | BAC | 36.14 | +0.46 | -1% |
| Becton Dickinson | BDX | 245.58 | -1.61 | -2% |
| Berkshire Hath A | BRK/A | 478150 | -6190 | +6% |
| Berkshire Hath B | BRK/B | 318.19 | -4.64 | +6% |
| Boeing Co | BA | 148.61 | -2.3 | -2% |
| Buckle Inc | BKE | 32.17 | +1.11 | -24% |
| CSG Systems Int | CSGS | 60.89 | -0.58 | +5% |
| Caterpillar Inc | CAT | 212.07 | +1.53 | +2% |
| Citigroup | C | 48.11 | +0.50 | -19% |
| CocaCola Co | KO | 63.44 | -1.17 | +7% |
| ConAgra Brands Inc | CAG | 34.22 | -0.71 | +1% |
| Deere Co | DE | 381.23 | +3.68 | +11% |
| DuPont de Nemours | DD | 65.90 | -0.03 | -18% |
| Exxon Mobil Corp | XOM | 86.41 | -1.16 | +41% |
| Fiserv | FISV | 97.13 | -0.79 | -6% |
| Ford Motor | F | 14.27 | -0.11 | -31% |
| General Motors Co | GM | 38.45 | +0.34 | -34% |
| Green Plains Inc | GPRE | 31.34 | +3.27 | -9% |
| Hormel Foods | HRL | 51.82 | -0.51 | +6% |

Dividend Footnotes: a - Extra dividends were paid, but a f - Current annual rate, which was increased by most recent year. Most recent dividend was omitted or deferred. m - Cx not known, yield not shown. t - Paid in stock, approximate; exceeds 99 dd - Loss in last 12 months. Source: The Ass

\$3B plan to

MATTHEW DALY
Associated Press

WASHINGTON — Continuing its push to boost sales of electric vehicles, the Biden administration on Monday announced \$3.1 billion in funding to U.S. companies that make and recycle lithium-ion batteries.

The investments from last year's \$1 trillion infrastructure law are separate from an executive order President Joe Biden issued this spring, invoking the Defense Production Act to boost production of lithium and other critical minerals used to power electric vehicles.

Energy Secretary Jennifer Granholm said the program will offer grants to companies that produce battery components to use domestic supplies.

2023 OPERATIONAL AGREEMENT
between the
LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT
and the
NATURAL RESOURCES CONSERVATION SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

This Agreement covers the utilization of District funds to accelerate technical assistance and assist providing secretarial assistance to the county level Service (Natural Resources Conservation Service) offices in the District. The general intent for how these funds are to be utilized is outlined in the Memorandum of Agreement dated January 28, 2020.

The District will employ a secretary for both Lancaster and Cass County Service Field Offices. The District will coordinate the employment of secretaries in Butler, Otoe, Saunders, and Seward County Service Field Offices with neighboring Districts. The secretary will be employed for the purpose of receptionist, telephone operation, and clerical duties, including preparation of materials for mailing, filing, and record keeping.

The District will employ occasional technicians for each of the six county Service Field Offices. These technicians will assist with work that directly results in the design, layout, inspection, and certification of soil and water conservation practices in the District, and the paperwork directly related to the installation of these practices. Occasional technicians may also be hired for special natural resource projects at the direction of the General Manager.

The Service DC (District Conservationist) will be responsible for planning when these occasional technicians are to be utilized and they will conduct all interviews and recommend hiring such personnel. Occasional technicians will be limited to less than 40 working hours/week, not be eligible for benefits, and will be paid monthly an hourly wage between \$15.00/hour to \$25.00/hour, depending on their capabilities, job duties, and experience.

The District budgeted funds for 1,000 hours of occasional technical assistance to the Service for FY 2023. These hours are allocated to each of the Service Field Offices in the following manner:

| | |
|------------------|-----------|
| Butler County | 50 hours |
| Cass County | 500 hours |
| Lancaster County | 300 hours |
| Otoe County | 50 hours |
| Saunders County | 50 hours |
| Seward County | 50 hours |

The District will employ one full-time technician to work out of the Cass County Service Offices and two full-time technicians to work out of the Lancaster County Service Office. The District will be solely responsible for the decisions concerning the employment status of these employees. The District will coordinate the employment of full-time technicians in the Butler, Otoe, Saunders, and Seward County Field Offices with neighboring Districts.

The full-time technicians will work out of the Cass and Lancaster County Service Offices. The NRD's policy concerning the prioritized jobs on which these employees are to work are as follows:

- 1. Design, layout, inspection, and certification of soil and water conservation practices in the District and the paperwork directly related to the installation of these practices. Promote non-structural conservation practices such a cover crops, buffer strips, reduced tillage, etc.
- 2. Special projects and programs of the District as directed by the NRD General Manager. These special projects and programs may require work District-wide.
- 3. General office support as needed at the NRCS Office.

All District employees will only be available to work on jobs that are consistent with District policy. District technical employees are to be available to assist with conservation practice design and layout without regard to whether cost-share assistance is to be provided.

This Agreement will remain in effect until July 1, 2023, or until succeeded by another Operational Agreement, and is subject to all the terms and conditions of the Memorandum of Agreement as identified above. This Agreement may be modified or terminated at any time by mutual consent of the parties hereto, or may be terminated by either party by giving thirty (30) days notice in writing to the other party.

LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT

| | |
|-----------------|-------|
| _____ | _____ |
| General Manager | Date |

NATURAL RESOURCES CONSERVATION SERVICE, USDA

| | |
|-----------------------|-------|
| _____ | _____ |
| State Conservationist | Date |