

**PERSON COUNTY BOARD OF COMMISSIONERS**  
**MEMBERS PRESENT**

**DECEMBER 5, 2011**  
**OTHERS PRESENT**

Jimmy B. Clayton  
Kyle W. Puryear  
B. Ray Jeffers  
Samuel R. Kennington  
Frances P. Blalock

Heidi York, County Manager  
C. Ronald Aycock, County Attorney  
Brenda B. Reaves, Clerk to the Board

The Board of Commissioners for the County of Person, North Carolina, met in recessed session on Monday, December 5, 2011 at 5:30 p.m. in the Commissioners' meeting room in the Person County Office Building for the purpose of further discussion related to the Employee Compensation Study and the Staffing Options related to Economic Development.

Chairman Clayton called the meeting to order. Commissioner Jeffers was absent until 5:39 p.m.

**EMPLOYEE COMPENSATION STUDY:**

County Manager, Heidi York stated the Board at its November 14<sup>th</sup> meeting requested more information and additional time for discussion. Ms. York provided an analysis of employees' fringe benefits, specifically 401K retirement account contributions as well as other benefits. Ms. York reminded the Board that during the Fiscal Year 2011-2012 budget process, the Board directed the Manager to bring back a study that would allow Commissioners to consider all possible compensation methods for employees of Person County Government noting she had previously proposed a scaled back version of merit pay, which was intended to complement and enhance the performance review system that has been in place for over a year, further noting the Board wanted to be in a position to evaluate the County's financial situation a few months into the fiscal year, before making a decision.

Ms. York stated the Compensation Study presented to the Board includes all available options for the Board's consideration; the best methods to implement depend on the Board's goals and compensation philosophy noting the study evaluates cost of living increases; merit pay; bonuses; across the board increases; longevity; certification increases; probationary increases; and other adjustments. The Study also included data from other counties and a few municipalities for the purpose of benchmarking, which can offer information about whether Person County is competitive with its peers in terms of compensation.

Ms. York requested the Board to review the possible compensation methods and decide on an implementation schedule for those selected.

Chairman Clayton stated there was interest among the Board to further discuss a cost of living adjustment (COLA). Ms. York stated a COLA is an annual adjustment to employee's salary to compensate for inflation. The amount of the adjustment is based on the annual increase in consumer prices (as measured by the Consumer Price Index, prepared by the Bureau of Labor Statistics from the US Department of Labor.) The purpose of a COLA is to offer the corrosive effects of inflation and to ensure that the purchasing power of any employees' income is not eroded by inflation. Ms. York stated a COLA would be applied to all employees' base salaries, advancing the entire pay scale whereby everyone stays at the same place within their salary range and the pay scale remains competitive. Ms. York noted a 2.85% based on the increase in the period of October, 2010 to September 2011 would cost \$248,655 for half year and \$497,310 for a whole year. Ms. York further noted a 3.05% based on the increase in the period of November, 2010 to October, 2011 would cost \$266,096 for half year and \$532,192 for a whole year. Ms. York stated implementing a COLA would be a recurring cost noting employees had not received a COLA in 3 years. Ms. York told the Board the county's fund balance was healthy at this time and using fund balance for a COLA, in her opinion, was appropriate noting the recurring expense could be offset by increased sales tax revenue, projected revenues on the horizon for property taxes from industry as well as retiring of debt service.

A majority of the board voiced preference to the COLA over the merit or bonus option. Commissioner Kennington offered for consideration a bonus for employees with review of the COLA during budget work session. Vice Chairman Puryear spoke in favor of the Board's consideration of a tax decrease during the upcoming budget work sessions due to the generous fund balance. Chairman Clayton stated the reevaluation is coming up soon. Commissioner Jeffers noted Board consideration should also assess the 2008 Bond Referendum in which citizens voted to raise taxes to pay for a recreation center, further noting the situation may allow building the center without raising taxes.

A **motion** was made by Chairman Clayton, **seconded** by Commissioner Jeffers to implement a full year COLA at 2.85%. The motion was **withdrawn** for further discussion and clarification. Ms. York clarified a COLA is a percentage increase that would remain when implemented.

The group discussed options with COLA, merit pay based on performance, longevity and a percentage or flat bonus. Ms. York asked the Board to determine its philosophy to either give a one-time reward/bonus or address pay compression. Commissioner Jeffers stated his support to keep longevity as a way to retain employees from traveling to Orange, Granville, Durham and Virginia for employment. Commissioner Jeffers also wanted to compare Person County to the City of Roxboro. Ms. York stated the City of Roxboro have awarded a COLA the last two years adjusting salaries by 4.5%. Commissioner Kennington asked what the average salary is at the City of Roxboro. Neither Ms. York nor the Human Resources Director knew what the average salary would be at the City of Roxboro.

A **motion** was made by Commissioner Kennington, **seconded** by Commissioner Blalock for a 1.4% bonus effective immediately by December 31, 2011 and another 1.4% bonus effective January 1, 2012 for a total of 2.8% with the intent to discuss a COLA as a recurring expense as a part of the budget work session.

A **substitute motion** was made by Commissioner Jeffers, **seconded** by Chairman Clayton and **carried 3-2** to approve a COLA at 2.85% effective in the January, 2012 paychecks to be funded with a Fund Balance appropriation. Commissioners Blalock and Kennington cast the dissenting votes.

#### **STAFFING OPTIONS RELATED TO ECONOMIC DEVELOPMENT:**

County Manager, Heidi York stated the Board at its November 14<sup>th</sup> meeting requested to discuss the staffing options related to Economic Development at the same meeting set for the Employee Compensation Study discussions. Supporting documentation in the board packet included the Economic Development Director job description from 2009 and a spreadsheet from the School of Government with salary data against benchmark peer counties Person County as well as Council of Governments (COG) counties.

Ms. York directed the Board's attention to a Memo re: Economic Development Staff outlining pay grades, pay scales and salary with operating costs.

Ms. York told the group the Director position (as previously had in 2009) was at a pay grade 82 and range \$61,513 to \$95,345 with a total cost of approximately \$100,075 which included \$78,540 salary plus benefits, FICA, and social security.

The Board voiced support to proceed with hiring the Director with consideration to be given at a later time regarding the assistant staff.

A **motion** was made by Commissioner Blalock, **seconded** by Vice Chairman Puryear and **carried 5-0** to direct the County Manager to proceed to hire an Economic Development Director.

Ms. York stated her preference to review the 2006 Economic Development Director job description to update with pertinent changes. Commissioner Kennington noted his preference to have wording to include responsible to the County Manager instead of work performed under the general direction of the County Manager. Commissioner Kennington asked for clarification on the wording develops grants. It was the consensus of the Board that the position develops grants related to economic development at the discretion of the County Manager. Commissioner Kennington also wanted this position to be responsible for the implementation of the Strategic Plan that refers to the economic development objections listed in *Our New Economy and Economic Development*.

**ADJOURN:**

A **motion** was made by Commissioner Jeffers, **seconded** by Vice Chairman Puryear, and **carried 5-0** to adjourn the meeting at 6:38 p.m.

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Brenda B. Reaves  
Clerk to the Board

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Jimmy B. Clayton  
Chairman