

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

NOVEMBER 14, 2011
OTHERS PRESENT

Jimmy B. Clayton
Kyle W. Puryear - ABSENT
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 regular session on Monday, November 14, 2011 at 9:00 a.m. in the FEMA room located at 355 S. Madison Boulevard, Roxboro.

Chairman Clayton called the meeting to order, led invocation and asked Commissioner Kennington to lead the Pledge of Allegiance. Vice Chairman Puryear was absent.

RECOGNITION OF LOCAL GOVERNMENT DAY:

Chairman Clayton welcomed the Person High School students participating in Local Government Day to observe the Board of County Commissioners in session.

DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock and **carried 4-0** to add items to the agenda and approve the agenda as adjusted. The items added to the agenda included:

- Medical Director Contract
- National Day of Recycling
- Follow up discussion related to staffing options for Economic Development
- Falls Lake Utility

INFORMAL COMMENTS:

There were no comments from the public.

SITE PLAN FOR THE VIPER TOWER:

County Manager, Heidi York told the Board the North Carolina Highway Patrol, working in partnership with Person County Government is presenting the site plan for the VIPER Communications Tower. Ms. York noted the VIPER Tower is proposed to be constructed on the County-owned thirteen acre parcel located at Wesleyan and Critcher Wilkerson Roads, further noting the proposed tower would be 380 feet in height, positioned on the upper corner of the property as to not infringe on any possible future building plans for that property. Ms. York stated the access road has been located at the bottom of the property to shorten the distance and lessen the impact on the property.

Ms. York stated once the site plan has been approved, a lease will be drafted and brought to the Board for approval. Ms. York requested Board consideration to approve the site plan and if approved, direct the County Attorney and County Manager to work with the NC Highway Patrol on a draft lease agreement.

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock and **carried 4-0** to approve the site plan as presented and directed the County Attorney and County Manager to work with the NC Highway Patrol on a draft lease agreement to be brought back before the Board.

2011 COMMUNITY HEALTH ASSESSMENT:

Health Education Supervisor, LeighAnn Creson revealed the results of the 2011 Community Health Assessment (CHA) by providing an overview of the overall CHA process as well as the methodology for collecting and using community input. The Board was made aware that demographic and socioeconomic data was available but the focus of the presentation was on the health data and the results of the community health survey. Ms. Creson presented health data that included leading causes of death for the county, teen pregnancy rates, infant mortality rates, morbidity data, and others. The Board was informed about the new health priorities for the county for 2010-2016 as well as populations at risk for poor health outcomes. Trends in data were presented as well as comparisons to NC and Granville County (peer county used in the assessment).

Health Director, Janet Clayton discussed the environmental health portion of the CHA. The Board was made aware that the CHA could be accessed on the Health Department's website at <http://health.personcounty.net>. and due to size (400 pages) hard copies were not as readily available as they had been in the past. Ms. Creson stated an executive summary will be produced after the first of the year to summarize CHA findings. The executive summary will also be posted on the Health Department's website upon completion.

Chairman Clayton thanked the Health Department staff for their report and stated his support of the importance of immunizations.

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SEWER LINE EXTENSION ON HALIFAX ROAD:

General Services Director, Ray Foushee told the Board that during the construction of the HWY 501 bypass, NC Department of Transportation (NCDOT) will impact the existing septic fields of 3 residences along State Road 1521 (Halifax Road) near its intersection with US 501. NCDOT is planning to install a new 8" sanitary gravity sewer line from a manhole in front of Force Protection Industries, Inc. extending north along Halifax Road for approximately 1050 feet resulting in new sewer laterals to be extended to the affected residences. Mr. Foushee requested the Board to approve NCDOT's proposal to extend the sewer line to the affected residences.

Mr. Foushee confirmed for the Board that the construction would take place around January 1, 2013 and there would be no costs associated with the request directed to the county.

A **motion** was made by Commissioner Blalock, **seconded** by Commissioner Jeffers and **carried 4-0** to approved NCDOT's proposal to extend the sewer line to affected residences as presented.

EMPLOYEE COMPENSATION STUDY:

County Manager, Heidi York stated 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. The Board wanted to be in a position to evaluate the financial situation a few months into the fiscal year, before making a decision. The compensation methods study has considered all available options for the Board's consideration; the best methods to implement depend on the Board's goals and compensation philosophy. The study evaluates cost of living increases; merit pay; bonuses; across the board increases; longevity; certification increases; probationary increases; and other adjustments.

Ms. York noted the study also includes 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.

Ms. York gave the following presentation of the Study of Employee Compensation Methods:

Study of Employee Compensation Methods

One of the greatest responsibilities that we share as leaders of an organization is to provide for our workforce through a progressive and competitive pay system. G.S. 153A-92(c) provides that "In counties with a county manager, the manager is responsible for preparing position classification and pay plans for submission to the board of commissioners and for administering the pay plan and any position classification plan in accordance with general policies and directives adopted by the board."

The success of this organization comes from the quality of the workforce providing services to the citizens of Person County. Obviously there is a vested interest then in employing the highest caliber employees. In order to attract, employ, and retain highly skilled employees, Person County Government must provide a comprehensive compensation system that is competitive and progressive. An ideal compensation system appeals to employees throughout all levels of the organization and at all stages of their careers. Best practices suggest that compensation methods be aimed at recruiting the highest skilled employees and retaining only the highest performing employees. Therefore, not only is it necessary to have a competitive pay system in place but it is critical to assess employees' performance and then to create additional incentives to achieve high performance and reward those that excel.

The major challenges to the current compensation system are the lack of competitive salaries and pay compression.

- **Market Competiveness:** Over the last several years, we have had difficulty recruiting the highest skilled employees. Often, our salaries are lower than our neighbors' and not only is this reflected in low applicant pools, but also in the ability to employ first and second choice candidates. When salaries are not viewed as competitive, an organization can become a "training ground" for employees and the organization will see a high turnover rate.
- **Pay Compression:** This is a serious issue experienced at all levels of the organization. While employees are hired at the hiring rate for a job, they then remain at that low rate despite performance and years of service. New employees are offered similar positions at the very same rate as those with lengthy tenure and experience. Person County Government lacks a consistent method for advancing employees through their pay range.

The primary focus of this study is to examine various components of a competitive and progressive compensation system beyond the base salaries and pay scales.

A Glimpse of the Workforce

Person County Government currently employs 381 full time individuals in a variety of positions.

Average Salary for a County Employee: \$36,270

Average Tenure: 9 years

Turnover Rate: 8.5% average per year

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Compensation methods beyond an employee's base salary:

Cost of Living Adjustment (COLA)

Philosophy: 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 (CPI), prepared by the Bureau of Labor Statistics from the U.S. Department of Labor)

Purpose: to offset the corrosive effects of inflation; to ensure that the purchasing power of any employees' income is not eroded by inflation

Implementation: applied annually to all employees' base salaries, based on the increase in the CPI over a 12 month period. The CPI, and thus the average cost of living increased by 2.85% for the period of September 2010 to September 2011.

Effect: advances the entire pay scale, everyone stays at same place within their salary range and the pay scale remains competitive

Cost: 2.85% increase for half year: \$248,655 (recurring)
2.85% for whole year: \$497,310 (recurring)

Merit Pay

Philosophy: reward employees relative to their job performance

Purpose: provide a systematic program to reward employees based on job performance; provide incentive for improved performance and maintain a high performing workforce

Implementation: increases employees' base salaries; a percentage increase is awarded based on the overall performance rating received for the full year on their performance review form. Performance is measured against mutually agreed and established performance standards for each job type. To be awarded on the employee's anniversary date. Merit Pay was intended to complement and enhance the performance review system, now in place for over a year.

Effect: advances high performing employees through their salary range, helps to alleviate compression at the beginning of the salary range

2% increase if Achieves Standards (67.20% of all reviews submitted)

3% increase if Exceeds Standards (31.21% of all reviews submitted)

0% if Fails to Meet Standards (1.59% of all reviews submitted)

Cost: for half year: \$218,116 (recurring)
for whole year: \$436,231 (recurring)

Bonus

Philosophy: typically awarded when there is a surplus or a windfall in revenues; a one-time award to employees

Purpose: to provide a one-time reward to employees without increasing their salaries

Implementation: can be awarded at any point

Effect: provides cash in hand to employee, does not apply to their base salary. The "take home" amount is approximately 60% of the amount awarded once taxes are taken out (ex. \$250 becomes \$150).

Cost: \$250 per employee: \$115,141 (non-recurring)
\$500 per employee: \$230,283 (non-recurring)
\$1,000 per employee: \$460,564 (non-recurring)

Across-the-Board Increases

Philosophy: rewards every employee in exactly the same manner regardless of position, contribution, performance, responsibilities, or length of service

Purpose: provide a random increase to all employees' base salaries

Implementation: can be awarded at any point, can be a percentage increase or a flat amount

Effect: increases all employees' base salaries, adjusts the entire pay scale, preserves the employee's position in the salary range

Cost: 1% for whole year is \$174,501 (half year \$87,250) (recurring)

2% for whole year is \$349,003 (half year \$174,502) (recurring)

5% for whole year is \$872,474 (half year \$436,237) (recurring)

Longevity

currently in place

Philosophy: reward employees based on their length of service

Purpose: a retention tool; provides an incentive for employees to remain with the County and rewards dedication

Implementation: awarded to all permanent employees after 5 years of continuous service as of November 1 of each year, disbursed with their November paycheck

current structure:

5 years, but less than 10 years 1% of annual salary

10 years, but less than 15 years 2% of annual salary

15 years, but less than 20 years 3.25% of annual salary

20 years, but less than 25 years 4.5% of annual salary

25 years or more 5.75% of annual salary

Effect: provides an annual bonus to employees; the longer they remain with the County, the greater the award.

Cost: \$233,890 for November 2011; \$256,816 November 2012

Certification Increases

currently in place

Philosophy: employees who seek advanced degrees and certifications related to their job have an increased value to their employer

Purpose: to provide a reward and incentive for employees to seek advanced degrees and certifications necessary for their duties and responsibilities as a County employee and to recognize them for enhancing the level of service

Implementation: employees must obtain certification in their professional field then are eligible for a 1.5% increase as requested by the employee's supervisor upon successful completion and award of advance degree or certification; limited to two awards per employee per year

Effect: increases the employee's base salary by 1.5%

Cost: varies by individual position, budgeted within individual departments salary lines and is a recurring cost

Probationary Increases

currently in place

Philosophy: employees are subject to a probationary hiring upon initial employment with the County, allowing a "trial" period for both the County and the employee; successful completion updates employee status to permanent status and thus increases their value to their employer

Purpose: Advances the employee from the hiring rate

Implementation: increases employees' base salaries by 5%; awarded to employees after successful completion of a 9 month probationary period for most employees; 12 month probationary period for Department Heads

Effect: advances the employee in the pay range; provides a one-time opportunity for an employee to move beyond their hiring rate

Cost: budgeted within individual departments' salaries lines and increased only when a new hire is made.

Classification & Compensation Adjustments

Philosophy: An organization should consistently review its positions and pay structure for accuracy and competitiveness with the market in order to attract and retain the highest skilled employees. Studies are conducted (usually by an objective outsider) to review the positions relative to job descriptions, organizational structure, and compare the pay structure to benchmarked peers to ensure that the salaries are competitive with the market. Individual employees are not reviewed, rather only positions are compared.

Purpose: Classification studies examine the job duties to ensure the job descriptions are accurate.

Compensation studies examine the market for the position to ensure a competitive salary range

Implementation: should be reviewed regularly to keep the costs of the adjustments at manageable amounts. Last study for Person County was conducted in 2006 (implemented over three years: FY08-09; FY09-10; FY10-11) and increases were capped at 5% to manage costs.

Effect: in order to remain competitive, these adjustments must be part of an ongoing and continuous implementation, otherwise an organization may experience significant turnover

Cost: varies depending on the frequency of the assessments

MAPS study 2006 cost: \$885,345

MAPS study 2009 cost: \$100,219

MAPS study 2010 cost: \$43,179

MAPS study 2011 cost: \$135,699

Options for Implementation:

The Board of Commissioners should consider the following compensation options for the establishment and continuation of a competitive and progressive compensation system:

- Implement a 2.85% Cost of Living Adjustment on January 1
- Implement a Merit Pay System effective January 1
- Restructure Longevity, effective FY12-13 (only if merit pay is funded):
 - \$400 after 5 years of service
 - \$500 after 10 years
 - \$600 after 15 years
 - \$800 after 20 years
 - \$1,000 after 25 yearsThis restructuring saves the County \$110,056 in that year of implementation
- Conduct classification and compensation studies every five years
- Continue probationary increases at 5%
- Continue certification increases at 1.5%

Ms. York concluded her presentation noting the financial audit would be presented in January which will indicate a healthy fund balance noting funding an employment compensation package is a good use of fund balance savings.

Commissioner Jeffers requested consideration from the Board before continuing discussion related to the employee compensation study for each Board member to introduce themselves for the benefit of the students attending local government day. The Board agreed and proceeded to introduce themselves. The County Attorney, County Manager, Assistant County Manager, Clerk to the Board and representatives from IT, Finance, General Services, Sheriff Office, Park & Recreation, Health Department, Emergency Medical Services, and Human Resources gave an introduction to the group.

Commissioner Blalock suggested the Board to continue discussion of this item at a meeting scheduled for this purpose. Commissioner Jeffers asked the County Manager if the intention was to make any new action effective January 1. Ms. York stated even if action took place after the first of the year, any such action could be made retroactive noting that the Finance Department would need time to implement any changes to all employees' records.

Commissioner Blalock noted a handout she provided related to a teacher's salary schedule noting the gradient scale based on years of experience could be tied to merit pay which is one of the components not included in the county schedule. Commissioner Blalock stated support of the County Manager's proposed longevity rewarding years of service.

Commissioner Kennington noted Ms. York left out 401K benefit to employees. Ms. York stated 401K is considered one of the fringe benefits (retirement contribution outside the employee's salary with no implication on the pay scale or pay range advancement) and not considered a compensation method. Ms. York reminded the Board agreed to keep the employees 401K at a 3 ½ contribution in June, 2011. Ms. York asked if the Board would like for the benefits (health, retirement, dental, vision and 401K) to be included in the employee compensation study.

Commissioner Kennington stated he would like to see the total recruitment and retention package of the employee of which he stated his belief the benefits are a part.

Commissioner Jeffers stated his preference of not changing the longevity plan and noted his disagreement to comparing the teacher salary scale to county employees as he believes the teachers are currently underpaid with county government being so different. Commissioner Blalock countered that the teacher salary scale caused mobility within the salary scale.

A **motion** was made by Commissioner Blalock, **seconded** by Commissioner Jeffers and **carried 4-0** to table Employee Compensation Study discussion to a date and time to be set by Administration.

Chairman Clayton requested the National Day of Recycling item be placed prior to the Budget Amendment. It was the consensus of the Board for the National Day of Recycling to be placed before the Budget Amendment.

NATIONAL DAY OF RECYCLING:

Commissioner Blalock announced November 15, 2011 will be America Recycles Day and urged the group complete the pledge at www.americarecyclesday.org/pledge to reduce personal waste by recycling more. America Recycles Day is the only day dedicated to promoting recycling in the United States, a time to educate and motivate friends and neighbors and community leaders get into the habit of recycling. Commissioner Blalock stated recycling is economic development noting Person County's Recycling Center currently employs 25 people. Commissioner Blalock stated there is money and jobs in recycling noting \$200,000 has been made from selling recycled materials and also reduces the costs of waste disposal (over 2,500 tons kept out of the landfill in 2 years equates to approximately \$80,000). Person County currently ranks 65th in the State of North Carolina in recycling. The Person County Recycling Center will observe America Recycles Day with a customer appreciation information booth from 10:30 am to 3:30 pm on November 15, 2011. An informational handout was passed out highlighting the Person County Recycle Center noting a new item being accepted is water based paint and coatings. Commissioner Blalock shared Satisfaction Survey comments noting the outstanding customer service and Person County a leader in recycling service.

BUDGET AMENDMENT:

Finance Director, Amy Wehrenberg presented and explained the following Budget Amendment.

Upon a motion by Commissioner Jeffers, and a second by Commissioner Blalock and majority vote (4-0), the Board of Commissioners of Person County does hereby amend the Budget of the Fund(s) listed below on this, the 14th day of November 2011, as follows:

<u>Dept./Acct No.</u>	<u>Department Name</u>	<u>Amount</u> Incr / (Decr)
<u>EXPENDITURES</u>	<u>General Fund</u>	
	Public Safety	15,214
<u>REVENUES</u>	<u>General Fund</u>	
	Fund Balance Appropriated	15,214

Explanation:

Appropriation of fund balance in the Law Enforcement Restricted Fund for the purchase of a replacement vehicle (\$15,214).

MEDICAL DIRECTOR CONTRACT:

Interim Emergency Services Director, Penny Payne told the Board that Wake Forest Baptist Medical Center legal department requests their contract name be changed from “Wake Forest University Physicians” and “WFUP” to “Wake Forest University Baptist Medical Center” or “WFUBMC” to allow the contract to reflect the legal name of Wake Forest Baptist Medical Center. Ms. Payne indicated the other change requested by Wake Forest Baptist Legal Department is the removal of William Applegate, M.D. President and COO who recently retired to Thomas Sibert, MD, MBA President & Chief Operating Officer. Ms. Payne noted there were no other changes requested and the copy presented to the Board reflects signatures of Dr. Sibert and Dr. Ghim as accepting the current contract. Ms. Payne requested the Board to accept the recommended changes and sign the Medical Director contract.

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock and **carried 4-0** to approve the Medical Director Contract as presented with the requested changes by Wake Forest Baptist Medical Center.

FALLS LAKE UTILITY:

Chairman Clayton requested Board consideration to rescind Board action taken on September 19, 2011 due to personnel changes and on the advice of Mr. Jim Wrenn, attorney representing Person County, Granville County, South Granville Water & Sewer, Creedmoor and Butner related to the Falls Lake Utility.

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock, and **carried 4-0** to rescind the motion passed September 19, 2011 authorizing a scope of work with the local consulting firm, AMEC.

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock, and **carried 4-0** to approve the consulting firm, Raftelis Financial Consultants, to be funded from Fund Balance and to authorize the County Manager to execute the interlocal agreement.

FOLLOW UP DISCUSSION RELATED TO STAFFING OPTIONS FOR ECONOMIC DEVELOPMENT:

County Manager, Heidi York stated at the Board's November 7, 2011 meeting, the Manager was directed to bring back to the Board information on how other counties are staffing economic development and the associated costs. Ms. York directed the Board's attention to a Memo re: Economic Development Staff outlining pay grades, pay scales and salary with operating costs for a director and assistant staff, 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 stated the Board would be considering an estimated total annual cost of \$207,147 to restore both positions and operating budget in line with the fiscal year 2008-09 budget.

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock, and **carried 4-0** to table the follow up discussion related to staffing options for Economic Development to the same meeting date (to be determined by Administration) as the Employee Compensation Study.

Chairman Clayton asked Board members to let the County Manager know prior to the Board meetings if additional information is required.

CHAIRMAN'S REPORT:

Chairman Clayton reminded the Board that they will be electing officers on December 5, 2011 (Chairman and Vice Chairman).

Chairman Clayton noted he would be taking the environmental goals to the Association meeting on November 15, 2011.

Chairman Clayton shared a notebook titled "High School Financial Planning Program" with Person High School teacher, Mr. Patrick Holms. Mr. Holms accepted the notebook for possible use of ideas noting students do participate in financial literacy as a part of the Civics and Economics classes.

MANAGER’S REPORT:

County Manager, Heidi York stated the Community Conversations meeting would be taking place on November 28, 2011 at the Kirby starting at 6:30 pm, noting the Board may like to consider setting an individual speaker time limit. It was the consensus of the Board to set a 3 minute individual time limit for the Community Conversations. Ms. York there would be a sign up process for individuals wishing to speak to sign up with the Clerk to the Board. Ms. York explained the Community Conversations meeting is an open forum for citizens to come before the Board to speak on any topic.

COMMISSIONER REPORT/COMMENTS:

Commissioner Jeffers stated he would be participating the Rural Center’s Annual Forum November 15-16, 2011 as a panelist and speaker advocating for youth to return to rural NC and encouraged the students in the audience to return to Person County to live and work making their community the best they could.

Commissioner Blalock thanked the students for attending noting that public office serves its community.

Commissioner Kennington also thanked the students for attending wishing them the best of luck.

RECESS:

A **motion** was made by Commissioner Jeffers, **seconded** by Commissioner Blalock, and **carried 4-0** to recess the meeting at 10:28 am until November 28, 2011 at 6:30 pm at the Kirby.

Brenda B. Reaves
Clerk to the Board

Jimmy B. Clayton
Chairman