Rutherford County Office Building
289 N. Main Street
Rutherfordton, NC 28139

Rutherford County

Board of Commissioners

Minutes of May 3, 2017

Wednesday, May 3, 2017
4:00 PM

I. Call to Order

Chairman King called the May 3, 2017 Special Meeting of the Rutherford County Board of Commissioners to order.

Present: Chairman Bryan King, Vice Chairman Alan Toney, Commissioner Michael Benfield (by phone), and Commissioner Greg Lovelace.
Absent: Commissioner Eddie Holland

B. Agenda Approval

Vice Chairman Toney moved to approve the agenda. Commissioner Lovelace seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, and Commissioner Lovelace.
Noes: None
Absent: Commissioner Holland

II. New Business

A. ID 17-1346 Report on Pay and Classification Study

Ms. Becky Veazey of the MAPS Group introduced herself and her company and gave a short history of each. She elaborated on reasons to have a class and pay plan which included the ability to recruit and retain employees, provide internal equity and equal pay for equal work, maximize cost effectiveness and offer a defensible system. Classification factors which are not included in the study are volume of work, length of service, employee qualifications, and employee work performance. Classification factors included are difficulty, complexity, and variety of work; public contact; education and experience requirements; work environment and hazards; physical effort; supervision given, and supervision received.

Information provided to Commissioners included organization charts, narrative report summaries by department of positions in the County, an analysis of competitive salary data, allocation of classes to salary grades, a proposed salary schedule; a study implementation strategy with associated costs, recommended FLSA status, and class specifications for each proposed class.

Ms. Veazey said the implementation strategy was very conservative. The strategy places employees into the recommended salary range at least at the minimum of the range. This position is the probation completion position of the range and all employees should move to this position, typically in six months unless they have performance issues. In addition, to keep from having excessive compression, employees are placed above the minimum based on 1% per year of service. This placement is merely a method of getting employees into the new ranges, not a strategy for movement in future years. The strategy means that an employee with 5 years in his or her current role would be 5% above the minimum and employees with 15 years in the current role would be 15% above the minimum. An employee in his or her current role for 30 years would only be 35% into the 55% range, not at the top of the range. It is also a strategy that adjusts salary rates more and sooner for employees who are most underpaid.

Cost to implement Recommended Option	$1,909,363
Cost as a percentage of payroll	12.38%

Phase-in Year One

To reduce costs, the phase in option is even more conservative. It changes the Recommended Option in the following ways:

1. It reduces the salary scale to 97.4% of the recommended ranges meaning the County will be behind by more than that on July 1 because other organizations will be adjusting their ranges up again at that time.
2. It places employees into the range based on date of entry into current job rather than hire date.
3. It moves the Minimum Rate from 5% into the range down to 2.5% into the range.
4. It places employees in the range based on 1/2% per year of service in current position rather than1% per year of service with the County.

Collectively, Year One Phase in reduces hiring competitiveness and increases compression. This approach means it would take an employee 100 years to reach the top of the salary range.

Cost to implement Year One Phase In	$ 603,341
Cost as a percentage of payroll	3.91%

Special Notes:

1. The costs detailed above are for a full year. If the County implements the plan effective April 1, the costs would be one fourth of that identified above in year 1 for the remainder of the fiscal year.
2. The costs detailed above are for salary dollars only and do not reflect the cost of associated benefits.
3. Recommend that the Board delegate authority to the County Manager to make adjustments in the implementation salaries of employees where necessary such as a) to withhold increases where employees have documented disciplinary actions; and b) to make adjustments where implementation strategies create significant internal equity problems.

Phase-in Year Two (July 2018)
Recommended year two strategy is to bring the pay table back to the original recommendation plus any cost of living (COLA) adjustment administered in years one and two. It will be important to continue to implement COLAs in order to keep the pay plan from getting behind market. In addition, in year two, move employees to the position of .75% above minimum per year of service in current position. This will result in a cost of approximately 4% to 4.3% of payroll.

Phase-in Year Three (July 2019)
Recommended year three strategy is to bring the minimum rate of the pay ranges from 2.5% into the salary range to 5% into the salary range. In addition, bring employees to the full 1% per year of service in current position above the minimum rate. This will result in a cost of approximately 4% to 4.3% of payroll.

Phase-in Year Four (July 2020)
The County would survey the same organizations that were involved in this study to determine what % increases they had in payroll over those three years and make up any difference as a year four COLA. This will be important because so many of the organizations surveyed in this study were in the process of studies themselves.

Year Five (July 2021)
Time for another study to make adjustments to 1) changes in job duties and thus the classifications; and 2) changes in market that need to be addressed with salary grade changes. The cost should not be nearly as much for implementing the 2021 study as the 2017 study because it will not have been as long between studies.

III. Adjournment

At 5:03 P.M. Commissioner Lovelace made a motion to adjourn. Vice Chairman Toney seconded the motion. The vote on the motion was:

Ayes: Commissioner King, Commissioner Toney, Commissioner Benfield, and Commissioner Lovelace.
Noes: None
Absent: Commissioner Holland

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

ATTEST:

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Clerk, Board of Commissioners