

**MINUTES OF BOARD OF COUNTY COMMISSIONERS
OF GUILFORD COUNTY
WORK SESSION**

Greensboro, North Carolina
March 21, 2019

The Board of County Commissioners met in a duly noticed Work Session at 2:30PM in the Blue Room located on the 1st floor of the Old County Courthouse, 301 W. Market St., Greensboro, NC.

PRESENT: Chairman Alan Branson, presiding; Vice Chairman Jeff Phillips; Commissioners Justin Conrad, Kay Cashion, Hank Henning (in at 2:43PM), Melvin “Skip” Alston, J. Carlvena Foster (in at 3:06PM) and Alan Perdue.

ABSENT: Commissioner Carolyn Q. Coleman

ALSO PRESENT: County Manager Marty Lawing; County Attorney Mark Payne; Deputy County Manager Clarence Grier; Scott Baillargeon, Deputy Clerk to Board; Ariane Webb, Deputy Clerk to Board; Karen Fishel, Human Resources Director; J. Leslie Bell, Planning & Development Director; Sheriff Danny H. Rogers; Captain Daryl Loftis; members of the staff, community and media.

1. Welcome/Call to Order

Chairman Branson called the meeting to order at 2:40PM and welcomed those present.

2. Lockton Pay Study Update

County Manager Marty Lawing introduced the topic and invited Karen Fishel, Human Resources (HR) Director to begin her presentation.

Fishel introduced the compensation review completed by Lockton Companies, Inc. and noted the presentation will provide a first look at the gathered data. She shared staff and Lockton representatives would provide preliminary recommendations with unlimited options for consideration, and would provide a follow-up presentation within 45-60 days.

Fishel introduced Mary Mosqueda, Senior Vice President with Lockton, along with HR staff members present. Angela Miller, Compensation Consultant with Lockton joined the meeting via phone conferencing at 2:43PM.

Commissioner Henning arrived to the meeting at 2:43PM.

Fishel noted the initial portion of the compensation review focused on salaries. She introduced the project and discussed the town hall meetings, intranet and monthly newsletter updates created to share information with employees.

She explained the Job Analysis Questionnaire (JAQ), market data and benchmarking processes. Fishel noted the custom survey methodology incorporated data from twenty-three (23) cities and counties, which would be used when considering salaries and total compensation.

Mary Mosqueda discussed the process of acquiring data and explained the difference between custom and published data. She reviewed the county's current salary structure, pay grades and midpoints associated with different positions. Mosqueda presented their recommendations for a new salary structure.

Commissioner Alston requested additional clarification on the new structure and recommended pay grades.

Mosqueda explained the pay grades and noted three (3) salary structures were created: Fire/EMT, Sheriff, remaining county employees. She discussed best practices being used by most municipalities when moving employees through the pay structure. Mosqueda noted their study recommends collapsing the county's current structure of forty-three (43) pay grades into twenty-two (22) pay grades for the remaining county employees structure.

Mosqueda discussed the job slotting and range analysis processes, and reviewed cost scenarios based upon job slotting. She shared the four (4) cost scenario options.

Commissioner Cashion requested additional clarification on the Option 1 cost scenario and Mosqueda explained how this option was derived. She spoke to their goal of maintaining first year costs between \$2-\$2.5 million.

Mosqueda continued reviewing the cost scenarios and noted there are multiple options available to bring positions to recommended midpoints and alleviate pay compression.

Vice Chairman Phillips noted the scenarios were similar in total cost, but differed in their approach to bring staff to the midpoint of the salary structure. He questioned which approach was most common or best practice.

Mosqueda shared Lockton's recommendation of Option 1 which would impact 1,148 employees at a total cost of \$2.57 million. She discussed additional options and noted they are able to tailor these options based upon available funding.

Commissioner Alston expressed concerns with the recommended pay structure and questioned how Guilford County compared to peer counties.

Commissioner Foster arrived to the meeting at 3:06PM.

Fishel and Mosqueda discussed how the study compared Guilford County's pay structures to those utilized in peer counties.

Commissioner Cashion questioned if job descriptions were considered when creating the recommended structure.

Mosqueda noted the structure did not consider job descriptions or responsibilities, but noted the recommendation to consider performance and tenure when moving staff through the pay range.

Commissioner Henning questioned if the study would resolve compression issues, the County's ability to reward high performers, recruitment and retention concerns.

Fishel shared that the recommendations would assist in relieving compression.

Commissioner Henning questioned staff's recommendation regarding the available budget.

Lawing stated staff would be able to provide a recommendation in 45-60 days.

Commissioner Conrad questioned if total benefits were included in the market survey.

Fishel noted the survey included information on work-life balance, benefits and salary.

Commissioner Conrad spoke to the need to consider the total benefits package when evaluating study results.

Commissioner Perdue echoed Commissioner Conrad's comments.

Mosqueda confirmed the need to build a total rewards strategy that included salary and benefits, but noted this portion of the study focused solely on salary.

Commissioner Perdue questioned the total cost impact.

Mosqueda shared the potential cost impact over a three (3) year period. She noted the cost assumed all staff salaries were capped at their midpoint and did not include costs associated with increasing salary structures or merit raises.

Commissioner Perdue spoke to the need to develop a plan, not a temporary fix.

Fishel spoke to her interest in committing to a long-term compensation philosophy.

Commissioner Perdue noted potential issues associated with multiple grades and questioned if fewer grades will allow easier maintenance of the salary structure throughout the years.

Lawing shared his discussions with directors regarding pay grades and questioned if midpoint would be a fair starting point for top performers with longer tenure.

Commissioner Foster questioned how the number of grades was determined and if consolidating HR was considered.

Fishel noted the study does not consider consolidating HR, but shared this is a conversation that could be discussed in the future.

Commissioner Foster questioned how consolidation would impact the grades.

Fishel explained the job-slotting process and how HR determines pay grades.

County Attorney Mark Payne shared that most directors evaluate salary based upon experience and performance. He spoke to the importance of proper job slotting.

Commissioner Cashion questioned if the recommended salary structure will apply to all county employees.

Fishel confirmed the salary structures applies to all county employees and noted the three (3) types: Fire/EMT, Sheriff, all other county employees.

Commissioner Cashion questioned the benefits of consolidating multiple positions into the same grade and expressed her concern with the presentation not considering the total compensation package.

Fishel shared employees were provided total compensation statements that educated them on their benefits package. She noted this study only provides a first look and reiterated the need to develop a compensation philosophy.

Vice Chairman Phillips questioned if the cost impact scenarios were designed to address salaries for all employees.

Mosqueda noted this study only considered employees whose salaries were not at midpoint, or even minimum range, in the recommended pay structure.

Lawing requested Mosqueda review the step system for Fire/EMT and Sheriff salary structures and noted they are seeking Board feedback on these recommendations.

Mosqueda explained the salary structures and noted the step plan is based on performance and tenure. She shared the system allows staff to visualize the salary that can be achieved within a certain period of time, and that it can be used as a retention tool. Mosqueda noted the step system can change based upon market values.

Commissioner Henning spoke to the similarities between the recommended step process and a comparable military structure. He questioned the difference between the current proposed structures.

Lawing noted the current Law Enforcement plan is similar to the recommended, but noted Emergency Services does not currently use a step plan.

Mosqueda reviewed the recommended Fire/EMT plan and shared the parameters considered when moving staff between steps.

Commissioner Foster questioned if anyone could be hired above the minimum salary.

Fishel spoke to the need to create a compensation philosophy that included hiring closer to the midpoint, based upon experience.

Mosqueda stated the key to avoid compression is to consider experience, knowledge and other criteria when hiring. She shared the step system provides a base amount for salary increases – performance and tenure should be considered when determining annual raises.

Commissioner Alston questioned the percentage of employees making less than \$15.00/hour, if a cost scenario option is adopted.

Fishel shared 186 current employees make less than \$15.00/hour, with lowest hourly rate at \$11.17/hour.

Commissioner Alston questioned the number of staff whose salaries would transition to at least \$15.00/hour under the new salary structure.

Angela Miller stated it would cost \$574,000 to bring these staff up to \$15.00/hour, but this was not included in the study and would not address compression or benefits.

Commissioner Alston expressed concerns with this salary component not being included in the overall study.

Mosqueda clarified Commissioner Alston's question and confirmed they would provide him with information on the potential number of these staff impacted by the study, and the associated costs.

The Board expressed their concerns with pay grades 1-3 in the recommended salary structures.

Commissioner Conrad requested staff consider information from a recent employee survey when evaluating study options.

Fishel noted a new employee engagement survey has been drafted and will be sent to staff soon.

Chairman Branson requested staff provide minimum salary, job requirements, call volume and other data for 3-6 peer counties within the next 45-60 days. He requested this information considered when evaluating the recommended Fire/EMT and Sheriff pay structures. He thanked the Lockton team and staff for the presentation.

Angela Miller left the meeting at 3:59PM.

3. Republic Waste Franchise Agreement

Lawing introduced the topic and discussed the challenges Republic Waste has faced with recycling collection. He spoke to the potential need for a rate adjustment and noted the last rate change was in 2008.

Tony Krasienko, Municipal Sales Manager for Republic Waste, shared recycling trends and current market stressors. He explained that these market stressors have resulted in the commodity value of recyclable material no longer covering costs associated with collection and processing.

Krasienko noted the need to adjust the annual collection price to compensate for market changes in commodity value. He shared a residential survey with the Board indicating citizen willingness to continue curbside recycling programs and noted Republic is conducting outreach to increase public awareness, share economic concerns and educate the public on recycling best practices.

Krasienko introduced the proposed rate increases and compared the proposal to trash and recycling monthly rates in Forsyth and Alamance counties.

Chairman Branson expressed his concerns with approving a rate increase following a period of time with high volumes of customer service complaints.

Krasienko spoke to dramatic process improvements over the past year to address the complaints, and shared their attempts to retain quality employees.

Commissioner Conrad spoke to their improved customer service but noted citizens are still concerned about these prior service issues, which could impact the potential for a rate increase. He requested Republic provide performance-based information to constituents to support to the requested increase.

Krasienko shared the need to create a profitable market with competitive vendors through rate increases.

Commissioner Alston questioned the number of customers impacted by the rate increase and the injury rate amongst Republic drivers.

Krasienko noted Republic is 41% safer than industry standards and spoke to extensive training and safety incentives in place to minimize accidents.

Commissioner Alston questioned the total number of recycling service providers in the county.

Lawing noted there are five (5) other providers and authorized to provide service under the current \$16.50/month rate.

Commissioner Alston spoke to the increases in total program costs and reiterated there has been no rate increase in eleven (11) years. He questioned the timeframe for Board consideration.

Lawing stated the item could be considered in this work session or in a future meeting, if the Board requested additional information.

Commissioner Alston questioned the amount of notice customers would be provided prior to the implementing the rate change.

Krasienko stated they would provide clients a thirty (30) day notice prior to the rate change, but the increase would be reflected in their next invoice.

Chairman Branson expressed his concerns with Republic's proposed plan.

Lawing spoke to the benefits of sending mailers and posting rate change information on the county website.

Commissioner Conrad spoke to the need to provide additional notice and information to customers.

Krasienko spoke to the need to provide performance information to the county to ensure accountability.

Commissioner Perdue thanked Republic for the presentation and echoed Commissioner Conrad's concerns. He recommended reviewing the contract performance language and noted the potential to consider the change as a rate increase for Guilford County.

Commissioner Alston requested additional information on Republic's performance measures.

Commissioner Conrad shared examples of missed service incidents and spoke to certain service standards that should be included in the contract.

Dennis Moriarty, General Manager for Republic Waste, discussed the company policy on missed service and current performance standards in place.

Commissioner Alston questioned if these performance standards could be included in the county's agreement with Republic.

Moriarty confirmed these standards should be included in the agreement.

Payne spoke to performance standards as a way to enforce the requirements of the agreement, but noted it would be difficult ensure the vendor was adhering to these standards.

Commissioner Alston questioned if the company policy was made available to customers.

Moriarty noted they can and have communicated company policies to their customers.

The Board discussed including these policies and performance standards in the county agreement.

Commissioner Perdue left the meeting at 4:45PM.

Clyde Harding, Solid Waste Program Manager, spoke to the declining trend in customer complaints over the past two (2) months.

Moriarty spoke to recent staff fatalities and the company-wide measures implemented to address these safety-related issues.

Commissioner Alston requested staff include company policy information included in the county's agreement with Republic Waste.

Commissioner Cashion spoke to prior customer service concerns and noted the need to provide customers with sufficient notice of a potential rate change.

Moriarty shared potential options to communicate rate changes to customers.

4. LEC Project Scope Review and Finalization

Lawing introduced the item shared the need to finalize the project scope for the Law Enforcement Center (LEC).

Bruce Cantrell with J. Hyatt Hammond Associates, Inc., introduced the LEC site plan options and associated timeframes. He shared site plan Option A1 would render the transport tunnel

inoperable during demolition to expedite construction. He reviewed the Edgeworth Building options and noted the Board approved Option 1 - to renovate the existing building.

Commissioner Conrad noted the LEC Option A1 would save the county six (6) months on the project schedule and \$400,000 in expenses.

Commissioner Foster questioned the potential issues associated with closing the tunnel.

Sheriff Danny H. Rogers spoke to the need to keep the tunnel open for security purposes. He noted his staff recommended the Board approve site plan Option A, but expressed his concerns with the lack of available space for expansion.

Commissioner Alston noted none of the plans included third floor options.

Commissioner Henning questioned the differences square footage between Option A and Option C.

Cantrell stated Option C offers 90,000 additional square feet.

The Board discussed the various site options presented.

Captain Daryl Loftis presented site plan recommendations from the Sheriff's office. He confirmed they recommended Option A and spoke to the need for the tunnel to remain in operation for safe transport of inmates. Loftis shared the annual and daily number of transports over the prior four (4) years and noted the need for additional staffing to ensure safe top-side transport, if the tunnel was inoperable.

Motion made by Commissioner Melvin "Skip" Alston, seconded by Commissioner J. Carlvena Foster, to adopt the Law Enforcement Center site plan Option A.

Vice Chairman Phillips thanked Loftis for the presentation.

Commissioner Cashion questioned if the site plan options for Probation & Parole would be addressed.

Lawing stated the site options for Probation & Parole were not as urgent and staff would present these recommendations within a few weeks.

Commissioner Alston questioned the additional costs associated with ensuring footings in the LEC construction could support a third floor expansion.

Cantrell confirmed this option could be offered at a minimal cost.

Lawing spoke to the sequence of the work and noted a section of the tunnel would be built prior to demolition of the current LEC. During demolition, the new tunnel would be protected, but there could be additional costs associated with protection and possible repairs if demolition resulted in damage.

Commissioner Cashion noted the potential for additional costs associated with LEC site plan Option A.

Cantrell confirmed the proposal is a best estimate, based upon the current feasibility study.

Colonel Vic Maynard spoke to issues related to providing customer service in multiple buildings, in addition to parking concerns. He shared the need for a third floor in the LEC to house Law Enforcement staff in a central location.

Commissioner Alston called a point of order to the motion on floor.

Motion made by Commissioner Melvin “Skip” Alston, seconded by Commissioner J. Carlvena Foster, to adopt the Law Enforcement Center site plan Option A.

VOTE: Motion carried 7-0

AYES: Alan Branson, Jeff Phillips, Melvin “Skip” Alston, Justin Conrad, Hank Henning, Kay Cashion, J. Carlvena Foster.

NOES: None

ABSENT: Carolyn Q. Coleman, Alan Perdue

5. ADJOURN

There being no further business to discuss, the meeting adjourned by unanimous consent at 5:35PM.

Chairman

Clerk to Board