

**MINUTES OF BOARD OF COUNTY
COMMISSIONERS
OF GUILFORD COUNTY**

Greensboro, North Carolina
October 20, 2016

The Board of County Commissioners met in a duly noticed regular meeting on October 20, 2016 at 4:00PM, in the Commissioners' Meeting Room, 301 W. Market St., Greensboro; North Carolina.

PRESENT: Chairman Jeff Phillips, Vice Chairman Alan Branson (in at 5:01PM), Commissioners Carolyn Q. Coleman, Kay Cashion, Hank Henning, Alan Perdue, Justin Conrad, Ray Trapp (in at 4:58PM)

ABSENT: Commissioner J. Carlvena Foster,

ALSO PRESENT: County Manager Marty Lawing; County Attorney Mark Payne; Deputy County Manager Clarence Grier; Robin Keller, Clerk to Board; Ariane Webb, Deputy Clerk to Board; Mike Halford, Budget Director; Ben Chavis, Tax Director; J. Leslie Bell, Planning & Development Director; Jeff Fowler, Security Director; members of the community and media

I. WELCOME AND CALL TO ORDER

Chairman Phillips called the meeting to order at 4:12PM and welcomed those present.

II. NEW BUSINESS

A. 2016-392 GUILFORD COUNTY COMPLIANCE PLAN WITH FAIR LABOR STANDARDS ACT NEW OVERTIME REGULATIONS

Consider and approve Guilford County's plan for compliance with FLSA new overtime regulations.

[Legislation Text](#)

[Memo - FLSA NEW OT Regulations - MLawing](#)

County Manager Marty Lawing shared the purpose of the work session is to review the prepared compliance plan in accordance to the new Fair Labor Standards Act overtime regulations.

Lawing noted that the final overtime rules were released in May of 2016. Increasing the threshold for employees to be exempt from overtime from \$23,660 annually to \$47,476.

Lawing noted that the overtime exemption will increase every three years moving forward with the next increase scheduled for January 1, 2020.

He reported that staff looked at 307 positions in 14 departments that are currently classified as exempt to be moved to nonexempt.

Lawing reviewed the net financial impact for the associated pay adjustments for the identified positions. Lawing stated that in addition to the pay adjustments there will be additional overtime costs that will need to be monitored closely to remain within budgeted funds.

Coleman questioned the difference between overtime costs versus switching positions from non-exempt and the cost implication to the employees.

Coleman questioned those persons that are currently exempt moving to non-exempt positions making them eligible for overtime. Coleman asked why and how those positions were identified to be moved back to nonexempt.

Lawing stated that they assessed what was in the best interest of the county as well as the job tasks criteria.

Coleman questioned what criteria was utilized to move positions to exempt status.

Lawing stated that the assessments were based on the job and classification studies conducted in 2014. He noted that they did reassess those classifications. Lawing stated that they only have to meet the duties criteria to meet exemption status and are not necessarily based solely on management of others.

Coleman questioned some of the benefits of exemption status including time management.

Lawing stated that those time tracking determinations are made at the department level and that the time policy is not necessarily evenly administered.

Phillips questioned the current exempt classifications being moved to non-exempt was to allow overtime payment for hours worked over 40 per week.

Lawing confirmed that it would allow them to be paid overtime.

June Harley, Human Resources Manager reviewed the position adjustment spreadsheets. She noted that they looked at all exempt positions that fell below the 46K threshold. She shared that they then met with the effected department directors in late September to inform them of the changes.

Commissioner Coleman noted social services position, Eligibility Supervisor 1. She questioned if compression was factored into the salary adjustments for the FLSA changes. Coleman expressed concerns that the Board was not provided any information regarding compression or equity with each adjustment such as what the nearest supervisor is earning.

Ray Willis, Human Resources Employee Relations Manager noted that those positions are not provided on the sheet because they are over the threshold changes. And although not on the information provided Human Resources did look at compression and equity and the data is just not listed on the reports provided.

Coleman requested to see the full analysis.

Willis stated that they do have the data but do not have access to it, but will provide it after the meeting.

Perdue questioned if the adjustments will help to address the County's compression problems.

Harley noted that the positions reviewed were FLSA compliance only and not a compression study.

Perdue asked if the changes make the compression issues worse?

Harley reiterated that the review did not consider compression.

Perdue questioned how the pending legal actions regarding these changes will impact any decision the board makes.

Payne spoke to potential legal challenges.

Conrad questioned the number of difficult to fill positions impacted by the compliance adjustments.

Lawing stated that the primary position with retention issues was the environmental health position. He hoped by increasing the salary of those positions they will become more competitive.

Commissioner Cashion questioned the impact on the overall salary schedule and the moral implications for the adjustments.

Lawing noted that 21 states have filed an action in this matter. Lawing stated that once it is approved they want to notify the employees. Lawing stated that some business are choosing to reducing wages, so that when they pay overtime they don't go over budgeted funds. He noted that they are not recommending that practice for Guilford County.

Phillips questioned the salary adjustments for the remaining fiscal year.

Lawing stated that the final figures will most likely be half of the projected estimates; approximately One Hundred and Thirty-Five Thousand Dollars.

Commissioner Coleman questioned Harley's responses to the Board that they looked at compliance rather than compression, but that it was reported earlier in the meeting that a compression analysis was conducted and that the data would be available for board review.

Harley stated that a compression review was conducted.

Coleman asked if they did an equity study as well.

Willis confirmed that they did.

Coleman stated that the Board may have no choice but to approve these positions, but the County must address the pay of all the employees. Coleman asked if HR is looking into any other positions.

Willis stated that with exception of the environmental health and public health positions, the remaining positions have employees who have worked very few years of service in those positions. That many of the employees were recently promoted into supervisory roles.

Coleman noted that 15 new supervisory positions in one department is concerning.

Willis noted that turnover in DSS is around 13.5%; which is in normal range.

Phillips questioned if those employees with the county 5-10 years are competitively paid?

Willis stated that within the group provided for review, yes.

Trapp in at 4:58PM.

Henning questioned if the board waits on approving the adjustments, would there be any changes to the recommendation?

Conrad noted that he would second the motion but is uncomfortable doing such. He noted the Federal law and the approaching deadline.

Commissioner Perdue noted that if the Board moved forward with the approval tonight, they could motion to rescind the vote should the additional information between now and the deadline to comply creates concern the board could call a meeting to make the change at that time.

Payne stated that the possibility of any legal injunction is very limited at this time. He noted that the question before the board is how best to manage the changes.

Commissioner Coleman noted that this is at least the third time that something has been brought before the board with limited time to study and research the matter. She asked why staff why the data was delayed and expressed concerns with making a decision on the last day possible.

Cashion felt compelled to vote to due to time restrictions; however, felt that the matter was rushed.

Payne noted that although they have to vote on a decision that they are being asked to vote on the best method to implement.

Branson in at 5:01PM

Phillips shared that he will be voting in favor based on the equity and compression factors and will support staff's recommendation.

Commissioner Trapp asked how many Boards across the state are voting on the adjustments.

Lawing stated that the larger counties are handling administratively; however, that there is a financial impact that the board should be aware of and that the Board directed staff to bring it forward.

Trapp expressed concerns with the Legislative Board making an administrative decision and frustrations with similar items being brought before the Board.

Coleman expressed concerns with budgeting enough funds for the financial impact of the matter. Coleman expressed concerns in receiving time sensitive matters with little to no time for the Board to make an informed decision.

Cashion expressed reluctance in voting for the recommendation and spoke to the potential for options that were not discussed.

Phillips asked HR staff to clarify for the record that there are indeed no reductions in compensation to any of the positions and no negative impacts to the employees identified that the board is being asked to approve.

Harley and Willis confirmed that that there are none.

Motion was made by Hank Henning, and seconded by Justin Conrad to approve Guilford County's plan for compliance with FLSA new overtime regulations.

VOTE: Motion carried 6 - 2

AYES: Jeff Phillips, Alan Branson, Kay Cashion, Hank Henning, Alan Perdue, Justin Conrad

NOES: Carolyn Q. Coleman, Ray Trapp

III. ADJOURN

There being no further matters to discuss the meeting adjourned by unanimous consent at 5:14PM.

Chairman

Clerk