

October 26, 2020

The Washington County Board of Commissioners met in a recessed meeting on Monday, October 26, 2020 at 6:00 PM by using ZOOM—virtual meeting software (due to the COVID-19 pandemic) for Facebook Live Streaming and in person in the Commissioners' Room, 116 Adams Street, Plymouth, NC. Commissioners Johnson, Phelps, Riddick, Sexton and Walker were present. Also present were County Manager/County Attorney Curtis Potter, Clerk to the Board Julie J. Bennett and Finance Officer Missy Dixon.

Chair Phelps called the meeting to order.

CONSENT AGENDA: Commissioner Riddick made a motion to approve the Consent Agenda:

Items listed under Consent are generally of a routine nature. The Board may take action to approve/disapprove all items in a single vote. Any item may be withheld from a general action, to be discussed and voted upon separately at the discretion of the Board.

a) Budget Amendments/Budget Transfers

Commissioner Johnson seconded. Motion carried unanimously.

PUBLIC HEARING: REVALUATION DISCUSSION—SCHEDULE OF VALUES:

Commissioner Johnson made a motion to open the public hearing. Commissioner Riddick seconded. Motion carried unanimously.

There was no one signed up to speak at the public hearing.

Commissioner Riddick made a motion to close the public hearing. Commissioner Sexton seconded. Motion carried unanimously.

Commissioner Sexton made a motion to approve the Schedule of Values for 2021. Commissioner Riddick seconded. Motion carried unanimously.

RECOGNITION FOR RETIREES: Chair Phelps presented a Certificate of Appreciation to Gene Biggs from the Sheriff's Department, Francine Hines, Zina Rhodes, and Lynette Collins, all from DSS for their retirement.

Certificate of Appreciation

Presented To

Gene Biggs

In appreciation for serving as a dedicated employee
And providing excellent public service to the citizens and the
staff

Of Washington County as a

MAINTENANCE WORKER

ASSISTANT LANDFILL MANAGER

CHIEF LANDFILL OPERATOR

ANIMAL CONTROL OFFICER

2000 - 2020

WASHINGTON COUNTY BOARD OF COMMISSIONERS

OCTOBER 26, 2020

D. Cole Phelps, Chair

Certificate of Appreciation

Presented To

Francine Hines

In appreciation for serving as a dedicated employee
And providing excellent public service to the citizens and the
staff

Of Washington County as the

DEPARTMENT OF SOCIAL SERVICES

ELIGIBILITY SPECIALIST & INVESTIGATOR

SOCIAL WORKER I & II

ADULT SOCIAL WORK, ADULT SERVICES SUPERVISOR

SOCIAL WORK SUPERVISOR III

1979 - 2020

WASHINGTON COUNTY BOARD OF COMMISSIONERS

OCTOBER 26, 2020

D. Cole Phelps, Chair

Certificate of Appreciation

Presented To

Zina Rhodes

In appreciation for serving as a dedicated employee
And providing excellent public service to the citizens and the
staff

Of Washington County as the

DEPARTMENT OF SOCIAL SERVICES

SOCIAL WORKER TRAINEE & III

**ADULT SERVICES UNIT, ADULT PROTECTIVE SERVICES
WORKER**

**ADMINISTRATIVE ASSISTANT III, RIVERLIGHT TRANSIT
SUPERVISOR**

2009 - 2020

WASHINGTON COUNTY BOARD OF COMMISSIONERS

OCTOBER 26, 2020

Certificate of Appreciation

Presented To

**Lynnette
Collins**

In appreciation for serving as a dedicated employee
And providing excellent public service to the citizens and the
staff

Of Washington County as the

DEPARTMENT OF SOCIAL SERVICES

SOCIAL WORKER I & III

**CHILD PROTECTIVE SERVICES, FOSTER CARE WORKER
ADULT SERVICES UNIT, ADULT PROTECTIVE SERVICES
WORKER**

2015 - 2020

WASHINGTON COUNTY BOARD OF COMMISSIONERS

OCTOBER 26 , 2020

D. Cole Phelps, Chair

COMPENSATION UPDATE: Mr. Potter, CM/CA spoke to the Board regarding his memo below.

COUNTY OF WASHINGTON
BOARD OF COMMISSIONERS

COMMISSIONERS:
D. COLE PHELPS, CHAIR
JENNIFER C. RIDDICK, VICE-CHAIR
TRACEY A. JOHNSON
WILLIAM "BILL" R. SEXTON, JR.
JULIUS WALKER, JR.



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CLERK TO THE BOARD
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BOARD AGENDA ITEM MEMO

MEMO DATE: October 22, 2020 **FOR BOCC MEETING ON:** October 26, 2020

SUBJECT: FY21 Compensation Study Progress Update & Discussion

DEPARTMENT: Management/Finance/HR

FROM: Curtis S. Potter, County Manager/County Attorney (CM/CA)

ATTACHMENTS:

A- N/A

PURPOSE: To provide an update regarding the current status of the internally conducted Washington County Compensation Study, and to seek Board approval to finalize the implementation of the proposed modifications to the Washington County compensation plan.

I. SUMMARY BACKGROUND: For additional background and more detailed information on this matter, including without limitation the determination by the Board and Management in recent years of a serious and growing need to comprehensively review and address countywide employee compensation practices in order to resolve growing employee morale, recruitment and retention issues that have increasingly led to higher employee turnover, loss of institutional knowledge, and loss of departmental and administrative productivity, all of which indirectly lead to a reduction in the quantity and quality of public services provided by Washington County to its citizens, refer to:

- a. County Manager's Budget Messages for FY19, FY20, and FY21;
- b. County Manager's Compensation Study Board Agenda Item Memo Dated: 7/30/20 & 8/6/20.
- c. 9/21/20 Board Meeting where the Board took the following action:
 - i. Voted to add a 17th step to the current 16 step non-DSS county salary schedule creating making the number of steps consistent with the 17 step DSS salary schedule, and to insure a true middle step.
 - ii. Voted to approve reclassifying six positions in DSS (pending NC DHHS's agreement re justification)
 - iii. Voted to approve the grade modifications recommended by the County Manager from the first phase of the compensation study which entailed a review of comparable salary grades/ranges for similar positions within surrounding counties.

- iv. Discussed the pros and cons of various different compensation models, strategies and options for establishing a more uniform employee compensation system.
 1. The Board expressed a general desire to avoid relying primarily on a Cost of Living Adjustment factor to adjust salaries periodically, as well as a desire to reduce or stop the use of other ad-hoc salary review and modification strategies which have been applied in more recent years with varying degrees of success.
 2. The Board discussed the possibility of incorporating regular performance reviews into the compensation model. Management acknowledged the organizational need and value for continuing to try to develop and use a countywide performance evaluation process as a tool to more proactively monitor and direct employee performance and improvement, but recommended against trying to establish a new salary compensation model around performance reviews at this time due to: 1) the amount of time and resources required to actually successfully implement a performance review process given the current HR staffing levels and amount of work load on existing administrative employees, 2) the danger posed by the always present subjectivity component which cannot be fully eliminated from a performance review process, and 3) the unintended and likely counter-productive consequences of tying the primary factor for employee pay increases to a regular performance review process. Therefore staff recommended for the time being to continue pursuing the development of a comprehensive performance review tool for all employees in order to realize the value of such a tool for improving and holding employees accountable for the performance of their duties, but not to include it as a component of the salary compensation model at this time. Such a tool once further developed and implemented more consistently on a countywide basis could be incorporated into the salary compensation model at a later date if deemed necessary or desirable.
 3. To propose a compensation system model consistent with the Board's input, and designed to increase the consistency, uniformity, and equitableness of overall countywide periodic salary modifications, staff proposed considering the implementation of an automatic step progression plan relying on a basic underlying years of service/experience formula to initially set employees more equitably on the appropriate pay grade/range applicable to their position, and to subsequently progress them forward across the remaining steps within that pay grade/range up to the maximum 17th step in the salary schedule in accordance with the following proposed basic principles:
 - a. 1 step per each year of relevant service/experience up to the first 6 years (steps 2 to 7)
 - b. 1 step per each additional 2 years of relevant service/experience after the first 6 years up to the maximum available step which would be reached after 26 years of relevant service/experience (steps 8 to 17)

- c. The staggered progression of this proposed plan aims to stagger increasing costs for more experienced employees while still increasing recruitment competitiveness and overall employee retention particularly for line level or less experienced positions.
- d. The staggered progression of this proposed plan is also still considered equitable for more experienced employees due to the fact that the actual dollar differences realized by the approximately 2.5% increases between steps becomes progressively larger with each upward step progression.
- v. Directed staff to bring the estimated costs of the approved grade modifications as well as the details and estimated costs of the proposed experience based step progression model back to the Board in October for further discussion and consideration.

II. ADDITIONAL REVIEW, ANALYSIS, & RECOMMENDATIONS:

- a. Further Review of 11 Comparative Counties:
 - i. 401k Plans:
 - a. Martin County has a free 3% match for non LEO.
 - b. Bertie county has a 3% match (employee cost unknown) for non LEO.
 - c. Pasquotank has a 5% match (employee cost unknown) for non LEO
 - d. Beaufort County has a 1% match (employee cost unknown) for non LEO.
 - e. Tyrrell, Hyde, Jones, Perquimans, Hertford, have no 401k program.
 - f. Pamlico & Chowan (undetermined).
 - ii. Weekly Hours: Of the 11 comparable counties, 9 work 40 hours per week. Bertie & Hertford work 37.5. This arguably amounts to as much as a 6.25% increase in Washington County's effective rate of pay compared with the other 40 hour per week counties.
- b. Additional Reclassification of Senior Center Office Assistant Recommended: Originally requested by the Senior Center Director earlier this spring as well as again more recently during discussions about the pending compensation study. Management has had sufficient time to review and now concurs with the request after consideration of the duties actually assigned and performed by this position, and recommends this reclassification which is also time sensitive given the need to begin advertising to fill this currently vacant position as soon as possible. If approved this would move this position from a Grade 7 (\$20,625 – \$30,598) to a Grade 14 (\$27,554-\$40,835).
- c. After further review and analysis, the following changes to the originally recommended grade modifications are now proposed as part of the overall plan recommended:
 - i. EMT Basic: From Grade 10 to 11 rather than 12
 - ii. EMT Intermediate: From Grade 11 to 13 rather than 14
 - iii. Water Treatment Plant Operator: From Grade 27 to Grade 24
 - iv. Water Tech I from Grade 11 to Grade 12 rather than 13
 - v. Maint Tech II from Grade 15 to Grade 14
 - vi. Chief Detention Officer: Leave at Grade 23
 - vii. Assist Reg of Deeds: From Grade 11 to Grade 12 rather than Grade 13

III. SUMMARY OF DEVELOPMENT OF A PROPOSED EXPERIENCE BASED STEP PROGRESSION COMPENSATION PLAN:

To create a more practically affordable and equitable progression system, staff developed and recommends using a “years of relevant experience or (“YORE”) factor to be uniquely established for each current and future full time employee based on their actual years of relevant experience, and to be utilized in the recurring evaluation of progressing employees within their applicable position’s pay grade/range as follows:

- a. **Initial YORE Factor Determination:** Each full time employee’s years of relevant experience will be carefully evaluated (at plan implementation for existing employees, and at the initial hiring process for new employees). A specific YORE factor will be assigned based on this evaluation and tracked on an annual basis for salary schedule progression purposes for each employee. In evaluating such experience, credit for prior years of relevant experience should generally be provided as follows:
 - i. 100% credit: (1 year) for each full year of directly related comparable experience performing work that consisted of the same or substantially similar duties to those assigned to the applicable position.
 - ii. 50% credit: (.5 years) for each full year of indirectly related partially comparable experience performing work that consisted of at least 50% of the same or substantially similar duties to those assigned to the applicable position.
 - 1. Additionally, for supervisory level positions only, an employee’s years of experience spent working in an immediately subordinate position within the same department or within a substantially similar local government or comparable private department which performed the same or substantially similar duties as the department supervised by the employee, should also be considered at 50% credit (.5 years) for each full year of service in an immediately subordinate position.
 - 2. Notwithstanding the foregoing, for departments with multiple levels of subordinate positions, or for positions with multiple levels of training/certifications for which different pay grades/ranges are established, any time spent by an employee in any non-immediately subordinate or non-immediately lower level of certified position in the same department, is generally considered too distantly related from the duties of the supervisory position in question, and therefore should not be given any credit for YORE purposes.
 - iii. Part-Time credit: Part-Time experience is generally not considered adequate for the provision of any YORE credit. However, in situations where an employee has consistently worked a large number of part-time hours performing the same or substantially similar duties as the relevant position, the County Manager may approve partial credit for such work on a case by case basis.
 - 1. Part-time employees are generally NOT eligible to participate in the YORE based step progression compensation plan, and therefore will not generally have an evaluation, assignment, or tracking of their years of relevant experience for YORE purposes.

2. Part-time employees should generally perform their duties on an hourly basis at the starting step of the pay grade/range assigned to the applicable position unless otherwise agreed in writing by the County Manager.
- iv. Additional credit: In certain unusual or extraordinary circumstances, additional YORE credit may be authorized on a case by case basis when such circumstances warrant or require such credit. Any such additional YORE credit shall be carefully considered in terms of its equitableness and impact within the overall salary schedule, and shall be carefully explained and justified in writing and approved by the County Manager.
- v. Rounding: For purposes of calculating an employee's YORE factor, decimal values for partial years of prior relevant experience, and also from calculations of any partial credit applied to any years of prior relevant experience, should all be rounded down to the lowest whole number.
- vi. Default YORE: If an initial YORE factor is not established for any new or existing employee for any reason, by default it will be set, subject to re-evaluation by the County Manager, at the lowest YORE factor corresponding to the employee's assigned pay step within the salary schedule.
- vii. Re-evaluation: An employee's YORE factor should be re-evaluated upon any of the following:
 1. Internal promotion or transfer
 2. Rehiring of a previous employee
 3. Reclassification of a position's assigned pay grade/range.
 4. Other circumstances brought to the attention of or which in the opinion of HR Specialist, Finance Officer, or County Manager warrants re-evaluation to maintain the equitableness and integrity of the overall salary schedule and county pay plan administration.
- b. Step Progression System Based on YORE factors: Due to a variety of practical and logistical challenges related to trying to actually administer an automatically progressing salary schedule system based on YORE, staff recommends updating each employee's YORE factor once per year on a single pre-determined anniversary date (similar to the way staff already tracks, evaluates, and awards longevity pay once per year).
 - i. Any date selected practically needs to be the beginning of a monthly pay period for logistical reasons. The two most efficient dates in this regard would be 7/16 at the start of the new fiscal year, or 11/16 around the same time that service awards are evaluated. There are pros and cons to either choice, but staff's recommendation at this time based on the Board's desire to implement the proposed plan as quickly as possible is ultimately to utilize the 11/16/20 date to calculate initial YORE factors for each employee, and to make any resulting salary adjustments effective with the beginning of the December pay period (12/16/20).

IV. FINANCIAL ANALYSIS & IMPACTS: The following preliminarily estimated costs are projected in association with adopting and applying the currently proposed components of the compensation study.

- a. Estimates are broken down within the table below reflecting various different costs, reimbursements, and effective costs both annually and for the duration of FY21.
- b. Due to anticipated effective date not occurring until 12/16/20, a rough estimate of the actual costs of the plan for purposes of the current FY21 budget year is approximately 1/3 of the annual estimate.

CURRENT COSTS	Base Salaries	Total Expenses (Salaries & Benefits)
FY21 Salaries Budget Proposed by County Manager with few salary adjustments due to COVID19 imposed revenue reduction safeguards.	5,700,125	9,851,409
FY 21 Salaries Budget Currently Approved by Board including initial round of salary modifications made before budget adoption.	5,786,026	9,970,573
Difference (first round of Board approved salary adjustments)	85,901	119,164
ESTIMATED COSTS OF GRADE MODIFICATIONS ALONE		
Est. Cost of Just Approving Proposed Grade Modifications	5,928,498	10,146,070
Annual Diff w/ Current FY21 Budget	142,472	175,497
EST. TOTAL COSTS OF GRADE MOD & YORE BASED STEP PROGRESSION SYSTEM		
Est. Cost of Approving Grade Modification & Implementing Step Progression Model Based on YORE	6,063,614	10,335,636
Annual Diff w/ Current FY21 Budget	277,588	365,063
Est. Additional State DSS Revenue 50% Reimbursement of Base DSS Salaries	+75,000	+100,000
Est. Annual Cost in Local County Dollars	202,518	265,063
Est. FY21 Additional Costs in Local Dollars (Due to 12/16/20 Effective Date)	101,259	132,582

- c. Future costs are difficult to project with any real degree of certainty as they will fluctuate with employee turnover, and are expected to increase over the next few years as recruitment and retention of employees increases. FY22 and FY23 costs are anticipated to grow by no more than 2% each year based on the fact that maximum progression for employees between steps 0 and 6 is 2.5% each year, and half of that or 1.25% for the remainder of employees subject to bi-annual progression within steps 7 to 17.
- d. Management and the Board should carefully monitor the overall performance of the plan and make adjustments as needed to control unexpected inflations in costs which can be subsequently controlled through a variety of optional measures without nullifying the intent and effect of the overall progression system as it relates to improving morale, recruitment and retention. These adjustments can effectively be made in any required year before November, and may include:
 - i. Lowering credit % provided for establishing initial YORE factors.
 - ii. Lowering YORE factor values assigned to corresponding steps to slow progression.
 - iii. Modifying the actual corresponding salary schedule values
 - iv. Incorporating a performance review component

- V. **RECOMMENDATION(S):** After reviewing and discussing the proposed YORE based step progression compensation plan and projected cost estimates, staff recommends the Board take action as follows:
- a. Motion to accept and approve the recommendations of staff to create and implement a years of relevant experience based step progression compensation plan, and to direct staff to prepare and bring back to the Board for final approval at its November 2nd 2020 Board Meeting the following:
 - i. Resolution formally adopting the incorporation of the proposed compensation plan into the personnel policy
 - ii. Revised Salary Schedules
 - iii. Budget Amendment to fund the estimated FY21 costs of implementing the proposed plan effective 12/16/20.

¹Note: Staff anticipates preparing a simplified budget amendment to appropriate the total estimated costs for plan implementation from appropriated fund balance into one or more salary contingency lines in the budget. Transfers to individual departmental lines will then be made by the Budget Officer and Finance Officer as needed based on the finalization of current estimates during the month of November.

²Note: Staff also anticipates preparing a "Punch List" of remaining positions as previously noted which require further more in depth review and analysis before a final recommendation can be made in terms of the appropriateness of the pay grade/range assigned to such positions.

As previously noted, the Washington County Sheriff's Office (which is the only personnel group not yet comprehensively evaluated and incorporated into the overall YORE based step progression compensation plan or cost estimates, also requires additional review and analysis before any further recommendations can be made with regard to its incorporation within the overall YORE based step progression compensation plan.

This punch list is anticipated to include the following:

- Veteran's Service Officer (Unique PT & Certification Status)
- Landfill Staff (lack of comparable data)
- Code Enforcement Officer (Dependent Upon Reorganization of Duties/Depts)
- Tax Office (Scope of Duties/Titles Assigned)
- Deputy Finance Officer (Scope of Duties)
- Utilities Director (Scope of Duties/System Comparison)
- Airport Director (Lack of Comparable Data)
- DSS IT Administrator (Scope of Duties)

- DSS Director (step assignment)
- Sheriff's Office LEOs (Position Structure & Progression Analysis)

Mr. Potter said he will bring back a resolution to approve this compensation plan as part of the personnel policy

Commissioner Sexton asked Mr. Potter to turn to page 3. Commissioner Sexton said he knows that most of the County employees work 37.5 hours a week, but this plan is based on 40 hours a week. Mr. Potter said some employees do work 40 hours a week. Mr. Potter said he found out this afternoon that Tyrrell County uses 3 different work schedules: 35 hour, 37.5 hour and 40 hours. Commissioner Sexton said fully supports the Compensation Study Plan, but feels that it's not fair that all employees don't work all the same hours. Commissioner Sexton asked Mr. Potter if the plan can be modified. Mr. Potter said yes it can be and he can bring it back at the next meeting but might impact some of the grades by lowering them.

Commissioner Walker asked how many employees we have working 40 hours. Ms. Dixon said the following departments work 40 hours: Sheriff's Office, EMS, and Detention.

Chair Phelps said he agrees with Commissioner Sexton about moving forward with the Compensation Study Plan and making it fair to all.

Mr. Potter said the wanted to point out on page 3, under item B the line for the Office Assistant for the Senior Center. He is making it an Administrative Assistant and he agrees with Ms. Joyner (Senior Center Director) that it should be an Administrative Assistant position.

Mr. Potter told the Commissioners that they will see that a few positions will be pulled backwards but will get the benefits moving forward.

Commissioner Walker asked about the punch list. Mr. Potter said that is a list of positions that will have to have their grade reset. This punch list is anticipated to include the following:

- Veteran's Service Officer (Unique PT & Certification Status)
- Landfill Staff (lack of comparable data)
- Code Enforcement Officer (Dependent Upon Reorganization of Duties/Depts)
- Tax Office (Scope of Duties/Titles Assigned)
- Deputy Finance Officer (Scope of Duties)
- Utilities Director (Scope of Duties/System Comparison)
- Airport Director (Lack of Comparable Data)
- DSS IT Administrator (Scope of Duties)

- DSS Director (step assignment)
- Sheriff's Office LEOs (Position Structure & Progression Analysis)

Commissioner Sexton made a motion to accept and approve the Compensation Study Plan and its recommendations of staff to create and implement a years of relevant experience based step progression compensation plan, and to direct staff to prepare and bring back to the Board for final approval at its November 2nd, 2020 Board Meeting the following:

i. Resolution formally adopting the incorporation of the proposed compensation plan into the personnel policy

ii. Revised Salary Schedules

iii. Budget Amendment to fund the estimated FY21 costs of implementing the proposed plan effective 12/16/20

and reclassify the Senior Center Office Assistant as an Administration Assistant. Commissioner Riddick seconded. Motion carried unanimously

At 6:35 PM, with no further business to discuss, **Commissioner Johnson made a motion to adjourn. Commissioner Riddick seconded. motion carried unanimously.**

D. Cole Phelps
Chair

Julie J. Bennett, CMC, NCMCC
Clerk to the Board