

**COLUMBUS COUNTY BOARD OF COMMISSIONERS  
PAY PLAN STUDY WORKSHOP**

**Monday, April 09, 2012  
5:00 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina, for the purpose of conducting a Pay Plan Study Workshop.

**COMMISSIONERS PRESENT:**

Amon E. McKenzie, **Chairman** (Arrived: 5:19 P.M.)  
Charles T. McDowell, **Vice Chairman**  
James E. Prevatte  
Giles E. Byrd  
P. Edwin Russ  
Ricky Bullard

**APPOINTEES PRESENT:**

William S. Clark, **County Manager**  
Mike Stephens, **County Attorney**  
June B. Hall, **Clerk to Board**  
Bobbie Faircloth, **Finance Officer**

**COMMISSIONER ABSENT:**

Lynwood Norris

**Agenda Items #1 and #2: CALLED TO ORDER AND INVOCATION:**

In the absence of Chairman Amon E. McKenzie, Vice Chairman Charles T. McDowell called the April 09, 2012 Pay Plan Study Workshop to order. The invocation was delivered by Vice Chairman McDowell. The purpose of this workshop is to have a presentation on a pay study.

**Agenda Item #3: WORKSHOP MEETINGS DEFINED:**

Vice Chairman Charles T. McDowell stated the following:  
First, the meeting is to inform the Board and permit discussion - no final action is taken; **and**  
Second, the procedures are less formal than at a regular meeting. But such meetings are part of the decision-making process; deliberations are going on. Therefore, they constitute "official meetings".

We would like to recognize Rebecca Veazey. She will be making the presentation for us, and if you have any questions, log then, and at the appropriate time, we will allow her to address those questions.

**Agenda Item #4: PRESENTATION OF PAY PLAN STUDY:**

- Rebecca Veazey, MAPS Group, made the following presentation.
1. MAPS Group stands for Management and Personnel Services Group;
  2. I would like to walk you through some information on the process that we followed in doing this study and the methodology that we applied;
  3. Any questions that you have, as we go through, I will be happy to answer them;
  4. After we go through the presentation, then I will pass out the study and walk you through what is there, highlight some particular issues, and answer questions;
  5. I will leave this study with you, then come back after you have had time to look over everything, and respond to any other questions that you have.
  6. Why does an organization need to have a Classification Pay Plan, and why does that Classification Pay Plan need to be periodically updated?
  7. When we talk about classification pay, we are really taking about two (2) sides of the same coin, the classification side of the coin, and the pay side of the coin;
  8. The classification side of the coin is looking at what are the duties in the job, how do those duties compare to other jobs, are they very similar, are they similar enough to have the same title, are they different, and if they are different, then ranking those jobs in terms of which requires more education, more experience, more knowledge, more responsibility, and which requires less. What is the appropriate title for the job?;
  9. Over the course of time, duties can change and the titles need to change to reflect that, and sometimes titles get old fashioned or they are just not accurate anymore;
  10. In some cases, we have recommended some different titles;

11. Capturing the essence of each job is something we call a Class Specification what people sometimes refer to as a job description;
12. The six (6) reasons you need a Classification Pay Plan is as follows:
  1. Recruit and retain employees;
  2. Internal equity (looked at vertically and horizontally);
  3. Range movement/reward;
  4. Equal pay for equal work;
  5. Maximize cost effectiveness; **and**
  6. Defensive systems - 2 parts:
    - legal sense; **and**
    - professional methodology;
13. The steps used in the study are as follows:
  1. Identify the need (typically, organizations do studies like these every three (3) to five (5) years). Two (2) things are going on that create the need for periodic update as follows:
    - A. Jobs change (duties) - new technology, new services, new regulations, re-organizations; **and**
    - B. Market changes at different rates for different jobs;
  2. Employee orientation;
  3. Questionnaires;
  4. Interviews;
  5. Analysis - write class specifications and gathered salary data;
  6. Wrote the report;
  7. Draft report received by organization;
  8. Got some feedback and made a few tweaks;
  9. Presentation to the Board of County Commissioners; **and**
  10. Implementation.
14. Methodology discussion:
  1. The terms that I have been using are as follows:
    - The difference between a position and a classification:
      - you can have multiple-position classifications and you can have single-position classifications;
      - the only time we put multiple positions in the same classification is when all of the jobs are similar enough that anyone job applicant with a given set of knowledge, skills and abilities could do any of the jobs;
      - the class specification is similar to a job description. The difference is, a job description describes a single position. The class specification is a little broader, more generalized and it describes all the positions in the classification.
  2. What do they do, what education, experience, certifications, knowledge, skills and abilities do they need to have;
  3. The most important distinction up here, very important, is the difference between an employee and a position, very important;
  4. The Classification Plan and the Position Classification Plan is not an employee Classification Plan;
  5. What that means is the Classification Plan is intended to represent the job that the County has to be done, not the people who are doing those jobs;
  6. The Classification Plan should be accurate as people come and go because it reflects the work to be done, not who happens to be doing that work at the time of doing so; **and**
  7. We can classify vacant positions, and in some cases did.
15. The following are a list of things that are most frequently misunderstood about classification, and these are not classification factors:
  1. Volume of work;
  2. Length of service
  3. Employee qualifications; **and**
  4. Employee work performance;
16. The following are the classification factors that we do use to determine which jobs are at the same classification level and which jobs are at different classification levels:
  1. Mental difficulty, complexity and variety of work;
  2. Public contacts;
  3. Education and experience required;
  4. Work environment and hazards
  5. Physical effort;

6. Supervision given; **and**
7. Supervision received; **and**
17. There are four (4) primary components to compensation, whether public sector or private sector:
  - I. What is the proper classification and Range Revisions;
  - II. Annual Market Adjustment (COLA);
  - III. Merit/Performance pay (range movement); **and**
  - IV. Longevity Pay.

**Discussion:**

**Commissioner Prevatte:** The state does not do performance evaluation.

**Becky Veazey:** They have not in a while. Local governments do. The State does not.

**Commissioner Prevatte:** They do salary steps, and they have froze the salary steps for a while.

**Becky Veazey:** It depends on where you work. The Highway Patrol is still moving through the steps.

**Commissioner Bullard:** What reason are you finding for some of the government agencies doing performance increases and the other ones not? What is the negative side of doing it?

**Becky Veazey:** You should **not do it** unless you got a good system, and you have your folks well trained. You should **not do it** if politics are going to get involved. These are probably the three (3) really important pieces. That is the reason the State stopped. They had a good system, but politics kept getting involved. The local governments that do it allow the manager to do it as part of their responsibility.

**Vice Chairman McDowell:** How large do you define the local market?

**Becky Veazey:** Surrounding counties is what we looked at - Bladen, Hoke, Pender, Brunswick, Robeson, City of Whiteville and the City of Lumberton.

**Becky Veazey:** stated the following:

1. I want to illustrate a little bit more on how the Play Plan is intended to work;
2. What we have recommended to you are Pay Grades, which you have now, and a range, right now you have steps;
3. Most places have gotten away from steps and gone to what we call open range, they have a Hiring Rate, Minimum, Mid Point and Maximum;
4. The grades are intended to represent the jobs;
5. If you reach the top of the maximum amount in the grade, then you have to receive a promotion to a different grade for an increase;
6. The Board can approve moving a grade up, the grade and the job stay together;
7. The range is where the employee comes in;
8. This is the infrastructure;
9. Once in place, there needs to be some consistent method of moving employees across that range;
10. If that method is performance, what that means is that periodically employees are considered as to whether or how much of an increase each person has earned;
11. There is a seniority component to a performance method because the longer somebody is here, the more opportunities they have to earn an increase and move across the range;
12. The performance piece is the better job somebody does, the more frequent or the larger the increase, and the faster they move across the range;
13. The kind of distribution that you would hope to see in a performance-paid system, you would hope to see long-term, high performance employees, that have been here a long time and are doing a really good job in the top part of the pay range;
14. You would expect to see middle-term high performers and long-term middle performers in the middle part of the pay range; **and**
15. You would expect to see the short-term, low performers in the beginning of the pay range.

**Commissioner Prevatte:** Are you saying that with a 5% increase, you would move up on the pay range.

**Becky Veazey:** That is different than the cost-of-living. If you do a 2% cost-of-living, you would increase all the amounts across the range by 2%.

16. One of the analyses that we did, we do what is called a Distribution Analysis, and what that means is we look at where all the employees are and all the different jobs, and all the different grades and all the different ranges, where are they? We then input all this

- information into pie charts;
17. When we do that, what we hope to see is something that looks sort of like a bell-shaped curve in a long-term stable organization, which you are;
  18. What that typically means is that 2/3's of the employees will be in the middle 1/3;
  19. Unfortunately sometimes when we do this analysis, instead of that bell-shaped curve, what we see is something that looks like a ski sloop, and that is called compression;
  20. What this means is the majority of the employees are compressed in the beginning part of the ranges;
  21. There are two (2) potential significant problems with compression as follows:
    - A. Hiring problem; **and**
    - B. Morale - leads to turnover;
  22. In the Classification and Pay Study, on Page 3, you will find the Organizational Chart, and this represents, as we understand it, current reporting relationships, and our recommended title;
  23. The Report Summary is a thumbnail sketch of each different classification;
  24. On Page 50, we are recommending a fifty (50%) percent range percentage;
  25. We are recommending the following implementation strategies:

### **Phase I Strategy:**

#### **Option 1 - Recommended**

Option 1 places employees into the new recommended ranges by placing each employee at least at the minimum position in the range (probation completion) and then moves employees further into the range by 1% for each year of service up to midpoint.

Initial cost to implement Option 1	\$2,065,399
Cost as a percentage of payroll	14.09%

#### **Option II - Year One**

Option II reduces the recommended salary table by 11%. This still represents a 12% increase over the current salary table in the lower grades. In addition, instead of placing employees on the salary range at minimum plus 1% per year of service up to midpoint, it places employees at minimum plus 0.5% per year of service up to midpoint. This phase in option means that hiring rates are still 11% below recommended and compression is still worse than recommended.

Cost to implement Option II	\$505,418
Cost as a percentage of payroll	3.45%

It is important to note that although the average employee salary catch up in this option is 3.46%. Increases are going to only the most underpaid employees. Some catch up amounts are greater than 3.46% and some are less.

#### **Option III - Year Two**

Option III reduces the recommended salary table by 8%. This still represents a 16% increase over the current salary table in the lower grades. This option places employees on the salary range at minimum plus 1% per year of service, raising it from Option II that is at minimum plus 0.5% per year of service. This phase in option means that hiring rates are still 8% below recommended and but addresses compression to some extent.

Cost to implement Option II	\$513,293
Cost as a percentage of payroll	3.5%

It is important to note that although the average employee salary catch up in this option is 3.48%, increases are going to only the most underpaid employees. Some catch up amounts are greater than 3.48% and some are less.

### **Years Three and Four**

Because there will be turnover and other changes before year three, we will calculate years three and four at the time it is needed.

It is important to note that some portion (40%?) of the cost for implementation of the Health and DSS positions will be paid by the state and other cost are in other funds such as Water Districts.;

26. During those four (4) years, if your competitors are doing cost-of-living increases, then you will need to keep that in mind;
27. On page 49, the recommended Option 1 is not a bell-shaped curve, but it is not a complete ski sloop;
28. Option 2, year 1, unfortunately gives you the ski sloop;
29. Option 3, year 2 (bottom of page), you can see improvement a fair amount.

**Vice Chairman McDowell:** On page 47, Option III, Year Two, it states the catchup would be greater for lower salary employees to get them up to a more competitive rate. Is this at a higher grade?

**Becky Veazey:** In each case, what this is saying is the cost of the percentage of payroll, that is an average. There are some people who will get more, and some people will get less. What happens in all of these options is the people who are the most underpaid get the biggest increase.

30. On Pages 51 - 55, Assignment of jobs to pay ranges, if you did what we recommend all at once, which you probably cannot do;
31. On Page 56, is the Year One Phase in Salary Schedule;
32. On Page 57, is the Year Two Phase In Salary Schedule;
33. On Pages 58-63, are Year One, what the ranges would be;
34. If a two (2%) percent cost-of-living increase is given, everything changes across the board;
35. Starting on Page 65, is the Salary Survey that was used to do this study;
36. We have made some Management and Personnel Policy recommendations;
37. We have done a comparison of benefits;
38. To enhance your competitiveness, you could add to your vacation and sick days; **and**
39. We have prepared an Employment Application that we thought would be helpful.

**Agenda Item #5: ADJOURNMENT:**

At 6:15 P.M., Chairman McKenzie stated the workshop was adjourned.

**APPROVED:**

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**JUNE B. HALL, Clerk to Board**

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**AMON E. McKENZIE, Chairman**