

**TOWN OF SILER CITY**

The Siler City Board of Commissioners met in Special Session on **Thursday, December 10, 2015** at 6:30pm in City Hall Courtroom with Mayor John Grimes presiding. Mayor Grimes gave the invocation with the recitation of the Pledge of Allegiance following.

**ELECTED TOWN OFFICIALS PRESENT:** Cindy Bray, Larry Cheek, Mike Constantino, John Grimes, Bill Haiges, and Thomas "Chip" Price and Tony Siler.

**ELECTED TOWN OFFICIALS ABSENT:** Lewis Fadely

**TOWN STAFF PRESENT:** Town Manager Bryan Thompson, Finance Director Tammy Speicher, Planning Director Jack Meadows, Parks and Recreation Director Jessica Puckett, Police Chief Gary Tyson, Public Works Director Terry Green, and Town Clerk Jenifer Everage.

**AGENDA ADJUSTMENTS/APPROVAL OF AGENDA**

Mayor Pro Tem Cheek asked to add a TARPO update under Old Business, Thompson asked to add Employee Gifts under Old Business and remove annexation petitions from New Business.

*A motion to approve the agenda with the adjustments was made by Commissioner Siler, seconded by Commissioner Haiges and unanimously approved.*

**OLD BUSINESS****Loves Creek Greenway Update**

Thompson stated that Mike Apke of McGill Associates is here to update the Board of Commissioner on the Loves Creek Greenway, which is nearing completion. Meadows and Apke updated the Board of Commissioners on the project. (Incorporation by reference as if fully set forth herein Schedule A) The update included signs, fencing, flowing, guard rails, safety, future funding. Meadows shared a supplemental agreement from NCDOT for the project.

*A motion to approve the NCDOT Supplemental Agreement EB-5004, Loves Creek Greenway WBS Element 45521.3.1 as presented was made by Commissioner Price, seconded by Commissioner Haiges and unanimously approved.*

**TARPO Update**

Meadows updated the Board of Commissioners on the TIP. Siler City will be receiving funding for West Raleigh Street project in the amount of \$235,000 in 2018. The Town would be responsible for 20% match. The Board of Commissioners discussed the project.

The Board of Commissioners took a short break at 7:55pm, returning at 8:08pm.

**Pay and Classification Study**

Thompson shared the Pay and Classification Study for the Town of Siler City, completed by Springsted Incorporated. Thompson introduced Joel Davis with Springstead who shared the following presentation and answered questions about the study, and shared recommendations for its implementation. (Incorporation by reference as if fully set forth herein Schedule B)

**Purposes for the Study:**

- Responds to changing market conditions and supports the Town's efforts to attract and retain quality employees.
- Recognizes changes in employees' duties and responsibilities resulting from workplace and organizational changes.
- Ensures internal equity and consistency among similar positions.
- Ensures that salaries are externally competitive with comparable employers in appropriate labor markets.

**Why Do Local Governments Conduct Classification and Compensation Studies?:**

- To ensure that compensation and benefits for employees are equitable and competitive in the labor market.
- To ensure that employees' position descriptions are up-to-date; which should aid in recruitment of capable employees when vacancies occur (retirement, transfers, etc.).
- To ensure that salary compression issues are addressed.
- To aid in reducing employee turnover.
- To ensure Federal regulations are met (FLSA and ADA).
- To ensure jobs are treated in a fair manner and their rankings and pay are based upon a rational system of evaluation.

**Typical Cycles for Classification and Compensation:**

- Most communities conduct studies every five (5) to seven (7) years.
- Major changes in public and private employment and classification and compensation systems took place in the labor market in the 2003 – 2008 and 2009 – 2012 timeframes.
- Many communities are recognizing that their classification and compensation systems are in need of assessment and update due to changes in job responsibilities of employees and a shifting labor market.

**Pay Philosophy We Worked Toward:**

- Providing fair and equitable compensation to employees in an increasingly competitive and changing labor market.
- Maintaining a competitive pay structure that takes into consideration the Town's fiscal resources.
- Ensuring that employee compensation is based on individual performance that meets or exceeds expectations and reflects changing economic conditions.
- Providing consistent administration of pay policies and procedures among all Town departments.

**The Town's Objectives:**

- To update current classification descriptions for all positions in the Town
- To review the Town's current benefits package with the current market

- To develop a compensation plan that provides for internal equity and ensures external competitiveness with the appropriate labor market.
- To identify relevant compensation factors that accurately reflect the value of different kinds of work.
- To establish policies and guidelines for operating the compensation plan.
- To prepare a plan to implement the study recommendations.

**Study Methodology:**

- Meetings with the Town Manager and Department Heads
- Employee orientation meetings
- Collection of data
- Revise existing classification descriptions
- Evaluation of positions
- Obtain market salary and benefits information
- Development of salary line
- Assignment of positions to pay grades
- Development of implementation options

**The Study's Findings:**

- The Town's salary levels are, for the most part, lower than the average salary rates paid in comparable regional organizations.
- Internal pay relationship inequities exist within the Town.
- In order to develop consistency for the Town and to maintain competitiveness within the regional labor market, the current pay plan is recommended to be changed to an open range system.
- Policies regarding maintenance of the plan should be evaluated.

**Salary Survey Benchmark Communities – Municipalities:**

- City of Asheboro\*
- City of Greensboro\*
- City of High Point\*
- City of Raleigh\*
- City of Sanford\*
- Town of Carrboro\*
- Town of Chapel Hill\*
- Town of Hillsborough\*
- Town of Liberty\*
- Town of Pittsboro\*
- Chatham County\*
- Guilford County\*
- Orange County\*
- Wake County\*

- UNC Hospitals\*

*\*Reflect communities who responded to the survey*

**Salary Survey Results and Pay Scale Comparisons - The Town's Proposed Pay Scale:**

- Has been developed utilizing the respondents' survey data and is consistent with the other jurisdictions.
- Is an open range system that provides a minimum, midpoint and maximum salary consistent with the survey responses.
- Contains thirty-five (35) pay grades with a 5% separation between grades and a minimum to maximum spread of 60%.
- Complete survey data can be found in Appendix B

**Proposed Pay Scale:**

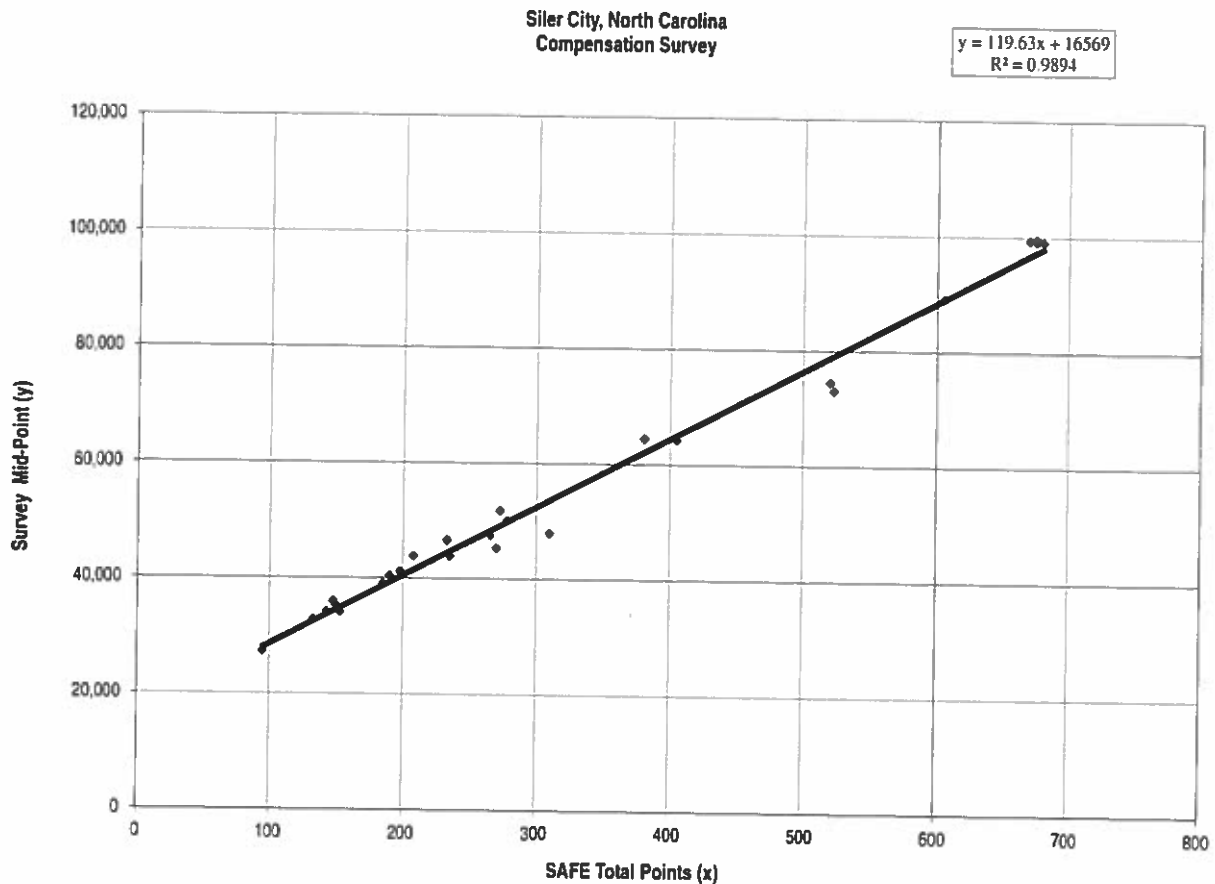
Grade	Salary Range		
	Min	Mid	Max
1	15,384.62	20,000.00	24,615.38
2	16,153.85	21,000.00	25,846.15
3	16,961.54	22,050.00	27,138.46
4	17,809.62	23,152.50	28,495.38
5	18,700.10	24,310.13	29,920.15
6	19,635.10	25,525.63	31,416.16
7	20,616.86	26,801.91	32,986.97
8	21,647.70	28,142.01	34,636.32
9	22,730.08	29,549.11	36,368.13
10	23,866.59	31,026.56	38,186.54
11	25,059.92	32,577.89	40,095.87
12	26,312.91	34,206.79	42,100.66
13	27,628.56	35,917.13	44,205.69
14	29,009.99	37,712.98	46,415.98
15	30,460.49	39,598.63	48,736.78
16	31,983.51	41,578.56	51,173.62
17	33,582.69	43,657.49	53,732.30

Grade	Salary Range		
	Min	Mid	Max
18	35,261.82	45,840.37	56,418.91
19	37,024.91	48,132.38	59,239.86
20	38,876.16	50,539.00	62,201.85
21	40,819.96	53,065.95	65,311.94
22	42,860.96	55,719.25	68,577.54
23	45,004.01	58,505.21	72,006.42
24	47,254.21	61,430.48	75,606.74
25	49,616.92	64,502.00	79,387.08
26	52,097.77	67,727.10	83,356.43
27	54,702.66	71,113.45	87,524.25
28	57,437.79	74,669.13	91,900.46
29	60,309.68	78,402.58	96,495.49
30	63,325.16	82,322.71	101,320.26
31	66,491.42	86,438.85	106,386.27
32	69,815.99	90,760.79	111,705.59
33	73,306.79	95,298.83	117,290.87
34	76,972.13	100,063.77	123,155.41
35	80,820.74	105,066.96	129,313.18

Job Evaluation - Systematic Analysis and Factor Evaluation (SAFE®) System -Job Evaluation Factors:

Training and Ability	Experience Required
Level of Work	Human Relations Skills
Physical Demands	Working Conditions
Independence of Actions	Impact on End Results
Supervision Exercised	

## Salary Curve:



## Implementation Options:

## Option 1 – Move to Minimum of the Recommended Pay Grade

- 56% of the Town's employees are paid below the minimum of the proposed salary ranges.
- Annual cost is \$184,411, which is equivalent to 6.80% of the Town's \$2.7 million annual payroll.
- Increases market comparability.

## Option 2 – Move to Minimum or 2% Increase whichever is Greater:

- Provides minimum level of funding to address compression issues.
- 100% of employees are impacted.
- Annual cost is \$204,639, which is equivalent to 7.55% of the Town's \$2.7 million annual payroll.
- Includes adjustments to minimum.
- Increases market comparability.

## Option 3 – Years of service Adjustment:

- Addresses salary compression issues.
- 100% of employees are impacted.
- Annual cost is \$279,081, which is equivalent to 10.29% of the Town's \$2.7 million annual payroll.
- Includes adjustments to minimum.

- Provides 0.5% increase per year of service; placing employees within grade.

**Recommendations:**

- Approve the proposed "Open Range" salary schedule.
- Approve the recommended salary schematics, which will allow for establishment of internal equity among the various positions of the Town.
- Approve Implementation Option 3 to establish more equitable compensation levels for all employees, address compressions issues, and bring those employees that are below the market up to market minimums.
- Revise Article III. The Pay Plan in the Personnel Policy Manual to reflect the transition to the proposed open range system and the associated recommendations contained in this report.
- Eliminate paragraph six (6) in Section 12. Overtime Pay Provisions in Article III of the Personnel Policy Manual which provides compensatory time for exempt employees.
- Provide support for ongoing administration of the program via a system of market adjustments and performance based merit increases awarded on the anniversary date of the employees hire or promotion.

**On-going Administration -Annual Adjustments:**

- Establish guidelines for base adjustments e.g., CPI, comparable organizations, other economic indicators.
- Adjust pay ranges and wages of employees.
- Adjustments that recognize individual employee performance.

**The Town's Fringe Benefits:**

Holiday Leave	Consistent with the survey average of eleven (11) days
Annual Leave	Below the survey average for all years except for six (6) months
Sick Leave	Consistent with the survey average of twelve (12) days of sick leave
Pension and Retirement	Inconsistent with survey average in the provision of a death benefit
Life Insurance	Consistent with the survey respondents in providing this benefit, and is above the survey average for the amount contributed
Health Insurance	The Town pays, on average, a lower premium amount for all levels except employee/child and employee/family coverage, and is below the survey average for contributions at all levels except employee only coverage
Deferred Compensation	Consistent with survey respondents in providing employees access to a plan, and consistent with the survey average for not providing a contribution on their behalf

Conclusions - Adoption of the report's recommendations will result in:

- Fairer and more equitable compensation to employees in a competitive and changing labor market
- Improved opportunities to reduce turnover among current employees and to recruit quality replacements, when needed
- Compensation that addresses internal equity and external market competitiveness
- Establishing a market position that is fiscally responsible with public resources

The consensus of the Board of Commissioners to was to have Staff work on calculations for option 3 and come back to the next meeting with the figures.

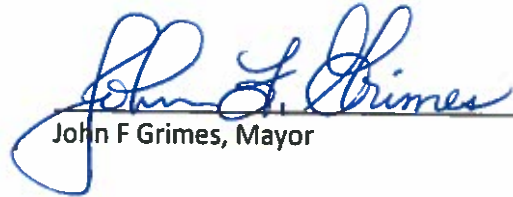
**NEW BUSINESS**

Employee Gifts

Thompson shared information concerning Christmas gifts for employees. Thompson stated that the gifts had not been budgeted.

**ADJOURNMENT**

With no further business the Board of Commissioners adjourned at 8:35pm.

  
John F Grimes, Mayor

ATTEST:

  
Jenifer J Everage, Town Clerk

