

At a continuation meeting of the Southampton County Board of Supervisors held in the Board Room of the Southampton County Office Center, 26022 Administration Center Drive, Courtland, Virginia on November 4, 2014 at 7:00 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)
Ronald M. West, Vice Chairman (Berlin-Ivor)
Dr. Alan W. Edwards (Jerusalem)
Glenn H. Updike (Newsoms)
Carl J. Faison (Boykins-Branchville)
Barry T. Porter (Franklin)
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
Lynette C. Lowe, Deputy County Administrator/Chief Financial Officer
Beth Lewis, Community Development Deputy Director
Amanda N. Smith, Administrative Assistant
Richard E. Railey, Jr., County Attorney

OTHERS ABSENT

Julien W. Johnson, Jr. Public Utilities Director

Chairman Jones called the meeting back to order.

After the Pledge of Allegiance, Supervisor Faison gave the invocation.

Chairman Jones states at this time I will turn the meeting over to Mr. Johnson.

Mr. Michael Johnson states Mr. Chairman as you all recall from your meeting last Monday, we informed you the election panel selected Springsted Inc as the consultant who would update our classification and compensation plan. Mr. John Anzivino is the Senior Vice President with Springsted in the Richmond office. I asked John to come and give you all an orientation on what is involved, why we do classification and compensation plans, and what is the methodology, and give you all the opportunity to ask some questions early on in the process. With that, I will turn it over to John.

Mr. John Anzivino addressed the board. Good evening Mr. Chairman and members of the board and Mr. Johnson. I am John Anzivino and I am with Springsted. It is a pleasure to be with you this evening to talk with you a little bit about who Springsted is, why we do classification and compensation studies, and how it would work here in Southampton County. I will tell you a little bit about myself and a little bit about the project team that will be working here with the county staff and we are happy to answer any questions during the course of the presentation at any time. Classification and compensation can be narrowed down into a couple of simple sentences. First of all the classification part is what do employees do in their job and the compensation part is how do they get paid to do it? Are they paid at a market rate? There is a little bit more that goes into it than that and we are going to touch on that and I will walk you through the process. It is a very employee centered process and very supervised centered process. On the second page is the Springsted mission statement. We provide a wide range of different services to public entities. Our goal is to provide high-quality, independent financial and management advisory services to public and non-profit organizations and work with them in the long-term process of building their communities on a fiscally sound and well managed basis. Well, what does that mean to the employees of Southampton County and to the Board of Supervisors? What we are finding and we

are working with some counties now. I work along the east coast and we have a county we are working with in North Carolina that has about 600 full time employees and their turnover rate is 20% each year. So they are churning through about 100 to 125 employees each year. What that does to an organization is add additional recruiting cost, the recruiting notices that are posted, there is a lot of time invested in screening applications and interviewing people and in the public safety area there is a significant cost to training individuals to serve as sheriff deputies and EMS providers of the community. In this community particularly, the sheriff's department and the jail had turned over... they had turned the jail over in three years with all of the sheriff's jail employees. We also work here in Virginia and I can tell you a little bit about turnover and the cost of turnover particularly for sheriff's departments. During a compensation update recently for Orange County, the chief deputy provided us with some data which we analyzed and confirmed, but for a deputy in Orange County, if they leave the organization because they are going to move to Spotsylvania or Culpeper County or even to Madison or Greene County, it cost the sheriff's department \$22,000 to recruit and train that sheriff deputy. They were having a significant problem in losing deputies to Spotsylvania and I believe also to Culpeper County. When you have those cost what happens is you are spending money on recruiting employees and training employees and you are not really gaining much from the training you are providing. And consequently if you have a stable environment for your employees if they are paid fairly and equitably, it reduces the turnover and allows you to devote those cost into other expenses such as improving of infrastructure, compensation, or benefits. A little bit about Springsted, our firm's philosophy, background, experience, the Springsted Team, why the counties do studies of this type, and how are studies like this completed. I will touch on job classifications as well as job compensations because there are two components to the study but they are attached but separate on how they are conducted so I will touch on all of these items. Springsted as I know, we work only with public sector agencies. We work with organizations here in the Commonwealth, Chesapeake Bay Bridge Tunnel Commission, the Virginia Resources Authority, and most of your neighbors here as counties. We have worked with Southampton County in the past as well in conducting classifications and compensation studies. We have been doing these studies for over 25 years and most of our people have worked in local government which provides us a little bit of a different perspective on how these studies are conducted and how the agencies within the county government fit together and relate to one another. With all of that said, we are one of the top human resources providers in the country and we work nationally providing these types of studies. I am responsible for the east coast and the mid-Atlantic director. We have studies ongoing all the way from Florida into Connecticut so we see a lot of different things. Some things aren't so pretty but we see different things and it helps us to bring some new ideas back here to Virginia. We do bring a national perspective to these types of studies with a regional focus. We are not going to be looking at Fairfax County as a comparable for Southampton County. But when we look up in Northern Virginia, we have to look at Fairfax County but we understand some of the trends that are occurring in different parts of the state that eventually may migrate to this part of the Commonwealth. So, we have a national perspective but we bring a regional focus. We are, and we are kind of proud of this, preferred providers of these types of services in North Carolina both the Association of County Commissioners and the North Carolina League of Municipalities. Our staff is extremely experienced in doing these types of studies. We don't bring in junior staff or interns to do these types of studies like some firms do. Matter of fact, I was asked when I was here from the interview panel, how involved will you be? Because often, the senior consultant comes and markets the process and talks about how well the firm will do and you don't see him again until the report's presentation. I will be here conducting meetings with employees. I will be meeting and interviewing department heads and so will the rest of our senior staff so we have experienced staff. I would note too that we are about 70% complete on a study like this for the Virginia Association of Counties and their staff. I think we are fairly well respected around the state. These are some of the localities on slide six that we have worked in Virginia and North Carolina. So you can see we have worked in a number of different cities and counties in the Commonwealth. Now the project team; I will be the lead on this project and I will tell you a little bit about myself. I am a recovering local government professional. I worked in Virginia for 27 years as a County Administrator as well as a manager in Northern Virginia. I started my career in Amelia County, moved over to Caroline County and then went up to Warrington County when I retired in 2001. I have been with Springsted since that time and have managed probably 100-120 of these types of studies. Sheryl Dallas who is also on our team is from the Richmond office. Sheryl Dallas is a former Human Resources director in Gwinnett County, Georgia and also from the Miami Dade County Housing Authority. Joel Davis who is working on this project as well is a former Human Resources Director for the City of Winchester. He is a native of North Carolina where he graduated from

UNC. He also served as a town manager in a small community in North Carolina. Then we have Rebecca Dayton, our project manager, she is also in our Richmond office. She is the person that really helps us keep all of the information that we will be gathering from your employees and other communities. She gets the information in the right place at the right time so we can maintain the project's schedule. Why do you want to do a classification and compensation study? You know, I really have to hand it to your County Administrator because usually we show up at the end of the process before the board or city council and by then the board or city council is really looking at what is the cost of this going to be. Right now we don't know what the costs will be. We don't know how well you have maintained your system, but when we get to that stage with the governing body and the impacts are significant, it doesn't matter how we did the study and what the study is all about or who has been involved, it's what the cost are. So, why do you do these types of studies? First of all, it is to insure compensation benefits for employees are equitable and competitive in the market place. You know, prior to 2009 the public market place was pretty heated. We saw a lot, particular in the Richmond area Prince George, Petersburg, Henrico, New Kent, recruiting of employees by the larger counties of the smaller counties that had already been trained because their level of compensation was not competitive. That was a drain on those localities. With the recession everything stopped. These types of studies stopped. Compensation increases typically stopped and really there was a freeze in what was happening in the compensation and classification. With the exception of what was happening in employees' jobs, what we found in the marketplace as we talked to localities and these studies are becoming more common again because they need to be updated, is when the recession took hold and a vacancy occurred in a department that vacancy may not have been filled unless it was an essential job. So, the duties for that one job that went away had to be completed by somebody. So various people in the office would say I can take this responsibility and it never got added to their classification description and they were never recognized for the additional responsibilities they were taking on. So these types of studies really take a look at the compensation and benefits of employees in a way that allow them to be treated equitably that is fair and competitive in a normally competitive labor market. We also do studies to aid in recruitment of capable employees when vacancies occur. We haven't interviewed your department heads but I am going to bet that the turnover rate for Southampton County is not significant, but I am going to bet a lot of the people who work in Southampton County at least age wise are starting to look a little bit like me and they will be stepping away from the public sector. You as a board know the services that are provided by the county, you want to see them provided efficiently and as well as possible so you want to recruit the most capable individuals and if you have salaries that are too low or there is a reputation of the county not being a good place to work from an equity standpoint than it is difficult to recruit new employees that are top quality employees. These studies are also completed to insure salary compression issues are addressed if they exist. Now, what is salary compression? Salary compression is becoming a big problem because of the recession. Compression is when you have an employee in a salary grade and they are placed at a certain point and may have earned their way up through merit increases or longevity to a certain point. But, 2009 and 2010 that stopped because there was no money to provide any salary increases and that is common throughout the country. New employees may have been hired in behind them in the same grade and one employee may have ten years of experience and one employee may have two years of experience and they are paid almost at the same level. That is called salary compression. I first ran into that in Alamance County in North Carolina in a study that I was doing down in Jacksonville. We had an employee session and two employees came up to me and they were both maintenance workers. One of the maintenance workers said I have sixteen years of experience and he has three years of experience. I get paid \$1,000 a year more than he does. What do you think about that? I had to step back and say you know I really don't think much about that. Seems like you should have been paid a little bit more because of your years of experience and earning into the grade and the merits that should have been provided to you because of the things you may be able to do that this employee may not be able to do. So that is kind of a good example of salary compression. It is pretty typical in public safety but it has also become pretty clear that it is spread throughout all local government positions. Studies like this are also conducted to ensure that employees' job descriptions are up to date. That little example that I just gave that may have taken on additional duties, that is really what we are going to be doing; taking a look at the job descriptions of what employees' are doing and making sure that the descriptions are up to date. These types of studies are also conducted to aid in reducing employee turnover if the problem exists and to ensure the federal regulations are met; particularly the Fair Labor Standard Act (FLSA) and the Americans with Disabilities Act (ADA). The Fair Labor Standard Act designates employees that are exempt or nonexempt for overtime purposes and the Americans with Disabilities Act is a requirement now in place that

requires an up to date description of the physical duties of a position be included in all job descriptions. Not paying attention to the Fair Labor Standard Act can have some costly impacts on a county. We worked with a county here in Virginia in the central part of the state in a rural county who had their communication officers, the dispatchers, assigned to a public safety schedule and paid them overtime on a public safety schedule and had them designated as public safety employees under FLSA. What happened with that is they are not public safety employees. They are general government employees. One of the communication officers filed a complaint with the Department of Labor and the county was liable for overtime expenses for twelve communication officers going back two years and it could have been three years. A portion was because the county acted positively and proactively the Department of Labor did not assess a third year on them. But the cost to the county was \$100,000 in additional overtime expense so you have to be real careful as to how the employees are classified for the FLSA. Now, how often do classification and Compensation studies occur? Well for a full study like this, most studies are conducted every five to seven years because jobs change, responsibilities change, the market changes. Also, simpler less complex compensation studies which look at the local government's standing in the labor market are conducted every two years, maybe every other year. Then sometimes there are some specialized studies in key problem areas that are conducted as part of the budgetary process. That is particularly true in public safety. Your last comprehensive study was done in 2005 and was active in 2006 as part of the fiscal year 2006 budget process and consequently you are due to have a study done. Now some thoughts about classification and compensation; first of all as we look at organizations, we consider in this case county employees to be the most valuable resource that you have. They are the people that provide the service. Your local government is not a manufacture business. It doesn't make computers, it doesn't make widgets. It provides a service and you want your service to be provided efficiently, equitably to your citizens, and in a manner which you as a board can be proud of. So they are a resource and they should be treated fairly and equitably. That means they shouldn't be paid too much and they shouldn't be paid too little. They should be paid in a market driven manner. There should be equity from both standpoints of internal and external equity. Internal equity is a job with light responsibilities, light essential functions, light educational requirements typically should be in the same pay grade as a job with similar features. Sometimes those get a little bit out of character. Externally there should be equitable treatment based upon the market analysis. Also, we consider benefits to be a major component of an organization's compensation package. Benefits are something that employees forget. I remember when I was a county administrator and I was in Amelia when we first had the ability to absorb 5% contribution for VRS. The employees just went crazy. That was just the greatest thing since sliced bread. The Commonwealth has since reversed itself, but for those first couple of years employees just loved the Commonwealth and they loved their local government because they received that 5% bump. They have forgotten about that and they often forget about the benefits of being employed so we have to remind them of that. We do that as part of the study because frankly benefits are really an important part of what that compensation is for an employee. I once met with a sheriff deputy and I worked with a county out in western North Carolina where none of the employees could afford health insurance. The county had set up their own medical type of services with a public health nurse. It was like a physician's assistant. They paid into that so their employees and their families could get some health care and the employees were truly grateful for that. Without that, they had no health care which was a benefit they really felt they needed to have and should have. So, benefits are a major component of an organization's compensation package. The benefits and the salaries combined represent the ability of the organization in this case the county to treat their employees in a fair and equitable manner. Finally some thoughts about classification and compensation; as we go about this process the studies that we conduct, the product that we produce for you, they need to be understandable. People need to understand what is expected of them in their jobs, why they are in a particular pay grade and how they can advance through the pay grade. We take a great deal of time to explain that to employees. Their managers need to understand the plan because they are tasked with getting things done and assigning duties and work to employees. As I said, Mr. Johnson's invitation for us to be here this evening to explain this process to you I think speaks very highly of the county's interest in their employees because you need to understand it. At the end of the day, we will bring you a study that will be a lot thicker than this power point presentation with a lot of data in it and a lot of verbiage in it. We will explain it to you but you have to make the investment and time in understanding it; the investment in possibly dollars to fund the impacts. If we don't make a good connection and explain this well and do our job well then we have wasted our efforts and you have wasted your efforts as well. So, it is important that you understand this. Occasionally citizens get into the process as well. I once delivered a study down in Pender County, North Carolina down around Wilmington. The board

down there met about 10:00 in the morning and I was walking out of the board room and thinking about the drive back to Richmond and a citizen followed me out and asked why did you do this, why did you do that; don't you understand this, don't you understand that? I spent about an hour explaining things to him. How we did the study and why it was important. I did that because I felt like he needed to have that information because he was trying to understand what we had done and why the county had made that investment. I called the county manager on the way back to let him know that I had spoken to the citizen. Did it do any good in persuading the citizen in regard to what they thought about the investment that the county was making? Probably not, but I felt a little bit better about it and I think the county manager was appreciative. Now, the objectives of our study as we start to move into your study and get out of the background information; the county is pretty clear about the objectives that they wanted us to pursue. So, when you see the final study you will see these items covered. First of all, the county has asked us to review, update, and recreate current job descriptions for all full-time positions. We will be looking at... you have 125 employees covered by the study with 37 job descriptions so we will be meeting with all of those people. We have also been tasked with ensuring that all job descriptions are in full compliance with the Federal and State requirements that I mention; ADA and the FLSA and any other regulations that may pertain to the positions. Also, to develop recommendations for the classification system to ensure that the internal equity that we talked about is dictated by actual responsibilities of the position. Also, to provide updated compensation ranges for each position which will help you have a competitive pay plan with other governmental employers comparable to Southampton County. Also, we will provide the county with new or updated classification manual documents that methodology used in the study. So you will get a final report and we will provide a really detailed final report of findings and recommendations and we will train your county staff on how to use our drawn evaluation system. So, the study process; we are going to initiate the project. We have already initiated it and communicated with the county. We have requested a great deal of information because there is a lot of data collection that goes into this process. That data is really what drives us. We have asked for a copy of your current personnel policies, current classification descriptions, a roster of employees and their salaries, your benefit system so we can begin to analyze that. I have also had some conversations with Mr. Johnson about how we are going to do the study with your leadership team. We will be setting some dates soon to set up some employee meetings. The data collection is really important to us. We collect data from the county but we also collect data from employees because we need to update their position descriptions and this is a very interactive process. We will have a series of meetings here in Southampton County where our staff will be here and explain this process to the employees. Now, we want to make sure that we don't set the expectations of the employees too high. Typically when a consultant does a classification and compensation study there is a sense of some part of employees that I am going to get a big raise. I know from my experience in the public sector when employees saw the consultant coming in they just knew what was going to happen. That is not necessarily the case. It all depends on what has happened in the market place around Southampton County. It is also dependent upon how well you have maintained your system and we are gathering that information and analyzing it now. Now, each employee will be asked to fill out what we call a position analysis questionnaire and we will walk them through how to fill that out. It will talk about what the essential functions of their job are. It will talk about what level of education is required; what level of experience is required. What type of interaction will they have with the public? What type of decision making authority do they have and a wide range of other things as well as questions about the physical requirements of the position. That will then be passed on to their supervisors and we will meet with their supervisors independently. The department heads and those people who provide guidance for those employees on a daily basis. We want to make sure the supervisors understand they do have a role in this process because they do have to get things done. They know what goes on in those employees' jobs as well. We also want them to understand that the employees are going to be telling us what they do on their jobs and we don't want the supervisors to influence what they are telling us. We want it to be an honest offering from the employee. Supervisors have plenty of room and opportunity to provide comments in regard to what the employees have told us. If we see a conflict in what the employee thinks the job is about and what the supervisor thinks the job is about we will do a job audit. We will come back and meet with both and we will learn why that difference of opinion exists. It is important that we get accurate and complete data on what that job is all about. We will also do job audits on unusual positions that might be here in Southampton County. We did a study in Cumberland County and had to do a job audit on a position titled maintenance worker. This maintenance worker was somebody who maintained the county buildings. Took care of them; did some electrical work, did some plumbing work, but he only did that 40% of the time in his job.

The other 40% of his time he was the part-time building inspector for Cumberland County. They had a full-time building official but they had enough activity that needed a part-time inspector and he wasn't really that busy maintaining the courthouse complex so he said well, I can take that on. Well, from our perspective looking at inspecting buildings and maintaining buildings there is a lot of connections there as far as skills go. What the last part of his job was is what really surprised us. One day a week he served as the county's animal control officer. We said how does this work? He said well this is how it works. We need to have somebody on duty on the weekend. He said our animal control officer likes to take Friday off. So, he works Saturday and I work Friday and we have coverage on the weekends. I like animals and I really enjoy working with people so I volunteered to do it and I do it and he did a good job. We had to carefully analyze that position to make sure we had it in the right place in the salary schedule. You do see those unusual jobs particularly in the smaller communities where you have to carry out the same functions as some of the larger communities with fewer people. As we go about gathering that information from employees talking to them and their supervisors, we will develop new job descriptions and a new classification system. Those job descriptions in draft form will come back to the county so that we can make sure that we captured everything that the county anticipates that we should have captured as far as describing the job. We will begin to develop the classification system and that is how the positions relate to one another. We will do that by evaluating the jobs and we will look at the different job descriptions that you have here in the county. Not the people in the positions but the positions themselves and will conduct an evaluation of all the different factors that go into that job. We do that using a system called the SAFE system which stands for Systematic Analysis Factor Evaluation (SAFE). It is a copywriter system. It is a system that is unbiased in its evaluation of jobs and it has been tested through an Equal Employment Opportunity Compliant in Houston County, Georgia. It allows us to take a look at that job and say what are the complexities of this job? How many people does it supervise? What are the physical demands on the job? What independence of action do they have? How do they interact with the public? There is a wide range of factors. I have a brief description of the SAFE system on the next slide. After we have evaluated the jobs we will conduct a compensation/benefit survey and the county has been pretty clear at a minimum we need to survey some of your neighbors; Greenville County, Sussex County, Surry County, Isle of Wight County, City of Franklin, and City of Suffolk. We will also be looking at Greenville in Southeastern WSA, the Sussex Service Authority, the Virginia State Police for public safety positions, Department of Corrections because you have some large facilities here in the county, Western Tidewater Community Services Board, as well as the Western Tidewater Regional Jail to make sure we have enough data to be able to build a new compensation plan that the county can feel and make it competitive. Once we develop the compensation plan and analyze the jobs we will begin to assess where the problems are in the county. Do we have people who fall below the minimum of the recommended pay grade? Do we have people who are being impacted by salary compressions? Do we have people who are at the top of the range? How do we deal with those issues? So, we will develop a series of implementation strategies to address those issues that we have identified and for each one of those there will be a cost assigned because this is where we will begin to assign the cost to the impacts of the study. We will develop a final report on the system and then we will train your staff. We will present the final report to this board in either a work session or a formal session, whatever is your choice and walk you through the process and the data; what it means and really what it means to the county and its employees. Very briefly, the SAFE system is something that we are going to be using. We look at each job as I said and assign it to one of six skill levels based upon work characteristics ranging from manual labor into public safety and on up into administrative work. Then we have nine factors rated by skill level. The nine factors that you see on the screen, each one of these have a range of points and what level of training ability is required for the job. What is the complexity of the level of work? Is it a job where the employee is conducting the same duties every day just about? What are the physical demands? Are you in a nice office or are you out and about working at the landfill or the trench as far as water and sewer service? Are you wrestling with people trying to get them in the back of a sheriff's cruiser? Independence of action; how free are you to make a decision in your job? Are you tightly supervised or are you given a broad set of policies and sent to take care of the issues that need to be taken care of? What level of supervision do you exercise? Do you supervise anybody? If don't supervise anybody you have no impact. If you supervise a number of people you have a certain level of impact. What type of experience is required for the position? What are the human relations skills? That is, who do you interact with? Is it just a team member, your supervisor, or are you interacting with a wide range of citizens here in the county or maybe beyond the county. What are the working conditions and hazards on the job? Are you faced with blood borne pathogens? Are you around heat, dust, or are you sitting in a nice office again. Then on the

impact of end results, if you make a decision, what is the impact on the county? Is it a minor impact or is it significant? So for each one of those nine factors we have a range of points. We access the position and total up the points and see how they lay out to one another. It will also allow us to tie that to the salary data so that we can access the overall impacts of cost and develop the implementation strategies. So with that, questions and discussion.

Public Sector Advisors



Springsted



PRESENTATION TO

The Southampton County Board of Supervisors

John Anzivino, Senior Vice President

November 4, 2014

Springsted Mission Statement

Springsted provides
high-quality, independent financial
and management advisory services
to public and non-profit organizations
and works with them in the long-term process
of building their communities on
a fiscally sound and well-managed basis

Overview

- Our Firm: philosophy, background, experience
- The Springsted Team
- Why Do Counties Do Studies of This Type?
- How Are Studies Like This Completed?
 - Job Classification Study
 - Compensation (Market Study) and Implementation Options

Springsted Incorporated

- We work with public and non-profit entities to build organizations on a fiscally sound and well-managed basis
- Springsted has over 25 years of experience providing human resource and management consulting services
- Senior professionals with hands-on experience in County, City and Town administration, finance, human resources, public works, planning, and economic development
- Springsted ranks as one of the top human resources and management consulting firms in the United States

Firm Background and Experience

Springsted Incorporated

- One of the largest and most established firms in the nation
 - National perspective with a regional focus
 - Working only with local governments, public agencies and non/not-for-profit agencies
 - Preferred providers of services to the North Carolina Association of County Commissioners and the North Carolina League of Municipalities
 - Experienced Staff

Firm Background and Experience *(cont.)*

- **Select Regional and National Experience**

- Virginia experience – Accomack, Augusta, Bedford, Carroll, Charles City, Clarke, Dinwiddie, Fauquier, Franklin, Greene, King George, Halifax, Mecklenburg, Orange, Powhatan, Prince George, Prince Edward, Scott, Shenandoah, Spotsylvania, Surry, Sussex, Warren and Westmoreland Counties; Cities of, Bedford, Danville, Winchester, the VRA, Chesapeake Bay Bridge Tunnel Commission and many others
- North Carolina Association of County Commissioners, Counties of Brunswick, Caldwell, Cabarrus, Chatham, Craven, Duplin, Guilford, Henderson, Onslow, Pender, Transylvania, Warren and Watauga, Town's of Apex, Carrboro, Black Mountain, Boone and Swansboro, Cities of Durham, Jacksonville, Kinston, Newton and Salisbury, North Carolina

Springsted Team

John Anzivino *Project Director*
Senior Vice President

Sheryl Dallas *Consultant*
Vice President

Joel Davis *Consultant*
Vice President

Rebecca Dayton *Project Support*
Project Manager

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 aid in recruitment of capable employees when vacancies occur (retirement, transfers, etc.)
- To ensure that salary compression issues are addressed (if they exist)
- To ensure that employees position descriptions are up to date

Why Do Local Governments Conduct Classification and Compensation Studies?

- Do aid in reducing employee turnover (if a problem exists)
- To ensure federal regulations are met (FLSA and ADA)

How Often Do Classification and Compensation Studies Occur?

- For a full classification and compensation study most local governments, under routine conditions, conduct a comprehensive study every five (5) to seven (7) years
- Simpler less complex 'compensation studies' which look at the local governments standing in the defined labor market are typically completed every other year
- Sometimes specialized studies of key problem areas are conducted as part of the budgetary process

Some Thoughts About Classification and Compensation

- Employees are a County's most valuable resource; they should be treated fairly and equitably
- Compensation should be viewed equitably both internally and externally
- Benefits comprise a major component of an organization's compensation package
- The total compensation package for an organization represents the ability of the organization to treat their employees both fairly and equitably
- Classification and compensation plans should be understandable to employees, managers, the governing body and citizens

Southampton County Comprehensive Classification and Compensation Study

Objectives

- To review, update and/or create current position descriptions for all full-time positions;
- To ensure all position descriptions are in full compliance with all applicable federal and state statutes and regulations;
- To develop recommendations for a position classification system for proper internal equity, as dictated by the actual responsibilities of the position;

Southampton County Comprehensive Classification and Compensation Study

- To develop compensation ranges for each position, which will provide for a competitive pay plan with other local government employers comparable to Southampton County; and
- To provide the County with a new or updated classification manual that documents the classification methodology used in the study
- Provide a final report of findings and recommendations

The Study Process

Classification and Compensation Study Process

- Project Initiation – Communication with the County
- Data Collection
- Develop New Position Descriptions and Classification System
- Job Evaluation
- Compensation and Benefits Survey
- Development of Compensation Plan

The Study Process

- Development of Implementation Strategies including strategies to address compression
- Presentation of Final Report on Classification and Compensation System
- Staff Training

SAFE® Job Evaluation System

Systematic Analysis and Factor Evaluation (SAFE®)

- Consistent and equitable method of evaluating jobs and relating jobs to compensation
 - Six skill levels based on work characteristics
 - Nine work factors rated by skill level
- Developed specifically for use in the public sector
 - Tested in federal courts

SAFE® Job Evaluation System *(cont.)*

SAFE® Job Evaluation Factors

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

Questions and Discussion



Chairman Jones states alright gentlemen are there any questions?

Supervisor West states I am glad you are doing it instead of me.

Mr. John Anzivino states when I was a manager I used to struggle through this stuff a little bit. The staff would say we have to have one of these done. I would say, we know what people are supposed to be paid and we know what they do, then I had it explained to me why we do these types of studies. It is to make sure that is fair to all of the employees, it is well thought out and it is rationale. I still had a little bit of a time fathering how all of these could fit together. When I flipped over to the private sector and came over to the dark side so to speak, I really got an appreciation for the science that goes into this. There is a little bit of art that goes into it, but there is a lot of science to make sure all of the employees are treated fairly and equitably and you can explain that to them.

Chairman Jones called on Supervisor Porter.

Supervisor Porter states you indicated that you will be benchmarking against primarily governmental entities.

Mr. John Anzivino states yes sir.

Supervisor Porter states how do you factor in private sector comparable jobs in the area?

Mr. John Anzivino states well you know in some cases we are asked to do that and in other cases we are not. We always welcome the opportunity to do that but I will tell you that when you try to factor in the private sector and you reach out to those people. For example, if you have a major business or industry, and you reach out to those people, they may have a few positions that may be comparable to public positions. So, we have to pare down our surveys. For example, our surveys represent a good cross section of all employees in the organization or types of employees. You have to understand and have data on a wide range of different types of jobs. If you survey a particular industry and send them a full survey they will just toss it in the trash can because it is a lot to fill out, so we have to pare those down. Typically we find maybe, depending upon the jobs in the community, at most an administrative support personnel, managers; if you have a maintenance department an electrician, maintenance workers, those types of people. You have to work to get it down to really what matches up with a particular industry. I will also tell you that unless you have a strong relationship with the businesses in the area that you want to survey, as a local government, they typically won't respond. Tomorrow I will be providing a study to a

community out in Central Virginia and we surveyed the private sector for a couple of the administrative support positions. We contacted the people, the county contacted the people; individually they contacted the CEOs, HR personnel and we received no information from them. We also have access to some private sector databases although it doesn't drill down to a particular locality. It is more of a broad set of information. We could use that if the county thought it was important to include the private sector.

Supervisor Porter states what concerns me is I am from a private sector and there is a perception or a divergence between the compensation benefit package between the public sector and the private sector. If you are in the private sector, you think the public sector is overcompensated and then vice versa. They don't compare the full package. A lot of them look at the pay and not the benefits. Historically the private sector is at a higher based pay but the retirement benefits are not as lucrative as the public sector. What I don't want to see is a divergence where we exacerbate that perception. How will we handle that?

Mr. John Anzivino states we worked with the City of Winchester and that is a good point, Mike we can talk to you about this more, but we worked with the City of Winchester and the council up there wanted to see how some of their positions on a benefits basis and compensation basis related to their positions. So, we were able to abstract some data and show what the total compensation package was for a Winchester position with a certain title and a comparably titled position in the private sector just so you can get a sense of what it looks like from a standpoint of total compensation; benefits as well as salary. So we can do that as part of the study if the county would like us too. We will see what type of data is available.

Chairman Jones called on Supervisor Updike.

Supervisor Updike states I have a couple of questions and I would like to follow up on his comments. The government benefits are costing us, the tax payers, about 1/3 of what is advertised. If they are making \$50,000 they are actually making equivalent to \$70,000/\$75,000. This is something that the public don't realize; the benefits of these packages. That was the first comment. All of these positions should be looked at and in the private sector I know very few of them that offer leave, health insurance, retirements, benefits, you name it; they just don't have it. When you are talking about a base salary that is way low. These benefits have to be included and that really bugs the life out of me. They say the people are not being paid; they never take into consideration of benefits. I worked for the state and I took a less salary but since retirement I have been enjoying state retirement. People have to realize these situations.

Mr. John Anzivino states we do analyze the benefits on a comparable basis and I think we just agreed to open it up to see what the private sector benefits look like. I don't think we will be able to do it by a position basis, but there are probably enough comparable positions to get a sense of how it relates to Southampton County public employers here on the private sector side. We will do that so you can get a sense of how the benefit package relates to the compensation package in the public sector and the private sector.

Supervisor Updike states then job evaluation. I have been around here for a few years and I have attended a lot of meetings. That part of the evaluation system has been null and void as far as I am concerned. I haven't heard of anybody... you can tell me all you want to that all of the county employees are so great. You can't tell me there isn't a rotten apple, a slacker in the group but they never get called, never get fired, there is no responsibility.

Mr. John Anzivino states I think from a job evaluation standpoint we are talking about job evaluation versus performance evaluation of the employee. The job evaluation system I was speaking of takes a look at the job itself and see how the jobs relate to one another. It doesn't take into account the employee's performance. What we are doing is developing a new system for classification and compensation. Performance evaluation systems for public entities; there are a wide variety out there. There is a wide range of opinions as to whether or not they are effective or ineffective. We also developed public performance appraisal systems for public agencies and the ones that we have are pretty broad and look at a wide range of factors. Not every employee performs at the same level. They are not all superstars. I will give you an example. We initiated a performance evaluation system in my last community and one of our superintendents came in and his crew had all 5's; top marks. I listened to the superintendent and it was a small community and

we all knew one another. I listened to him throughout the year talk about some of the problems he was having with his staff. I said to him, Rick, how can these people all be performing at such a high level? Did you meet all the goals that we set for you and your crew this year? He replied well no. I asked why not? Then he went to explain, well we had problems getting pipes delivered or we had this problem or this operator wasn't there. I said okay; well let's look at it from a standpoint of a softball game. Let's say you have fifteen guys; you have some single hitters, you have some guys that play well in the field, you have some super stars but not everybody hits a homerun out of the park every time. I need you to take a look at your team and evaluate them based upon where they fit into that team and their level of performance because not everybody performs as a superstar every year. He got the message and he came back with more realistic evaluations. Doing performance evaluations for a community, particularly a rural community is difficult. It takes a lot of training and you have to stay on it all the time because it is something that is often... not dismissed but there are other priorities that need to be addressed. The other problem too with performance evaluations in smaller communities almost everybody grew up together. They went to school together, they fish together, they hunt together and a supervisor could get work done from the crew out of respect but they have a hard time doing evaluations on an objective basis because they know the employees too well. You really have to train for that. It is doable but you really do have to train. I have heard your comments before from other elected officials as well and citizens and also from employees.

Chairman Jones called on Supervisor West.

There was no response.

Chairman Jones called on Supervisor Edwards.

Supervisor Edwards states no.

Chairman Jones called on Supervisor Phillips.

Supervisor Phillips states if you were to do an analysis of surrounding counties, some of the other counties I would say have a little different circumstance even though we are a rural county. Greenville County has a little bit of tobacco tax money that they receive and I don't know how that affects their budget, and then Surry County has the Dominion Power Nuclear Plant which is probably a fairly strong revenue stream. I was just wondering how that... and that is just a comment. I am not looking for any explanation. The other thing is the 2005 study, was that fully implemented?

Mr. Michael Johnson states over two years yes.

Supervisor Phillips states okay, alright.

Supervisor Updike states I would like to follow up on Bruce's comment. Taking Suffolk as a comparison; even Isle of Wight County as a comparison; it is not even logical in my stretch of imagination. Actually Suffolk is a city and Isle of Wight is getting there. We are talking about a rural area. If I recall, most of the jobs that the county has available or came available they had anywhere between 25-50 applicants looking for employment. Like Bruce mentioned, tobacco money, we can't compete and expect our tax payers to come up with money that the tobacco company gives Greenville County. It is no way and there is no way that we can compete with Suffolk. So, when you come in here with a comparison to the surrounding areas, it is going to be blown completely out of the water what we can afford and what these other areas have that we don't have.

Mr. John Anzivino states just a couple of comments about that. One of the things that define a community is where people will go to work if they have the opportunity. I think the past history of the county indicates the opportunity exists to go to higher paying jobs in those communities. I would also say, the communities that have been mentioned, Sussex is going to be one of the benchmarks as well. We have worked with Surry and I can tell you their pay grades are not influenced significantly by the Dominion Power Plant. I can tell you that their pay levels are competitive but they are not at the level of Newport News which is across the river or any of the other urban communities that are close by. We run into this problem with counties such as Southampton that is more rural when they are close to or within a reasonable commuting distance

of an urban area. For example in Northern Virginia, Clarke County is next to Loudon County. Loudon County is one of the most fluent counties in the country. It has about 350,000 residents. Clarke County is on the west side of the Blue Ridge Mountain. They have about 16,000 residents and they are not very affluent. We work with the board up there to show them as you gather the data, because we had to gather a broad range of data, there are people willing to drive to Fairfax even though we didn't use Fairfax. As you blend that data together it is adjusted for the number of employees and other factors and it does have an impact but it is not the impact of taking your salary and doubling it or even increasing it by 25%. I think you have to look at your labor market area and we will certainly be prepared to discuss that with you all further.

Supervisor Updike states I have one more thing. I am a believer in the citizen's responses. I have not heard anywhere tonight that the citizens will be allowed to respond. I would love to see the citizen's input somewhere along the line of what we need and what we don't need. They may say we don't need...

Chairman Jones states Mr. Updike he is not studying the county's citizens. They don't know what goes on in this office or in the county. They don't have any idea what these employees do.

Supervisor Updike states they have an idea of what kind of services they receive. I will give you an example and this is not from a county standpoint, they watched VDOT, just using an example but I won't say any people's names in the county, but VDOT has six people out there leaning on a shovel and one guy is working, that is a citizen's concern and that is the same concern the citizens have with this board.

Chairman Jones states I understand that but, is there anything we can do about VDOT? They send those men out there to do the work. That is state.

Supervisor Updike states I was just using that as an example. I didn't want to call any department out on any situation unless you want me too.

Supervisor Porter states let me make a comment here. I think we are talking apples and oranges to a certain extent. You are talking again about the performance of people doing their jobs. That is our responsibility, Mr. Johnson's responsibility, all of the manager's responsibility, and if the citizens have issues with that then we should address those ourselves. What Mr. Anzivino is talking about, he is looking specifically at a job and not people and what those jobs do in trying to properly put those in order so that everybody that works for the county is working comparable jobs compared to other entities in the nearby communities. His study is not as broad as you want it to be. He might be willing to do what you want him to do but we are probably talking about tripling or quadrupling the fee. Right?

Mr. John Anzivino states probably if you want a full organization assessment and efficiency analysis of the county; we are talking \$25,000 to \$30,000.

Chairman Jones states any other questions? Thank you sir.

Mr. John Anzivino states thank you very much and I look forward to working with you.

Supervisor Edwards states citizens comments concerning how things are done, I am not sure there is too much you can rely on there. That is an opinion from somebody that has very little experience and that is why we are relying on Springsted. You know how that goes. I don't rely a lot on citizen's comments when it comes to how jobs are done. Most people who complain to you don't know anything about the job.

Chairman Jones states right. Thank you sir and we look forward to getting the study done. Alright gentlemen we will move on to item two; our statement regarding US460.

Mr. Michael Johnson states Mr. Chairman if you remember from last Monday you appointed Supervisor Phillips and Supervisor West to reevaluate the five build alternatives in the Route 460 study and come back to the board with a recommendation. I will let them report but we did for about 2 ½ hours last Thursday. We had Mr. Rinehart come in to answer some additional questions that we had and they have developed a position. There is a resolution that we will ask you to

consider once they share the recommendation with you.
Chairman Jones called on Supervisor West.

Supervisor West states we received additional information from Mr. Rinehart at that meeting that was not available at the community meetings. I think he was candid with us and I think as we looked at each one; you have the handouts and it has been available to you since October 13th.

Mr. Michael Johnson states correct.

Supervisor West states if you look at the second page of the resolution you will see where the alternative reduces the travel time by 11%, better accommodate freight movement, enhances emergency evacuations, and improves military deployments. Then when you consider the things that are superior to like wetland damage, going back to the original track of Route 460 from Suffolk to New Bohemia, taking that out, building on that track and bypassing the towns, we felt would have less impact on the environment. Right Mr. Phillips? On people; their houses in general. It was the best plan for Southampton County. Now we may have some opposition from other neighboring counties that feel entirely different, but we felt for Southampton and all that we could consider this was the best alternative. Mr. Phillips?

Supervisor Phillips states we are recommending alternative 2, south. Even though it is not the lowest amount of wetland impacts it is fulfilling. There is also a purpose for this road and I am probably reiterating what Mr. West just said. We have truck traffic, and I have talked with two constituents last night, and they drive on Route 460 every day. They go into Chesapeake and run into Windsor and they say the trucks out there are unbelievable. Anyway, I am in agreement. I feel like alternative 2 south is the best option and that is our recommendation.

Supervisor Edwards states what is the difference in the wetlands?

Supervisor Phillips states it is 434 acres of wetland impact. Alternative 1, which was the original southern route was 613 acres. Alternative 4 was only 91 but it wouldn't achieve any of the goals as far as getting a divided highway, safety aspect, evacuation, and the high speed transit for freight out of the ports.

Supervisor Edwards states alternative 2 best preserves the old farm?

Supervisor Phillips states farm displacement is one, non-profit displacement is four, fourteen businesses, and 103 residents.

Supervisor Edwards states you can work with the wetlands but you can't replace a farm once you have messed it up. I agree with you; it looks like alternative 2 is the best selection.

Supervisor Faison states and alternative 2 is not going through the towns; it leaves the business undisturbed.

Supervisor Phillips states but there will be an exit where you can access Wakefield, Waverly, Ivor, or any of the other towns. I think there are six bypasses.

Mr. Michael Johnson states yes there are six interchanges.

Supervisor Porter states I think alternative 2 is the appropriate compromise. The only concern that I have with alternative 2 is it really doesn't get the trucks away from the cars. The nice thing about alternative 1 it had all of the trucks on the super highway and it left Route 460 for the cars which is a safer situation. Alternative 2 does achieve the major objectives that were set forth in the beginning. It does improve safety but it doesn't get it to where I would like to see it. It does provide the evacuation route, and that was one of the main selling points, and it does reduce the travel time for the trucks which is an economic issue. It does cost about ½ billion dollars less than alternative 1.

Supervisor West states help me Mr. Johnson; The original alternative 1 which is the south route to the present Route 460 was not going to require trucks to use it.

Supervisor Porter states I know that it wasn't going to require them to use it but the fact that a truck could shave 20 minutes off of his trip by using it is money to the trucker. Twenty minutes a trip to that trucker is worth hundreds of dollars per trip so they would be taking it. That is why when you are on Route 460 now, and I was on it last week, the trucks are on your bumper trying to make you go faster.

Supervisor Edwards states essentially what we have done is chosen the lesser of the five evils.

Supervisor Porter states absolutely.

Supervisor Edwards states we have to put up with it so we might as well get something we can live with the best.

Supervisor Porter states it is a reasonable compromise.

Chairman Jones states does everybody agree with this? If so, I will need a motion to adopt the resolution.

Supervisor Porter motioned to adopt the resolution in support of alternative 2 in the Route 460 study.

Supervisor Faison seconded which carried unanimously.

Chairman Jones states we will go to number three.

Mr. Michael Johnson states last thing Mr. Chairman; we need a motion to continue this meeting tonight until next Wednesday, 6:30 p.m. at Paul D. Camp Community College Workforce Center to receive an update on the shared utility services.

Supervisor Porter states is it possible to have that meeting moved back until 7:00 p.m.?

Mr. Michael Johnson states I would have to talk to Mr. Martin; 6:30 p.m. is the regular management team meeting but I will talk to Mr. Martin.

Supervisor Porter states it would help me. I will have a difficult time getting there by 6:30 p.m.

Chairman Jones states if he can't change it then just come in when you can. We will just go with that time and then you come in when you can and we will bring you up to date.

Supervisor Edwards states I don't care what time; 7:00 p.m. would be fine with me.

Chairman Jones states the time will not matter that much. If you can't get there at that time, you get there when you can.

Supervisor West made a motion to continue this meeting on November 12 at 6:30 p.m. at Paul D. Camp Community College Workforce Center.

Supervisor Phillips seconded which carried unanimously.

There being no further business for tonight, meeting ended at 8:10 p.m.

Dallas O. Jones, Chairman

Michael W. Johnson, Clerk

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