

MINUTES
JOINT MEETING OF THE GREENVILLE CITY COUNCIL
AND THE GREENVILLE UTILITIES COMMISSION
BOARD OF COMMISSIONERS
MONDAY, APRIL 23, 2018

Having been properly advertised, a joint session of the Greenville City Council and the Greenville Utilities Commission Board of Commissioners (GUC Board) was held on Monday, April 23, 2018, at 6:00 p.m. in the Council Chambers, third floor of City Hall in Greenville, NC.

Mayor Connelly called the meeting to order for the City Council and ascertained that a quorum was present.

GUC Chair Mills called the meeting to order for the GUC Board and ascertained that a quorum was present.

Those present from the City Council:

Mayor P.J. Connelly, Mayor Pro-Tem Rose H. Glover, and Council Members Will Bell, Kandie D. Smith, Rick Smiley, Brian V. Meyerhoeffer, Jr. and William F. Litchfield, Jr.

Also present from the City of Greenville:

Ann E. Wall, City Manager; Michael Cowin, Assistant City Manager; Ken Graves, Assistant City Manager; Emanuel McGirt, City Attorney; Valerie Shiuwegar, Administrative Assistant to the City Clerk; Other City Staff including Eric Griffin, Kevin Mulligan, Brock Letchworth, Leah Futrell, Jenise Phillips, Mark Holtzman and Christian Lockamy.

Those present from the Greenville Utilities Commission Board of Commissioners:

Chair Don Mills, Secretary Joel Butler, and Commissioners Toya Jacobs, Parker Overton, Tommy Stoughton, Minnie J. Anderson and Ann Wall

Also present from the Greenville Utilities Commission:

Tony Cannon, General Manager/CEO; Chris Padgett, Chief Administrative Officer; Jeff McCauley, Chief Financial Officer; Phillip R. Dixon, General Counsel; Steve Hawley, Public Information Officer/Communications Manager; Amy Wade, Executive Assistant to the General Manager/CEO; Lou Norris, Secretary to the General Manager/CEO; Other GUC Staff including Lena Previll and Leah Herring.

Those absent:

Commissioner Rebecca Blount was absent from the Greenville Utilities Commission.

APPROVAL OF THE AGENDA

Upon motion by Council Member Smiley and second by Council Member Bell, the Greenville City Council unanimously approved the agenda as presented.

Upon motion by Commissioner Butler and second by Commissioner Stoughton, the GUC Board unanimously approved the agenda as presented.

PUBLIC COMMENT PERIOD

Mayor Connelly opened the public comment period at 6:05 p.m. and explained the procedures to be followed by anyone who wished to speak.

There being no one present who wished to speak, Mayor Connelly closed the public comment period at 6:06 p.m.

APPROVAL OF PROPOSED MINUTES- FEBRUARY 19, 2018

Upon motion by Council Member Smiley and seconded by Council Member Bell, the Greenville City Council unanimously approved the February 19, 2018 Joint Minutes as presented.

Upon motion by Commissioner Butler and seconded by Commissioner Wall, the GUC Board unanimously approved the February 19, 2018 Joint Minutes as presented.

CONSIDERATION OF MARKET ADJUSTMENT/MERIT PROGRAM FOR FY 2018-2019

Mr. Michael Cowin, Assistant City Manager, stated that each year the City and GUC review the pay posture of the joint pay plan with the objective to maintain an effective pay system for our employees that is internally equitable, and competitive to the external marketplace. This review is based on data obtained from salary surveys, other public sector organizations, and several local private employers.

The City's and GUC's Human Resources Departments collected data related to market pay and presented this obtained information to the Joint Pay and Benefits Committee on March 20, 2018 for use in making a recommendation to the City Council and GUC Board. Mr. Cowin shared the following data:

Wage increases, as projected by various surveys are as follows:

Survey Company	Projected Wage Increase
Aon Hewitt	3.0%
Capital Associated Industries (CAI)*	2.5%
Hay Group	3.0%
Mercer	2.9%
Towers Watson	3.0%
WorldatWork	3.0%

**COG and GUC have traditionally used the CAI as the primary benchmark guide, but last year the Committee recommended a 3.2% (Public sector projection) in lieu of CAI's projection which was 2.7%.*

The public sector benchmark was next reviewed. Of the 25 of 26 responding, 24 provided pay increases to employees averaging 2.9 % (market and/or merit) for FY 2017-2018. Also, 18 of the responding municipalities and utilities provided projected increases averaging 2.9% (market and/or merit) for FY 2018-2019. Lastly, the data from the local private employers included 14 local businesses. Thirteen employers responded with a projected pay increase averaging 3.2% for FY 2018-2019.

Below is a chart that compared 3 years of pay increases to market.

FY	CAI	Public Sector	Private Sector	City / GUC	Cumulative Difference (CAI)	Cumulative Difference (Public)	Cumulative Difference (Private)
15/16	3.0%	2.5%	2.0%	2.0%	-1.0%	-0.5%	0.0%
16/17	2.7%	3.2%	3.05%	2.0%	-1.7%	-1.7%	-1.05%
17/18	2.7%	2.9%	2.9%	3.2%	-1.2%	-1.4%	-0.75%
18/19	2.5%	2.9%	3.2%	TBD	TBD	TBD	TBD

Mr. Cowin stated the recommendation of the Joint Pay and Benefits Committee is that the City and GUC fund an employee pay adjustment of 2.9% for FY 2018-2019, to be applied as deemed appropriate by each entity, in order to maintain market competitiveness.

Council Member Smith stated that she would prefer to stay consistent and not make one recommendation for this year and then go down next year. Therefore, Council Member Smith made a motion to fund an employee pay adjustment of 2.7% for FY 2018-2019 and FY 2019-2020, to be applied as each entity deems appropriate, in order to maintain market competitiveness. Council Member Bell seconded the motion. Council Member Smiley added that the Joint Pay and Benefits Committee recommendation of 2.9% for FY 2018-2019 is in line with the public sector. He reminded the Council and GUC Board that in a few years a new compensation study will provide new data.

Council Member Smith asked City staff if the City implements a 2.7% adjustment for FY 2018-2019 and FY 2019-2020 (both years), would it equate to the same as 2.9% now and then a 2.5% the following year? Council Member Smiley stated that no one knows what the CAI benchmark will be for the next year and it might be beneficial to make the decision each year as new data is provided.

After further discussion by Mayor Pro-Tem Glover, Mayor Connelly reminded the Council there was a motion on the floor to fund an employee pay adjustment of 2.7% for FY 2018-2019 and FY 2019-2020, to be applied as each entity deems appropriate, in order to maintain market competitiveness. The City council voted 4-2 in favor of the motion with Mayor Pro-Tem Glover and Council Member Smiley casting the dissenting votes.

Commissioner Butler stated that it is important to send a message to employees that that they are valued. He does not want GUC to be falling behind market. Commissioner Stoughton reminded everyone that a true-up will be difficult in an unsure market. Commissioner Wall reminded the Council and Board that CAI has been the primary benchmark and progress is still being made with a 2.7% increase, which is more than the CAI benchmark. Commissioner Butler is supportive of a 2.7% increase if it will pay employees and keep them at market.

Commissioner Stoughton moved to fund an employee pay adjustment of 2.7% for FY 2018-2019, to be applied as each entity deems appropriate, in order to maintain market competitiveness. Commissioner Butler seconded the motion, which passed by unanimous vote.

CONSIDERATION OF SALARY STRUCTURE ADJUSTMENT FOR FY 2018-2019

Ms. Leah Futrell, Director of Human Resources for the City, stated that as previously discussed, a Five-Year Salary True-Up was conducted in 2015. Part of the recommendation of that study was to review current pay structure on an annual basis to ensure it continues to be competitive with the market. WorldAtWork projects salary structures to increase by 2.1% for 2018. Segal Waters uses and recommends WorldAtWork data because their Salary Budget Survey is the largest and most trusted resource of salary and structure adjustment data used by compensation professionals nationally and internationally.

The City and GUC Board voted in July 2017 to adjust pay structures by 2.1% based on the WorldatWork survey to remain competitive with the market.

Ms. Futrell stated the recommendation from the Joint Pay and Benefits Committee is for the City and GUC to approve a 2.1% adjustment to the salary structure for FY 2018-2019, effective July 1, 2018. Doing so will have minimal financial impact on each entity based on current employees' position in the structure. This will allow both entities to remain competitive and help with recruiting. Those employees currently at the top of the range will receive a lump sum amount and those employees at the bottom of the range will be adjusted to the minimum salary.

Council Member Smiley made a motion for the City to accept the recommendation of the Joint Pay and Benefits Committee to approve a 2.1% increase to the salary structure for FY 2018-2019, effective July 1, 2018. Council Member Litchfield seconded the motion, which passed by unanimous vote.

Commissioner Butler made a motion for the GUC Board to accept the recommendation of the Joint Pay and Benefits Committee to approve a 2.1% increase to the salary structure for FY 2018-2019, effective July 1, 2018. Commissioner Overton seconded the motion, which passed by unanimous vote.

TIMELINE FOR 10-YEAR CLASSIFICATION AND COMPENSATION STUDY

Ms. Futrell stated that the last comprehensive classification and compensation study for the City and GUC was conducted in 2010 by Waters Consulting. The City Council and GUC Board adopted the consultant’s recommendation that a comprehensive classification and compensation study be conducted every ten years, but could be more frequent if market conditions warrant, with a “true-up” at the five-year mark of each ten-year interval. A true-up was implemented in 2015.

Due to the amount of time and work that accompanies a comprehensive classification and compensation study, staff will need to commence work in the fall of 2018 to meet the July 2020 implementation date. The proposed timeline was reviewed and is listed below:

2018	2019	2020
<p>Sept: HR Departments begin drafting RFP for consulting services</p> <p>Nov: Proposals due from qualified consultants</p> <p>Dec: Staff begins evaluation of proposals</p>	<p>Jan/Feb: Staff completes evaluation of proposals and interviews selected consultants</p> <p>March/April: Staff recommendation of selected consultant shared with Joint Pay & Benefits Committee and then presented to City Council and GUC Board of Commissioners for approval</p> <p>July: Study kick-off</p>	<p>March/April: Recommended changes to classification and compensation system shared with Joint Pay & Benefits Committee and then presented to City Council and GUC Board of Commissioners for approval</p> <p>July: Implementation of approved changes</p>

There was some discussion on how long the consulting company has been used and it was recommended by Mayor Pro-Tem Glover to use a new consulting firm. City Manager Wall added that a request for proposals would be developed and applicants would be screened. A selection would be made on the consulting firm that best meets the needs of both the City and GUC.

ADJOURNMENT

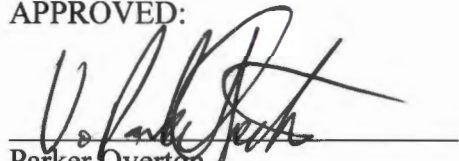
There being no further discussion, Council Member Smith moved to adjourn the meeting at 6:31 p.m. Council Member Bell seconded the motion, which passed by unanimous vote. Mayor Connelly adjourned the meeting for the City Council at 6:31 p.m.

There being no further discussion, Commissioner Butler moved to adjourn the meeting at 6:31 p.m. Commissioner Anderson seconded the motion, which passed by unanimous vote. Chair Mills adjourned the meeting for the GUC Board at 6:31 p.m.

Respectfully submitted,


Amy Carson Wade
Executive Secretary

APPROVED:


Parker Overton
Secretary

--This page is intentionally left blank--