

ERWIN BOARD OF COMMISSIONERS
SPECIAL CALLED MINUTES
APRIL 11, 2013
ERWIN, NORTH CAROLINA

The Board of Commissioners for the Town of Erwin with Mayor Patsy Carson presiding, held its Special Called Meeting in the Town Hall on Thursday, April 11, 2013 at 5:30 P. M. in Erwin, North Carolina.

Board Members present were: Commissioners William Turnage, Frankie Ballard, Frank Taylor, Norma Ennis, and Ricky Blackmon.

Board Members absent were: Commissioner Randy Baker.

Interim Town Manager Pete Connet and Town Clerk Cynthia Patterson were present.

MAPS GROUP REPORT TO THE BOARD

Pat Thomas with the MAPS Group presented the Salary Surveys and Pay Plan Recommendations. These recommendations are based on two key elements: the internal relationship between positions based on a variety of job elements for factors, and the relationship of that classification to similar positions in the area labor market. Ms. Thomas informed the Board that the Town is at least 5% below the market data generally speaking. Some of the positions are in the range others need to do some increasing.

Ms. Thomas explained the grades of each position. The schedule is arranged with grade 3 being the lowest grade and grade 35 the highest. Grades are 5% apart so that each time a job moves up the schedule the range is 5% higher. Jobs in higher grades have more responsibility or complexity, and are paid higher in the area market than the jobs in lower grades. Assuming implementation is July 1st.

The biggest question from the Board is what the cost will be. Ms. Thomas stated that she calculated different options, this doesn't include benefits just straight hourly cost. We can do other options and ask for other ways to look at it, again assuming July 1st as implementation.

We have four options for the Board to consider. They are as follows:

Option 1

This option would move the salary of any employee with at least 6 months of service effective July 1 up to the probationary rate. If the salary is higher than the probationary rate, the salary remains the same as current. This option helps prevent salary compression by assuring that new employees are not hired at the same rate being paid current employees who have passed probation. We consider this the minimum option needed to assure salary ranges that are competitive with the local market are paid by the Town.

Annualized salary cost to implement Option 1----\$47,841
Cost as percentage of annual payroll-----5.2% of payroll
21 of the 27 employees would receive an increase under this option.

Option 2

This option builds on Option 1: All employees who have completed probation July 1 would have their salary moved to the new probationary step. In addition, all employees would be assured of at least a 2% increase in salary.

Annualized salary cost to implement Option II-----\$52,919
Cost as percentage of annual payroll-----5.75% of payroll
All 27 employees would receive some level of increase under this option.

Option 3

Option 3 reflects the view that employees' salaries should move up the salary range based on performance and service the longer that they work for the organization. If the only increase that an employee receives is a cost of living, his or her salary is merely keeping pace with inflation. The employee is not being rewarded for their performance and service with the Town and their salary may differ little from newer employees, which is not good for employee morale.

In Option 3 employees' salaries would be spread out based on their service with the Town, as if they had been working with the Town within the proper classification and competitive salary range for several years. Building on Option 1 employees' salaries would be moved up an additional 1/2% for each year of Town service. For example, at one year of service the salary would be 5.5% above hiring, at 2 years of service the salary would be 6% above hiring, at 3 years 6.5% above hiring, etc.

Where salaries are already over the point of service, no increase would be granted
Annualized salary cost to implement Option 3-----\$78,091
Cost as percentage of annual payroll-----8.49% of payroll
27 of 29 employees would receive an increase under this option.

Option 4

Option 4 builds on Option 3, assuring that each employee receives at least 2% salary increase in combination with the 1/2% for each year of service and the probationary increase.

Annualized salary cost to implement Option 4-----\$81,167
Cost as percentage of annual payroll-----8.49% of payroll
All employees would receive some level of increase under this option

After reviewing these options with Ms. Thomas, Interim Town Manager Pete Connet recommended to the Board to go with Option 2. This way everyone would get something.

There were no discussion from the Board; however the Revenue would dictate which way to go.

ADJOURNMENT

Commissioner Taylor made a motion to adjourn at 5:55pm and was seconded by Commissioner Ennis. The Board voted unanimously.

**MINUTES RECORDED AND TYPED BY
CYNTHIA B PATTERSON TOWN CLERK**

**Patsy Carson,
Mayor**

**Cynthia B. Patterson, CMC
Town Clerk**