

MAY 13, 2008

MINUTES OF MECKLENBURG COUNTY BOARD OF COMMISSIONERS

NORTH CAROLINA
MECKLENBURG COUNTY

The Board of Commissioners of Mecklenburg County, North Carolina, met in Budget/Public Policy Session in Conference Center Room 267 of the Charlotte-Mecklenburg Government Center at 3:00 p.m. on Tuesday, May 13, 2008.

ATTENDANCE

Present: Chairman Jennifer Roberts and Commissioners
Karen Bentley, J. Daniel Bishop, Dumont Clarke
H. Parks Helms, Norman A. Mitchell, Sr.
Dan Ramirez and Valerie C. Woodard
County Manager Harry L. Jones, Sr.
Clerk to the Board Janice S. Paige

Absent: Commissioner Bill James

Commissioners Bishop, Bentley, Clarke, and Woodard were absent when the meeting was called to order and until noted in the minutes.

Note: Although the Board lacked a quorum, Chairman Roberts asked staff to move forward with the presentations, since other Commissioners were expected to arrive.

Budget/Management Director Hyong Yi noted the agenda items scheduled for discussion, which were: Business Imperatives: Employee Compensation and Business Imperatives: Reserve Funds.

Commissioners Bentley, Bishop, and Mitchell entered the meeting, prior to the start of the presentations, thus a quorum was now present.

(1) BUSINESS IMPERATIVES: EMPLOYEE COMPENSATION

Director Yi addressed Employee Compensation. He was assisted by Human Resources Director Chris Peek. The presentation covered the following:

- The Board's Strategic Emphasis
- Market-Based Compensation
- Pay-for-Performance
- Competitive Benefits
- Insurance Reserves

It was noted that the County's compensation philosophy is to Provide Market Pay for Market Performance. The strategy for carrying out this philosophy is 1) Maintain competitive market rates and 2) Adjust salaries based on market and performance.

A copy of the presentation is on file with the Clerk to the Board.

Comments

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Commissioner Helms asked for clarification with respect to movement of the market rate and how that relates to pay for performance, which was addressed. *It was explained that market adjustments are not tied to performance, but rather, to where your current salary is relative to the market. Further, that the market rate establishes the market pay for market performance level and then there's a minimum level that the County will pay for any job. Also, that 80% of that market rate is the least that the County will pay for a particular job. When an adjustment occurs to the market, the only employees that receive that adjustment are those whose salary falls below 80% of that market. If you're at 80% or above, there's no adjustment to your salary.*

Commissioner Bishop commented that if you adjust salaries to bring employees up to the market rate, why not adjust the salaries of those that are above the market by bringing them down to the market. *The response was the assumption is that persons above the market are performing at that level or have over time reached that salary level based on their years of service and the experience and expertise that they bring to the position.*

Commissioner Bishop asked why not make that assumption for those that are below the market. *The response was the only people whose salary would increase would be those that were below 80% of the market and that it's done, not because of performance, but it's a matter of whether or not they're being compensated at a minimal level.*

Commissioner Bishop said in his opinion it's systematically bias against the taxpayer, in favor of the employee. Commissioner Bishop said if it's a market model then everyone should be adjusted to the market and then you have the pay-for-performance component that would differentiate employees.

It was noted by staff that when employees earn a merit increase it's not based off an employee's base pay but rather the market pay for that job.

Commissioner Woodard entered the meeting.

Chairman Roberts asked staff to provide information on the percentage of employees that were above market when the market adjustment was made and how many employees are above 105%.

Commissioner Bishop asked what percentage of employees perform at successful and at exemplary, which was addressed.

Commissioner Bentley asked if staff benchmark with comparable size jurisdictions. *The response was yes.*

Commissioner Bishop said he feels there aren't good productivity measures in County government and that the evaluation of employees is subjective.

County Manager Jones said there are productivity measures in some areas but it's not across the board, which is why the Balance Scorecard is used as the guiding principle for measuring productivity and efficiency.

Commissioner Bishop asked how does the County's total employment cost per capita compare to other jurisdictions, in other words how does the County's employee cost compare to other jurisdictions viewed by staff. *Staff will report back to the Board on this.*

Commissioner Ramirez said he would like to know the number of employees per capita in comparison to the other jurisdictions viewed by staff.

Commissioner Bishop asked about the medical reserves, which was addressed.

(2) BUSINESS IMPERATIVES: RESERVE FUNDS

Director Yi addressed Reserve Funds. The presentation covered the following:

- Purpose of Reserves
- Reserve Strategy
- Reserve History (*Commissioner Bishop left the meeting during this part of the presentation and was absent for the remainder of the meeting.*)
- FY 2009 Reserves
 - Capital
 - Technology
 - Fleet

A copy of the presentation is on file with the Clerk to the Board.

Comments

Commissioner Ramirez asked about the priority ranking of capital reserve requests, critical, high, moderate, and low, which was addressed by Director Yi and Director of Real Estate Services Mark Hahn.

Commissioner Woodard expressed concern with respect to the response time by 311 staff and asked if enhancements were planned, such as additional staff.

Brian Cox, Enterprise Manager, said he was not aware of any long delays but that it should not be occurring. He said if anyone experiences this to let him know.

Commissioner Woodard said she's encountered this and so have others.

Commissioner Ramirez asked about the DA Tracking System, which was addressed by Director of IST Jerry Pinkard.

Chairman Roberts asked if the City of Charlotte used a similar mechanism like the County with respect to having a fleet reserve for maintaining and purchasing vehicles. *Staff will report back on this question.*

Commissioner Ramirez asked about the use of SUV's, which was addressed by General Services Director Leon Miller.

Commissioner Clarke entered the meeting.

There were no further questions or comments.

No action was taken or required at this time.

The above is not inclusive of every comment but is a summary.

Prior to adjourning, County Manager Jones asked the Board to provide him with feedback with respect to a request from the City Manager on behalf of Charlotte City County regarding meeting jointly with Charlotte City Council and the Board of Education on a consistent basis. The purpose of the meetings would be to discuss matters of mutual interest and concern, such as public safety, transportation and the environment.

It was noted these types of meetings were held in the past but eventually stopped, one reason was because of poor attendance.

A copy of the letter from the City Manager is on file with the Clerk to the Board.

It was the consensus of the Board to meet jointly if there's a prescribed agenda, an expected outcome, and if the meetings are facilitated by a third party, for example, by someone from the

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Lee Institute.

ADJOURNMENT

Motion was made by Commissioner Helms, seconded by Commissioner Mitchell, and carried 7-0 with Commissioners Bentley, Clarke, Helms, Mitchell, Ramirez, Roberts, and Woodard voting yes, that there being no further business to come before the Board that the meeting be adjourned at 4:50 p.m.

Janice S. Paige, Clerk

Jennifer Roberts, Chairman